RESETTLEMENT PLAN

LIANBAN WWTP SEWER NETWORK

Supplementary Appendix to the
Report and Recommendation of the President
to the Board of Directors

on the

FUZHOU ENVIRONMENTAL IMPROVEMENT PROJECT

in the

PEOPLE’S REPUBLIC OF CHINA

Fuzhou Water Environment Construction and Development Company

This report was prepared by the Borrower
and is not an ADB document.

September 2004
PREFACE

This Resettlement Plan (RP) has been prepared by Fuzhou Water Environment Construction and Development Company with assistance provided under the Technical Assistance Group of ADB. The RP has been formulated based on the PRC laws, local regulations and the Asian Development Bank (ADB) policies on Involuntary Resettlement. The RP provides effective approaches to the land acquisition and resettlement of Lianban WWTP Sewer Network Project. The RP is based on socio-economic survey and households sample surveys of potentially affected persons (APs) according to the design. After concurrence from ADB, the RP will then be approved by Fuzhou Municipal Government (FMG).

BRIEF INTRODUCTION AND APPROVAL OF THE RP

Through Ministry of Finance, FMG has applied a loan from ADB to finance the project. Accordingly, the project must be implemented in compliance with ADB social safeguard policies. This RP represents a key requirement of ADB and will constitute the basis for land acquisition, compensation and resettlement. The RP complies with PRC laws and local regulations but includes some additional enhancement measures implementation and monitoring arrangements to ensure high quality resettlement results.

FMG hereby approves the contents of this Resettlement Plan and guarantees that funds will be made available as stipulated in the budget. FMG has discussed the draft RP with relevant local officials and has obtained their concurrence. FMG authorizes Fuzhou Water Environment Construction and Development Company as the responsible agency to manage the implementation of the Project and related resettlement activities, and every district government is responsible for implementation of the project and related resettlement activities within the district.

Approved on ___________ (date) by:______ ________(Mayor, FMG)
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**ABBREVIATIONS AND ACRONYMS**

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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAOV</td>
<td>Annual Agricultural Output Value</td>
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<td>ADB</td>
<td>Asian Development Bank</td>
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<td>APs</td>
<td>Affected Persons</td>
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<td>BOT</td>
<td>Built, operation and transfer</td>
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<td>DMS</td>
<td>Detailed Measurement Survey</td>
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<td>FHDEO</td>
<td>Fuzhou House Demolishment Engineering Office</td>
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<td>FWECDC</td>
<td>Fuzhou Water Environment Construction and Development Company</td>
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<td>FMG</td>
<td>Fuzhou Municipal Government</td>
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<td>FSST</td>
<td>Fuzhou Statistical Survey Team</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>IA</td>
<td>Implementation Agency</td>
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<td>IMA</td>
<td>Independent Monitoring Agency</td>
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<td>LA</td>
<td>Land Acquisition</td>
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<td>LAR</td>
<td>Land Acquisition and Resettlement</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<tr>
<td>NGO</td>
<td>Non-Government Organization</td>
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<td>PPTA</td>
<td>Project Preparatory Technical Assistance</td>
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<td>PRC</td>
<td>People’s Republic of China</td>
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<td>RIB</td>
<td>Resettlement Information Booklet</td>
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<td>RP</td>
<td>Resettlement Plan</td>
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<td>RRP</td>
<td>Report and Recommendation of the President</td>
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<td>TOR</td>
<td>Terms of Reference</td>
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<td>WWTP</td>
<td>Wastewater Treatment Plant</td>
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**UNITS**

- **mu** area; 15 mu = 1 ha
- **ha** area; 1 ha = 15 mu
- **m²** square metre
- **RMB** Renminbi
Chapter 1  Introduction

1.1  Background of the Project

Located in eastern part of Fujian Province, Fuzhou City, the provincial capital, is the political, economic, cultural center and transportation hub of the whole province. It is also one of the earliest coastal cities of the country open to the outside world and an important base of light industry and foreign trade. The inner city of Fuzhou includes two parts: north bank of Min River and Nantai Island.

According to the Master Plan for Fuzhou City for the period covering 1995 to 2010, Fuzhou will be built into a modern city to facilitate production and life with a rational layout, improved facilities, coordinated functions, convenient transportation and beautiful and healthy environment, and a multi-functional, open and internationally-oriented metropolitan that integrates trade, industry, science & technology, culture and tourism, and embodies fully the characteristics of a provincial capital, coastal open city and famous historical and cultural city.

The development of the Naitai Island is the important component of the urban development strategy as “Expanding eastward, extending southward and developing further westward” of the Overall Plan of Fuzhou city. According to the Overall Plan and the needs of future development, Nantai Island will become a new district of Fuzhou city and will be established into a new important high-tech industry zone, culture and education district, scientific and research base, important commercial and trade center, tourist and recreational, and high-quality residential district.

It is stipulated in the Temporary Regulations on Promoting Industrialization of Urban Wastewater Treatment of Fujian Province that the industrialization of wastewater treatment should be promoted in the short-term at the principle of “separating the plant with the network”. That is to say, the project of construction of the plant should practice industrialization and bids should be invited in public for the construction and operation of the plant, while the supporting network and pipelines outside of the plant will be invested by the government and the loan comes from ADB.

1.2  Description of the Project

According to the Nantai Island Overall Plan of Fuzhou City, the planned construction area of the Naitai Island is 94 km², with a designed population of 800,000 by the year of 2020, including the five districts of Jinshan, Jianxin, Cangshan, Gaishan and Chengmen.

In line with the adjusted scheme of the Overall Plan of Fuzhou City, two wastewater treatment plants will be established in Jinshan¹ and Lianban in Nantai Island, of which

¹ Jinshan WWTP is not related with the Fuzhou Environmental Improvement Project because it serves a catchment
the Jinshan Wastewater Treatment Plant (WWTP) will have a capacity of 50,000 m²/a, and the surplus sewage will be transferred to Lianban Wastewater Treatment Plant for treatment.

Of the total planned construction area of Naitai Island, 7.1 km² are covered by the wastewater collection pipelines and network of Jinshan WWTP, 83.6 km² by the pipelines and network of Lianban WWTP to be constructed, and 3.3 m² are open space. In the short term, the service area of the two wastewater treatment plants will reach 60 km², including 31.25 km² for Lianban WWTP.

It is estimated that the wastewater of the whole island will reach 311,000 m²/d in the short term (by the year of 2010) and 507,000 m²/d in the long term (by 2020). The treatment capacity within the service area in the short term will be 288,000 m²/d. This treatment capacity will be 201,600 m²/d if the wastewater collection rate is 70%. As a result, the wastewater treatment capacity of the whole island will be designed as 200,000 m²/d in the short term, of which 150,000 m²/d will be treated in Lianban WWTP, with wastewater treatment capacity of 550,000 m²/d in the long term. The wastewater collection pipelines will be completed in accordance with the long-term plan, with the roads and new districts to be constructed at the same time.

The Lianban WWTP Sewer Network Project includes the construction of a total length of 111 km wastewater collection pipelines and 3 pumping stations, which are planned to be in production by the end of 2007 with a total investment of RMB 310,135 million. Of the total investment, US$ 16.067 million or RMB 133.358 million will come from international financing institution, accounting for 43% of the total investment; RMB 83.736 million, accounting for 27% of the total investment will come from a loan of local commercial bank; and RMB 93.041 million from the funds raised by the project owner and local financial department, accounting for 30% of the total investment.

1.3 Benefits of the Project

1.3.1 Environmental Benefits

Environmental benefits of this Project are reflected directly in improving the urban ecological environment, which is the guarantee for the city and its residents to enjoy continuously the natural ecological service. As an important part of urban infrastructure, sewage treatment plant, pipeline and network will have a very important strategic significance on the future development of Fuzhou City, by improving the sewage treatment rate and reducing the sewage discharges into the environment so as to improve the water quality of inland rivers.

As the natural system for the city, ecological infrastructure is the basis for the city and its residents to obtain natural ecological services. These services include fresh air,
food, entertainment and recreation, safety, aesthetics and education, and so on. They do not cover only the urban green land system, but all the urban greening system, forestry, agricultural system and inland rivers and natural preservation districts system which can provide the service mentioned above.

Environmental benefits are the most direct benefits of the project. These benefits will include the following aspects:

(1) Protecting and improving the water quality of the inland rivers

After the project is put into operation, the sewage disposal rate of the city will be increased; the sewage discharged directly into the inland rivers will be substantially reduced; and the water quality will be greatly improved. This project will be integrated with the project of inland rivers dredging and landscape greening along the rivers, such that an ecological system consisting of rivers and green land will be probably established for the enjoyment of the residents.

(2) Establishing a diversified ecosystem

Deterioration of the water quality of inland rivers and destruction of the landscape can exert an adverse impact not only on the water environment and sanitation within the urban district, but also on urban greening, irrigation of vegetable plots, fruits land and nurseries in the suburban area and the growth and quality of crops and plants. In addition, the polluted water in inland rivers discharged into Min River can have an adverse impact on the water environment and wetland ecological system of the Min River. By reducing pollution and sewage discharges and improving the water quality of the inland rivers, the Project will play a significant role in preserving the local ecosystem, establishing a diversified ecological landscape, and maintaining the ecological health and security of the city.

(3) Preserving and restoring the natural conditions of the courses of inland rivers

At present, the water system of inland rivers of Fuzhou is confronted with a number of problems, such as poor sanitation and water-logging, with pollution being the most challenging problem to be resolved. Therefore, the comprehensive improvement of the inland rivers has been listed as one of the key projects of urban construction of Fuzhou. At present, the cleaning of the inland rivers are mainly by drawing water to wash the sludge away and the measures taken in the river course itself, such as strengthening the dikes with mortar, underlining the river bottom with concrete, straightening the river course, and so on. These measures have some disadvantages, though they have brought about some obvious effects. For instance, the clean banks and riverbed have reduced the self-cleaning capacity of the water ways, and the material and energy balance of water-earth-plants-biology recycling system has been destroyed. The riverbed with underlay has reducing the
replenishment of ground water. After the implementation of this project, the water quality of the inland rivers is expected to be improved to keep the natural conditions of the riverbeds. As such, the riverbeds will be undulated and changeable and provide the suitable environment for the growth of various water plants and organisms. The riverbeds with natural conditions will lower the speed of water flows to retain water to reduce flooding. The riverbeds will also better display the natural beauty for local residents to experience.

(4) Preserving the wetland system

A wetland is an ecological system on the surface of the earth consisting of water, soil and water or wetland plants and their interactions. It is not only the most important existing environment for humankind, but also one of the important existing places for various wild animals and plants. Recognized as the “kidney of nature” for its biodiversity, wetlands provide multiple ecological services for the city and the residents as well as great socio-economic value. There are areas of wetland with various sizes on the mouth of the Min River, such as Dao Qing Zhou Wetland (20 hm²) and Ma Hang Zhou Wetland. The completion of the project will help the preservation and restoration of the wetland system on the mouth of the Min River by improving the water quality of inland rivers.

(5) Transforming parks to further beautify the city

Parks serve the purposes of tourism and recreation. In the modern city, parks are a necessary part of the environment of daily production and life for residents. With the expansion eastward and southward and further extending to the suburban area of the Fuzhou City, parks are gradually replaced by open urban grassland, with the South Riverbank Park and North Riverbank Park being the most representative. While nice ecological landscape has formed on both banks of the some well-preserved inland rivers, i.e. the Bai Ma He Park, the implementation of this project will better transform the traditional parks and integrate the suburban landscape with various land on both banks of inland rivers with an aim to make Fuzhou into an authentic modern “Garden City”.

(6) Preserving and utilizing farmland to establish local plants nurseries.

As an integral part of the urban system, suburban farmland plays an important role in ecological construction and function-readjustment of the city by providing high-quality and high-output fresh vegetables, fruits or greening plants and trees. By reducing the discharges of urban sewage and improving the water quality of inland rivers, the project will improve the quality of irrigation water and soil of the suburban farmland and increase the output and quality of crops and plants. In addition, the farmland can be integrated with the urban greening system to bring the local advantage into full play, through the establishment of suburban plant nurseries for the landscaping of the city. As such, the Project will also improve the eco-environment of the city and supply agricultural and sideline products to urban residents.
(7) Changing of the functions of land

After the project is put into operation, the environmental quality, in particular the quality of the water environment, of Fuzhou City and Naitai Island will be greatly improved. The change of urban landscape and further improvement of infrastructure will facilitate the changes of the functions of the land, increase the use and added-value of land, and have great significance for achieving the development strategy of “Expanding eastward, extending southward and developing further westward” of Fuzhou City.

1.3.2 Social Benefits

Nowadays, with the environmental protection becoming one of the basic national policies, various problems resulting from water pollution have not only gradually attracted the concerns and attentions of the whole society, but also exerted an important impact on the stability of the society and sustainable development of national economy. The implementation of this project will have a significant impact on the development strategy of Fuzhou City.

In addition, the implementation of the project will help Fuzhou Environmental Improvement Project a better image, and the improvement of urban environment will allow citizens to better enjoy their lives and socioeconomic activities. All these will play a significant role in promoting the stability and cohesion of the society and push forward the development and progress of social economy of Fuzhou City.

1.3.3 Economic Benefits

With the operation of the Project, a reasonable price will be set for charging the users for urban sewage treatment in line with the principle of “ensuring the recovery of the operating costs of the treatment plant and bringing out rational economic returns” to make the normal operation of the plant sustainable.

The Project will improve the water quality of the inland river, ensure the normal operation of industrial and agricultural production, prevent the Min River from being polluted by sewage discharges and hence from suffering economic losses, lessen the pollution by wastewater of the ground water resource, and greatly improve the living environment of citizens and ecological environment of the city. All these will play an active and effective role in improving investment environment of Fuzhou City to attract foreign investment, expanding tourist resources, developing industrial economy, increasing the output of agriculture and fishery, and upgrading the quality of agricultural and sideline products and industrial production. Therefore, this Project is expected to generate huge indirect economic benefits.
1.4 Preparation & Compiling of the Resettlement Plan (RP)

The preparation of the Resettlement Plan is based on:

(1) Relevant project design reports, particularly the Project Feasibility Study Report;

(2) Field surveys and investigations on the project affected area;

(3) Consultations with the affected persons (APs), and local government at various levels;

(4) Measurement surveys in July 2003 within the affected area by the implementing agency (IA) for land acquisition and resettlement;

(5) Questionnaire survey of the socioeconomic conditions of affected households conducted in July 2003 by the Fuzhou Statistics Bureau;

(6) Focus group discussions between May and August 2003;

(7) Visits to and interviews with individual households/business between May and September 2003;

(8) Community meetings with urban residents in July 2003;

(9) Consultation workshops on environment and resettlement in August and November 2003; and,

(10) Community meetings on the Resettlement Information Booklet (RIB).

It is worth mentioning that this report only covers the components supporting pipelines and network outside the Lianban Wastewater Treatment Plant (WWTP) to be financed by ADB. FWECDC is responsible for the preparing this Resettlement Plan (RP).

The proposed Lianban WWTP will be located in Lianban village of Chengmen Township in Cangshan District. A total of 15 ha of farmland will be acquired from both Lianban and Shishan Villages for the construction of phase 1 Lianban WWTP. A brief due diligence review has been conducted and included in the appendix of the RP. After consultation with relevant agencies, it is agreed that land acquisition and resettlement will follow the same compensation and rehabilitation policies for the Lianban WWTP Sewer Network Component. Even though the plant will be financed by other sources, due to its close linkage with the ADB funded wastewater collection component, a separate resettlement plan will be prepared once detailed design is completed,
Chapter 2 Project Affected Areas and Impacts

2.1 Socioeconomic Situation of Affected Areas

Located at south end of Fuzhou City, Naitai Island has eight bridges linking to the outside and one being under plan to be constructed. It is also the starting point of Fuzhou-Xiamen Highway and Expressway. The south railway station of Fuzhou city to be constructed will be located in this district. The island has very convenient waterway transportation with Min River and Wulong River surrounded by. The development of modern transportation has facilitated the construction of infrastructure in the island, which will promote further economic development of the island.

In recent years, Fuzhou City has accelerated the implementation of the urban development strategy of “Expanding Eastward and Developing Southward” to build an economic structure with high-tech as the leading industry, with an advanced tertiary industry, rational production structure, and high-quality economic network with high economic returns.

With the implementation of the strategy of “Developing Southward”, great achievement has been made in the Jianshan New District of Nantai Island. Covering a total area of 5.5 km², the planned industrial zone of Jinshan Investment District is mainly located at the north of Jinshan Dadao, at the south of Xishan with some areas falling between south Huan Dao Road and old Dam of Jinshan. According to the plan of Fuzhou Municipal Government to attract investment, Jinshan Industrial Investment Zone will be constructed into a municipal-level industrial park with the land use of 5,400 mu. The target is to attract 100 enterprises with total industrial output value at RMB 10 billion.

So far, Phase I of the industrial plants in Jinshan Industrial Zone has been put into operation, and Phase II and Phase III are under construction. The enterprises in the zone mainly include food, biology, electronic information, mechanical and electronic industry, etc. The planned residential district of Jinshan Investment Zone is mainly located at the north of Jinshan Dadao, with a total area of 16.12 km². Construction of Phase I and Phase II of Jinshan Residential District and Marong Residential District with more than 20,000 m² houses have been completed successively. In 2001, the GDP of Fuzhou City totalled at RMB 107.423 billion, 9.4% increase over the previous year. The average GDP per capita of Fuzhou reached RMB 18,034, 8.4% increase over the previous year. The industrial added-value of Nantai District is RMB 7.54 billion.

2.2 Impacts of Land Acquisition and House Demolishment

2.2.1 Principles and Objective of Resettlement
Due to the fact that the pumping stations and the administration center are the designated location by the planning department, and should conform to the plan of the city, there are no other options for geographical choices of the Project. The designing departments are required to provide the optimum design and ensure minimum land acquisition and house demolition at least, and improve the environment integrated with landscape and greening design.

As the sewage-collection pipes are laid in the deep ground, and the stratum where the pipes are laid is basically sludge or sand. If the construction scheme of open-cut is adopted on a large scale, the aggregate cost will surpass that of pipe-jacking scheme. In addition, as the main construction of the project is mainly conducted on the urban roads, the extensive open-cut will result in the serious interference with the urban traffic. Moreover, pipe-jacking will avoid the potential impact on resettlement from pipe construction as pipe-jacking is a method to use machine to push the pipeline forward section by section underground. Therefore, this Project will use as much as possible the pipe-jacking technology to avoid the potential impacts on resettlement and temporary land occupation.

The principles and objectives of the resettlement for this Project are to reduce land acquisition and houses demolition to the best extent possible, and at the same time to protect the legal rights and benefits of the affected people. In particular, the living conditions of the APs will be improved. Cash at replacement value will be used as the main means of compensation for temporary land occupation and house demolition. For those APs who asked for replacement houses, they will be moved into residential houses near the affected area. For those APs whose land will be acquired permanently, adequate compensation and rehabilitation measures will be provided.

2.2.2 Impact Surveys

The impact surveys mainly focus on the number of population, type and area of land, houses, structure and area of houses, auxiliaries, historic relics and mineral resources. In addition, the surveys also cover transportation and communication facilities, urban infrastructure, education facilities, dialects, minorities, and so on.

In July, 2003, an Investigation Group on Losses of Land Acquisition and House Demolition was jointly organized by Fuzhou Municipal Construction Bureau, Government of Cangshan District, Residents’ Committees/Village Committees of the affected areas, proprietor of the Project and the Resettlement Department of Fuzhou City to conduct a series of comprehensive surveys and measurements on the affected people and houses. The main methods of surveys include:

- Population census: Surveys and registrations of APs and proprieties were conducted through home visits.
- Housing surveys: On-the-spot measurements of the areas and floor space of the
affected houses were conducted.

- Other surveys: Surveys on other affected items were conducted through on-the-spot measurements, registration, consultation and observation.

All of the affected structures and persons have been included in the census survey. The results of the surveys have been identified and confirmed by the affected people and Residents’ Committees/Village Committees.

### 2.2.3 **Scope of the Impacts**

The pipelines and network of Lianban WWTP covers Cangshan District, a combination zone of urban and rural area. As a result, the Project will affect both urban and rural residents. Since the sewer pipelines will be constructed along the urban roads, the construction of the sewer pipelines will not involve any permanent land acquisition and houses demolition, except for limited amount of temporary land occupation of public road spaces. The temporary land occupation will not affect any private properties and incur any economic loss and permanent impact. However, for the construction of 3 pumping stations and an administration center located in No. 1 pumping station, certain amount of farmland will be acquired and a number of houses will be demolished to make way for the construction.

At present, the location of the construction site basically has been confirmed. This RP is based on the present design scheme. As the Project is at the stage of feasibility study at present, the routes and location of the sewage-collection pipelines may undergo readjustments later. If there are any changes to the routes and location of the sewers, the impact data will be re-collected, consultation will be done with APs; resettlement information booklet will be re-distributed to the APs; and the RP will be updated and sent to ADB for approval.

According to the existing practice of Fuzhou, a house needing partial demolition will be totally demolished if partial demolition will result in the destroying of the house structure or the loss of the use of the remaining house area. Generally speaking, partial demolition of the house with brick/wood, brick/concrete and wood structure will destroy the structure of the whole house. Therefore, the private houses partially affected by this Project will be completely acquired and demolished.

All three pumping stations, including the administration center, will involve land acquisition of some farmland. Along with land acquisition, only No. 2 Pumping Station will involve limited number of residential houses demolition. No enterprises and shops will be affected. Among 19 relocated households, 12 of them are urban residents and 7 of them are rural residents. Most demolished houses are brick and wood structures with a total of 2,566 square meters. The details of the permanent land acquisition are presented in Table 2-1; temporary land occupation in Table 2-2, and house demolition in Table 2-3, and affected household facilities in Table 2-4.
The temporarily acquired land listed in Table 2-2 includes road, green space and public land. No private property will be involved and no economic loss will occur. The temporarily affected land will be restored when they are returned. And the compensation fee for the temporarily occupied roads will depend on the purpose of the road, affected area and duration and be paid in accordance with the payment standard set by the municipal administrative department to the municipal civil engineering department.
## Table 2-1 Permanent Land Acquisition due to the Construction of Pumping Stations and Administration Center

<table>
<thead>
<tr>
<th>Project Component</th>
<th>Location</th>
<th>Household Registration</th>
<th>Affected Households and Population (no.)</th>
<th>Area of permanently acquired land (mu)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Urban</td>
<td>Rural</td>
<td>Household</td>
</tr>
<tr>
<td>#1 pumping station and administration center</td>
<td>Close to Taiyu River, Jianxin Dadao</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>#2 pumping station</td>
<td>Close to Beihuting, Gaishan Township</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>#3 pumping station</td>
<td>Close to Luocheng River, Fuxia Road</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Total: 0 5 5 27 3.88 1.12 0.77 7.36 2.21 15.34

Note: For No 2 Pumping Station, the total land areas do not include 3.85 mu housing plot spaces. The compensation for housing plots will be included in the house compensations.

