UPDATED RESETTLEMENT PLAN

PUYANG WASTEWATER TREATMENT PROJECT

UNDER
HENAN WASTEWATER MANAGEMENT AND WATER SUPPLY SECTOR PROJECT

IN THE

PEOPLE’S REPUBLIC OF CHINA

Puyang County Municipal Engineering and Gardening Bureau

January, 2008
Endorsement of the Updated Resettlement Plan

In March, 2005, Puyang County Municipal Engineering and Gardening Bureau has prepared the resettlement plan, which has been approved, for Asian Development Bank (ADB) financed wastewater treatment project in our county. In the end of 2007, on the basis of the latest design, the design scheme and site selection are changed, according to ADB policy and suggestions from external monitoring and evaluation agency, Puyang County Municipal Engineering and Gardening Bureau updated the former RAP. The updated resettlement plan fully complies with requirements of the relevant laws, regulations and policies of People’s Republic of China and Henan Province as well as complies with ADB’s policy on involuntary resettlement.

Puyang County Government hereby confirms the content of this updated resettlement plan and will guarantee the land acquisition, compensation and relocation budget being provided according to the provisions of this resettlement plan.

Puyang County People’s Government

February 1, 2008
## ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>RAP</td>
<td>Resettlement Action Plan</td>
</tr>
<tr>
<td>APs</td>
<td>Affected Persons</td>
</tr>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>LTRR</td>
<td>Leading Team for Resettlement and Relocation</td>
</tr>
<tr>
<td>PMO</td>
<td>Project Management Office</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>EA</td>
<td>Executing Agency</td>
</tr>
<tr>
<td>IA</td>
<td>Implementing Agency</td>
</tr>
<tr>
<td>RIB</td>
<td>Resettlement Information Brochures</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Government Organization</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of reference</td>
</tr>
<tr>
<td>HWMWSP</td>
<td>Henan Wastewater Management and Water Supply Project</td>
</tr>
<tr>
<td>LAO</td>
<td>Land Acquisition Office</td>
</tr>
<tr>
<td>YTRRO</td>
<td>Resettlement and Relocation Office of Yangmiao Township</td>
</tr>
<tr>
<td>MEA</td>
<td>Monitoring and Evaluation Agency</td>
</tr>
<tr>
<td>DI</td>
<td>Design Institute</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>WS</td>
<td>Water Supply (WS)</td>
</tr>
<tr>
<td>WWT</td>
<td>Wastewater Treatment</td>
</tr>
<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>AAOV</td>
<td>Average Annual Output Value</td>
</tr>
<tr>
<td>RO</td>
<td>Resettlement Office</td>
</tr>
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Executive Summary

A. Background and Impacts Assessment

1. Former Puyang Wastewater Treatment Project consists of a wastewater treatment plant with a capacity of 50,000 m³ per day and an associated sewerage pipeline system; using DN300-1200 pipes with a total length of 41 km. Due to the adjustment of design, the project consists of a wastewater treatment pumping station with a capacity of 50,000 m³ per day and an associated sewerage pipeline system. The distribution of the pipeline system is basically the same as before, while the length has been prolonged to 42.6KM. After adjustment, the pumping station locates in Wanrong Village, Chengguan Town, Puyang County. According to related regulations of ADB, the formal RAP should be updated and this version is the updated RAP of Puyang Wastewater Treatment Project.

2. The construction of pumping station will need permanent land acquisition of 6.96 mu, all of which are village collective-owned farmland. Besides, about 691.4 Mu of land will be temporarily occupied for the pipeline networks, including cultivated lands and state-owned roads. The affected persons by the wastewater treatment project are simply those who are affected by permanent land acquisition and there is no house demolition involved. Through on-site survey, 6 households or 17 persons are to be affected by permanent land acquisition, while 183 persons are to be affected by temporarily land occupation.

B. Policy Framework and Entitlements

3. This Resettlement Action Plan (RAP) has been prepared in accordance with the applicable laws of the Chinese Government and ADB’s resettlement policy and guidelines for involuntary resettlement. The main laws and policies refer to in this RAP including: i) Land Administration Law of the PRC; ii) State Council No. 28 Decree in 2004; iii) Henan Provincial Management Guidelines for Implementation of the Land Administration Law of PRC; iv) Temporary Regulations of Cultivated Land Occupation Tax for the PRC; v) Henan Provincial Forestry Management Regulations; vi) ADB’ Handbook on Involuntary Resettlement.

4. Compensation standards for all assets will be determined according to the full replacement value for the lost assets and the compensation fund will be disbursed to affected village and affected people before the assets are acquired. The compensation rate for permanent land acquisition at Rongwan Village is CNY
63,980/mu. Compensation standards for temporary land occupation are CNY 1200/mu and CNY 7073/mu respectively for young crops and state-owned road restoration. In addition, compensation rates for ground attachments and facilities are as follows: CNY 120 for telegraph pole, CNY 10/m² for wall, CNY 50 for Individual adult tree, 200 CNY for tomb relocation, and CNY 400/m² for virescence belt.

C. Rehabilitation and Income Restoration

5. All affected persons will be compensated and provided with relocation assistance if any as set out in the project entitlement matrix in this RAP. During Project implementation, efforts will be made to further minimize the land acquisition and resettlement impacts.

6. The income restoration and rehabilitation measures has been drafted in this RAP according to the local economic situation and the purpose of them is to guarantee the living standards and livelihood of the affected persons equal or better than the ones before the project. These income restoration and rehabilitation measures have been developed in consultation with all affected persons and they have reflected the most practical ways for the easy implementation.

D. Institutional Arrangements

7. The institutional framework for managing land acquisition and resettlement activity and a detailed budget have been included in RAP, which will enable the local IA fulfil its responsibilities specified within RAP. Puyang County Government has established a leading group to supervise all the key activities of land acquisition and resettlement and an office under the leading group has been created with the staff from IA and the other relevant local departments for daily administration and implantation of resettlement plan.

E. Public Consultation and Disclosure

8. The public participation and consultation is an important step during the preparation of resettlement plan. These activities have been undertaken during the different stages of project preparation. The information regarding the project and possible impacts has been widely disseminated among the affected persons and the resettlement information booklet has been distributed to the affected persons, and the English version of the RAP will be uploaded on ADB website.

F. Complaints and Grievances

9. The grievance procedures have been established in this RAP. The purpose of
grievance procedures is to solve the possible problems in a timely and effective way and guarantee the project construction and land acquisition could be carried out smoothly. The transparent and effective grievance channel is established for the affected person of the project in addition to existing appeal and grievance channels of local governments at all levels.

G. Monitoring and Reporting

10. An internal and external monitoring and evaluation system has been established in this RAP to make sure that the resettlement plan could be carried out smoothly and affected persons could be properly resettled, monitoring will be carried out through the whole process of land acquisition and resettlement for the project. The EA will report quarterly to ADB on the progress of land acquisition, resettlement and compensation/rehabilitation tasks.

11. External monitoring will be carried out by an EMA twice a year, while EMA reports will be sent to ADB every six months during the implementation and once a year after completion of resettlement activities for two years. A set of monitoring indicators for both international and external monitoring and evaluation has been set up in this RAP.