## Table 2-2 Temporary Land Occupation due to the Construction of Pipeline

<table>
<thead>
<tr>
<th>No.</th>
<th>Roads</th>
<th>Nature of Road</th>
<th>Construction Techniques</th>
<th>Time Occupation (Day)</th>
<th>Area of Land Occupation (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shangshan Road</td>
<td>Main road</td>
<td>Pipe-jacking</td>
<td>270</td>
<td>300</td>
</tr>
<tr>
<td>2</td>
<td>Sangao Road</td>
<td>Main road</td>
<td>Pipe-jacking</td>
<td>270</td>
<td>1,700</td>
</tr>
<tr>
<td>3</td>
<td>Liuyinan Road</td>
<td>Main road</td>
<td>Pipe-jacking</td>
<td>270</td>
<td>1,466</td>
</tr>
<tr>
<td>4</td>
<td>Fuxia Road</td>
<td>Main road</td>
<td>Pipe-jacking</td>
<td>270</td>
<td>1,100</td>
</tr>
<tr>
<td>5</td>
<td>Connection line</td>
<td>Main road</td>
<td>Pipe-jacking</td>
<td>270</td>
<td>1,700</td>
</tr>
<tr>
<td>6</td>
<td>Fuxia Road</td>
<td>Main road</td>
<td>Pipe-jacking</td>
<td>270</td>
<td>1,200</td>
</tr>
<tr>
<td>7</td>
<td>Fuxia Road</td>
<td>Main road</td>
<td>Open-cut</td>
<td>180</td>
<td>13,595</td>
</tr>
</tbody>
</table>

Total: 21,061
### Table 2-3  House Demolishment Due to Construction of Pumping Station

<table>
<thead>
<tr>
<th>Pumping Station</th>
<th>Location</th>
<th>Household Registration</th>
<th>Affected HH &amp; Popu.</th>
<th>Certificate of House</th>
<th>Ownership of House</th>
<th>Structure (m²)</th>
<th>Auxiliaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>#2 Pumping Station</td>
<td>Gaishan Township</td>
<td>Urban: 12  Rural: 7</td>
<td>HH: 19  Popu: 78</td>
<td>With: 16  Without: 3</td>
<td>Owner: 19  Tenant: 0</td>
<td>Concrete: 0  Brick: 1,214  Wood: 1,294  Simple Structure: 58</td>
<td>Total: 2,566  Fence: 21  Tree: 0  Other: 0</td>
</tr>
</tbody>
</table>

Note: HH = Household; Popu. = Population

### Table 2-4  Number of Affected Household Facilities

<table>
<thead>
<tr>
<th></th>
<th>Electric Meters</th>
<th>Water Meters</th>
<th>Telephones</th>
<th>Cable TV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19</td>
<td>19</td>
<td>17</td>
<td>19</td>
</tr>
</tbody>
</table>
In total, the Project will affect 24 households or 105 persons, including 19 households or 78 persons to be affected by house demolishment, and 5 households or 27 persons by permanent land acquisition (see Table 2-5). Of the total 5 households to be affected by the permanent land acquisition, 4 households or 7 persons need production rehabilitation.

<table>
<thead>
<tr>
<th>Affected People</th>
<th>No. of Affected Households</th>
<th>No. of APs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Displaced</td>
<td>19</td>
<td>78</td>
</tr>
<tr>
<td>Permanent Land Acquisition</td>
<td>5</td>
<td>27</td>
</tr>
<tr>
<td>TOTAL</td>
<td>24</td>
<td>105</td>
</tr>
</tbody>
</table>

### 2.2.4 Impact on Basic Infrastructure and Facilities

The Project will not affect any basic infrastructures and facilities.

### 2.2.5 Impact on Historical Relics and Mineral Resources

The investigation indicates that there are no historic relics and mineral resources in the project-affected area, thus no impacts are expected on cultural heritage and mineral resources.

### 2.2.6 Vulnerable Groups

No vulnerable groups have been identified. However, there are 3 households who do not have legal certificates.

### 2.3 Project Impact Analysis

#### 2.3.1 Impacts on Income and Living Standards

According to the preliminary survey, the 3 pumping stations and the administration center will acquire 15.3 mu of land areas, including 3.9 mu of vegetable land, 1.12 mu of paddy land, 0.77 mu fish pond, 7.4 mu fruit garden, and 2.21 mu non-cultivated land. The land acquisition will affect three villages in Changshan District. They include Lisheng Village in Gaishan Town for No. 1 Pumping Station, Baihuting Village in Gaishan Town for No. 2 Pumping State, and Chengmen Village in Chengmen Town for No. 3 Pumping Station, which will affect the agricultural production and income of some households. The socio-economic situation of the affected villages by permanent land acquisition is presented in Table 2-6.
Table 2-6  Socio-Economic Situation of the Affected Village by Permanent Land Acquisition

<table>
<thead>
<tr>
<th>Socio-Economic Indicators</th>
<th>Affected Village</th>
<th>#1 Pumping Station and Administration Center</th>
<th>#2 Pumping Station</th>
<th>#3 Pumping Station</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lisheng (Gaishan Town)</td>
<td>Baihuting (Gaishan Town)</td>
<td>Chengmen (Chengmen Town)</td>
<td></td>
</tr>
<tr>
<td>Total Population</td>
<td>1510</td>
<td>3680</td>
<td>6700</td>
<td></td>
</tr>
<tr>
<td>Total Rural Population</td>
<td>1193</td>
<td>2630</td>
<td>3360</td>
<td></td>
</tr>
<tr>
<td>Per Capita Farmland (mu)</td>
<td>0.29</td>
<td>0.02</td>
<td>0.23</td>
<td></td>
</tr>
<tr>
<td>Income per capita (RMB/year)</td>
<td>4,500</td>
<td>6,500</td>
<td>7,000</td>
<td></td>
</tr>
<tr>
<td>Gross output value (RMB 10,000)</td>
<td>2,000</td>
<td>15,000</td>
<td>9,000</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>500</td>
<td>8,000</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>200</td>
<td>10</td>
<td>450</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>300</td>
<td>2,000</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Communication &amp; Transportation</td>
<td>500</td>
<td>2,000</td>
<td>1,500</td>
<td></td>
</tr>
<tr>
<td>Commerce</td>
<td>500</td>
<td>3,000</td>
<td>1,050</td>
<td></td>
</tr>
<tr>
<td>Farmland (mu)</td>
<td>342</td>
<td>40</td>
<td>786</td>
<td></td>
</tr>
<tr>
<td>Paddy</td>
<td>0</td>
<td>0</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Vegetable land</td>
<td>190</td>
<td>15</td>
<td>430</td>
<td></td>
</tr>
<tr>
<td>Dryland</td>
<td>113</td>
<td>0</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>39</td>
<td>25</td>
<td>70</td>
<td></td>
</tr>
</tbody>
</table>

From the table, we can see that for three affected villages, the per capita income was quite high, ranging from Y4,500 to Y7,000, and per capita farmland was quite low, ranging from 0.02 to 0.29 mu. Most of income came from industry and other non-farm sectors, with income from agricultural sector being 0 to 10 percent. While industrial and other non-farm sectors accounted more than 90 percent of gross output values in these villages. Based on preliminary survey, about 5 households will be affected by land acquisition, which does not include those 19 households from No. 2 Pumping Station affected by house demolition. Of these five affected households, three of them will be affected by No. 1 Pumping Station, and two of them will be affected by No. 2 and No. 3 Pumping Stations respectively. Table 2-7, Table 2-8 and Table 2-9 provide some details of the socio-economic situation of these five affected households by permanent land acquisition.

Table 2-7  Structure of Affected Families

<table>
<thead>
<tr>
<th>#1 Household</th>
<th>#2 Household</th>
<th>#3 Household</th>
<th>#4 Household</th>
<th>#5 Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population (no.)</td>
<td>5</td>
<td>5</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Labor force (no.)</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Youths (no.)</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Note: No.1-3 households are from No. 1 Pumping Station; No. 4 household is from No. 2 Pumping Station; and No. 5 household is from No. 3 Pumping Station.
Table 2-8 Composition of Household Income Sources

<table>
<thead>
<tr>
<th>Income (RMB 10,000)</th>
<th>#1 Household</th>
<th>#2 Household</th>
<th>#3 Household</th>
<th>#4 Household</th>
<th>#5 Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1 (33%)</td>
<td>1.5 (50%)</td>
<td>2 (67%)</td>
<td>0.6 (10%)</td>
<td>0.5 (17%)</td>
</tr>
<tr>
<td>Commercial</td>
<td>1.5 (50%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>5.4 (90%)</td>
</tr>
<tr>
<td>Industrial</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>2.5 (83%)</td>
</tr>
<tr>
<td>Salary</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>1 (33%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Others</td>
<td>0.5 (17%)</td>
<td>0.5 (17%)</td>
<td>0.6 (17%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
</tr>
</tbody>
</table>

Table 2-9 Land Holding of the Affected Household

<table>
<thead>
<tr>
<th>Land (mu)</th>
<th>#1 Household</th>
<th>#2 Household</th>
<th>#3 Household</th>
<th>#4 Household</th>
<th>#5 Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetable land</td>
<td>3.5</td>
<td>3.5</td>
<td>4.5</td>
<td>5.6</td>
<td>1.2</td>
</tr>
<tr>
<td>Dryland</td>
<td>1.3</td>
<td>1.3</td>
<td>2.1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Orchard land</td>
<td>1.0</td>
<td>0</td>
<td>1.0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>1.5</td>
<td>0</td>
<td>0</td>
<td>0.8</td>
</tr>
<tr>
<td>Total</td>
<td>5.8</td>
<td>6.0</td>
<td>7.6</td>
<td>5.6</td>
<td>2.0</td>
</tr>
</tbody>
</table>

2.3.2 Impacts on Vulnerable Groups

In the affected area, no minority and no other vulnerable groups have been identified. However, there are three households that do not have legal house certificates. The vulnerable groups will be determined further in the resettlement implementation process according to the comparative analysis of their situation and the information of the local civil affairs bureau, such as the family structure, labour employment, family financial resources, and so on. Once the affected households are determined as belonging to the vulnerable group, the project resettlement implementation office will provide them with special assistance and support, such as resettlement assistance fund at RMB 2,000. In addition, the government economy houses will be provided to them if needed, and the loan will be provided by the municipal housing sponsor agency for house purchase. For the three households without legal certificates of houses, they will be treated as the same with the legal owners in terms of compensation and resettlement assistance.
Chapter 3 Resettlement Policies and Regulations

3.1 Legal Background

The land acquisition and resettlement of this Project is governed by the following laws and regulations:

- *Urban Housing Removal Administrative Regulations* issued on June 13th, 2001
- *Fujian Provincial Urban Housing Resettlement Management Regulations* put into operation on December 1st, 2002.

3.1.1 Land Administration Laws

It is regulated in Article Two of the *Land Administration Law of the People’s Republic of China* that “the People’s Republic of China adopts the socialist public ownership of the land, including ownership by the people and collective ownership by the masses. The State can make a requisition of the collectively-owned land for the need of public interest according to the law. The State adopts the compensable usage regulation of the state-owned land, not including the allotment of the right of use of the state-owned land within the scope regulated by the law.”

It is regulated in Article 8 that “land in urban areas belongs to the State; except for the land owned by the State according to the law, land in rural areas and outskirts of cities is collectively owned by the farmers; homestead, private plots and private hilly land are collectively owned by the farmers.”

It is regulated in Article 9 that: “the land owned by the state or collectively owned by farmers can be used by government units or individuals according to the law.”

Article 47 states that land acquired shall be compensated for on the basis of its original purpose of use.
Compensation for acquired cultivated land shall include compensation for land, resettlement subsidies and attachments and young crops on the acquired land. Compensation for acquisition of cultivated land shall be six to ten times the AAOV of the acquired land for three years preceding such acquisition. Resettlement subsidies for acquisition of cultivated land shall be calculated according to the agricultural population to be resettled. The agricultural population to be resettled shall be calculated by dividing the amount of acquired cultivated land by the average amount of the original cultivated land per person of the unit the land of which is acquired. The standard resettlement subsidies to be divided among members of the agricultural population needing resettlement shall be four to six times the AAOV of the acquired cultivated land for three years preceding such acquisition. However, the highest resettlement subsidies for each hectare of the acquired cultivated land shall not exceed fifteen times its AAOV for the three years preceding such acquisition.

Standards 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 standards of compensation and resettlement subsidies for acquisition of cultivated land.

Standards for compensation for attachments and young crops on the acquired land shall be prescribed by provinces, autonomous regions and municipalities directly under the Central Government.

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 of this Article are still insufficient to help the farmers 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 AAOV of the acquired land for the three years preceding such acquisition.

It is regulated in Article 57 that: “The temporary use of state-owned land or land collectively owned by farmers during project construction and prospecting should be approved by the land management administration of the people's government higher than the county level. The temporary acquisition of land within the municipal planned area should be approved by related municipal planning administration before being submitted for approval. Users of the land should sign a temporary land acquisition contract with related land administration, collectively-owned economic entities in rural areas and village committee based on the property right of the land, and pay the compensation for temporary acquisition of land according to the contract. Users of temporary land
acquisition should use the land by the functions agreed in the contract and should not construct permanent structures. Normally temporary land acquisition period is no longer than two years.”

3.1.2 Urban Housing Compensation Policy and Resettlement Standard

Fujian Regulation

It is regulated in Article 4 of the *Fujian Provincial Urban Housing Resettlement Management Regulations* issued on September 27th, 2002 that: “The compensation of demolition can take the forms of monetary compensation or exchange of the property rights of the houses, in which monetary compensation is encouraged.”

It is regulated in Article 17 that: “For monetary compensation of the demolition of houses, the compensation amount can be decided through negotiation of both sides concerned. In case the negotiation fails, the demolition agency should entrust the real estate price appraisal agency and negotiate the monetary compensation rates based on the appraised price.

For the exchange of the property rights during the demolition of houses, the demolition agency and the affected people should calculate the compensation rates for the demolished house and the price of the exchanged house, and settle the price difference caused by exchange of the property rights accordingly.”

Article 25: “For demolition of the houses that have no property rights certificate, the whereabouts of the owners of the title is unknown, or the property rights of which cannot be defined temporarily, the demolition agency should work out the compensation and resettlement plan and implement the demolition upon approval of the house demolition management department. Before the demolition, the demolition agency should conduct the evidence preservation concerning the demolished houses in the notary office.”

Article 26: “The demolition agency should pay the affected people or tenants of the houses the relocation subsidy. For the exchange of property rights of the houses, the demolition agency should pay double the relocation subsidy.”

Article 29: “For the prolonged transitional period due to the demolition agency’s responsibility, the demolition agency should pay double the temporary resettlement subsidy to the affected people or tenants of the houses that have arranged residence by their own since the first prolonged month; and pay the temporary resettlement subsidy to the users of the transitional residence. Other engagements of the interested parties concerning the transitional period and temporary resettlement subsidy should be followed.”

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2 By taking into consideration of temporary housing situation, double relocation subsidy should be compensated.
3 Temporary housing will be avoided as much as possible by the IA for the Project.
Article 30: “For the termination of production or business caused by demolition of non-residential houses, besides the compensation for the operators with consideration of the termination period of production or business, the staff number registered in the social security agency by the operators, and the average staff’s salary of the previous year published by the local government where the demolished houses are located, the demolition agency should also pay lump-sum economic compensation based on the termination period of production or business and the average monthly after-tax profit of the operators in the previous year.”

**Fuzhou Regulation**

It is regulated in Article 4 of the *Fuzhou Municipal Urban Housing Resettlement Management Regulations* issued on August 9th, 2000 that: “The demolition of urban houses should be in accordance with the municipal planning and be beneficial for the rehabilitation of the old districts of the city.”

Article 6: “The demolition of houses takes the forms of monetary resettlement or lump-sum house resettlement, in which the monetary resettlement is encouraged. The forms of resettlement of the houses are chosen by the affected people after negotiation by both sides with consideration of the affected people’s will and the funds and housing conditions of the demolition agency.”

Article 20: “The calculation formula of the monetary resettlement rates is: monetary resettlement rates = basic price of the average private houses in different sections of the demolished plot x floorage of the demolished house - the price difference paid by the affected people.4

The basic price of the ordinary commercial houses in different sections of the demolished plot is appraised by the municipal people’s government and published at the end of the first quarter every year.”

Article 27: “For demolition of residential houses, resettlement should be based on the original floorage and be conducted according to the following regulations:

- Count the households based on the property right certificates and legal leasing evidence of the demolished houses.
- The floor space of the standard house types are 45, 60, 75, 90, 105 m². The floorage which is more than 105 m² can be resettled according to different house types.
- The standard resettled house types should be in accordance with the national

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4 The calculation formula could also be interpreted as: monetary resettlement rates = land price + replacement value (including materials, equipments and labour costs) of different structures; or monetary resettlement rates = basic price of the average private houses in different sections of the demolished plot (including current value of land in the specific section and location, plus material, equipment and labour cost) – original house value of APs + replacement value of different structure.
construction standard.

- After increasing resettled area within the range appraised by the municipal people’s government with reference to different levels of the demolished sections, the lump-sum resettlement should be carried out in the standard types of houses nearby.
- After settlement of the standard house type, if the actual increased floorage of the affected people is less than 7 m$^2$, the resettlement can be carried out in the house type one level higher.”

Article 28: “For the demolition of leased residential house, if the property owner demands an exchange of the property rights, the original leasing relations should be maintained, not including the case which is not maintained according to the contract though. If the property owner doesn’t demand for the exchange of the property rights or monetary resettlement, the demolition agency should resettle the tenant$^5$ and compensate the property right owner.”

Article 29: For demolition of houses for commercial use, the resettlement should be carried out according to the following regulations:

- For demolition of houses of commercial or service industries, normally lump-sum payment compensation amount is negotiated and the new-building area, if increased, should be within the regulated range. However, if the demolition agency is to construct houses for commercial use, and the functions, layout and structure, and the contents and level of the business all suit the affected people, the demolition agency should resettle the affected people on the spot.
- For the resettlement of houses for commercial use, the resettled people should follow the construction layout and business property of the resettled house.
- For the resettlement in open house for commercial use, if the floorage of the house for commercial use to be resettled is less than 20 m$^2$, monetary resettlement should be chosen, not including the case in which the resettled people would accept the compensation of the area by the commercial house price though.
- Those who have changed the houses for non-commercial use to commercial use without approval of the municipal urban planning management bureau and identification of the municipal real estate management bureau cannot be resettled in houses for commercial use.”$^6$

For demolition of non-residential and non-commercial house, the demolition agency should carry out the resettlement based on the function of the original house and the floor space of the resettled area.

Article 34: The resettled houses are appraised according to the following regulations:

Item One: For the exchange of property rights, the same floorage and the floorage that

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$^5$ New housing arrangements will be provided for the tenants by the Fuzhou House Demolishment Engineering Office.

$^6$ No such households have been identified in the affected area.
needs to be increased in lump-sum resettlement are appraised based on the construction and installation cost of the resettled house; floorage increased by resettlement in the standard type of house nearby is calculated based on 80% of the cost price; floorage increased by the resettlement in the house type one level higher is calculated based on the cost price; floorage increased by distribution of house types and other reasons is calculated based on the commercial house price.

Item Two: Under the condition the property right belongs to the same person, the person does not require exchange of property rights and monetary resettlement but requires to rent the resettled houses or the tenants of public houses will continue renting the resettled houses, distribution cost is not charged for the same floorage and the floorage to be increased in lump-sum resettlement; distribution cost is charged for other floorage as 25% of the construction and installation cost of the resettled houses. For owners of private houses and tenants of private houses that do not carry out exchange of property rights, distribution cost is charged for the same floorage and the floorage to be increased in lump-sum resettlement as 15% of the construction and installation cost of the resettled houses and 25% for other floorage.

Item Three: For non-residential houses compensated by exchange of property rights, the part of the compensated floorage that is the same as the floorage to be resettled is compensated by the price difference due to different structures based on the revised price; the part of the compensated floorage that is larger than the floorage to be resettled is compensated based on the prices of commercial houses.

*Regulations on Implementation of “the Fuzhou Municipal Housing Resettlement Management regulations”* issued by Fuzhou Municipal People’s Government on June 30th, 2000:

Article Seven: After identification of the resettled scope, the administrative unit of the demolition is to inform related parties of suspending transaction of procedures such as commercial and industrial registration, examination and approval of construction of houses, real estate transaction, changes of property right, residence immigration and household separation, etc., and inform the management unit of the property rights of houses of the examination of property rights of houses within the resettled scope. The management unit of the property rights of houses should provide the examination certification of the property rights of related house within the period limited by the administrative unit of the demolition. The suspension of transactions of related procedures should be carried out within six months since the notification of the administrative unit of the demolition. The suspension is automatically terminated after six months if there is no special notice. The procedures transacted during the suspension period are not regarded as basis of compensation for the resettlement.

Article Thirteen: For the resettlement of the affected people, households should be counted based on the property rights certificates or legal leasing or borrowing certificates...
of the demolished houses.

Article Fifteen: Demolition of houses can be compensated by cash. The compensation rates can be appraised based on different plots and sections, and structures and ages of the demolished houses.

Article Seventeen: The resettled houses mentioned in Item One of Article Seventeen of the Regulations means that every set of the resettled house should have separate bedrooms, living room, kitchen, toilet and balcony (the area for use: the kitchen is not smaller than 4.5 m², the toilet is not smaller than 2 m², the living room is not smaller than 8 m², and the balcony is not smaller than 3 m²). Storage houses and public parking lots are not included in the area for property rights exchange.

Article Nineteen: For resettlement within the same area, the part of the floorage of the resettled house which is the same as the floorage of the original house is appraised based on the construction and installation costs of the resettled house.

Article Twenty-Four: For demolition of rented or lent private houses or houses taken care by units, if the property right owners require for exchange of property rights (or not), the exchange of property rights should be (or not be) carried out based on the total original rented or lent floorage (including distribution of public floorage on certain scale).

Article Twenty-Seven: The rented and lent houses regulated by Item Two of Article Nineteen of the Regulations refer to houses for private commercial and industrial operation rented or lent by private houses or houses taken care by units.

Those who change houses for non-commercial use to commercial use without approval of the planning agency and identification of the housing management department, and have the property rights and valid commercial and industrial operation licenses, should be treated differently based on the following situation during the resettlement.

- Those who changed the first non-commercial room on the first floor next to the street for commercial use without approval of the planning agency and identification of the housing management department and held valid commercial and industrial operation licenses before the Municipal Planning Regulations of the State Council took effect on January 5th, 1984, can be resettled and compensated as houses for commercial use. For those who are resettled on the same spot or nearby, the resettled price is calculated by RMB 2,000/m² and RMB 1,200/m² for resettlement in other areas. Other area of the houses are resettled and compensated as residential houses.

- Those who changed the first non-commercial room on the first floor next to the street for commercial use without approval of the planning agency and identification of the housing management department and held valid commercial and industrial operation licenses before the Methods of Implementation of the Municipal Planning
Regulations of Fujian Province took effect during January 5th, 1984 to July 13th, 1991, can be resettled as houses for commercial use. The resettled prices are calculated as 80% of the commercial prices of houses for commercial use in different plots and sections. Other area of the houses are resettled and compensated as residential houses.

- Those who changed non-commercial houses for commercial use without approval of the planning agency and identification of the housing management department after termination of the Methods of Implementation of the Municipal Planning Regulations of Fujian Province since July 13th, 1991, no matter they held valid commercial and industrial operation licenses or not, are all resettled and compensated as residential houses. However, they can preferentially purchase houses for commercial use by the commercial price of houses for commercial use according to the resettlement regulations.

Article Thirty-One: The affected people that used illegal structures will not be compensated and not resettled in principle. However, those who had residential difficulty and used the illegal structures as bedrooms should be properly resettled.

Article Thirty-Four: For the termination of production or business caused by demolition of houses, during the termination period of production or business, the demolition agency should provide subsidy based on the average monthly standard of the basic salaries and price subsidies of the registered staff of the resettled unit (including registered staff) six months before the resettlement notice is published. The administrative unit should deduct the production target or change or terminate contracts. The reduction of profits during the termination period of production and business should be compensated.