H. Cost Estimate of Resettlement

12. The estimated cost for resettlement is CNY 768 million, among which CNY 445 thousand is permanent land acquisition compensation, CNY 4370 thousand is temporary land occupation compensation, CNY 1309 thousand is ground attachments and facilities compensation, CNY 20 thousand is related tax and fee, CNY 919 thousand is unpredictable fee and CNY 612 thousand is other fees. The compensation and resettlement budget will be adjusted based on the Detailed Measurement Survey (DMS) during the project implementation. The EA will ensure adequate fund for resettlement implementation and will provide extra resettlement budgets as necessary to meet eventual shortfall that emerges in achieving the resettlement objectives.
1. 1. INTRODUCTION AND PROJECT DESCRIPTION

1.1. Brief Introduction of Puyang County

Puyang County is located in the northeastern part of Henan Province, southern part of Puyang City, south to the Yellow River, east to Linfan County, bounded by Neihuang County and Huaxian County on the west and Puyang City—the National Hygiene City and Garden City—on the north, by Changyuan County on the southwest, Dongming County, Heze County and Zhencheng County of Shandong Province on the southeast crossing the Yellow River and by Zixian County of Shandong Province on the northeast. It is 54km long from the south to north, 49km wide from the east to west, with a total area of 1455km², the average altitude of 50-58m, and a population of 1,093,500. The county town is located in the center with the current total population of 126,600 and the total urban area of 15km² and the altitude of 48-53m. The whole county is part of Yellow River alluvial plain and Haihe River water system.

According to Puyang County Master Plan, Puyang County as part of Puyang City (i.e. the old urban area) is the whole county’s political, economic and cultural center as well as a renowned historical and cultural town of prosperous industry, commerce, trade and tourism.

1.2. Description of the Wastewater Treatment Project

The Project includes one wastewater treatment pumping station with daily treatment capacity of 50,000m³/d, 42.6-km-long sewage collection pipe network (D300-D1200).

The total investment for the engineering is CNY 50386.5 thousand, among which CNY 4042.8 thousand is for wastewater treatment pumping station and CNY 46343.7 thousand is for the sewer network.

1.3. Measures to Minimize Project Impacts

The design units and the IA have taken some effective measures to reduce the impacts of project construction on the local social and economic development during the planning and design phases:

A. Gave more consideration on the impacts of project construction on the local community and economy when comparing and optimising the schemes during the planning phase, and treated impacts of the land acquisition and resettlement as one of the key criterion for the selection of best scheme;

B. The site should be separated with the village, commercial, financial, cultural and entertainment facilities and as far as possible avoid house removal and occupation of farmland with good irrigation conditions, thus finally the site in north eastern corner of the area is chosen;

C. Optimised the construction schedule, shorten the construction period, and properly arrange the house relocation and reconstruction phases.

D. As for temporary land occupation, “fill by each 40m” will be adopted to restore the
affected roads as soon as possible, which is to decrease the impacts to minimum.

1.4. Preparation for Resettlement Plan

In addition to the requirements of the legal framework on the resettlement, the resettlement plan was drafted based on the following documents;

(1) Related project reports, especially the Project Proposal and Project Feasibility Study Report;

(2) Detailed survey results on the affected area finished in August 2004, and detailed list of permanent land acquisition impacts within project area finished October 2007;

(3) Social and economic survey on the affected families within the affected area finished in October 2007;

(4) Outputs of the consultation with the representatives of involved villagers and cadres of Rongwan Village as well as related government departments of Chengguan Town;

(5) Minutes of Meeting with the representatives of affected persons to discuss and determine their desired compensation and income recovery methods and plans.
2. SOCIOECONOMIC STATUS OF THE PROJECT AREA AND THE PROJECT IMPACTS

2.1. Socioeconomic Status of the Project Area

In 2005, the Gross Domestic Product (GDP) of Puyang County reached to CNY7104 million, of which primary industry accounts for 25.2%; secondary industry accounts for 56.2% and tertiary industry accounts for 18.6%. The per capita net income of the local farmers was CNY2,442, and the government revenue was CNY232 million. The retailing volume of social consumption goods reached to CNY2.993 billion, an increase of 14.1% over that of previous year.