Under the situation that the registered staff can not be identified, the compensation is made according to the following standards with approval of the administrative unit of the resettlement.

For the termination of production or business of state-owned or collectively-owned units, staff are calculated based on the standard of one person per 20 m² floorage of houses for commercial use and every person is paid a subsidy of 300 RMB/month for termination of production or business. For individuals registered in the commercial and industrial unit, the staff is calculated based on the standard of one person per 10 m² floorage of houses for commercial use and every person is paid a subsidy of RMB 300/month for termination of production or business.

Article Thirty-Five: The relocation subsidy standard is RMB 300 for per household that has less then 4 people and RMB 400 for per household that has more than 5 people. For households that are relocated for the second time, the relocation subsidy should be doubled. If the floorage of the house for commercial use is less than 50 m², a lump-sum subsidy of RMB 400 is provided; if the floorage is more than 50 m², a lump-sum subsidy
of RMB 800 is provided.

### 3.2 Policies of ADB

The Asian Development Bank set out its official requirements in the Involuntary Resettlement Policy adopted in 1995. The Bank policy on involuntary resettlement is aimed to: (i) avoid involuntary resettlement wherever feasible; and (ii) minimize resettlement where population displacement is unavoidable, and ensure that displaced people receive assistance, preferably under the project, so that they would be at least as well-off as they would have been in the absence of the project. Appropriate land, housing, infrastructure, and other compensation, comparable to the without project situation, should be provided to the adversely affected population, including indigenous groups, ethnic minorities, and pastoralists who may have usufruct or customary rights to the land or other resources taken for the project.

In the Bank policy, three important elements of involuntary resettlement are recognized: (i) compensation for lost assets and loss of 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. Resettlers should be provided sufficient resources and opportunities to re-establish their homes and livelihoods as soon as possible. The affected people should be fully informed and closely consulted on resettlement and compensation options. Where adversely affected people are particularly vulnerable, resettlement and compensation decisions should be preceded by a social preparation phase to build up the capacity of the vulnerable people to deal with the issues.

It is further stipulated in the Bank policy that any involuntary resettlement should, as far as possible, be conceived and executed as a part of a development project or program. It should form an integral part of project design and should be dealt with from the earliest stages of the project cycle. Resettlement plans should be prepared with appropriate time-bound actions and budgets. The full costs of resettlement and compensation, including the costs of social preparation and livelihood programs as well as incremental benefits over the “without project” situation, should be included in the presentation of project costs and benefits.

The Bank policy calls for the preparation of a detailed resettlement plan with time-bound actions specified and a budget. Resettlement plans should be built around a development strategy; and compensation, resettlement and rehabilitation packages should be designed to generally improve or at least restore the social and economic base of those to be relocated. Monetary compensation for land alone may not be adequate. If suitable land is unavailable, other strategies built around opportunities for wage employment or self-employment may be used.

According to the Bank policy, the contents and level of detail of a resettlement plan,
which may vary with circumstances, especially the magnitude of resettlement, should normally include a statement of objectives, policies and strategy, and should cover the following essential elements: (i) organizational responsibilities; (ii) community participation and integration with host population; (iii) socioeconomic survey; (iv) legal framework, including mechanisms for resolution of conflicts and appeals procedures; (v) identification of alternative sites and selection; (vi) valuation of and compensation for lost assets; (vii) land ownership, tenure, acquisition and transfer; (viii) access to training, employment and credit; (ix) shelter, infrastructure and social services; (x) environmental protection and management; and (xi) implementation schedule, monitoring and evaluation.

The Bank policy also requires that cost estimates should be prepared for these activities; they should be budgeted; and implementation of the activities should be scheduled with time-bound actions in coordination with the civil works for the main investment project. The resettlement plan should have an executive summary. A summary resettlement plan should be included in the draft Report and Recommendation of the President (RRP) for Management Review Meeting, and in the final RRP for Board circulation.

3.3 Gaps between Chinese Laws and ADB Policies

3.3.1 Resettlement Compensation

The related laws can meet the need of compensation for resettlement but the degree of transparency during the implementation of these laws is not high enough. On the other hand, due to various reasons such as the resettlement funds, etc., the compensation standards regulated by related laws and regulations may be lowered during the implementation. In order to avoid the case in which the affected people’s life quality is worsened, enough resettlement cost in the compensation rates is an important security measure. Therefore, it is important that the administrative agencies meet the requirements of ADB. Sufficient public participation throughout the resettlement process and strengthening the public awareness campaign will be implemented, in particular in the areas of resettlement policies, compensation standards, entitlement and grievance. On the other hand, the internal and external monitoring should be strengthened.

3.3.2 Lack of Rights

According to the Chinese laws and regulations, the affected people who have no local registration (“floating population”) will not have the same rights as provided for local inhabitants (such as provision of new residential land, land exchange, water supply, education, health care and unemployment insurance concerning social service, etc.).

The existing Chinese Laws do not compensate for the acquisition of houses and land from the illegal occupations. However, according to the ADB regulations, all demolished structures, no matter they are legal or illegal, are all compensated on the same basis. For
this project, all legal and illegal affected persons, irrespective of title and tenure rights, will be protected, including “floating population”\(^7\). Compensation will be made on the same basis according to the ADB requirements.

3.3.3 Vulnerable Groups

For some people whose social status is fairly low, the compensation may not improve the living conditions of these households but even worsen their poverty. The compensation standard for those people will be raised. Moreover, special attentions and measures should be taken to help them restore the living standard and social and economic conditions. The measures include a total of RMB 2,000/household to be provided as additional financial assistance besides the provided resettlement compensation. In addition, the government economy rental houses will be provided if needed, as well as the provision of the loan for house purchase from the municipal housing sponsor agency.

3.3.4 Temporary Housing

The common practice is to move to temporary housing. In cases where there are discrepancies between Chinese law and ADB policies, the ADB policy provisions will be adopted. Meanwhile, the following additional measures will be used. Moreover, for any illegal structure, ADB policy is to minimize transition and ensure people move to a legal structure. In order to avoid the use of temporary housing, advance notice of three months will be put in place; and payment will not be made until new house is registered or bonus payment made to APs for moving by deadline.

3.4 Principles of Resettlement

According to laws, regulations of the Chinese Government and policies of ADB, the compensation and entitlement principles of the project are as follows:

- Provide fair compensation and entitlement for the affected people, so as at least improve their living standards before the resettlement or at least to maintain them.
- Minimize temporary land acquisition and affected period.
- All legal and illegal affected people should be taken into consideration.
- The APs should have sufficient land to maintain their living standards after land acquisition.
- If the average land holding of APs per capita is not sufficient to maintain their living standards, other income generation opportunities should be provided to them.
- Inform all affected people of related qualifying conditions, compensation rates and standards, means of living and income restoration plans and the engineering schedule.
- Before the affected people are satisfied, the land acquisition compensation and

\(^7\) No floating population has been identified in the Project affected area so far. However, if there is any floating population identified during the implementation stage, the principle will follow.
resettlement should not be carried out.

All APs losing land temporarily, houses or sources of income will be compensated or rehabilitated in accordance with the type and amount of their losses and whether they are identified as affected temporarily during construction, or included in the final Detailed Measurement Survey (DMS) to be completed within the deadline specified by the government. APs cultivating land, constructing buildings or settling in project affected areas after the deadline will not be eligible to compensation or subsidies.

3.5 Compensation Rates

The compensation rates of land acquisition and resettlement for the project is based on the scope regulated by related laws and regulations and fixed after negotiation with the affected people and related units.

On July 10th, 2003, the Project Preparatory Office of Lianban WWTP convened a meeting with leaders of the project area and representatives of the affected households, and negotiated with them and established the compensation standards of resettlement. The summary of the meeting is included in Annex II.

3.5.1 Permanent Land Acquisition

For the acquisition of collective-owned land, the compensation rates are calculated based on the price level in 2002. The compensation standards are as follows:

(1) Paddy Field, Vegetable Land, Dryland and Fish Pond

According to the statistics of the Fuzhou City Yearbook, by the end of 2001, the average farmland holding per capita in suburban districts of Fuzhou is 0.337 mu. In other words, the loss of each mu of farmland will cause land loss for 2.91 rural populations. The production and output value of various crops are presented in Table 3-1:
Table 3-1 Production and Output Value of Various Crops

<table>
<thead>
<tr>
<th>Crops</th>
<th>Grain</th>
<th>Soybean</th>
<th>Straw of Grain Crops</th>
<th>Vegetables and Melons</th>
<th>Freshwater Aquiculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average production per mu of the last three years (kg)</td>
<td>1,300.61</td>
<td>148.19</td>
<td>1,448.80</td>
<td>1,745.45</td>
<td>994.38</td>
</tr>
<tr>
<td>Average price of grain (Y/kg)</td>
<td>1.74</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average price of soybean (Y/kg)</td>
<td></td>
<td>2.46</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price for straw of grain crops (Y/kg)</td>
<td></td>
<td></td>
<td>0.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average price of vegetables and melons (Y/kg)</td>
<td></td>
<td></td>
<td></td>
<td>1.01</td>
<td></td>
</tr>
<tr>
<td>Average price of freshwater aquiculture (Y/kg)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6.55</td>
</tr>
<tr>
<td>Output value (Y/mu)</td>
<td>2,263.39</td>
<td>364.54</td>
<td>289.76</td>
<td>1,767.66</td>
<td>6,509.44</td>
</tr>
</tbody>
</table>

A. Compensation for Land

Paddy field: compensated at 10 times of the average agricultural output value (AAOV) of last three years, the unit price of compensation is Y29,177.

Dryland: compensated at 8 times of the AAOV of last three years, the unit price of compensation is Y23,341.

Vegetable land: compensated at 10 times of the AAOV of last three years, the unit price of compensation is Y17,677.

Fish pond: compensated at 10 times of the AAOV of last three years, the unit price of compensation is Y65,094.

B. Resettlement Subsidy

The resettlement subsidy for paddy field, dryland and vegetable land are calculated based on 5 times of AAOV of the last three years for each affected person, which equal to 5 x AAOV x 2.91 persons per mu. Fish pond is calculated based on the 4 times of AAOV of last four years. Following Fuzhou City regulation, the unit price of resettlement subsidy for various types of land is provided in Table 3-2.
Table 3-2  Price of Resettlement Subsidy for Various Types of Land

<table>
<thead>
<tr>
<th>Type of Land</th>
<th>Unit Price of Resettlement Subsidy (Y/mu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy Field</td>
<td>43,289</td>
</tr>
<tr>
<td>Dryland</td>
<td>43,289</td>
</tr>
<tr>
<td>Vegetable Land</td>
<td>26,226</td>
</tr>
<tr>
<td>Fish Pond</td>
<td>25,717</td>
</tr>
</tbody>
</table>

C. Compensation for Loss of Standing Crops

Crops are calculated as the AAOV of the last three years x 1.

The unit price of compensation for standing crops on various types of land is presented in Table 3-3.

Table 3-3  Compensation Rates for Standing Crops on Various Type of Land

<table>
<thead>
<tr>
<th>Type of Land</th>
<th>Unit Price of Compensation for Standing Crops (Y/mu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy Field</td>
<td>2,918</td>
</tr>
<tr>
<td>Dryland</td>
<td>2,918</td>
</tr>
<tr>
<td>Vegetable Land</td>
<td>1,768</td>
</tr>
<tr>
<td>Fish Pond</td>
<td>1,900</td>
</tr>
</tbody>
</table>

Table 3-4  Compensation Rates for Permanent Land Acquisition (Y/mu)

<table>
<thead>
<tr>
<th>Type of Land</th>
<th>Land Compensation</th>
<th>Resettlement Subsidy</th>
<th>Compensation for Loss of Standing Crops</th>
<th>Unit Price for Permanent Land Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy Field</td>
<td>29,177</td>
<td>43,289</td>
<td>2,918</td>
<td>75,384</td>
</tr>
<tr>
<td>Dryland</td>
<td>23,341</td>
<td>43,289</td>
<td>2,918</td>
<td>69,548</td>
</tr>
<tr>
<td>Vegetable Land</td>
<td>17,677</td>
<td>26,226</td>
<td>1,768</td>
<td>45,671</td>
</tr>
<tr>
<td>Fish Pond</td>
<td>65,094</td>
<td>25,717</td>
<td>1,900</td>
<td>92,711</td>
</tr>
</tbody>
</table>

(2) Orchard Land and Other Economic Trees Land

A. Compensation for Land

Following Fuzhou regulation, based on 80 percent of land compensation for dryland, the land compensation for orchard is Y18,673.

B. Resettlement Subsidy

For orchard land, resettlement subsidy is calculated as the 5 times of AAOV. The AAOV of orchard land per mu of last 4 years was Y2,230.28. The resettlement subsidy of orchard land is Y11,151/mu.

C. Compensation for Loss of Standing Crops
For affected fruit trees, following the relevant regulations, the compensation is calculated as 5 times of the AAOV, which is Y11,944 per mu.

D. Unit Price for Orchard Land and Economic Land (=A+B+C).

Table 3-5  Unit Price of Compensation for Orchard Land and Economic Land

<table>
<thead>
<tr>
<th>Type of Land</th>
<th>Cost</th>
<th>Land Compensation</th>
<th>Resettlement Subsidy</th>
<th>Compensation for Loss of Standing Crops</th>
<th>Unit Price for Permanent Land Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orchard Land and Economic Land (Y/mu)</td>
<td>18,673</td>
<td>11,151</td>
<td>11,944</td>
<td></td>
<td>41,768</td>
</tr>
</tbody>
</table>

(3) Pond and Unused Land

Compensation for pond and un-used land is calculated at 20 percent of the compensation rate of dryland. According to relevant regulations, no resettlement subsidy will be provided for non-cultivated land (see Table 3-6).

Table 3-6  Unit Price of Compensation for Pond and Un-Used Land

<table>
<thead>
<tr>
<th>Type of Land</th>
<th>Cost</th>
<th>Land Compensation</th>
<th>Resettlement Subsidy</th>
<th>Unit Price for Permanent Land Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pond and Un-Used Land (RMB/mu)</td>
<td>4,668</td>
<td></td>
<td></td>
<td>4,668</td>
</tr>
</tbody>
</table>

3.5.2 Temporary Land Occupation

The project will involve a certain amount of temporary land occupation. Due to location of sewer pipelines being under public road spaces, no agricultural land will be affected. For affected public road spaces, compensation for disturbance/easement as well as restoration will be provided to municipal civil engineering department, and the cost is covered in the project engineering budget.

Land cannot be occupied for more than 2 years. The duration of occupation will be minimized in order to reduce impacts. The pipe-jacking method will be used to minimize the impact of temporary land occupation.

3.5.3 Houses, Structures and Household Facilities

In Fuzhou, according to Fuzhou City Urban Building Demolition Administration Method, the compensation for demolished houses will be based on replacement. There are two options for house compensation. One is cash option, and the other is in kind option.
The cash compensation is to provide cash to affected households based on house compensation rate and affected house floor space. Based on commodity housing price in different urban locations, a set of basic compensation rates is provided, which will be the basis for house compensation. Such compensation rates will be appraised and provided each year by Fuzhou Municipal Government. Based on location of affected areas, and current commodity housing price in these locations, the housing compensation rate for this project is tentatively set at ¥1,560 per square meter.

If the affected households are not satisfied with compensation rate, they could also choose a qualified real estate appraisal agency to appraise their affected structures. The cost of house appraisal will be provided by the project owner. Following the approved procedure and regulations, the result of appraisal will be disclosed to the affected households, which will be used as the basic for house compensation.

The second option is to provide replacement housing by the project owner to the affected households. Following the Fuzhou City Urban Building Demolition Administration Method, the replacement housing option will be based on the same amount of affected floor space in the similar locations. The standard replacement housing units include 45, 60, 75, 90 and 105 square meters. For those households with more than 105 square meters, two separate apartments should be provided. The affected household will be entitled to the same amount of replacement housing with no additional charges. If the difference of demolished spaces and proposed unit is within 10 square meters, the affected people need only to pay basic cost of such additional space, which is set at ¥700 per square meter. In order to meet different needs of affected people, the project owner will provide several different housing estates in the same areas for selection.

In addition to basic house compensation, the affected people will be provided compensation for various affected facilities, which include ¥450 for each electricity meter, ¥70 for each water meter, ¥100 for each telephone line, and ¥160 for each cable TV. In terms of decoration compensation, it will be assessed during resettlement implementation, and adjusted in the final compensation rate, which will be set at no more than 15 percent of basic housing compensation rate.

During the relocation, various transfer allowances will be provided for each affected household. They include (1) moving allowance, (2) medical subsidy, (3) transfer assistance, and (4) compensation for lost working time. Based on Fuzhou city regulations, it is decided that moving allowance will be set at ¥300 per household for those with less than 4 persons; and ¥400 per household for those with more than 5 persons. For medical subsidy, it is agreed that it will be based on ¥100 per person per month for 6 months. For transfer assistance, it will be set at ¥200 per household; and lost time compensation will be set at ¥300 per household.

The above compensation standards have been established after consultation and comprehensive consideration of location, functions and structures of the demolished
houses. They will be submitted to the resettlement administration department according to the progress of the project, and published and implemented upon approval.

3.5.4 Entitlement Matrix

Included in Table 3-7 is the Entitlement Matrix which was developed on the basis of the above principles and standards of compensation.
### Table 3-7 Entitlement Matrix of APs

<table>
<thead>
<tr>
<th>Type of Losses</th>
<th>Level of Impact</th>
<th>Entitled Persons</th>
<th>Compensation Policy and Standards</th>
<th>Implementation Issues</th>
</tr>
</thead>
</table>
| Permanent land loss (No illegal APs) (5 households or 27 persons) | Permanent loss of agricultural land, non-agricultural land and green crops. 15.34 mu (1.02 ha) of land in total for the Project | The affected village (groups) will be entitled to land compensation fund. The affected 5 households and 27 persons will receive cash compensation for loss of standing crops. If no farmland could be re-allocated by affected village groups, the affected persons will receive cash compensation of resettlement subsidy and part of land compensation fund to be used for income generation and restoration of income and livelihood, | ● The land compensation rates, including resettlement subsidy and green crops shall be Y75,384 per mu for paddy field, Y69,548 per mu for dryland, Y45,671 per mu for vegetable, and Y 92,711 per mu for fish pond.  
● If no farmland could be allocated, the AP will be provided with resettlement subsidy and part of land compensation (no less than 80 percent) for income generation.  
● The local district and township governments will provide assistance to AP to be employed in local enterprises.  
● The project owner will give AP priority to be employed in pumping stations, including technical training prior to employment. | Disturbance to local residents and pedestrians should be avoided as much as possible |
| Temporary land occupation                          | Loss of urban road during the Project construction (31.59 mu or 2.11 ha of urban land) | Cash compensation will be paid to the municipal civil engineering department for urban road restoration. | ● Cash compensation for disturbance/easement of urban road paid to the municipal civil engineering department for road recovery.  
● The land occupation can not exceed two years at maximum.  
AND  
● Restoration of land to its previous or higher quality when land is returned. | Assistance will be provided to both legal and illegal APs during resettlement process  
IA will provide construction materials at preferential prices to the APs |
| Permanently affected private house (3 households without certificates of houses) (19 households or 78 persons) | With structures built thereon. 2,566 square meters private houses in total | Cash compensation or replacement house will be provided to the APs. All households with or without legal house certificate papers including AP settled on the land after 29/08/98 (Land Law) as long as they are included in the final AP list or are able to prove their occupation of affected plots and structures before the cut-off date. The cut-off date will be determined by the Fuzhou municipal government. | ● The provision of replacement housing of equivalent size, at a location satisfactory to the AP.  
● Cash compensation for affected structures at full replacement cost of materials, equipment and labor with no deduction for depreciation or salvageable materials. The rates shall be RMB 1,560 per square meter.  
● If the APs do not agree compensation rates, they could select a qualified real estate appraisal agency to appraise their properties. The final compensation rates will be based on appraised rates.  
● If the residential land and/structure is only partially affected by the Project and the remaining residential land is not sufficient to rebuild the | Assistance will be provided to both legal and illegal APs during resettlement process  
IA will provide construction materials at preferential prices to the APs |
<table>
<thead>
<tr>
<th>Type of Losses</th>
<th>Level of Impact</th>
<th>Entitled Persons</th>
<th>Compensation Policy and Standards</th>
<th>Implementation Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other private properties</td>
<td>19 electric meters, 19 water meters, 17 telephones, and 19 cable TVs</td>
<td>Cash compensation will be paid to the APs</td>
<td>● Cash compensation for affected property at replacement cost, OR ● Compensation to move the property, OR ● Repair of property by contractor to original or better condition</td>
<td></td>
</tr>
<tr>
<td>Measures for income restoration and transfer assistance</td>
<td>Loss of farmland for the construction of 3 pumping stations and administrative center</td>
<td>The affected 5 households and 27 persons will receive cash compensation for loss of standing crops. If no farmland could be re-allocated by affected village groups, the affected persons will receive cash compensation of resettlement subsidy and part of land compensation fund to be used for income generation and restoration of income and livelihood,</td>
<td>● Cash compensation for loss of standing crops at market prices. The compensation rates for crops shall be around Y2,918 per mu for paddy field, Y2,918 for for dryland, Y1,768 per mu for vegetable land, and Y1,900 for fish pond. ● If no farmland could be allocated, the AP will be provided with resettlement subsidy and part of land compensation for income restoration, averaging Y100,000 per household. ● The local district and township governments will provide assistance to AP to be employed in local enterprises or engage in various non-farm activities. ● The project owner will give AP priority to be employed in pumping stations, including technical training prior to employment.</td>
<td></td>
</tr>
<tr>
<td>Materials, transfer and transportation allowance</td>
<td>Relocating AP</td>
<td>Cash compensation will be paid to the APs</td>
<td>● All relocating AP will be entitled to cash assistance for moving and transfer. They include Y300/Y400 per HH for moving; Y300 per HH for lost working time; Y200 per HH for transfer; and Y100 per person for medical subsidy.</td>
<td></td>
</tr>
<tr>
<td>Type of Losses</td>
<td>Level of Impact</td>
<td>Entitled Persons</td>
<td>Compensation Policy and Standards</td>
<td>Implementation Issues</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------</td>
<td>-----------------</td>
<td>----------------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Special allowance for households receiving social assistance and/or households.</td>
<td>Affected vulnerable population (may be the very poor, minority, elderly disabled, receiving social assistance, or female-headed households)</td>
<td></td>
<td>No vulnerable households have been identified. However the vulnerable groups will be identified further. Once the affected households are determined as vulnerable groups, they will be provided with special assistance and attention, such as resettlement assistance fund at RMB 2,000 per household, the provision of government economy house if needed, and the provision of loan for house purchase by the municipal housing sponsor agency.</td>
<td></td>
</tr>
<tr>
<td>Grievance</td>
<td>Property indexes, compensation standards, compensation payment, resettlement and rehabilitation measures</td>
<td>APs involved in making appeal and grievance for the settlement of land acquisition and resettlement issues</td>
<td></td>
<td>The affected people will be exempted from various kinds of fees involved in making complaints and claims for land acquisition and resettlement issues</td>
</tr>
</tbody>
</table>
Chapter 4  Socioeconomic Survey of Affected Persons Household

Affected persons (APs) refer to all persons whose livelihood or living standard is adversely affected through the loss of land, houses, other assets, and/or income, as a consequence of the construction of the Project.

The affected households are all scattered in the urban and rural mixed districts, where the conditions of transportation, communication, infrastructure, and education facilities are almost similar to those of the central district of the city. All of the affected villages are in the close vicinity to the trunk lines of the city; they have access to kindergartens, elementary schools and middle schools in good quality.

In July 2003, an investigation group formed by Fuzhou Municipal Construction Bureau, Cangshan District People’s Government, the resident committees/village committees of the project affected area and Fuzhou House Demolishment Engineering Office (FHDEO), undertook the socioeconomic survey on all of the affected households, totalling 63 households. For the Lianban WWTP Sewer Network, 24 households will be affected by land acquisition and resettlement. The findings of the survey are summarized as follows:

4.1 Demographic Characteristics of APs

The affected persons and households have the following characteristics: the average family member of household is 4.3. The natural growth rate of population is below 2%. In recent years (since 2000) 3 people have been moved into the area as a result of marriage. The ratio of male to female is about 52%:48%. The affected households all speak Fuzhou dialect in their daily life.

4.2 Age Structure of APs

Survey statistics show that among the affected people surveyed, middle-aged and young people account for 60%, the aged people (of 60 years old or above) 14%, and adolescents and children (of 14 years old or below) 26%. In each age bracket the ratio of male to female is about 57%:43%. The detailed age brackets of the APs are shown in Table 4-1.

<table>
<thead>
<tr>
<th>Sex</th>
<th>Middle-aged and young people</th>
<th>Elderly</th>
<th>Adolescents and children</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>36</td>
<td>8</td>
<td>14</td>
<td>58</td>
</tr>
<tr>
<td>Female</td>
<td>27</td>
<td>7</td>
<td>13</td>
<td>47</td>
</tr>
<tr>
<td>Total</td>
<td>63</td>
<td>15</td>
<td>27</td>
<td>105</td>
</tr>
</tbody>
</table>

* Table 4-1  Demographic Features of the APs

---

8 The affected 63 households include the APs of the Yangli WWTP Sewer Network Phase II.
4.3 Education

According to the statistics of the survey, the APs (adults) have received a wide range of education. The number of female APs who have received education is almost the same with the male. The APs surveyed has received education more or less with the highest of university education and lowest primary school education. About 0.05% of the population are illiterate and semi-illiterate, who are over 65 years old. The details of the education background of the APs are presented in Table4-2.

Table 4-2   Education Attainments of APs (persons)

<table>
<thead>
<tr>
<th>Sex</th>
<th>Total Number</th>
<th>College and Higher</th>
<th>High School (including polytechnic school)</th>
<th>Junior Middle School</th>
<th>Primary School</th>
<th>Illiterates and Semi-illiterates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>44</td>
<td>6</td>
<td>8</td>
<td>17</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Female</td>
<td>34</td>
<td>1</td>
<td>8</td>
<td>16</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>78</td>
<td>7</td>
<td>16</td>
<td>33</td>
<td>13</td>
<td>4</td>
</tr>
</tbody>
</table>

4.4 Occupation and Household Income

Among the respondents, 63 people belong to four occupational catalogues, namely, farmers, workers, cadres (including managers, officials, teachers and technicians), and others (including owners of private businesses). Detailed information is provided in Table 4-3.

Table 4-3  Occupation of Respondents

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Farmers</th>
<th>Workers</th>
<th>Cadres</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Respondents</td>
<td>9</td>
<td>16</td>
<td>17</td>
<td>21</td>
<td>63</td>
</tr>
<tr>
<td>% of Respondents</td>
<td>0.15</td>
<td>0.25</td>
<td>0.27</td>
<td>0.33</td>
<td>100</td>
</tr>
</tbody>
</table>

The affected rural households have an average annual total income of RMB 24,000, with the highest being RMB 28,000 and the lowest RMB 19,000. The average annual total income per capita is RMB 5,647, with the highest being RMB 6,333 and the lowest RMB 4,600.

The affected urban households have an average annual total income of RMB 32,860, with the highest being RMB 110,000 and the lowest RMB 23,000. The average annual total income per capita is RMB 8,004, with the highest being RMB 22,000 and the lowest RMB 7,667.

There is no household in both rural and urban areas fall under the poverty line of the
Fuzhou Municipal Government.

4.5 Minority Households and Vulnerable Groups

All of the affected households belong to Han ethnic majority. No minorities have been identified. According to the survey, there are also no other vulnerable households, such as those headed by women, those consisting of only the elderly, temporary employees, and poor households. There are three households without the housing certificates; however, they will be compensated as the legal house owners.
Chapter 5  Resettlement, Livelihood & Income Restoration Plan

5.1  Preferred Options for Compensation and Resettlement

The affected households surveyed were asked about their preferences of compensation and destination of resettlement. Ninety percent (90%) of the total surveyed households hoped to stay in the original place of residence and 10% were willing to be relocated by the government. As a result, 17 households of the total affected 19 households would like to stay in the original place of residence and 2 households are willing to be relocated by the government.

As for the loss of houses, 90% or 17 households of the households preferred to be compensated in the form of cash, nobody wished to be relocated in the government-sponsored replacement houses and 10% or 2 households were undecided.

As for the loss of agricultural land, two affected household preferred to get the cash compensation, while others required to be provided with employment opportunities by the government.

Details of the preferred options for resettlement or compensation are presented in Table 5-1.

<table>
<thead>
<tr>
<th>Preferences</th>
<th>Number of Households</th>
<th>Ratio(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Destination for Resettlement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Same place</td>
<td>17</td>
<td>90</td>
</tr>
<tr>
<td>Leave</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Arranged by the Government</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Undecided</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Compensation for Houses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>17</td>
<td>90</td>
</tr>
<tr>
<td>Arranged by the Government</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Undecided</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td><strong>Compensation for Agricultural Land</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>2</td>
<td>40</td>
</tr>
<tr>
<td>Job Provision</td>
<td>3</td>
<td>60</td>
</tr>
<tr>
<td>Undecided</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

In the preparatory stage of land acquisition and resettlement, the final options of the APs will be confirmed through the assistance of the IA and governmental departments at grassroots level (such as Resident Committee and Village Committee), and information will be provided to allow the APs to make their decision. In doing so, it is expected that their needs and expectations will be met to the greatest extent possible. The government has committed to accommodate APs’ stated choice.
5.2 Rehabilitation Plan for Relocated Households

The construction of sewers will cause demolition of 2,566 square meters of houses. 19 urban households need to be relocated. Given the small number of households affected, it is anticipated that all will choose to receive cash compensation and seek new housing on their own. This provides freedom of choice and opportunities to upgrade their housing by using savings, which is typical in Fuzhou. There is a wide range of housing available and some affected people even prefer to move to other parts of the city. Nonetheless, if some households do choose to have exchange housing, this option is still available. In addition, people losing residential building should find alternative accommodation before they are displaced.

5.3. Economic Rehabilitation for Land Loss Farmers

While no land acquisition will be permanently acquired for the construction of sewer pipelines, certain amount of land acquisition will be required for the construction of 3 pumping stations, including one administrative center. According to preliminary survey, a total of 15.34 mu of land areas will be acquired, mostly farmland.

Based on preliminary survey, about 5 households and 27 persons will be affected by land acquisition. Of these five affected households, three of them will be affected by No. 1 Pumping Station, and two of them will be affected by No. 2 and No. 3 Pumping Stations respectively. Among total 27 affected persons, 15 of them are labours. Only 7 of them are currently involved in planting and animal husbandry activities. The remaining labours are working in various non-farm jobs. In terms of source of income, in average, agricultural income among these households accounted for only 27 percent. In other words, about 73 percent of income came from various non-farm activities. The average per capita income among these 5 households was about Y6,600, with agricultural income accounting for Y1,800 per person. The land acquisition of 15 mu of farmland will cause certain impacts on these households. In average, each household will lose about 3 mu of farmland, which represents about 55 percent of their land holding.

To mitigate such impacts, a range of measures will be taken by the project owner. They include (1) provide generous compensations for the lost land; (2) arrange non-farm employment opportunities for the affected farmers; and (3) provide other rehabilitation assistance during the process. The combination of these measures will ensure that the 5 affected households will restore or improve their income to their previous levels.

(1) Adequate Compensations

Following local regulations, generous compensation rates will be provided for affected farmland, which ranges from Y41,768 per mu for fruit garden to Y75,384 per mu for
paddy. Based on these compensation rates, a total of Y633,000 will be provided for the acquisition of 15.3 mu of land areas, averaging Y41,300 per mu. Given the fact that there are very small land holdings among three affected villages (ranging between 0 to 0.29 mu per person), and most people in these villages are no longer relying on agriculture, there is little chance to have land readjustment after land acquisition among these villages. Based on discussions with Fuzhou City Land Administration Bureau and relevant local officials, the common practice of compensation and rehabilitation for land acquisition is to deliver most of the compensations to the affected households, which includes compensation for green crops, resettlement subsidy and most of the land compensation.

Assuming 20 percent of land compensation will be kept by the affected village groups to be used for collective welfare, the affected households could receive up to 80 percent of land compensation, averaging Y100,000 per household. Based on amount of acquired land areas, it will range from Y50,000 to Y200,000 per household. These cash compensations will provide sufficient funding for affected persons to engage in various non-farm activities and to restore their livelihood and incomes to their previous levels. Based on preliminary consultation, at least 3 APs will use their compensation to begin their own businesses.

(2) Non-farm Employment Opportunities

With reduction of farmland, some the affected persons will be transferred to non-farm activities. They could either use cash compensations to start small businesses or to find appropriate non-farm jobs. The affected villages are located in the Cangshan District, where there are a number of industrial districts with many factories. There are many employment opportunities in these industrial districts. Some of these factories are located in their same villages or townships. The relevant district and township governments will provide necessary assistances, such as technical training and job introduction, for these people to obtain appropriate employment.

In addition, the project owner will also provide some non-technical employment opportunities when the construction of the sewage pumping stations of Lianban WWTP and associated facilities is completed. The affected persons will be given such employment opportunities. According to the estimate, 14 such employment opportunities will be created for the operation and maintenance of these pumping stations with average monthly wage being Y800-1,000. Based on preliminary consultation, 4 or 5 APs have expressed their willingness to accept such employment opportunities.

(3) Other Rehabilitation Assistance

For the affected villages, they will directly benefit from the project, which will involve cleaning polluted rivers, building sewer lines and installing wastewater treatment capacity. In addition to an improved sanitation and living environment brought by the
project, the affected villages could also use part of the land compensation fund to improve community services, such as increase living allowance for the elderly and vulnerable and education subsidy for the school age children.

5.4. Restoration Plan for Temporary Land Occupation

This project component will temporarily occupy 31.6 mu (2.1 ha) of public road spaces during project construction. The project owner will be responsible to provide proper compensation to the municipal civil engineering department for mitigation of such impact and restoration of road spaces.

5.5. Potential Risks

Even though the LAR Program has been prepared on the basis of extensive investigations and consultations, a number of factors can still probably affect the outcome, particularly the income and living conditions of the APs. The owners and local governments (district governments or resident committees) should pay great attention and adopt the effective measures to avoid the possible decline of their income. It is hoped that through such efforts, the income of affected people will be improved or at least restored to the original level.

In order to mitigate the potential risk of resettlement, it is important to have a sufficient contingency fund. If there is any possibility of income decrease, the Project IA will coordinate with local government to utilize the contingency fund properly and identify feasible option for APs to restore their income and ensure their living standard will not be decreased.
Chapter 6  Environmental Protection and Management

6.1  Environmental Protection

It can be assured that the construction of the Lianban WWTP Sewer Network Project will play an active role in promoting the sustainable and stable development of economic construction of Fuzhou. While bringing about remarkable social, environmental and economic effects, it will exert some adverse impact on the surrounding environment. Therefore, we should put forward the practicable management measures on pollution prevention and treatment during the activities of design, construction and operation. In this way, we hope we can minimize the adverse impact on environment and get the maximum social, environmental and economic effects after this project is completed and put into operation.

6.2  Environmental Impacts

6.2.1  Main Sources of Pollution

(1) Main Source of Pollution during Construction

The major sources of pollution during construction are described as follows:

- Source of atmospheric pollution: Exhaust gases discharged by the automobile and large-scale machinery during construction; dust produced when earth and stone are dug, buried, transported and mixed with concrete; smelling stench produced in pipe-dredging.

- Source of water pollution: Waste water resulting from the laying of pipelines; earthen water produced in pipe-jacking construction; waste water produced in the maintenance of machinery and concrete; sewage discharged by constructional staff.

- Source of noise: Noise (75-90 dB) produced by construction machinery, such as excavators, fork-lift freighters, pneumatic drills, cutting machines, transport vehicle, and so on.

- Solid wastes: Garbage produced by constructional staff; solid wastes produced during construction, such as the wasted earth and stone dug, sludge in dredging of the pipes, remaining constructional material like earth, sand, stone, fragments of reinforced bars, etc; wasted construction materials produced the in demolition of houses and buildings.

- Impact on social environment: Impact of the land acquisition and house demolition
and resettlement on social stability; impact of the road-digging, pipeline-laying and dredging on urban transportation, security, landscape, preservation of historic and cultural relics.

- Loss of water & erosion of soil: Loss of water and erosion of soil will occur in raining days if the earth and sand produced in road-digging, sludge produced in pipeline-dredging and the constructional material residues of sand and earth are not carried away in time. And the piles of sand and stones in the constructional site will result in the water loss and soil erosion in raining days.

(2) Main Source of Pollution during Operation

The major sources of pollution during project operations are described as follows.

- Source of atmospheric pollution: Stench pollutants produced in the process of sewage treatment in the sewage pumping station.
- Source of water pollution: Living sewage produced by people-on-duty in the pump station and pump-maintaining workers.
- Source of noise: Noise produced in the process of the water pump in the sewage pumping station.
- Solid wastes: Garbage produced by people-on-duty in the pump station and pump-maintaining workers; screens;

6.2.2 Environmental Protection Measures

The main environmental protection measures to be adopted for this project include the following:

(1) Management measures:

- Construction activities will be appropriately planned to ensure the minimum disturbance to local communities.
- Suitable routes will be selected to transport the materials and equipment to minimize the break-off on urban traffic.
- Enclosures will be set up around the construction sites to prevent the children from entering.
The scale for construction site will be limited to a minimum that can satisfy the needs of construction.

Equipment of lessening the noise and pollution will be installed in all the vehicle and equipment for the project to minimize the noise and atmospheric pollution.

\( \text{(2) Construction Measures} \)

As the pump station, the supporting facility to the pipeline and network system is located in the urban area, the impacts of the stench, noise and solid wastes produced on environment should be taken into consideration.

- Prevention and treatment measures of stench pollutants

The stench produced in the waste-water pumping station mainly include H\(_2\)S, NH\(_3\), ammonia, organic sulphide, etc., which will erode the equipment of the pumping station and exert great adverse impacts on surrounding residents. The stench is discharged into the air through fans.

- Prevention and treatment measures of noise

The traditional pumps should be taken place by the submarine pump to reduce the noise during the operation.

- Disposal of solid wastes

A compressor will be installed behind the bar-screen. After the being treated and compressed, the screens will be put into sealed packs to prevent the stench from stinking and mosquito and other insects from propagating.

- Other measures

The green area of the pumping station will be over 30% of the total plant site area to create a garden-type landscape.

\( \text{6.3 Monitoring Plan} \)

In line with the relevant environmental protection laws and regulations of the People’s Public of China, the environmental administrative departments will carry out environmental management and monitoring during the construction and operation phases of the project.
(1) Environmental monitoring during construction

During the construction period, the constructors will be required to send officers to the construction site to identify the objects that may be affected and need to be protected such as historic relics and ancient trees and other sensitive targets on the route of the sewerage-collecting pipelines. An environmental protection program will be developed, and monitoring and inspection will be followed closely to ensure the measures of the prevention and treatment of the adverse impacts on the environment during construction to put into effect. Environment impacts will be minimized, and measures will be adopted to restore the affected environment (such as greening belt, road surface, etc.) during construction. At the same time, enclosure will be set up around the construction site, and alarming boards or other eye-catching signs be marked to prevent children from entering the site and guarantee the safety of the passing vehicle and passengers.

(2) Environmental monitoring during operation

During the operation, the management of the pumping station is the key to ensure the normal operation of the sewerage network. Full-time employees will be designated to be responsible for the pumping station to guarantee the smooth flows of the sewerage in and out of the pipes. The management of the facilities to eliminate stench and expand greening will be strengthened.
Chapter 7  Public Participation

7.1  Strategies for Public Participation

The ADB policy requires that the APs should be fully informed of and consulted with on the various options on replacement and compensation. Consultation with the APs is an essential requirement for all the activities for property acquisition and resettlement. Participation in the resettlement plan and management will help the APs to minimize anxiety and offer them opportunities to make important decisions that will affect their future lives.

7.2  Public Participation during the Preparation of the RP

During the process of the preparation and compilation of this RP, the main public participation activities are described in the following sections.

(1) From July, 5th to 20th, Fuzhou Socioeconomic Survey Team (FSST) of the State Statistics Bureau conducted a census survey of 63 households in the Project area. The survey was conducted by full-time investigators.

(2) On July, 10th, 2003, the project developer convened a meeting attended by leaders of the affected areas, leaders of residents’ committee and representatives of the APs for consultations on compensation standards.

(3) In July, 2003, Investigation Group for Losses of Land Acquisition and House Demolition was established jointly by Fuzhou Municipal Construction Bureau, People’s Government of Cangshan District, Village Committees of the affected areas, project developer and Fuzhou Resettlement Office. The Group is charged with the responsibility to carry out a comprehensive measurement survey on the APs and ask for their preferred options for land acquisition and houses demolition compensation and destinations of resettlement.

(4) Focus group discussion and individual household visits and interviews between July and September, 2003.

(5) Two public consultation workshops on environmental and resettlement impacts were held during the project preparation. The first workshop was held on August 6, 2003, and the second workshop was conducted on November 13, 2003. Over 110 persons participated in the workshops, including the EA and IAs, design institutes, Fuzhou residents, representatives of APs, Fuzhou Land Administration Bureau, woman’s organization, representatives of local People’s Congress (Gulou, Taijiang, Jian’an and Cangshan Districts), Political Consultative Conference, industrial, commercial and
religious sectors, high school and college students, woman’s organization, and others. In the workshops, the participants voiced concern about environmental impacts and mitigation measures during the project implementation as well as land acquisition and resettlement. The result of the workshop survey shows that 6.25% think the project will greatly benefit local development, 56.66% somewhat, 21.02% not much and 1.23% no opinion. And 9.09% of the respondents think the project will do great good to local social development, compared to 59.10% who think it will do some good, 17.61% who think the project will not do much, and 1.23% who did not express any views. No respondents think that the project will exert an adverse impact on local economic and social development.

The survey results also show that the public agrees to the necessity of the Project, and express their support to the Project, and wish to see an early start of the construction of the Project. About 42.61% of the affected people require to be compensated according to the relevant state policy, 18.75% hope that there can be an alternative construction site for the Project, 1.7% do not ask for compensation, 27.85% hope to take measures on environmental protection and 9.09% do not express their opinions.

In total, 56.58% of the participants consider the impacts of land acquisition and resettlement are just so-so, 17.11% not serious, and 3.95% serious. In total, 38.1% of the participants concern the fair compensation, 2.63% worse-off of living standards, 40.79% proper resettlement, 3.95% income decrease, 42% proper and feasible rehabilitation schemes.

The participants expressed that land acquisition is a big issue, which involves economic and housing problems, it is not an easy task to find suitable resettlement sites and arrangements; therefore detailed plans should be prepared. The land acquisition due to engineering as well as costs should be minimized. The agricultural land should be protected at maximum. Proper resettlement should be ensured for the relocated households to avoid making APs worse-off. Preferential measures should be provided to APs. The compensation should be in place timely.

7.3 Distribution of the RP & Resettlement Brochure

7.3.1 Resettlement Information Booklet

Based on the resettlement policy and entitlement matrix, the Construction Preparatory Office of Lianban WWTP Sewer Network prepared and distributed resettlement information booklet (RIB) (in Chinese version) to the APs to inform them of: 1) applicable policies and regulations; 2) entitlements and compensation standards; and 3) plans to restore their income and living standards during the post-resettlement period. This will enhance the transparency of the land acquisition and resettlement work. The brochure includes a brief introduction to the project (i.e., the major engineering components, scope, benefits and implementation schedule), the scope of the Project
impacts, Chinese laws and regulation of land acquisition and house demolition, compensation standards and entitlements, appeal procedure, income restoration plan, budget and LAR implementation schedule, and so on.

The brochure was distributed to all of the APs on May 10 2004, after the finalization of the RP. At the same time, copies of the brochure were distributed to the residents’ committees within the affected areas. Between May 15 and 16, 2004, the implementing agency convened a series of community meetings and household visits to carry out outreach activities, answer questions on the RP, and solicit opinions and suggestions. The APs were also requested that they can put forward requests and appeals through various channels (e.g., Fuzhou People’s Government, governments at district level, resident committees/village committees and so on) in various ways (e.g., personal visits, correspondence and phone calls, and so on). The details are presented in Table 7-1.

Table 7-1. Public Consultation on the Distribution of RIB

<table>
<thead>
<tr>
<th>Activities</th>
<th>Target</th>
<th>Time</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of RIB</td>
<td>All APs</td>
<td>May 10, 2004</td>
<td></td>
</tr>
<tr>
<td>Community Meetings</td>
<td>#1 Pumping Station and Administration Center</td>
<td>May 15, 2004</td>
<td>Issue discussion on the land acquisition and resettlement</td>
</tr>
<tr>
<td></td>
<td>#2 Pumping Station</td>
<td>May 15, 2004</td>
<td></td>
</tr>
<tr>
<td></td>
<td>#3 Pumping Station</td>
<td>May 16, 2004</td>
<td></td>
</tr>
<tr>
<td>Individual Household Visits</td>
<td>#1 Pumping Station and Administration Center</td>
<td>May 15, 2004</td>
<td>Issue discussion on the land acquisition and resettlement</td>
</tr>
<tr>
<td></td>
<td>#2 Pumping Station</td>
<td>May 15, 2004</td>
<td></td>
</tr>
<tr>
<td></td>
<td>#3 Pumping Station</td>
<td>May 16, 2004</td>
<td></td>
</tr>
<tr>
<td>Community Consultations</td>
<td>All APs</td>
<td>May 15-21, 2004</td>
<td>Community Consultations on resettlement plan and income restoration plan</td>
</tr>
</tbody>
</table>

The results of the community meetings, individual household visits and community consultations indicate that all of the APs are satisfied with the resettlement plan. However, some people have raised their concern if the RP could be fully implemented. Based on the comments raised, the resettlement officers of the IA have explained the APs of the relevant Chinese laws and regulations, and also explained in details about the public participation and monitoring and evaluation activities throughout the whole project process. The APs are satisfied with the explanations. Many community leaders and APs requested that the local government should take efficient methods to stop the illegal construction of structures. The IA will report to relevant regulatory department and provide a telephone number for reporting and monitoring. The dates between May 15 and 21 were provided to the APs for grievance and redressal to solicit their comments and suggestion on the compensation, resettlement plan and rehabilitation plan. To date, no grievances have been received.

7.3.2 Distribution of the RP

The Chinese version of the RP will be distributed to all the district committees of the
affected areas. In addition, it is available to anyone who is interested and willing to consult in the resident committees and village committees. The Chinese version is also available to implementing agencies while the English version will be submitted to the ADB.