In 2005, there are 22 towns and 1035 village committees in Puyang County with acreage of 1455km2. The gross population is 1109.8 thousand, among which 123.8 thousand are non-agricultural populations while 986 thousand are agricultural populations. The acreage of cultivated lands are 1433.5 thousand mu with grain gross production of 694.8 thousand tons, cotton gross production of 7893 tons and oil plants gross production of 25130 tons. The per capita net income of the local farmers was CNY2442, among which CNY2432.5 is cash income and disposable income is CNY2274.4 per capita. The disposable income of urban resident is CNY6343 per capita.

Chengguan Town is in the south of Puyang County, which is the politics centre, economics centre and culture centre of Puyang County. In 2005, the Gross Domestic Product (GDP) of Chengguan Town reached to CNY609 million, of which primary industry is CNY98 million; secondary industry is CNY248 million and tertiary industry is CNY264 million. There are totally 46 village committees, 9780 rural households, 38887 persons and 25790 labours (12170 are female). The per capita net income of the local farmers was CNY4150. The actual cultivated land is 39248 mu.

The following table shows the basic information of Rongwan Village.

Table 2-1 Socio-economic Status of the Affected Area
2.2. PROJECT IMPACTS

2.2.1. Permanent Land Acquisition

Due to the adjustment of design, the construction of wastewater treatment plant is cancelled. And there is only the pumping station construction. Due to the new design, 6.96 mu lands will be permanently acquired with 17 persons in 6 households being affected.

Due to the little amount of permanent land acquisition, there have no serious impacts on agricultural production in Rongwan Village. According to investigation, Rongwan Village is a village surrounded by cities and the income structure is multi-resources. Most of the villagers are working in local factories (such as colour steel plant) or deal business, so agricultural income accounts little in their income. All of the villagers are engaged in secondary industry or tertiary industry and they are unwilling to cultivate lands. What’s more, some families hire others to cultivate lands. Preferential policy and technology will be offered in relocation, which is to ensure income restoration of affected farmers.

2.2.2. Temporary Land Occupation

The area of temporary land occupation for project construction includes storage area of sand and stone, area for composite mixing system, area for project construction & living area for resident staff and temporary access to the construction site, etc.

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Rongwan Village of Chengguan Town</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total population</td>
<td>440</td>
</tr>
<tr>
<td>2</td>
<td>Total families</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Labors</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td>in which: Agricultural laborers</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>Construction laborers</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Traffic and transportation labors</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Other workers</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>Farmland area (mu)</td>
<td>360</td>
</tr>
<tr>
<td>5</td>
<td>Per capita net income</td>
<td>CNY3500/person</td>
</tr>
<tr>
<td></td>
<td>in which: 1. Income from crops growing</td>
<td>CNY 500 /person</td>
</tr>
<tr>
<td></td>
<td>2. Income from woodland and fruit trees</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>3. Income from animal raising</td>
<td>CNY 200 /person</td>
</tr>
<tr>
<td></td>
<td>4. Other non-agricultural incomes</td>
<td>CNY2800 /person</td>
</tr>
</tbody>
</table>
The temporary land occupations are needed for the construction of sewer pipelines. There are eight sections with eight types of pipe in the engineering. 151,590m² (227.2mu) of collective-owned land and 309,598m² (464.2mu) of asphalt road are occupied temporarily. See detail in Table 2-1. There are 183 persons being affected by temporary land occupation.