7.4 Public Participation Plan

In order to address the problems and needs of the APs properly and timely regarding land acquisition and resettlement, further consultation with the APs will continue so that all issues may be addressed prior to the start of construction and implementation of the RP. The meetings will be arranged by the LAR implementing agencies, as appropriate. Each affected household will have the opportunity to negotiate on a valuation contract, which they will sign with the respective LAR implementing agencies. Shown in Table 7-2 is the Public Participation Plan during the Implementing Process of the RP.

<table>
<thead>
<tr>
<th>Purpose of Event</th>
<th>Format of Event</th>
<th>Timing</th>
<th>Implementing Agencies</th>
<th>Targets</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Provide briefings on the Project &amp; RP and solicit comments from the APs.</td>
<td>Public meetings</td>
<td>Oct-Dec 2003</td>
<td>Executing agencies, district governments, resident/village committees</td>
<td>All the APs</td>
<td></td>
</tr>
<tr>
<td>2. Present final RP to the APs</td>
<td>Public and community meetings</td>
<td>Sept-Oct 2005</td>
<td>IA, district and governments, resident/village committees</td>
<td>All the APs</td>
<td></td>
</tr>
<tr>
<td>3. Inform the beneficiaries of the progress, final design and schedule of the project</td>
<td>Community meetings</td>
<td>Dec 2004</td>
<td>IA</td>
<td>Stakeholders/ Beneficiaries, APs</td>
<td>Meetings with the beneficiaries and APs</td>
</tr>
<tr>
<td>4. Conduct the final surveys on resettlement and assets</td>
<td>Household interviews, site investigations</td>
<td>June-July 2005</td>
<td>IA, district governments, resident/village committees</td>
<td>All the APs</td>
<td>Inventory of all the assets and land</td>
</tr>
<tr>
<td>5. Inform the APs of entitlements and the date for compensation payment</td>
<td>Public meetings</td>
<td>Oct 2005</td>
<td>IA, district governments, resident/village committees</td>
<td>All the APs</td>
<td>Meetings to inform the entitlements</td>
</tr>
<tr>
<td>6. Monitoring on the APs, beneficiaries and health impacts</td>
<td>Household Interviews</td>
<td>Dec 2005 to Dec 2007</td>
<td>IA, district governments, resident/village committees, independent monitors</td>
<td>Random samples</td>
<td>Identify if there is need for additional support</td>
</tr>
</tbody>
</table>
Chapter 8    Organizational Structure

A key element to the successful implementation of resettlement is a proper organizational structure. The agencies concerned will be entrusted with matters such as planning, implementation of land acquisition, compensation, resettlement, income restoration and livelihood rehabilitation, and so on.

The design of the organizational structure for the LAR has been completed (see Figure 8-1 at the end of this chapter). The tasks and responsibilities of the primary agencies are presented in the following sections.

8.1    Fuzhou Municipal Water Environmental Construction and Development Company

The Fuzhou Municipal Water Environmental Construction and Development Company (FWECDC) will be the implementation agency for the implementation of the RP, which have the overall responsibility for the planning and implementation of the LAR.

A resettlement office will be established in the company. Composed of 3 staff members, the office will be responsible for the day-to-day implementation and coordination of the LAR program. There should be at least two female among the team. Training will be provided by the external monitors. The training will cover the policy on resettlement of ADB, the relevant domestic laws and policies, and the specific implementation methods of house demolition.

The major responsibilities of the implementing agency include:

- Consult with the design institute on the possible measures that can minimize the land acquisition and resettlement through proper design and adjustment of location.
- Carry out thorough resettlement investigations, together with the related government and the resident/village committees.
- Apply for house demolition license.
- Develop the budget and disburse the resettlement costs.
- Coordinate the implementation of the LAR.
- Develop special measures for income restoration for the APs if required.
- Carry out internal supervision of implementation of the LAR.
- Engage an external agency to monitor and evaluate the LAR.
- Examine the M&E reports and take necessary remedial measures.

The staff members are shown in Table 8-1.
Table 8-1. Composition and Qualifications of Staff Members of the FWEDC

<table>
<thead>
<tr>
<th>Position</th>
<th>Sex</th>
<th>Educational Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>Male</td>
<td>University or above</td>
</tr>
<tr>
<td>Financial staff</td>
<td>Female</td>
<td>Secondary school or above</td>
</tr>
<tr>
<td>Ordinary staff</td>
<td>Female</td>
<td>University or above</td>
</tr>
</tbody>
</table>

8.2 **Fuzhou House Demolishment Engineering Office**

It is regulated in Article Eleven of *Fuzhou Municipal Urban Housing Demolition Management Regulations* that, the House Demolition Qualification Certificate is a must for the implementation of demolition. An agency without the qualification certificate must entrust an agency with the certificate to implement demolition, not including self-demolition of self-owned houses and auxiliary facilities. The affected people have the right to refuse the negotiation on the demolition with staff without the demolition credentials.

The project will authorize the Fuzhou House Demolishment Engineering Office for the implementation of the LAR. The FHDEO will establish an office with 4 staff members responsible for land acquisition and resettlement, at least 2 of which should be female. The composition and qualifications of the staff members of the EA are described in Table 8-2.

The major responsibilities of the Office are:

- Carry out thorough resettlement investigations, together with the resident committees/village committees.
- Negotiate the compensation rates with the implementing agency.
- Sign the land acquisition and resettlement agreement and the compensation agreement with the implementing agency.
- Consult related government departments and the resident committees/village committees on the compensation rates, and sign the resettlement agreement and the compensation agreement.
- Negotiate the compensation rates with the affected people concerning houses, relocation and transportation costs, and sign the resettlement agreement and the compensation agreement.
- Disburse the payment of compensation to APs.
- Assist the affected people with income restoration and livelihood rehabilitation.
- Assist the unemployed for job opportunities, together with the labor service center and enterprises.
- Offer necessary help to the APs during the resettlement.
- Settle appeals concerning compensation and resettlement.
- Carry out internal supervision and monitoring of the LAR implementation.
- Prepare the internal supervision report and take remedial measures if necessary.
Table 8-2 Composition and Qualifications of Staff Members

<table>
<thead>
<tr>
<th>Position</th>
<th>Sex</th>
<th>Educational Background</th>
<th>Work Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>Male</td>
<td>Higher than university</td>
<td>&gt; 5 years of resettlement work</td>
</tr>
<tr>
<td>Accountant</td>
<td>Female</td>
<td>Higher than secondary school</td>
<td></td>
</tr>
<tr>
<td>Ordinary staff</td>
<td>Male</td>
<td>Higher than secondary school</td>
<td>&gt; 2 years for resettlement work</td>
</tr>
<tr>
<td>Ordinary staff</td>
<td>Female</td>
<td>Higher than secondary school</td>
<td>&gt; 2 years for resettlement work</td>
</tr>
</tbody>
</table>

8.3 Resident Committees

The major responsibilities of the resident committees/village committees are:

- Prepare and implement income generation and poverty alleviation measures, if necessary.
- Implement income restoration and livelihood rehabilitation plan for the APs.
- Assist the unemployed people to identify job opportunities.
- Provide necessary help to the APs during the resettlement.
- Assist with the internal supervision of the implementation of the LAR Program.
- Assist with the monitoring of the LAR Program.

8.4 Village Committees

The major responsibilities of the village committees in this project include:

- Allocate new homestead and collective-owned farmland to the affected people.
- Prepare land development plan for the affected people to ensure the proper replacement land.
- Prepare and implement the income generation and poverty reduction measures.
- Implement income and livelihood restoration plan for the affected people.
- Provide job arrangement for the unemployed people in association with enterprises.
- Provide necessary assistance to the affected people during the resettlement process.
- Assist the internal supervision of the implementation of land acquisition and resettlement.
- Assist the supervision of the project.

8.5 LAR Leading Group

The leading group will be composed of the representatives of the Fuzhou municipal government, implementing agency, the project responsible authority and the land acquisition and resettlement authority. It will provide policy guidance and supervision of the LAR Program.

The major specific responsibilities of the leading group are:
Review and approve the LAR Plan, including activities, budget, schedule and organization.
Review and approve progress and monitoring reports.
Review any appeal cases, and propose measures of resolution.

8.6 Resettlement Coordination Group

The Resettlement Coordination Group is responsible for the coordination and supervision of resettlement. It will consist of the male and female representatives of the affected people, representatives of the affected communities, leaders of the street committees, the land management bureau, the Fuzhou Municipal Real Estate Management Bureau, the women’s federation, the Environmental Protection Bureau, representatives the construction contractors.

The Resettlement Coordination Group will convene the initial meeting at least 6 months before implementation of the project and a regular meeting every two months afterwards till two years after the completion of the project. The Resettlement Coordination Group will be led by the FWECDC.

The major responsibilities of the Resettlement Coordination Group are:

Settle any appeals concerning compensation and resettlement.
Develop and implement income generation and poverty alleviation measures, if necessary.
Carry out the public participation program.
Propose additional or remedial measures if necessary.

8.7 Non-Governmental Organization

In Fuzhou, there are no NGOs. Women’s Federation as a quasi NGO will be invited to join the resettlement work to serve as a non-governmental organization for the Project and strengthen the supervision on the LAR Program.

8.8 LAR Staff Training

It is very important to offer the resettlement staff full training. The training program takes two weeks, the contents of which include principles, methods, consultative techniques, etc., and simulated exercises as well. During the implementation period, the implementing agency should keep close contact with governments at different levels and the executing agency, timely discover the problems and refer them to the leading group and the resettlement coordination team so as to raise their attention.

One of the major responsibilities of the resettlement staff of the executing agency of resettlement is to carry out the internal supervision of the resettlement plan. Before
starting the site work concerning land acquisition and resettlement, special training on the internal supervision must be offered to the staff of the executing agency of resettlement by the international and domestic external monitors.
Figure 8-1  Land Acquisition and Resettlement Organizational Structure

- Land Acquisition and Resettlement Leading Group
- Resettlement Coordination Group
- FWECDC
- Fuzhou House Demolishment Engineering Office
- Resident Committee/Village Committee
- APs
Chapter 9  Grievance Procedure

9.1  Possible Grievance and Solution

The RP has taken into consideration the overall planning of the resettlement based on the impacts of the whole project areas. However, during the implementation of RP, some complaints may be raised by the resettlers due to the changes of actual situation and deviation of operation. According to the past experiences, the major complaints include the issues of property indexes, compensation standards, compensation payment, and resettlement and rehabilitation plan.

9.2  Grievance Channels and Procedures

The active participation of APs in the preparation of the RP will serve to minimize grievances. But the need for appeals may emerge from time to time. In order to ensure the effective channelling and resolution of the grievances of APs, the following grievance procedure has been established:

(i) AP appeals to the resident committee/village committee.

(ii) If the resident committee/village committee cannot resolve the issue within 10 days, it will be taken to any of the following agency:

- Respective resettlement office at district levels;
- Respective resettlement office at municipal level;
- Fuzhou Development and Reform Commission;

or

- Independent Monitoring Agency.

or

- Municipal appeal office;
- Municipal discipline committee.

(iii) If the RP is not satisfied with the response then they have the legal right to submit the appeal to the court.

The grievance lodged by an affected person can relate to any aspect of the land acquisition and resettlement program, including the compensation rates being offered for their losses.

APs are informed of the above grievance and appeal procedure through public information meetings, the resettlement information brochure and other media, so
that they can fully understand their rights for grievance and appeal.

An independent monitoring agency (IMA), Fuzhou Municipal Engineering Consulting Company will be hired to inspect and report on the resettlement processes and the operation of the Resettlement Offices at different levels and correct any faults and mistakes made during the resettlement process. LAR implementation agencies should keep good records, and make them available to the external monitor for inspection and verification.

The grievance procedures are presented in Figure 8-1.

Figure 9-1 Grievance Procedure
The affected people will be exempted from various kinds of fees involved in making complaints and claims. If they appeal to People’s Court, the affected people are entitled to be provided with legal consultation free of charge.
Chapter 10  LAR Costs and Budget

10.1  Budget

All costs of the LAR Program have been included in the total Project budget. The total LAR costs amount to RMB 8.19 million (April 2004 price). The preparation of the resettlement budget was done on the basis of national and local related laws, standards and regulations. The costs and budget of the LAR Program are presented in Table 10-1.

Table 10-1  LAR Costs and Budget (RMB)

<table>
<thead>
<tr>
<th>Items</th>
<th>Unit</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Compensation (RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. House Demolishment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brick House</td>
<td>m²</td>
<td>1,214</td>
<td>1,560</td>
<td>1,893,840</td>
</tr>
<tr>
<td>Wood House</td>
<td>m²</td>
<td>1,294</td>
<td>1,560</td>
<td>2,018,640</td>
</tr>
<tr>
<td>Simple Structure</td>
<td>m²</td>
<td>58</td>
<td>1,560</td>
<td>90,480</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td>4,002,960</td>
</tr>
<tr>
<td><strong>2. Auxiliaries and Household Facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brick Fences</td>
<td>m</td>
<td>21</td>
<td>60</td>
<td>1,260</td>
</tr>
<tr>
<td>Electric Meter</td>
<td>no.</td>
<td>19</td>
<td>450</td>
<td>8,550</td>
</tr>
<tr>
<td>Water Meter</td>
<td>no.</td>
<td>19</td>
<td>70</td>
<td>1,330</td>
</tr>
<tr>
<td>Telephone</td>
<td>no.</td>
<td>17</td>
<td>100</td>
<td>1,700</td>
</tr>
<tr>
<td>Cable TV</td>
<td>no.</td>
<td>19</td>
<td>160</td>
<td>3,040</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td>15,880</td>
</tr>
<tr>
<td><strong>3. Permanent Land Acquisition</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vegetable Land</td>
<td>mu</td>
<td>3.88</td>
<td>45,671</td>
<td>177,203</td>
</tr>
<tr>
<td>Dryland</td>
<td>mu</td>
<td>1.22</td>
<td>75,384</td>
<td>91,968</td>
</tr>
<tr>
<td>Orchard Land</td>
<td>mu</td>
<td>7.36</td>
<td>41,768</td>
<td>307,412</td>
</tr>
<tr>
<td>Pond and Un-Used Land</td>
<td>mu</td>
<td>2.88</td>
<td>4,668</td>
<td>13,444</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td>590,027</td>
</tr>
<tr>
<td><strong>4. Temporary Land Occupation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary Occupation of Urban Road and Public Space</td>
<td>m²</td>
<td>21,061.46</td>
<td>78</td>
<td>1,642,794</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td>1,642,794</td>
</tr>
<tr>
<td><strong>5. Transportation &amp; Transfer Allowance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relocation subsidy</td>
<td>hh</td>
<td>19</td>
<td>300</td>
<td>5,700</td>
</tr>
<tr>
<td>Medical Allowance</td>
<td>No. of persons</td>
<td>78</td>
<td>100</td>
<td>7,800</td>
</tr>
<tr>
<td>Allowance for Lost of Working Days</td>
<td>hh</td>
<td>19</td>
<td>300</td>
<td>5,700</td>
</tr>
<tr>
<td>Losses during Transfer</td>
<td>hh</td>
<td>19</td>
<td>200</td>
<td>3,800</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td>23,000</td>
</tr>
<tr>
<td><strong>Sum (1~5)</strong></td>
<td></td>
<td></td>
<td></td>
<td>6,274,661</td>
</tr>
<tr>
<td><strong>6. Other Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Items

<table>
<thead>
<tr>
<th>Items</th>
<th>Unit</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Compensation (RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>House Admin. Fees</td>
<td>RMB</td>
<td>4,004,220</td>
<td>1.00%</td>
<td>40,042</td>
</tr>
<tr>
<td>Admin. Fee of RO</td>
<td>RMB</td>
<td>6,274,661</td>
<td>0.50%</td>
<td>31,373</td>
</tr>
<tr>
<td>Training</td>
<td>RMB</td>
<td>6,274,661</td>
<td>1%</td>
<td>62,747</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>RMB</td>
<td>6,274,661</td>
<td>1%</td>
<td>62,747</td>
</tr>
</tbody>
</table>

Subtotal                              |       |              |            | 196,909            |

### 7. Taxation and Administration Fees on LAR

<table>
<thead>
<tr>
<th>Land Acquisition Administration Fee</th>
<th>RMB</th>
<th>4,586,650</th>
<th>1.40%</th>
<th>64,213</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Reclamation Expense</td>
<td>mu</td>
<td>5</td>
<td>10,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Vegetable Land Reclamation Cost</td>
<td>mu</td>
<td>3.88</td>
<td>25,000</td>
<td>97,000</td>
</tr>
<tr>
<td>Tariff on Land Use</td>
<td>mu</td>
<td>15.24</td>
<td>26,667</td>
<td>406,405</td>
</tr>
<tr>
<td>Tax Farmland Occupation</td>
<td>mu</td>
<td>5</td>
<td>6,667</td>
<td>33,335</td>
</tr>
</tbody>
</table>

Subtotal                              |       |              |            | 650,953            |

Sum (1~7)                              |       |              |            | 7,122,523          |

### 8. Contingency

<table>
<thead>
<tr>
<th>Physical</th>
<th>10%</th>
<th>712,252</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>5%</td>
<td>356,126</td>
</tr>
</tbody>
</table>

Subtotal                              |       | 1,068,378 |

TOTAL                                 |       | 8,190,901 |

Note:

1. Land Compensation: It will be paid to the collective directly.
2. Resettlement Subsidy: It will be paid to the state and the collective directly.
3. Compensation of Standing Crops: It will be paid to the APs directly.
4. Land Acquisition Administration: It will be 1.4% of the total cost of land acquisition and resettlement.
5. Vegetable Land Reclamation Expense: It will be RMB 25,000 per mu.
6. Pond Reclamation Expense: It will be RMB 25,000 per mu.
7. Plantation Reclamation Expense: It will be RMB 10,000 per mu for paddy field and vegetable land, RMB 8,000 for other land.
8. Tariff on Land Use: RMB 40 per m².
9. Plantation Occupation Tax: It will be RMB 10 per mu for paddy field, RMB 8 per mu for others.
10. Resettlement Compensation: It will be paid to the affected people directly.

### 10.2 Fund Disbursement

#### 10.2.1 Disbursement Principles

The disbursement of LAR funds will obey the following principles:
All costs related to the LAR will be included in the overall project budget. The resettlement subsidy and related funds will be paid by the IA directly to the affected people and units.

- House compensation funds will be paid in one lump sum to the affected household one month before relocation and house demolition.
- Payment for land and other facilities will begin three months before the acquisition.
- Different levels of financial and monitoring units should be established and operational to ensure that the LAR funds will be disbursed on schedule.

10.2.2 Institutions in Charge of the LAR Funds

- The Project IA will be responsible for the compensation of temporary land occupation;
- The Project IA and affected resident/village committees will be responsible for the compensation of house demolition; and,
- The fund will be disbursed from the Municipal Government to the IA and APs. Strict finance and auditing system will be enforced in each institution. The fund will be inspected and reported regarding its use and allocation.

10.2.3 Flow of Funds

The flow of funds is described as follows:

Special Account: An applicant of LAR license should open a special account in a financial agency, deposit the LAR funds, and sign an agreement with the financial agency concerning the scope, plan and monitoring of fund use. The agreement and the certificate issued by the financial agency will be submitted by the Applicant (IA) to the resettlement administration agency (Fuzhou House Demolishment Engineering Office). The resettlement administration agency should carry out the effective supervision LAR funds, and regularly inspect fund allocation and use.

Agreement Signing: The “Resettlement Agreement” should be signed according to the compensation standards and provisions as set forth in the LAR Plan.

Fund Disbursement: The IA, FWECDC will be responsible for the financing of land acquisition and resettlement costs under the Project. The funds will be disbursed by the IA to Fuzhou House Demolishment Engineering Office, in turn to the resident/village committee in a lump sum through the bank, in accordance with the contents, quantity and schedule as prescribed in the Agreement, and then be paid by the resident/village committee to the affected people.

An independent auditor will conduct annual audits of the disbursement of land acquisition and resettlement funds. A summary audit report will be submitted to ADB
each year.

*Recipients of the Compensation Payment:* see Table 3-7 for the entitled persons to be eligible for the entitlement of compensation payment.

### 10.2.4 Inflation Allowance

The cost estimates in the LAR are based on the prices of April 2004. Annual adjustment in the cost estimates will be made based on the inflation rate for the past year. This adjustment will be made in the month of April every year. The rates of compensation payable to the affected persons and village committees will accordingly be adjusted annually, based on the actual inflation during the year. The inflation allowance and the need to adjust compensation rates annually will be stated in the resettlement compensation agreements with the various agencies. The overall project budget includes an allowance for price contingency for LAR activities at the rate of 5% for the duration of the Project.

### 10.2.5 Physical Contingencies

Physical contingencies have been included to provide for any local changes in design or alignment and for any unforeseen circumstances during RP implementation. The rate of physical contingencies budgeted for is 10% of the total cost of land acquisition and resettlement.

FWECDC is responsible for provision of adequate funds to carry out the implementation of the RP. If any cost over-runs of RP implementation would occur, FWECDC will guarantee the provision of additional funds in a timely manner. The General Manager of FWECDC is authorized to grant any non-budgeted expenditure with regard to the implementation of land acquisition and resettlement related activities.
Chapter 11 Monitoring & Evaluation

In accordance with the requirements stipulated by *Regulations on Construction Supervision* enacted in 1995 by Ministry of Construction of PRC, the whole construction process should be properly supervised. It is also the requirement of the ADB that stringent monitoring and evaluation should be conducted. In line with this requirement and with an aim to ensure the successful implementation of the LAR, internal and external monitoring and evaluation should be carried out during and after the implementation of the project.

The Fuzhou Resettlement Office of the IA and Fuzhou Municipal Construction Bureau will take full responsibility for the regular internal monitoring of the RP. While the external monitoring and evaluation will be undertaken by Fuzhou Municipal Engineering Consulting Company.

The monitoring and evaluation program will extend four years, from the commencement of the project till two years after relocation.

11.1 Objectives and Requirements of Monitoring and Evaluation

The objectives of monitoring and evaluation are to assess if the RP is implemented according to the schedule and within the budget, and if the goals and principals for resettlement are achieved. Monitoring and evaluation include at least the following parts:

- Monitoring of the progress and efficiency of the implementation of the RP;
- Monitoring and evaluation of the income restoration and post-resettlement conditions of the affected people and communities.

Specifically, monitoring and evaluation should focus on the following aspects of the conditions of the APs and the process of LAR.

- Timely payment of LAR funds;
- Environmental conditions;
- Social adaptability after resettlement;
- Living and economic conditions after resettlement.

The monitoring and evaluation program also includes the establishment of the socio-economic baseline of the APs before the actual land acquisition and relocation and the regular monitoring of the conditions for a period of two years after the resettlement. In addition, a quantitative and qualitative evaluation will be made on the living standards of the APs before the implementation of the Project.
11.2 Internal Monitoring

During the RP implementation, the Resettlement Office of FWECDC and FHDEO will collect and record the information of resettlement activities. In the overall internal monitoring framework, there will be continuous information circulation from the community level to the FHDEO and FWECDC and periodic supervision and verification by the FHDEO and FWECDC. The internal monitoring for the implementation of the RP will be undertaken every six weeks and this will continue till the end of the Project construction. During the post-resettlement period, it will be conducted every three months.

The major M&E criteria include:

- Timely payment of various compensation fees;
- Allocation of houses according to the preferences of the APs. The number of the people who have been provided with new houses within the set time and the distance between the new house and the original house should be recorded. In order to compare the standards of the new house with those of the original one, photographs should be taken and kept in the project file of every affected household.
- Income restoration plan and implementation process;
- Timely establishment of resettlement sites;
- Inspection of the complaints registry and actions taken;
- Evaluation of progress of income restoration and livelihood rehabilitation.

11.3 External Monitoring

In addition to the monitoring criteria above, external monitoring should be undertaken every six months during resettlement implementation and every year once resettlement has been completed. A baseline survey will be conducted at the beginning of the monitoring. All reports will be submitted to FHDEO and FWECDC, and the ADB at the same time. The external monitoring agency will also provide training to the resettlement staff at different levels on best resettlement practices. To verify the quantitative aspect of implementation, various types of sample surveys on impact should be conducted on the basis of internal monitoring report to identify the progress reflected in the internal monitoring report and the accuracy of the report.

- Sources of information:
  - FWECDC and FHDEO
  - Resident/Village Committees
  - The APs

- Channels to collect information:
Questionnaire surveys (20%);
Visits and interviews with the affected households;
Interviews with the Focus Group, such as the elderly, women affected by the LAR, with the aim to identify problems and issues.

The collected data and information should be analyzed according to types of affected areas, resettlement sites, duration of impacts, types of impacts, levels of compensation, resettlement process, and so on. Annex IV provides the terms of reference (TOR) and budget for external monitor.

11.4 Major Responsibilities and Duties

The monitoring and evaluation program should focus on two aspects: 1) progress and guarantee of payment of entitled compensation to the APs; and 2) comparison of the social-economic conditions of the affected people and affected community before and after the resettlement.

The criteria for monitoring and evaluation include:

- Disbursement of entitled compensation payments to the APs: compensation fees and replacement houses specified in the RP.
- Socioeconomic development: reemployment opportunities available to the APs, number of the employed and unemployed APs.
- Provision of alternative houses;
- APs moving into alternative houses at least one month before relocation;
- APs receiving moving subsidies and transportation subsidies in time;
- Level of satisfaction of the APs;
- Level of satisfaction of the APs with every aspect of the RP;
- Operational efficiency of the appeal mechanisms;
- During the whole process of implementation, the trend of the living standards should be observed and the potential problems in restoration of the living standards should be identified and included in the report. The external monitoring agency will conduct a comprehensive socio-economic survey after the implementation to gather information on the living standards and conditions of the APs after resettlement;
- Social adaptability: impacts on children and other vulnerable groups, public participation, attitudes and reactions of the relocated APs towards the conditions after resettlement, numbers of complaints and appeals, preferential policies and income restoration measures, and improvement of the status of women.

11.5 Special Considerations

During the process of monitoring, special attentions should be paid to the vulnerable groups on the following aspects:
• Status and role of women: The change of women’s status, role and situation will be closely monitored. The monitoring and evaluation agencies should provide relevant suggestions to the IA on women’s issues and assistance to women.
• Vulnerable groups: The living conditions of the vulnerable groups after resettlement will be closely monitored to assist them to relieve hardships.
• The monitoring and evaluation should provide information on use and sufficiency of the resettlement funds.

11.6 Contents and Distribution of M&E Report

A monitoring report will include:

• M&E baseline survey of resettlement
• Progress of land acquisition, house demolition and rehabilitation
• Allocation of compensation funds
• Usage of land compensation and resettlement subsidy
• Usage of collective compensation funds
• House demolition and re-construction/house purchase
• Livelihood and income rehabilitation
• Evaluation on capacity of the resettlement implementing agencies
• Rehabilitation of vulnerable groups
• Gender Issues
• Participation and Consultation
• Grievances and Appeals
• Problems and suggestions
• Levels of AP’s Satisfaction
• Conclusion of evaluation;
• Major existing and potential problems, including follow-up of problems previously identified;
• Recommendations of mitigation or prevention measures.

The external monitoring will be undertaken every six (6) months. Fuzhou Municipal Social Academy will provide the status reports semi-annually from the start of the implementation of RP to FHDEO and FWECDC, the LAR Leading Group, LAR Resettlement Coordination Group, and resident/village committees until the Project is completed.

FWECDC will forward copies of reports to the Fuzhou project management office (FPMO), which in turn forward the reports in English to the ADB. FWECDC and FHDEO shall ensure that information on the progress and status on all aspects of land acquisition and resettlement activities will be provided to Fuzhou Municipal Engineering Consulting Company for verifying the progress reports. FWECDC will also submit a resettlement completion report to the ADB, to be followed by a post-resettlement impact evaluation reports by the monitors, which should provide further evidence whether
adverse effects of the Project have been mitigated adequately, and at least “without project” income levels have been restored.
Chapter 12  Implementation Schedule

12.1  Principles of Scheduling Arrangements

The implementation of the LAR Program should be finished as early as possible to prepare for the start of the engineering works. Explanations should be provided to the affected people to obtain their understanding and support before the resettlement commences. At the same time, the resettlement implementation plan should be completed well in advance so that comments could be received from affected and interested parties, as well as to help the APs to know more about the related laws and policies.

12.2  Implementation Process

12.2.1  Final Confirmation of Property Inventory

The Fuzhou House Demolishment Engineering Office is responsible for verifying all of the affected inventories, including the affected land and attachments on the land, and submit the inventory to the responsible authority for verification. The amount of compensation will be calculated on the basis of the inventory and be submitted to the related agencies.

12.2.2  Approval of LAR Documents

Land acquisition of the Project must be approved by the Fuzhou Urban Planning Bureau and then submitted to the Fuzhou Land Administration Bureau. The house demolition organization must obtain the house demolition approval document before the demolition commences. The responsible authority for land acquisition and resettlement is the Fuzhou Housing Administration Bureau. A land acquisition and resettlement program must receive approval by the bureau and be granted a “demolition and resettlement certificate” before it can begin implementation. Otherwise, it would be considered as illegal. The IA must submit all required documents to the Fuzhou Housing Administration Bureau according to relevant laws and regulations.

12.2.3  Compensation and Resettlement Agreement

The demolition and resettlement compensation agreement must contain the following:

- Structure, square footage, location, stories, direction, land ownership and other related elements of the demolished house;
- Resettlement compensation method;
- Time allowance for the moving;
- The amount of cash compensation, moving subsidy, other LAR compensation
allowances, as well as the method and time of payment;
• Penalties for violation of the agreement;
• Any other issues that the parties concerned wish to specify.

The written agreement of demolition and resettlement and compensation shall be finalized between the resettlement office of FHDEO and the household concerned. The agreement will be signed when no disputes in the compensation prices exist between the two parties. It will take effect once signed, and will serve as the basis of responsibilities and obligations of both parties.

12.2.4 Implementation Schedule

The resettlement schedule for land acquisition, house demolishment and relocation of the Project will be coordinated with the respective construction schedule. Based on the time schedule of the Project, a preliminary land acquisition and resettlement schedule has been developed, reflecting the linkage and consistency between the time schedule of resettlement/land acquisition and civil works construction tasks.

In order to ensure that all aspects of the RP can be achieved, land occupation and resettlement will start at least one month before construction. The affected persons who choose replacement house must move into their alternative housing at least one month before house demolishment. For those who choose cash compensation for house purchase or house construction; payment of compensation should be completed at least three month before relocation. This will ensure that the implementation will be completed within the two-year construction period. Resettlement implementation will be scheduled in stages to coincide with construction of the Project started in October 2004. However, before the land acquisition and APs are moved, a final measurement survey will be conducted in each affected community, and the household contracts will be negotiated and signed. Also, arrangements for housing replacement will be established before relocation proceeds.

The LAR schedule will be carried out by stages. The general Implementation Schedule of the Projects is presented in Table 12-1. The implementation schedule of land acquisition, relocation and resettlement of the Project are presented in Table 12-2.
### Table 12-1  Project Implementation Schedule

<table>
<thead>
<tr>
<th>Activity</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<td>3</td>
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<tr>
<td>Preliminary and Final Designing</td>
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<td>2</td>
<td>3</td>
<td>4</td>
<td></td>
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<tr>
<td>Tendering</td>
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<td>2</td>
<td>3</td>
<td>4</td>
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</tr>
<tr>
<td>Sewers and Pumping Stations Construction</td>
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<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>and Commissioning</td>
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<td>2</td>
<td>3</td>
<td>4</td>
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### Table 12-2  LAR Schedule

<table>
<thead>
<tr>
<th>LAR Plan</th>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<tr>
<td></td>
<td>Month</td>
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<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Detailed population census in the affecte area</td>
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<td>11</td>
<td>12</td>
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<tr>
<td>Confirm APs and the poor</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Complete the compensation and resettlement policy</td>
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<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Conduct public participation on the RP</td>
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<td>7</td>
<td>8</td>
<td>9</td>
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<tr>
<td>Apply for LAR certificate</td>
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<td>10</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Sign the compensation for land acquisition and resettlement agreement</td>
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<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Confirm the resettlement location</td>
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<td>5</td>
<td>6</td>
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<tr>
<td>Permanent land acquisition</td>
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<td>8</td>
<td>9</td>
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<tr>
<td>Temporary land occupation</td>
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<td>11</td>
<td>12</td>
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<td>Issue compensation payment</td>
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<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Build or purchase new houses</td>
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<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>APs moving to new destinations</td>
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<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Demolish house and other buildings</td>
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<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Income</td>
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<td>2</td>
<td>3</td>
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<tr>
<td>Employment provision to the APs</td>
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<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Year</td>
<td>2005</td>
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<td>1 2 3 4 5 6 7 8 9 10 11 12</td>
<td>1 2 3 4 5 6 7 8 9 10 11 12</td>
<td></td>
</tr>
<tr>
<td>Training</td>
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<td></td>
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<tr>
<td>Other rehabilitation measures</td>
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<td></td>
</tr>
</tbody>
</table>

### Restoration

- Establish internal monitoring system, procedures and formats
- Engage monitoring agency
- Approve TOR by ADB
- Training of resettlement staff
- Monitor LAR activities
- Monitor income restoration programs
- Monitor socioeconomic indicators and vulnerable program
- Conduct external evaluation

### M&E

- Conduct external evaluation
Annex I Fuzhou Municipal Urban Housing Removal Management

Regulations

Adopted on the 5th Session of the Standing Committee of the 11th Fuzhou Municipal People’s Congress on Aug. 31, 1998; approved by the 20th Session of the Standing Committee of the 9th Fujian Provincial People’s Congress on July 28, 2000; promulgated by the Standing Committee of Fujian Provincial People’s Congress on Aug. 9, 2000; and put into effect on Aug. 9, 2000

Contents

Chapter I General Provisions
Chapter II Management on Building Demolition
Chapter III Relocation for Building Demolition
Chapter IV Compensation for Building Demolition
Chapter V Disputes Settlement and Legal Liabilities
Chapter VI Supplementary Provisions

CHAPTER I GENERAL PROVISIONS

Article 1 The methods are formulated in accordance with the Administrative Regulations for Urban Building Demolition and Relocation enacted by the State Council and in the light of the actual conditions of our Municipality with an aim to strengthen the management of the urban building demolition and relocation, safeguard the legal rights and benefits for affected persons and ensure the smooth implementation of urban construction.

Article 2 Any construction on the State-owned land within urban planning areas which has acquired the approval according to the construction procedures and needs to demolish the original houses and the auxiliary buildings, shall follow the Methods.

Article 3 The Demolition Unit in the Methods refers to the person or unit that shall acquire the Permit for Urban Building Demolition according to the law.

The affected person/people in the Methods are the owners (including the people entrusted by the owners to supervise the houses or people entrusted by the State to supervise the state-owned houses) and users of the demolished houses and auxiliary buildings.

Article 4 Any urban house and building demolition shall be in conformity with the
urban plan and be good for the renovations of older urban areas.

**Article 5** The urban house and building demolition shall follow the principles of providing appropriate resettlement, making rational compensation for the affected persons, and relocating the affected persons prior to the demolition.

The Demolition Unit shall follow the Methods to relocate and make compensation for the affected people without impairing their legal rights and benefits. The affected people shall comply with the needs of urban construction and remove timely. Any excuses to delay the removal and any requirements for compensation and relocation beyond the Methods are prohibited.

**Article 6** The relocation compensation methods for house and building demolition takes the forms of cash compensation/monetary relocation or the house property right exchange/lump-sum house replacement, with cash compensation being encouraged.

The forms of relocation compensation are chosen by the affected people after the negotiations of both parties in accordance with the wishes of the affected people and taking into consideration of the conditions of the Demolition Unit, such as funds, source of replacement houses.

**Article 7** Fuzhou Municipal Real Estate Administrative Bureau is the administrative department for urban building demolition and relocation (hereinafter refers to the Building Demolition Administrative Department), which is responsible for the organization to implement the Methods. Its responsibilities mainly include the following:

1. To work out policies and implementing regulations for building demolition and relocation, report to the Municipal People’s Government for approval and organize the implementation after the approval;
2. To examine and approve the application for building demolition according to the law, evaluate the replacement methods and locations, verify-and-issue the Permit for Building Demolition, and publish the announcement on Building Demolition;
3. To supervise and manage the qualifications of the demolition units according to the law;
4. To supervise and manage the use of relocated houses and resettlement funds;
5. To examine and supervise the work of demolition and relocation, urge the affected people to go through the registration of property rights of demolished houses;
6. To settle the disputes on demolition and relocation, deal with and punish the behaviors which are against the Methods.

The Building Demolition Administrative Department shall not accept the entrustment to implement the building demolition and relocation.

**Article 8** The people’s governments at all levels shall strengthen the leadership of the
supervision on building demolition. The relevant departments of the local people’s government, such as departments of urban planning, land administration, construction, public security, industrial and commercial administration, city visual development, culture and education, etc., shall take their respective responsibilities and cooperate with each other to ensure the smooth implementation of building demolition in line with the Methods.

CHAPTER II MANAGEMENT ON BUILDING DEMOLITION

Article 9 After the evacuation scope has been determined, the Building Demolition Administrative Department shall publish the evacuation scope and inform the relevant departments in writing to temporarily stop the relevant formalities concerning industrial and commercial business licenses, building approval, transfer or change of property right and right to use, removal into the affected area, division of families, and so on, within the affected areas. There is an exception to those people who need to register in the local police station or remove out from the affected area as a result of birth, demobilization of armymen, marriage, etc. All the civil works under construction within the affected area shall stop immediately. The Administrative Department on Housing Property Rights shall conduct the examination and verification of the property rights of houses within the affected area.

The period for temporary stopping the transactions shall not be more than six weeks. If there is no notice when the period expires, the temporarily stopping measures shall be removed. All the formalities going through within that period without approval shall not be used as the supports for demolition and relocation compensation.

Article 10 If any units or individuals need to get the permission for building demolition, they shall file an application and submit the following materials to the Building Demolition Administrative Department.
(1) Approval documents prescribed by the State;
(2) The demolition plan and proposal;
(3) Resettlement Schemes;
(4) Description of the examination of the property right;
(5) Certificates for the demolition compensation capital and replacement houses.

Upon receiving the application, the Building Demolition Administrative Department shall make a decision on whether to approve or not within 15 days. If the approval is made, the Department shall issue the Permit and publish the Announcement on Building Demolition.

Article 11 Only after the Demolition Units obtains Qualification Certificate for Building Demolition, can they implement demolition. Or if they cannot acquire the Qualification Certificate for Building Demolition, they can entrust the agencies with
the building demolition qualification certificate to implement demolition. There is an exception for people to demolish their own houses and auxiliary buildings with property rights for constructional needs.

Only after acquiring the Certificate for Building Demolition verified and issued by the Building Demolition Administrative Department, can the building demolition staff implement the demolition. The affected people have the right to refuse to negotiate the relevant issues on demolition and relocation with the staff without the Certificate for Building Demolition.

Building Demolition shall be undertaken by the construction unit which has the conditions for guaranteeing the safety. The person in charge of the construction unit shall be responsible for the safety.

**Article 12** The demolition organization established by the Demolition Unit for houses demolition is forbidden to implement the administration over demolition and relocation.

**Article 13** Before the implementation of building demolition, the Demolition Unit shall inform the affected people in written form the issues on demolition and relocation in accordance with the Announcement on Building Demolition, and ensure the work of measurement and evaluation of the houses and buildings within the affected area, conduct surveys and make registrations.

**Article 14** The Demolition Unit and the people and tenants affected by the demolition shall sign the demolition and evacuation compensation and relocation agreement according to the Methods. This agreement shall include the compensation method and compensation amount, relocation housing areas and site, schedule, way and period of payment, responsibilities for against the contract and other items necessary to be covered by the parties concerned.

The Demolition Unit shall publish the issues on demolition and relocation compensation and accept the monitoring of the public.

**Article 15** The Demolition Unit shall strictly implement building demolition in accordance with the evacuation scope approved by the Planning Department. No enlargement or shrinkage of the evacuation scope is allowed. The evacuation period specified in the building demolition announcement shall not be extended.

**Article 16** Within 3 months after the completion of the compensation and relocation agreement, the Demolition Unit and the affected people shall apply to the House Property Rights Administrative Department and Land Administration Department respectively for the formalities of canceling, transferring and changing of the house property right and right to use the land. The Demolition Unit shall fill in and report
the forms of relocation and compensation timely, completely and accurately, and
make files of compensation and relocation information. Within 6 months after the
relocation, the Demolition Unit shall submit the relocation materials and files to the
Building Demolition Administrative Department, which shall establish and improve
the demolition and relocation archives system.

Article 17 If there are other prescriptions in the laws and regulations on the
demolition of social undertaking facilities, urban public facilities, military facilities,
houses of compatriots, churches, temples, cultural relics and historic sites, or cutting
of trees and removal of the ancient and famous trees, follow the relevant
prescriptions.

Article 18 The Building Demolition Administrative Department shall conduct
examinations on the demolition and relocation activities. The examinees shall provide
the real information and data, the examiners shall have the obligation to keep the
technical and professional secrets for the examinees.

CHAPTER III RELOCATION FOR BUILDING DEMOLITION

Section 1 Monetary Relocation / Cash Compensation

Article 19 Monetary relocation means to convert the value of the demolished house
into money and pay to the affected people directly in cash.

Article 20
The formula for calculating the amount of monetary relocation is:
Amount of the fund for monetary relocation = Basic price for the common commercial
houses in different zonal bits of the affected area X floorage of the demolished house
-price difference needs to be paid by the affected people

The basic price for the common commercial houses/apartments in different zonal bits
of the affected area will be verified by the Municipal Government and published at
the end of the first quarter of a year.

Article 21 The affected people can choose monetary relocation except the following:
(1) The affected people who share the same house property right, or the different
users of the same affected state-owned house can not reach an agreement on the
options of relocation methods;
(2) The property right of the affected house is in disputes or undefined, or the house
property right owner disappears;
(3) The house property right owner and the user of the same affected house can not
reach an agreement on the options of relocation methods;
For the demolition of the house with a mortgage, the mortgagee and mortgagor have not re-signed the mortgage contract or the mortgagor has not paid off the debt.

**Article 22** Within 10 days after the signing of the monetary relocation agreement for public building demolition, the demolition unit shall deposit the monetary relocation fees, in the name of the holders of the proper right of the demolished houses, in the bank account of the Municipal Housing Funds Administrative Center.

**Article 23** For the demolition of public houses and buildings, if the owners want to purchase houses with the monetary relocation fees, they shall submit the monetary relocation agreement for public houses’ demolition, house purchase contracts and deposit receipts to the Municipal Housing Funds Administrative Center, which in return, shall pay the house purchase funds within the amount of deposit in according to the house purchase contracts.

**Article 24** Within 10 days after the signing of monetary relocation agreement for private houses demolition, the demolition unit shall give the monetary relocation fees to the holders of the proper right of the demolished houses.

**Article 25** It shall be considered as the house relocation to purchase the new apartment in the City with the monetary relocation fee.

**Section 2 House Relocation**

**Article 26** The lump-sum house relocation means to relocate the affected people in the relocation houses for one time without relocating them in the transitional houses or returning them to the original residential place after the completion of the project.

**Article 27** For demolition of residential houses of the affected people, the relocation shall base on the original floorage of the demolished house and be conducted according to the following regulations:

- The property right certificates and lawful leasing evidences of the demolished houses shall be used as the base to count the number of the affected households;
- The standard types of relocation apartments have the floorage of 45m², 60m², 75m², 90m², and 105m² respectively. The demolished house with a floorage which is more than 105m² can be relocated by more than one apartment;
- The standard types of relocation apartments shall be in conformity with the national construction standards.
- The lump-sum relocation, determined on the different zonal bits classifications where the demolition happens, shall be carried out in the standard types of relocation apartments with floorage of the original floorage of the demolished house plus the increased floorage within the range appraised by the municipal people’s government.
After the relocation in the standard types of relocation apartments, if the actual increased floorage of the affected people is less than $7m^2$, they can be relocated in the relocation apartment with the type one level higher.

**Article 28** For the demolition of leased residential house, if the property right owner requires for exchange of the property right, the original leasing relation shall be maintained, not including the case which is not maintained according to the contract though. If the property right owner doesn’t require for the exchange of the property right or monetary relocation, the Demolition Unit shall relocate the tenant and give compensation to the property right owner.

**Article 29** For demolition of houses for commercial use, the relocation shall be carried out according to the following regulations:
- For demolition of houses of commercial or service industries, normally lump-sum relocation is carried out and the relocated area is increased within the prescribed range. However, if the demolition unit is to construct houses for commercial use with the functions, layout and structure of the houses and the contents and level of the business all suiting the affected people, the demolition unit shall relocate the affected people on the newly constructed houses for business;
- For the relocation of houses for commercial use, the relocated people shall accept the construction layout and business purposes of the relocated houses;
- For the demolition of the open houses with front space for commercial use, if the floorage of the demolished house is less than $20m^2$, monetary relocation shall be chosen, but the affected people can choose to be replaced with houses if they are willing to paying for the surplus area (the lost area is deducted) at the price of the newly-developed commercial house;
- The affected people who have changed the houses for non-commercial use to commercial use without the approval of the Municipal Urban Planning Management Bureau and confirm of the Municipal Real Estate Administrative Bureau shall not be replaced with the houses for commercial use.

**Article 30** For the key projects of the State for which the unified building demolition is organized by the government, and the construction of specialized urban public facilities which needs to demolish the buildings and houses, the relocation means, replacement location and compensation standards shall be enacted separately by the Municipal People’s Government in line with the nature and construction period of the projects.

**Article 31** For demolition of the house that has property right disputes, undefined property right and the whereabouts of the holder of the property right is unknown, which cannot be settled within the removal period prescribed in the Announcement for Building Demolition, the Building Demolition Administrative Department shall organize the parties concerned to make surveys and registration of the demolished
house and apply for the Notary Office to conduct the evidence preservation, and the demolition unit shall work out the compensation and relocation plan and implement the demolition first upon approval of the Building Demolition Administrative Department.

**Article 32** For the exchange of the property right of the demolished house with a mortgage or pledge, the parties concerned shall sign the mortgage or pledge agreement again. If no agreement can be reached within the period prescribed in the Announcement for Building Demolition, the demolition unit shall implement the demolition in accordance with Article 31 of the Methods.

**Article 33** For demolition of the rural residents’ houses that are located in the junction area of the urban districts and suburbs or within the planned development area for the short term, the demolition and relocation shall be uniformed carried out according to the Urban Plan.

If the affected people have been allocated the plots to construct the residential houses and the area of the house has reached the set standards, only compensation instead of relocation shall be given.