Table 2-1  Temporary Land Occupation Impacts

<table>
<thead>
<tr>
<th>Section</th>
<th>Affected road</th>
<th>Length of the pile (m)</th>
<th>Temporary land occupation impacts (m², person)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>d300</td>
<td>d400</td>
</tr>
<tr>
<td>No.1</td>
<td>Guoqing Road &amp; Jiefang Road</td>
<td>1742</td>
<td>1060</td>
</tr>
<tr>
<td>No.2</td>
<td>Hongqi Road &amp; Xihuan Road</td>
<td>1918</td>
<td>4588</td>
</tr>
<tr>
<td>No.3</td>
<td>Shunhe Road &amp; Zhannan Road</td>
<td>560</td>
<td>4733</td>
</tr>
<tr>
<td>No.4</td>
<td>East section of Hongqi Road &amp; east section of Guoqing Road</td>
<td>909</td>
<td>2713</td>
</tr>
<tr>
<td>No.5</td>
<td>Fumin Road, Jianxin Road &amp; Yumin Road</td>
<td>633</td>
<td>2605</td>
</tr>
<tr>
<td>No.6</td>
<td>Tieqiu Road &amp; Gongye Road</td>
<td>655</td>
<td>40</td>
</tr>
<tr>
<td>No.7</td>
<td>Yujing Street &amp; Nanhuan Road</td>
<td>1825</td>
<td>2793</td>
</tr>
<tr>
<td>No.8</td>
<td>Pumping station</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>8242</td>
<td>15819</td>
</tr>
</tbody>
</table>

2.2.3.  Affected Ground Attachments and Facilities

Ground attachments and facilities such as telegraph pole, wall, virescence trees and tombs are affected in the project. See detail in Table 2-2.

Table 2-2  Affected Ground Attachments

<table>
<thead>
<tr>
<th>item</th>
<th>unit</th>
<th>quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telegraph pole</td>
<td>pole</td>
<td>54</td>
</tr>
<tr>
<td>Wall</td>
<td>m²</td>
<td>8723</td>
</tr>
<tr>
<td>virescence trees</td>
<td>Tree</td>
<td>4815</td>
</tr>
<tr>
<td>Tombs</td>
<td>Tomb</td>
<td>165</td>
</tr>
<tr>
<td>virescence belt</td>
<td>m²</td>
<td>2353</td>
</tr>
</tbody>
</table>
2.2.4. Vulnerable Groups

According to the socioeconomic survey, there are no such groups identified within the project affected area.

2.3. Project Impacts Analysis

The project mainly involves Rongwan Village of Chengguan Town. The permanent land acquisition of 6.96mu land accounts for 1.9% of total land area in the village, accordingly partly affects 6 households or 17 persons (accounts for 3.9% of the total populations). Details are shown in Table 2.3.

After design adjustment, permanent land acquisition is much less than that of the former. So are the impacts.

As for the temporary land occupation, “fill each 40m” is adopted to restore the affected roads as soon as possible; “pipe-pushing” is adopted to avoid impacts in the roads where there have shops and housing. Before construction of the project, implementation agency will negotiate with the owners of shops and resident houses and publicize the arrangement of the construction; in addition, the working well location of the “pipe-pushing” should be selected in a safe place which will have no effects to the buildings and dwellers along the roads according to the criterions and requires.

Table 2-3 Project Impact Analysis

<table>
<thead>
<tr>
<th>Project</th>
<th>Rongwan Village</th>
<th>Household</th>
<th>Population</th>
<th>Population of Labor</th>
<th>Cultivated land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross quantity</td>
<td>100</td>
<td>440</td>
<td>300</td>
<td>360mu</td>
<td></td>
</tr>
<tr>
<td>Affected quantity</td>
<td>6</td>
<td>17</td>
<td>13</td>
<td>6.96mu</td>
<td></td>
</tr>
<tr>
<td>Damage degree</td>
<td>6.0%</td>
<td>3.9%</td>
<td>4.3%</td>
<td>1.9%</td>
<td></td>
</tr>
</tbody>
</table>
3. LEGAL AND POLICY FRAMEWORK

The preparation and implementation of resettlement plan for the project shall fully comply with the relevant laws and regulations in the People’s Republic of China and ADB’s involuntary resettlement policies.