**Article 34** The prices for the relocated houses are calculated according to the following regulations:

1. If the affected people who own the property rights require for the exchange of property rights, the same floorage and the floorage that needs to be increased in lump-sum relocation are appraised based on the construction and installation cost of the replaced house; floorage increased by relocation in the standard type of house nearby is calculated based on 80% of the cost price; floorage increased by the relocation in the house type one level higher is calculated based on the cost price; floorage increased as a result of being provided with more than one apartment or other reasons is calculated based on the commercial house price.

2. Under the condition the property right holder and the user is the same person, the person does not require exchange of property rights and monetary relocation but requires to rent the relocated houses, or the tenants of public houses want continue renting the relocated houses, distribution cost is not charged for the same floorage and the floorage to be increased in lump-sum relocation; while the distribution cost is charged for the extra floorage at 25% of the construction and installation cost of the relocated houses. For owners of private houses and tenants of private houses that do not carry out exchange of property rights, distribution cost is charged for the same floorage and the floorage to be increased in lump-sum relocation at 15% of the construction and installation cost of the relocated houses and 25% for the extra floorage.

3. For non-residential houses compensated by exchange of property rights, the lost floorage shall be returned by settling the price difference due to different structures according to the replacement price; If the replaced house is larger than
the lost one, the extra floorage shall be paid by the affected people at the prices of commercial houses.

**Article 35** No relocation or compensation shall be given to the demolition of the illegal buildings and structures or the temporary buildings which have exceeded the period of use, and the demolition shall be undertaken by the owners or users themselves. If the party concerned refuses to demolish, the demolition unit shall implement the demolition according to the law. For demolition of the temporary buildings which have not exceeded the period of use, an appropriate amount of compensation shall be given to the affected people, but no relocation shall be given.

**Article 36** For the projects which belong to the State key projects or the construction of urban public facilities which need to demolish the buildings and houses, if it is really difficult to undertake the lump-sum house relocation, temporary transitional relocation can be provided to the affected people upon approval of the Building Demolition Administrative Department.

The transitional houses shall be provided by the demolition unit, but it shall be allowed if the affected people arrange the living places for the transitional period by themselves.

The temporary transitional period shall not be longer than two years except for the readjustment of the national policies or the unexpected force majeure. And the temporary transitional period for relocation in high-rises shall not be longer than two years.

**Article 37** The relocation houses and apartments shall be equipped with complete facilities and put into use only after the comprehensive check of the construction as acceptable when the buildings are completed.

On delivering the relocation houses to the affected people to put into use, the demolition unit shall provide the House Quality Assurance and House Use Instruction.

**CHAPTER IV COMPENSATION FOR BUILDING DEMOLITION**

**Article 38** The compensation fees for building demolition shall, in accordance with the types, classifications, projects and standards for the demolished houses and on-the-ground attachments, be enacted by the Municipal People’s Government under the principle of fair, rational, equivalent and non-gratuitous and in line with the specific conditions of Fuzhou Municipality.

**Article 39** The compensation fees for building demolition shall be paid according to
the following prescriptions:

(1) For the affected person who own the property right of the demolished house and 
want the exchange of house property right as the compensation means, the 
compensation fee shall be paid at full replacement cost of materials and labor with 
no deduction for depreciation or salvageable materials for the area of the relocated 
house with the size equivalent to that of the lost house;

(2) The affected person, who is the owner as well as the user of the demolished house, 
requires to rent the relocated house instead of the exchange of house property 
right or the cash compensation, he or she shall be compensated at full replacement 
cost of the area of the lost house with no deduction for depreciation or salvageable 
materials. If the owner and the user of the demolished house are two different 
people, who do not require the exchange of house property right, they shall be 
compensated at full replacement cost of the area of the lost house with no 
deduction for depreciation or salvageable materials;

(3) The demolished state-owned houses which belong to the state organs or are under 
the Real Estate Administrative Bureau shall be compensated with the exchange 
of house property right with the area equal to the area of the lost houses plus the 
increased area for lump-sum relocation. No negotiation shall be required.

**Article 40** If the affected people arrange living places by themselves during the 
prescribed transition period, the demolition unit shall pay them a subsistence 
allowance for their temporary settlement. If the demolition unit cannot relocate the 
affected people within that period, from that month when the prescribed transition 
period expires, shall pay three times of the subsistence allowance for the temporary 
settlement to the affected people monthly. If the demolition unit cannot relocate the 
affected people more than six months after the expiring of the period, six times of the 
subsistence allowance for the temporary settlement shall be paid to the affected 
people monthly. If it is the demolition unit who provides the transitional houses to the 
affected people, and in case the demolition unit cannot relocate the affected people 
after the expiring of the transition period, the demolition unit shall pay the affected 
person a subsistence allowance for their temporary settlement according to the 
monthly standard from that month when the prescribed transition period expires.

If the affected people are given the relocation for one time, the demolition unit shall 
give them the cash assistance to transport household effects. If they are temporarily 
relocated, the demolition unit shall pay them double of the cash assistance.

**Article 41** If the enterprise or business has to stop the production or business as a 
result of building demolition, the demolition unit shall, during the period of 
business/income generation disruption, give cash compensation to the staff on the 
payroll of the affected enterprise in accordance with the lowest salary/wage standard 
of the city, amount of social insurance fund and the price allowance set by the state, 
give the retirees the regulated medical and insurance fees and give the economic 
subsidies to the self-employed businesses in accordance with the lowest salary/wage
standard of the city. The above affected people shall be given cash assistance for removal.

If the affected people participate in the demolition meetings or the removal, they shall be given cash allowance for delay their work for 3-5 days.

CHAPTER V  DISPUTES SETTLEMENT AND LEGAL LIABILITIES

Article 42
In case there are disputes between the demolition unit and affected people on compensation means, amount of compensation fees, area for replacement houses, replacement location, means of removal and transition and transitional period, and no agreements can be reached through consultation and negotiation between two parties, the parties concerned can initiate legal proceedings to a people's court directly, or ask for the Building Demolition Administrative Department to make an adjudication. If the affected person is the Building Demolition Administrative Department, the dispute shall be adjudicated by the Municipal People's Government.

If the party concerned refuses to accept the adjudication, the party may initiate legal proceedings to a people's court within 15 days of receiving the notification on the decision regarding the disputes. During the litigation period, if the demolition unit has relocated the affected people or provided the transitional houses, the implementation of building demolition shall not be stopped.

If any disputes rise in the fulfillment of Demolition and Relocation Compensation Agreement, the party concerned can initiate legal proceedings to a people's court according to the law.

Article 43 Within the evacuation period stipulated in the Announcement for Building Demolition or decided by the adjudication made according to the first section of Article 42 of the Methods, if the affected people have no proper reasons to refuse the demolition, the Municipal People’s Government can make a decision to order them to demolish within the given period of time. If the demolition is not implemented within that period, the Building Demolition Administrative Department can apply to the people's court for a compulsory enforcement. If the demolition involves the urban infrastructure, the Building Demolition Administrative Department can apply to the people's court for a compulsory enforcement after getting approval of the Municipal People’s Government.

Article 44 If the Demolition Unit violates these regulations and does any of the following, the Building Demolition Administrative Department shall give a warning, order to stop the demolition, revoke the relevant certificates on building demolition, confiscate the illegal income, or give a penalty of 1%-5% of the total compensation
fund for demolition and relocation according to the serious nature of the case.
(1) To implement the building demolition without approval and without acquiring the Permit for Building Demolition, or without according to regulations specified in the Permit for Building Demolition;
(2) To entrust the units without the Qualification Certificate for Building Demolition to implement the demolition, or implement the building demolition by itself without acquiring the Qualification Certificate for Building Demolition;
(3) To force a building demolition without giving compensation to the affected people or relocating them, or to implement the building demolition without according to the approved evacuation scope;
(4) To increase or decrease the compensation standards without permission, enlarge or shrink the scope for compensation and relocation;
(5) To dodge being monitored and supervised, sell the replacement apartments without approval, or transfer or appropriate the relocation funds;
(6) To relocate the affected people beyond the prescribed period as a result of the replacement houses with bad qualities or incomplete supporting facilities;
(7) To refuse to submit and report the house demolition and relocation forms or relocation data files according to the relevant regulations.

Article 45 If the Demolition Unit exceeds the removal period without proper excuses or extends the transitional period by themselves, the Building Demolition Administrative Department shall order them to correct and give a warning to them, or give a penalty of 3000-5000 yuan(RMB). The Demolition Unit shall be responsible for the compensation if the economic losses of the affected people are incurred as a result of the mistakes of the Demolition Unit.

Article 46 When delivering the houses to be used by the affected people, the Demolition Unit shall bear the responsibility for compensation if it can not provide the House Quality Assurance and House Use Instruction in time, which results in the losses of the affected people.

Article 47 If the demolition has destroyed the surrounding buildings, structures and other facilities, the Demolition Unit shall be responsible for making renovations or give the corresponding compensation.

Article 48 If the affected people violate the agreement to demolish the houses and the attachment without approval to get the constructional materials, or refuse to return the transitional houses, the Building Demolition Administrative Department shall order them to correct and return the acquired constructional materials or the transitional houses within the given period of time, and give a warning to them, or give a fine of 300-1000 yuan(RMB).

Article 49 If the party concerned refuses to accept an administrative penalty, the party may, within 60 days of receiving the notification on the decision regarding the penalty,
apply for a reconsideration by the administrative department at a higher level of the authority that made the penalty. If the party concerned refuses to accept the reconsidering decision, the party may initiate legal proceedings to a people's court within 15 days of receiving the notification on the decision. The party concerned may also file a lawsuit directly in the people's court. If the party neither apply for a reconsider, nor initiates legal proceedings or complies with the penalty within that period, the authority that has made the decision of administrative penalty shall apply to the people's court for a compulsory enforcement.

**Article 50** Whoever disturbs the order of demolition work, incites the masses to make troubles, destroys or seizes the assets, forcibly occupy the houses, or obstructs the staff of the Building Demolition Administrative Department to perform the official duties, shall be given a penalty by the police according to the *Administrative Punishment Statues of the Public Security*. If the offence is serious enough to constitute a crime, the criminal responsibilities shall be investigated in accordance with the law.

**Article 51** Dereliction of duty, abuse of power for personal gains, demand or reception of bribery, practice of favoritism and blackmail by the Building Demolition Administrative Department and its staff and staff of the demolition agency shall be given the administrative punishment. If the offence is serious enough to constitute a crime, criminal sanctions will be applied according to the criminal law.

**CHAPTER VI  SUPPLIMENTARY PROVISIONS**

**Article 52**
Increased area for lump-sum relocation, compensation price for building demolition, standards for subsistence allowance for the temporary settlement and subsidy for removal are approved by Fuzhou Municipal People’s Government authorized by Fujian Provincial People’s Government.

**Article 53** The Methods shall be explained by Fuzhou Municipal People’s Government.

**Article 54** The administration of the building demolition and relocation of the counties or cities proper under the jurisdiction of Fuzhou Municipality, shall implement according to the Methods.

**Article 55** The Methods shall come into force since the promulgation. The *Administrative Regulations of Urban Building Demolition and Relocation of Fuzhou Municipality*, which was adopted by the Standing Committee of Fuzhou Municipal People's Congress on Sept. 15,1991, shall be abolished at the same time.
For the building demolition whose demolition announcement has been published before the effective date of these methods, compensation and relocation for building demolition shall be implemented according to the original methods.
Annex II. Summary of Negotiation Conference on Resettlement and Restoration Plan

On July 10, 2003, a negotiation conference on resettlement and restoration plan of the Lianban WWTP Sewer Network Project, chaired by the Fuzhou Municipal Construction Bureau, was held at the conference room of Fuzhou Municipal Civil Engineering Department with the participation of the leaders of township government and village committees, and representatives of the APs in the project affected areas. The summary of the meeting is as follows:

1. The house demolishment and resettlement of the Project is caused by the construction of the municipal civil infrastructure projects. The leaders of the township governments and village committees and the representatives of the APs expressed their understanding and support to the project.

2. According to the actual implementation situation of the land acquisition and resettlement in the project neighboring areas, and the special requirements of the ADB projects, the meeting initially decided the compensation rates of the Project will be: RMB 49,916 per mu for vegetable land; RMB 34,105 per mu for orchard land; RMB 2,584 per mu for pond and un-used land. Other compensation standards will follow the relevant standards of the city. The above compensation plan should get approval from the Fuzhou municipal government.

3. The project IA will organize staff to conduct further detailed measurement survey in association with the township governments and village committees.

Participants: Fuzhou Municipal Construction Bureau, Cangshan District Construction Bureau, Construction Preparatory Office of Fuzhou Lianban WWTP Sewer Network Project, representatives of Gaishan township government and village committees, and APs.

July 11, 2003
Annex III Resettlement Information Booklet

ADB Fuzhou Environmental Improvement Project:

Lianban WWTP Sewer Network

Resettlement Plan

Handbook

Fuzhou Water Environment Construction and Development Company

September 2004, Fuzhou
Propaganda Subject
This propaganda handbook is aimed to provide all the information which is concerned by affected people.
☆ The significance and necessity of 2nd phase sewer network project of Fuzhou Yangli WWTP;
☆ Main content of 2nd phase sewer network project of Fuzhou Yangli WWTP;
☆ Investment of 2nd phase sewer network project of Fuzhou Yangli WWTP;
☆ Both Chinese laws and regulations and ADB Resettlement policies for loan projects will improve the local natural environment and facilitate the improvement of investment environment, in the same time, they will protect the benefits and rights of affected people to the largest extent.
Chapter 1 Introduction

1.1 Background of Project
Located in eastern part of Fujian Province, Fuzhou City, the provincial capital, is the political, economic, cultural center and transportation hub of the whole province. It is also one of the coastal cities of our country open to the outside world and an important base for light industry and foreign trade. The Central City of Fuzhou City includes two parts: north bank of Min River and Nantia Island.

The development of Naitai Island is the important part of the urban development strategy of “Expanding eastward, extending southward and developing further westward” identified in the Overall Plan of Fuzhou city. In the light of the vision designed in the Overall Plan and the needs of the further development, Naitai Island will become a new part of Fuzhou city and be established into a new important high-tech industry zone, cultural and educational district, scientific and research base, important commercial and trade center, tourist and recreational district and high-level residential district.

1.2 Description of the Project
In accordance with the Overall Plan for Naitai Island of Fuzhou City, the Naitai Island is planned to cover a constructional area of 94km² with a planned population of 800,000 by the year of 2020. It has five districts of Jinshan, Jianxin, Cangshan, Gaishan and Chengmen under its jurisdiction.

In line with the adjusted scheme for the Overall Plan of Fuzhou City, two sewage treatment plants will be established in Jinshan and Lianban in Nantai Island, of which the Jinshan Sewage Treatment Plant (JSTP) will have a daily handling capacity of 50,000m³ with the surplus sewage moving to be treated in Lianban Sewage Treatment Plant (LSTP).

The planned constructed land of Naitai Island, of which 7.1km² will be covered by the sewage-collecting pipelines and network of Jinshan STP, 83.6km² be covered by the pipelines and network of Lianban STP to be constructed, and 3.3m² be the open space. In the short term the service area of two sewage treatment plants will reach 60km², 31.25km² of which are for Lianban STP.

It is estimated that the sewage quantity in the whole island will reach 311,000 m³/d in the short term (by the year of 2010) and 507,000m³/d in the long term (by 2020). The handling capacity of sewage within the service area in the short term will be 288,000m³/d. This figure will be 201,600m³/d if the sewage collection rate is 70%. Hence the handling capacity of sewage of the whole island in the short term will be set as 200,000m³/d, 150,000 m³/d sewage of which will be treated in Lianban Sewage Treatment Plant, whose handling capacity of sewage will be 550,000m³/d in the long term. The sewage-collecting pipes will be completed in accordance with the long-term
plan, with the roads and new districts being constructed at the same time.

This project of Lianban STP includes the construction of a total length of 109.7km supporting sewerage collecting pipelines and 4 pumping stations, which are planned to be put into production by the end of 2009 with a total investment of 35.981 million yuan RMB.

Of the total investment,
- The planned loan from international financial organization totals 17.8608 million USD, equal to 148.2444 million yuan RMB, accounting for 41.2% of the total investment;
- A loan from the local commercial bank amounts to 103.62 million yuan RMB, accounting for 28.8% of the total investment;
- The total of funds raised by the project owner and allocation from the local financial department reaches 107.94 million yuan RMB, accounting for 30% of the total investment.

1.3 Benefits of the Project
As an item of urban infrastructure, this project takes serving for the society as the main task. It is not only the indispensable conditions for the production departments, but the necessary conditions for the life of residents as well. Its achievement on the national economy mainly manifests itself as outside effect. The benefits produced by the project include economic benefits, which can be measured partly, and immeasurable environmental benefits and social benefits.

1.3.1 Environmental Benefits
Environmental benefits of this project reflect most directly on the role of the project in improving the urban ecological environment. Urban ecological infrastructure is the guarantee for the city and its residents to obtain continuously the natural ecological service. As an important part of urban infrastructure, Sewage Treatment Plant and the pipelines and network will have a very important strategic significance on the future development of Fuzhou city through improving the sewage-treated rate and reducing the sewage discharges into the environment to improve the water quality of inland rivers.

1.3.2 Social Benefits
Nowadays, with the environmental protection becoming one of the basic national policies, various problems resulting from water pollution have not only gradually attracted the concerns and attentions of the whole society, but also exerted an important impact on the stability of the society and sustainable development of national economy. The implementation of this project will have a significant impact on the strategy for urban development of Fuzhou City.

In addition, the implementation of the project will set Fuzhou a better image and the improvement of urban environment will let citizens enjoy their lives and productions
more. All these will play a significant role in promoting the stability and union of the society and push forward the development and progress of social economy of Fuzhou City.

1.3.3 National Economic Benefits

After completion and put into production of the project, a reasonable price will be set for charging the users for urban sewage treatment in line with the principle of “ensuring the recovering of the operating cost of the treatment plant and bringing out rational economic returns” to keep the normal operation of the plant. But the most important is that the project will have an indirect economic benefit.

The construction of the project will improve the water quality of the inland river of Naitai Island, ensure the normal operation of industrial and agricultural production, prevent Min river from being polluted by sewage discharges and hence suffering from economic losses, lessen the pollution of waste water on underground water source, and improve on a large scale the living environment of citizens and ecological environment of the city. All these will play an active and effective role in improving investment environment of Fuzhou city to attract foreign capitals, exploring tourist resources, developing industrial economy, increasing the output of agriculture and fishery, and updating the quality of agricultural and side products and industrial product, etc. Therefore, this project will have a huge indirect economic benefit.

Chapter 2 Project Impact

2.1 Scope of Houses Demolition

The pipelines and network of Lianban WWTP covers Cangshan District, a combination zone of urban and rural area. As a result, the Project will affect both urban and rural residents. Since the sewer pipelines will be constructed along the urban roads, the construction of the sewer pipelines will not involve any permanent land acquisition and houses demolishment, except for limited amount of temporary land occupation of public road spaces. The temporary land occupation will not affect any private properties and incur any economic loss and permanent impact. However, for the construction of 3 pumping stations and an administration center located in No. 1 pumping station, certain amount of farmland will be acquired and a number of houses will be demolished to make way for the construction.

At present, the location of the construction site basically has been confirmed. This RP is based on the present design scheme. As the Project is at the stage of feasibility study at present, the routes and location of the sewage-collection pipelines may undergo readjustments later. If there are any changes to the routes and location of the sewers, the impact data will be re-collected, consultation will be done with APs; resettlement information booklet will be re-distributed to the APs; and the RP will be updated and sent to ADB for approval.

According to the existing practice of Fuzhou, a house needing partial demolition will be totally demolished if partial demolition will result in the destroying of the house
structure or the loss of the use of the remaining house area. Generally speaking, partial demolition of the house with brick/wood, brick/concrete and wood structure will destroy the structure of the whole house. Therefore, the private houses partially affected by this Project will be completely acquired and demolished.

All three pumping stations, including the administration center, will involve land acquisition of some farmland. Along with land acquisition, only No. 2 Pumping Station will involve limited number of residential houses demolition. No enterprises and shops will be affected. Among 19 relocated households, 12 of them are urban residents and 7 of them are rural residents. Most demolished houses are brick and wood structures with a total of 2,566 square meters.

2.2 Principles and Objectives of Resettlement

Due to the fact that the pumping stations and the administration center are the designated location by the planning department, and should conform to the plan of the city, there are no other options for geographical choices of the Project. The designing departments are required to provide the optimum design and ensure minimum land acquisition and house demolition at least, and improve the environment integrated with landscape and greening design.

As the sewage-collection pipes are laid in the deep ground, and the stratum where the pipes are laid is basically sludge or sand. If the construction scheme of open-cut is adopted on a large scale, the aggregate cost will surpass that of pipe-jacking scheme. In addition, as the main construction of the project is mainly conducted on the urban roads, the extensive open-cut will result in the serious interference with the urban traffic. Moreover, pipe-jacking will avoid the potential impact on resettlement from pipe construction as pipe-jacking is a method to use machine to push the pipeline forward section by section underground. Therefore, this Project will use as much as possible the pipe-jacking technology to avoid the potential impacts on resettlement and temporary land occupation.

The principles and objectives of the resettlement for this Project are to reduce land acquisition and houses demolition to the best extent possible, and at the same time to protect the legal rights and benefits of the affected people. In particular, the living conditions of the APs will be improved. Cash at replacement value will be used as the main means of compensation for temporary land occupation and house demolition. For those APs who asked for replacement houses, they will be moved into residential houses near the affected area. For those APs whose land will be acquired permanently, adequate compensation and rehabilitation measures will be provided.
Chapter 3 Land Acquisition and Resettlement Policies
3.1 The Compensation Principles of Land Acquisition and Resettlement
According to laws, regulations of the Chinese Government and policies of ADB, the compensation and entitlement principles of the project are as follows:

- Provide fair compensation and entitlement for the affected people, so as at least improve their living standards before the resettlement or at least to maintain them.
- Minimize temporary land acquisition and affected period.
- All legal and illegal affected people should be taken into consideration.
- The APs should have sufficient land to maintain their living standards after land acquisition.
- If the average land holding of APs per capita is not sufficient to maintain their living standards, other income generation opportunities should be provided to them.
- Inform all affected people of related qualifying conditions, compensation rates and standards, means of living and income restoration plans and the engineering schedule.
- Before the affected people are satisfied, the land acquisition compensation and resettlement should not be carried out.

All APs losing land temporarily, houses or sources of income will be compensated or rehabilitated in accordance with the type and amount of their losses and whether they are identified as affected temporarily during construction, or included in the final Detailed Measurement Survey (DMS) to be completed within the deadline specified by the government. APs cultivating land, constructing buildings or settling in project affected areas after the deadline will not be eligible to compensation or subsidies.

3.2 Compensation Condition and Affected People
All the affected people who lose their lands, houses, plants or income source should be compensated or restored according to the type and amount of their losses.

The expiry date of this project stipulated by the government is July 2003. The expiry date is the date to finally confirm if the condition for compensation is satisfied.

Any land plowed by, houses built by or resettlement made by the affected people within the affected area after the expiry date will be treated as not satisfying the condition for compensation or subsidy.