3.1. Policy Basis

The laws and regulations applicable to land acquisition and resettlement for this project are as follow:

- Land Administration Law of the People's Republic of China, amended and passed at the Fourth Session of the Ninth Standing Committee Meeting of the National People's Congress on August 29, 1998;
- Implementation Stipulations of Land Administration Law of the PRC;
- State Council Document No. 28, Decision to Deepen Reform and Strictly Enforce Land Administration, November 2004;
- Temporary Regulations of Cultivated Land Occupation Tax for the PRC, 1987
- Regulations on Basic Farmland Protection of Henan Province;
- Henan Provincial Management Guidelines for Implementation of the Land Administration Law of PRC, brought into force on December 1, 1999;

3.2. Applicable Laws, Regulations, and Policies

3.2.1. Land Administration Law of the People's Republic of China

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

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

Within the duration of the contract for operation of land, any appropriate readjustment of the land between individual contractors shall be made with the agreement of at least two-thirds of the members of the villagers assembly or of the representatives of villagers and submitted to the township (town) people's government and the agriculture administration department of the people's government of the county for approval.

ARTICLE 24: People’s governments at all levels shall strengthen the administration of plans for land use and exercise control of the aggregate land for construction purposes.

ARTICLE 31: The State protects the cultivated land and strictly controls the conversion of cultivated land into non-cultivated land. The State fosters the system of compensations to cultivated land to be occupied. In the case of occupying cultivated land for non-agricultural construction, the units occupying the cultivated land should be responsible for reclaiming the same amount of land in the same quality as that occupied according to the principle of "reclaiming the same amount of land occupied. Whereas units which occupy the cultivated land are not available with conditions of reclamation of land or the land reclaimed is not up to requirements, the units concerned should pay land reclamation fees prescribed by provinces, autonomous regions and municipalities for reclaiming the land for cultivation the land reclaimed. The people's governments of all provinces, autonomous regions and municipalities shall formulate plans for reclamation of cultivated land, see to it that units which occupy cultivated land shall reclaim land as planned or organize the land reclamation according to plan and examine and accept the land reclaimed.

ARTICLE 42: Whereas land is damaged due to digging, cave-in and occupation, the units or individuals occupying the land should be responsible for reclamation according to the relevant provisions of the State; for lack of ability of reclamation or for failure to meet the required reclamation, land reclamation fees shall be paid, for use in land reclamation. Land reclaimed shall be first used for agricultural purposes.

ARTICLE 47: 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 average annual output value 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 needing to be resettled. The agricultural population needing 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 average annual output value 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 average annual output value 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 average annual output value of the acquired land for the three years preceding such acquisition. The State Council may, in light of the level of social and economic development and under special circumstances, raise the standards of land compensation and resettlement subsidies for acquisition of cultivated land.

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

ARTICLE 49: The rural collective economic organization, the land of which is acquired, shall accept supervision by making known to its members the income and expenses of the compensation received for land acquisition. The compensation and other charges paid to the unit for its land acquired is forbidden to be embezzled or misappropriated.

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

ARTICLE 54: A construction unit that wishes to use State-owned land shall get it by such means of compensation as assignment. However, land to be used for the
following purposes may be allocated with the approval of a people's government at or above the county level:
(1) for State organs or military purposes;
(2) for urban infrastructure projects or public welfare undertakings;
(3) for major energy, communications, water conservancy and other infrastructure projects supported by the State; and
(4) other purposes as provided for by laws or administrative regulations.

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

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

ARTICLE 58: Under any of the following circumstances, the land administration department of the people's government concerned may, with the approval of the people's government that has originally approved the use of land or that possesses the approval authority, take back the right to the use of the State-owned land:
(1) The land is needed for the benefits of the public;
(2) The use of the land needs to be readjusted for renovating the old urban area according to urban planning;

ARTICLE 62: For villagers, one household shall have only one house site, the area of which may not exceed the standard set by provinces, autonomous regions and municipalities directly under the Central Government. Villagers shall build residences in keeping with the township (town) overall plan for land utilization and shall be encouraged to use their original house sites or idle lots in the village. Land to be used by villagers to build residences shall be subject to examination and verification by the township (town) people's government and approval by the county people's government. However, if land for agriculture is to be used for the purpose, the matter shall be subject to examination and approval in accordance with the provisions of Article 44 of this Law. Approval for other house sites shall not be granted to villagers who have sold or leased their houses.
3.2.2. Temporary Regulations of Cultivated Land Occupation Tax for the PRC

ARTICLE 2: The term “farmland” in the regulation shall be defined as land cultivated for crops, including those previously used in this way within 3 years before the acquisition.