3.3 The Compensation Ratio
3.3.1 Permanent Land Acquisition
For the acquisition of collective-owned land, the compensation rates are calculated based on the price level in 2002. The compensation standards are as follows:

(4) Paddy Field, Vegetable Land, Dryland and Fish Pond

Compensation Rates for Permanent Land Acquisition in Table 3-1.
### Table 3-1  Compensation Rates for Permanent Land Acquisition (Y/mu)

<table>
<thead>
<tr>
<th>Type of Land</th>
<th>Cost</th>
<th>Land Compensation</th>
<th>Resettlement Subsidy</th>
<th>Compensation for Loss of Standing Crops</th>
<th>Unit Price for Permanent Land Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy field</td>
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<td>29,177</td>
<td>43,289</td>
<td>2,918</td>
<td>75,384</td>
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<tr>
<td>Dryland</td>
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<td>23,341</td>
<td>43,289</td>
<td>2,918</td>
<td>69,548</td>
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<td>Vegetable Land</td>
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<td>17,677</td>
<td>26,226</td>
<td>1,768</td>
<td>45,671</td>
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<tr>
<td>Fish Pond</td>
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<td>65,094</td>
<td>25,717</td>
<td>1,900</td>
<td>92,711</td>
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</tbody>
</table>

(5) Orchard Land and Other Economic Trees Land

### Table 3-2  Unit Price of Compensation for Pond and Un-Used Land

<table>
<thead>
<tr>
<th>Type of Land</th>
<th>Cost</th>
<th>Land Compensation</th>
<th>Resettlement Subsidy</th>
<th>Unit Price for Permanent Land Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pond and Un-Used Land (RMB/mu)</td>
<td></td>
<td>4,668</td>
<td></td>
<td>4,668</td>
</tr>
</tbody>
</table>

### 3.3.2 Temporary Land Occupation

The project will involve a certain amount of temporary land occupation. Due to location of sewer pipelines being under public road spaces, no agricultural land will be affected. For affected public road spaces, compensation for disturbance/easement as well as restoration will be provided to municipal civil engineering department, and the cost is covered in the project engineering budget.

Land cannot be occupied for more than 2 years. The duration of occupation will be minimized in order to reduce impacts. The pipe-jacking method will be used to minimize the impact of temporary land occupation.

### 3.3.3 Houses, Structures and Household Facilities

In Fuzhou, according to Fuzhou City Urban Building Demolition Administration Method, the compensation for demolished houses will be based on replacement. There are two options for house compensation. One is cash option, and the other is in kind option.

The cash compensation is to provide cash to affected households based on house compensation rate and affected house floor space. Based on commodity housing price in different urban locations, a set of basic compensation rates is provided, which will be the basis for house compensation. Such compensation rates will be appraised and provided each year by Fuzhou Municipal Government. Based on location of affected areas, and current commodity housing price in these locations, the housing compensation rate for this project is tentatively set at Y1,560 per square meter.
If the affected households are not satisfied with compensation rate, they could also choose a qualified real estate appraisal agency to appraise their affected structures. The cost of house appraisal will be provided by the project owner. Following the approved procedure and regulations, the result of appraisal will be disclosed to the affected households, which will be used as the basic for house compensation.

The second option is to provide replacement housing by the project owner to the affected households. Following the Fuzhou City Urban Building Demolition Administration Method, the replacement housing option will be based on the same amount of affected floor space in the similar locations. The standard replacement housing units include 45, 60, 75, 90 and 105 square meters. For those households with more than 105 square meters, two separate apartments should be provided. The affected household will be entitled to the same amount of replacement housing with no additional charges. If the difference of demolished spaces and proposed unit is within 10 square meters, the affected people need only to pay basic cost of such additional space, which is set at Y700 per square meter. In order to meet different needs of affected people, the project owner will provide several different housing estates in the same areas for selection.

In addition to basic house compensation, the affected people will be provided compensation for various affected facilities, which include Y450 for each electricity meter, Y70 for each water meter, Y100 for each telephone line, and Y160 for each cable TV. In terms of decoration compensation, it will be assessed during resettlement implementation, and adjusted in the final compensation rate, which will be set at no more than 15 percent of basic housing compensation rate.

During the relocation, various transfer allowances will be provided for each affected household. They include (1) moving allowance, (2) medical subsidy, (3) transfer assistance, and (4) compensation for lost working time. Based on Fuzhou city regulations, it is decided that moving allowance will be set at Y300 per household for those with less than 4 persons; and Y400 per household for those with more than 5 persons. For medical subsidy, it is agreed that it will be based on Y100 per person per month for 6 months. For transfer assistance, it will be set at Y200 per household; and lost time compensation will be set at Y300 per household.

The above compensation standards have been established after consultation and comprehensive consideration of location, functions and structures of the demolished houses. They will be submitted to the resettlement administration department according to the progress of the project, and published and implemented upon approval.

### 3.5.4 Entitlement Matrix

Included in Table 3-7 is the Entitlement Matrix which was developed on the basis of the above principles and standards of compensation.
### Table 3-7  Entitlement Matrix of APs

<table>
<thead>
<tr>
<th>Type of Losses</th>
<th>Level of Impact</th>
<th>Entitled Persons</th>
<th>Compensation Policy and Standards</th>
<th>Implementation Issues</th>
</tr>
</thead>
</table>
| Permanent land loss (No illegal APs)   | Permanent loss of agricultural land, non-agricultural land and green crops. 15.34 mu (1.02 ha) of land in total for the Project | The affected village (groups) will be entitled to land compensation fund.                              | ● The land compensation rates, including resettlement subsidy and green crops shall be Y75,384 per mu for paddy field, Y69,548 per mu for dryland, Y45,671 per mu for vegetable, and Y 92,711 per mu for fish pond. | ● If no farmland could be allocated, the AP will be provided with resettlement subsidy and part of land compensation (no less than 80 percent) for income generation.  
● The local district and township governments will provide assistance to AP to be employed in local enterprises.  
● The project owner will give AP priority to be employed in pumping stations, including technical training prior to employment. |
| (5 households or 27 persons)           |                                          | The affected 5 households and 27 persons will receive cash compensation for loss of standing crops. If no farmland could be re-allocated by affected village groups, the affected persons will receive cash compensation of resettlement subsidy and part of land compensation fund to be used for income generation and restoration of income and livelihood, |                                                                                                    |                                                                                       |
| Temporary land occupation              | Loss of urban road during the Project construction (31.59 mu or 2.11 ha of urban land) | Cash compensation will be paid to the municipal civil engineering department for urban road restoration. | ● Cash compensation for disturbance/easement of urban road paid to the municipal civil engineering department for road recovery.  
● The land occupation can not exceed two years at maximum.  
AND  
● Restoration of land to its previous or higher quality when land is returned. | Disturbance to local residents and pedestrians should be avoided as much as possible |
| Permanently affected private house (3 households without certificates of houses) (19 households or 78 persons) | With structures built thereon. 2,566 square meters private houses in total | Cash compensation or replacement house will be provided to the APs.  
All households with or without legal house certificate papers including AP settled on the land after 29/08/98 (Land Law) as long as they are included in the final AP list or are able to prove their occupation of affected plots and structures before the cut-off date. The cut-off date will be determined by the Fuzhou municipal government. | ● The provision of replacement housing of equivalent size, at a location satisfactory to the AP.  
● Cash compensation for affected structures at full replacement cost of materials, equipment and labor with no deduction for depreciation or salvageable materials. The rates shall be RMB 1,560 per square meter.  
● If the APs do not agree compensation rates, they could select a qualified real estate appraisal agency to appraise their properties. The final compensation rates will be based on appraised rates.  
● If the residential land and/or structure is only partially affected by the Project and the remaining | Assistance will be provided to both legal and illegal APs during resettlement process  
IA will provide construction materials at preferential prices to the APs |
<table>
<thead>
<tr>
<th>Type of Losses</th>
<th>Level of Impact</th>
<th>Entitled Persons</th>
<th>Compensation Policy and Standards</th>
<th>Implementation Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential land loss</td>
<td></td>
<td></td>
<td>residential land is not sufficient to rebuild the residential structure lost, then at the informed request of the AP the entire residential land and structure will be acquired at full replacement cost, without deduction for depreciation or salvageable materials.</td>
<td>• The threshold of insufficient remaining residential land is to be determined based on consultation with AP, AND</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Rehabilitation assistance</td>
<td></td>
</tr>
<tr>
<td>Other private properties</td>
<td>19 electric meters, 19 water meters, 17 telephones, and 19 cable TVs</td>
<td>Cash compensation will be paid to the APs</td>
<td>• Cash compensation for affected property at replacement cost, OR • Compensation to move the property, OR • Repair of property by contractor to original or better condition.</td>
<td></td>
</tr>
<tr>
<td>Measures for income restoration and transfer assistance</td>
<td>Loss of farmland for the construction of 3 pumping stations and administrative center</td>
<td>The affected 5 households and 27 persons will receive cash compensation for loss of standing crops. If no farmland could be re-allocated by affected village groups, the affected persons will receive cash compensation of resettlement subsidy and part of land compensation fund to be used for income generation and restoration of income and livelihood,</td>
<td>• Cash compensation for loss of standing crops at market prices. The compensation rates for crops shall be around Y2,918 per mu for paddy field, Y2,918 for for dryland, Y1,768 per mu for vegetable land, and Y1,900 for fish pond. • If no farmland could be allocated, the AP will be provided with resettlement subsidy and part of land compensation for income restoration, averaging Y100,000 per household. • The local district and township governments will provide assistance to AP to be employed in local enterprises or engage in various non-farm activities. • The project owner will give AP priority to be employed in pumping stations, including technical training prior to employment.</td>
<td></td>
</tr>
<tr>
<td>Materials, transfer and transportation allowance</td>
<td>Relocating AP</td>
<td>Cash compensation will be paid to the APs</td>
<td>• All relocating AP will be entitled to cash assistance for moving and transfer. They include Y300/Y400 per HH for moving; Y300 per HH for lost working time; Y200 per HH for transfer; and Y100 per person for medical subsidy.</td>
<td></td>
</tr>
<tr>
<td>Type of Losses</td>
<td>Level of Impact</td>
<td>Entitled Persons</td>
<td>Compensation Policy and Standards</td>
<td>Implementation Issues</td>
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</tr>
<tr>
<td>Special allowance for households receiving social assistance and/or households.</td>
<td>Affected vulnerable population (may be the very poor, minority, elderly disabled, receiving social assistance, or female-headed households)</td>
<td>● No vulnerable households have been identified. However the vulnerable groups will be identified further. Once the affected households are determined as vulnerable groups, they will be provided with special assistance and attention, such as resettlement assistance fund at RMB 2,000 per household, the provision of government economy house if needed, and the provision of loan for house purchase by the municipal housing sponsor agency.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grievance</td>
<td>Property indexes, compensation standards, compensation payment, resettlement and rehabilitation measures</td>
<td>APs involved in making appeal and grievance for the settlement of land acquisition and resettlement issues</td>
<td>● The affected people will be exempted from various kinds of fees involved in making complaints and claims for land acquisition and resettlement issues</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 4 Resettlement & Income Restoration Plan

4.1 Rehabilitation Plan for Relocated Households

The construction of sewers will cause demolition of 2,566 square meters of houses. 19 urban households need to be relocated. Given the small number of households affected, it is anticipated that all will choose to receive cash compensation and seek new housing on their own. This provides freedom of choice and opportunities to upgrade their housing by using savings, which is typical in Fuzhou. There is a wide range of housing available and some affected people even prefer to move to other parts of the city. Nonetheless, if some households do choose to have exchange housing, this option is still available. In addition, people losing residential building should find alternative accommodation before they are displaced.

4.2 Economic Rehabilitation for Land Loss Farmers

While no land acquisition will be permanently acquired for the construction of sewer pipelines, certain amount of land acquisition will be required for the construction of 3 pumping stations, including one administrative center. According to preliminary survey, a total of 15.34 mu of land areas will be acquired, mostly farmland.

Based on preliminary survey, about 5 households and 27 persons will be affected by land acquisition. Of these five affected households, three of them will be affected by No. 1 Pumping Station, and two of them will be affected by No. 2 and No. 3 Pumping Stations respectively. Among total 27 affected persons, 15 of them are labours. Only 7 of them are currently involved in planting and animal husbandry activities. The remaining labours are working in various non-farm jobs. In terms of source of income, in average, agricultural income among these households accounted for only 27 percent. In other words, about 73 percent of income came from various non-farm activities. The average per capita income among these 5 households was about Y6,600, with agricultural income accounting for Y1,800 per person. The land acquisition of 15 mu of farmland will cause certain impacts on these households. In average, each household will lose about 3 mu of farmland, which represents about 55 percent of their land holding.

To mitigate such impacts, a range of measures will be taken by the project owner. They include (1) provide generous compensations for the lost land; (2) arrange non-farm employment opportunities for the affected farmers; and (3) provide other rehabilitation assistance during the process. The combination of these measures will ensure that the 5 affected households will restore or improve their income to their previous levels.

(1) Adequate Compensations

Following local regulations, generous compensation rates will be provided for affected farmland, which ranges from Y41,768 per mu for fruit garden to Y75,384 per mu for
paddy. Based on these compensation rates, a total of Y633,000 will be provided for the acquisition of 15.3 mu of land areas, averaging Y41,300 per mu. Given the fact that there are very small land holdings among three affected villages (ranging between 0 to 0.29 mu per person), and most people in these villages are no longer relying on agriculture, there is little chance to have land readjustment after land acquisition among these villages. Based on discussions with Fuzhou City Land Administration Bureau and relevant local officials, the common practice of compensation and rehabilitation for land acquisition is to deliver most of the compensations to the affected households, which includes compensation for green crops, resettlement subsidy and most of the land compensation.

Assuming 20 percent of land compensation will be kept by the affected village groups to be used for collective welfare, the affected households could receive up to 80 percent of land compensation, averaging Y100,000 per household. Based on amount of acquired land areas, it will range from Y50,000 to Y200,000 per household. These cash compensations will provide sufficient funding for affected persons to engage in various non-farm activities and to restore their livelihood and incomes to their previous levels. Based on preliminary consultation, at least 3 APs will use their compensation to begin their own businesses.

(2) Non-farm Employment Opportunities

With reduction of farmland, some the affected persons will be transferred to non-farm activities. They could either use cash compensations to start small businesses or to find appropriate non-farm jobs. The affected villages are located in the Cangshan District, where there are a number of industrial districts with many factories. There are many employment opportunities in these industrial districts. Some of these factories are located in their same villages or townships. The relevant district and township governments will provide necessary assistances, such as technical training and job introduction, for these people to obtain appropriate employment.

In addition, the project owner will also provide some non-technical employment opportunities when the construction of the sewage pumping stations of Lianban WWTP and associated facilities is completed. The affected persons will be given such employment opportunities. According to the estimate, 14 such employment opportunities will be created for the operation and maintenance of these pumping stations with average monthly wage being Y800-1,000. Based on preliminary consultation, 4 or 5 APs have expressed their willingness to accept such employment opportunities.

(3) Other Rehabilitation Assistance

For the affected villages, they will directly benefit from the project, which will involve cleaning polluted rivers, building sewer lines and installing wastewater treatment capacity. In addition to an improved sanitation and living environment brought by the project, the affected villages could also use part of the land compensation fund to
improve community services, such as increase living allowance for the elderly and vulnerable and education subsidy for the school age children.

4.3. Restoration Plan for Temporary Land Occupation

This project component will temporarily occupy 31.6 mu (2.1 ha) of public road spaces during project construction. The project owner will be responsible to provide proper compensation to the municipal civil engineering department for mitigation of such impact and restoration of road spaces.

4.4. Potential Risks

Even though the LAR Program has been prepared on the basis of extensive investigations and consultations, a number of factors can still probably affect the outcome, particularly the income and living conditions of the APs. The owners and local governments (district governments or resident committees) should pay great attention and adopt the effective measures to avoid the possible decline of their income. It is hoped that through such efforts, the income of affected people will be improved or at least restored to the original level.

In order to mitigate the potential risk of resettlement, it is important to have a sufficient contingency fund. If there is any possibility of income decrease, the Project IA will coordinate with local government to utilize the contingency fund properly and identify feasible option for APs to restore their income and ensure their living standard will not be decreased.

Chapter 5 Procedure of Complaints and Claim

5.1 Mechanism of Complaints and Claims

The RP has taken into consideration the overall planning of the resettlement based on the impacts of the whole project areas. However, during the implementation of RP, some complaints may be raised by the resettlers due to the changes of actual situation and deviation of operation. According to the past experiences, the major complaints include the issues of property indexes, compensation standards, compensation payment, and resettlement and rehabilitation plan.

5.2 Grievance Channels and Procedures

The active participation of APs in the preparation of the RP will serve to minimize grievances. But the need for appeals may emerge from time to time. In order to ensure the effective channelling and resolution of the grievances of APs, the following grievance procedure has been established:

(iv) AP appeals to the resident committee/village committee.
(v) If the resident committee/village committee cannot resolve the issue within 10 days, it will be taken to any of the following agency:

- Respective resettlement office at district levels;
- Respective resettlement office at municipal level;
- Fuzhou Development and Reform Commission;
or
- Independent Monitoring Agency.
or
- Municipal appeal office;
- Municipal discipline committee.

(vi) If the RP is not satisfied with the response then they have the legal right to submit the appeal to the court.

The grievance lodged by an affected person can relate to any aspect of the land acquisition and resettlement program, including the compensation rates being offered for their losses.

APs are informed of the above grievance and appeal procedure through public information meetings, the resettlement information brochure and other media, so that they can fully understand their rights for grievance and appeal.

An independent monitoring agency (IMA), Fuzhou Municipal Engineering Consulting Company will be hired to inspect and report on the resettlement processes and the operation of the Resettlement Offices at different levels and correct any faults and mistakes made during the resettlement process. LAR implementation agencies should keep good records, and make them available to the external monitor for inspection and verification.

The grievance procedures are presented in Figure 5-1.
CITY APPEAL OFFICE

DISTRICT RESETTLEMENT OFFICE

INDEPENDENT M&E MONITOR

RESIDENT COMMITTEE/VILLAGE COMMITTEE

AFFECTED HOUSEHOLD
Annex IV. Terms of Reference for External Monitoring

A. Introduction

According to the requirements stipulated in the “Regulations on Construction Supervision” promulgated by the Ministry of Construction of the People’s Republic of China (PRC) in 1995, all construction projects shall be properly supervised. It is also a requirement of the Asian Development Bank (ADB) that loan projects that result in resettlement be properly monitored and evaluated. In order for the implementation of the land acquisition and resettlement program of the Fuzhou environmental Improvement Project (FEIP) to comply with the provisions of the Resettlement Plan (RP), monitoring of implementation, both “internal” and “external”, will be carried out during and after the implementation of the Project.

An independent monitoring agency (Monitor) will be engaged through competitive tenders for the external supervision, monitoring and evaluation. The Consultant will be a PRC consulting entity who has experience in ADB or World Bank projects dealing with resettlement issues. In addition, an international resettlement specialist(s) will be engaged to advise and assist with the monitoring and evaluation activities.

Monitoring and evaluation will include, but not be limited to:

- Monitoring the progress and effectiveness of RP implementation;
- Evaluation of income restoration and post-resettlement conditions of the APs and host communities.

B. Objectives and Requirements of Monitoring and Evaluation

The objectives of monitoring and evaluation are to assess if the land acquisition and resettlement is implemented in accordance with the RP and if the goals and principles of the RP are achieved. Specifically, monitoring and evaluation will focus on the following aspects of the APs’ situation and the resettlement process.

- Economic situation prior to and after displacement of land or housing;
- Timely disbursement of funds;
- Environmental conditions;
- Social adaptability after resettlement;
- Rehabilitation of the vulnerable groups;
- Condition and quality of land temporarily acquired when it is returned to the original land users;
Monitored Indicators

The following indicators will be monitored and evaluated in accordance with principles, entitlements and rehabilitation strategies/plans set out in the RP:

- Disbursement of entitlements to APs and enterprises/businesses: compensation, housing, cultivated farmland, and employment as specified in the RP.
- Development of economic productivity: re-allocation of cultivated land, land restoration, job opportunities available to APs, number of APs employed or unemployed.
- Provision of alternative housing: the affected persons must move into their alternative housing at least one month before the relocation; for those opting for self-construction, payment of compensation and provision of housing sites should be completed at least three months before the relocation; the compensation for construction of houses should be equivalent to the replacement cost; the affected persons must receive on time their entitlements regarding moving allowance and transportation allowance.
- Restoration of civic infrastructure: all necessary infrastructure should be restored at the resettlement sites at least up to a standard equal to the standard at the original location; the compensation for all infrastructure should be sufficient to reconstruct it to the same quality.
- Level of satisfaction of APs: level of satisfaction of APs with various aspects of the resettlement program; the operation of the mechanisms for grievance redress will be reviewed and the speed and results of grievance redressal measures will be monitored.
- Standard of living: Throughout the implementation process, the trends in standards of living will be observed and the potential problems in the way of restoration of standards of living will be identified and reported. The Consultant will carry out a comprehensive socio-economic survey after the completion of resettlement implementation to document the standards of living and the conditions of the APs after resettlement. The survey will be conducted annually for two years, or until
most affected households have fully restored their living standards and income
generation.
- Reemployment of affected staff and workers, and compensation of lost wages.
- Social adaptability and cohesion: impacts on children, the elderly and other
  vulnerable groups, public participation, APs’ attitudes and reaction to post
  resettlement situation, number of complaints and appeal procedures and resolution,
  implementation of preferential policies, income restoration measures, and
  improvements in women’s status.

D. Special Considerations

Special attention/provisions specified in the RP will be paid to women, the poor and vulnerable
groups during monitoring; these include:

- The status and function of women: Closely monitor any change in women’s status,
  function and situations. At least 40% of APs surveyed will be women. The
  monitoring and evaluating unit will also provide recommendations and assistance to
  the EA in respect of women’s issues.
- Care and attention to vulnerable groups: Closely monitor living conditions of elders,
  the handicapped, and other vulnerable groups after resettlement, to ensure that no
  hardship is experienced.
- Monitoring and evaluating will provide information on utilization and adequacy of
  resettlement funds. The Fuzhou Finance Bureau will audit resettlement accounts and
  funds. The details of this audit will be made available to the IMA.

E. Contents and Distribution of Independent Monitoring Reports

A monitoring report will include, among other things:

- conclusion of investigation and evaluation;
- major existing and potential problems;
- recommended mitigation or prevention measures which will be incorporated into a
  revised plan if necessary;
- assessment of previous follow-up actions.

The Monitor will provide the IA’s, Fuzhou House Demolishment Engineering Office,
Resettlement Leading Group (RLG), and respective resettlement implementation offices with
monitoring reports every six months from the start of the implementation of LAR and annual
evaluation reports until the Project is completed, or until all resettlement issues have been
successfully resolved.

All reports will be available in English and Chinese. IA’s shall ensure that information on the
progress and status on all aspects of land acquisition and resettlement activities will be provided
to the external monitor for verifying the progress reports. The Fuzhou Project Management Office (FPMO) will forward copies of the reports in English to the Asian Development Bank. FPMO will also submit a resettlement completion report to the ADB, to be followed by post-resettlement impact evaluation reports by the monitor, which should provide further evidence whether adverse effects of the Project have been mitigated adequately, and at least non-affected household income levels have been restored for the APs.

F. Duration and Frequency of Visits

The consulting services will be required during a period of 4 years.

During implementation of the RAP, external monitoring by the Monitor will be undertaken every six (6) months for an input of one (1) month.

G. Monitoring Schedule

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Timing</th>
<th>Report Submission to ADB</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Baseline Survey</td>
<td>Mar. 2005</td>
<td>April 30, 2005</td>
</tr>
<tr>
<td>2) Monitoring of Implementation</td>
<td>Apr. 2005</td>
<td>June 30, 2005</td>
</tr>
</tbody>
</table>