ARTICLE 3: Both unit and individual should be responsible to pay farmland occupation tax (thereafter called taxpayer) for house construction or non-agricultural construction. They should pay farmland occupation tax in accordance with the regulation.

ARTICLE 4: Farmland occupation tax should be calculated based on the actual area of farmland occupation. The amount of tax should be collected in one-time payment.

ARTICLE 5: The amount of farmland occupation tax should be prescribed as follows:
(1) Take county as a unit (same as follows), for the area that the average farmland area is or less than one mu per capita, the tax should be CNY 2 to CNY 10 per square meter;
(2) For the area that the average farmland ranges from 1 to 2 mu (including 2 mu) per capita, the tax should be CNY 1.6 to CNY 8 per square meter;
(3) For the area that the average farmland ranges from 2 to 3 mu (including 3 mu) per capita, the tax should be CNY 1.3 to CNY 6.5 per square meter; and,
(4) For the area that the average farmland is more than 3 mu per capita, the tax should be CNY 1 to CNY 5 per square meter.

ARTICLE 9: Farmland occupation tax should be collected by finance department. The land administration bureau should inform timely all finance departments in the same upon approval of land occupation for unit and individual. The unit and individual should declare and pay tax to finance department with the document approved by land administration bureau above county level. The land administration bureau will transfer the land to unit and individual based on the receipt of tax payment or approval document for land acquisition.

3.2.3. State Council Document No. 28, Decision to Deepen Reform and Strictly Enforce Land Administration, November 2004

“Document (28) 2004” - a State Council Circular on the “Decision to Deepen Reform and Strictly Enforce Land Administration” was issued on 21st October 2004 and contains several very important provisions in respect of LAR activity. The document points out that “the relationship between ensuring socio-economic development and protecting land resources must be correctly addressed” with the stated objectives “to bring the growth of land for construction use under strict control, take efforts to activate land reserves, strengthen (the awareness of) land saving, deepen reform, improve the legal system, take overall arrangements into consideration and further improve the strictest land system that is in tally with the national conditions of the country”.

The document urges local governments to take action to, inter alia:
Strengthen land use planning and utilise approved land use plans as the basis for approving proposed construction projects.

Involves local land use departments in the approval process for construction projects

Publicise minimum values for sale and transfer land to avoid land acquisition taking place at below market rates

Strengthen the application of “no detriment” for affected persons

Ensure compensation payments are targeted to those most affected by LAR activity

Strengthen audit and monitoring arrangements

3.2.4. Henan Provincial Management Guidelines for Implementation of the Land Administration Law of PRC

ARTICLE 25: In the case of occupying cultivated land for non-agricultural construction, the units occupying the cultivated land should be responsible for reclaiming the same amount of land in the same quality as that occupied and provide a reclamation plan consented by the local land administrating agency. Whereas units which occupy the cultivated land are not available with conditions of reclamation of land or the land reclaimed is not up to requirements, the units concerned should pay land reclamation fees, the collection, use and management of which will be prescribed by the provincial people’s government. The responsibility to reclaim the land acquired that is within the scope of the overall land use plan for city construction shall be taken by the people’s government of the Municipal/county; the reclamation responsibility for land acquired out of the scope of the overall land use plan for city construction shall be taken by the land user; the land acquired for village or town construction shall be reclaimed by the rural collective economic organization or village committee.

ARTICLE 34: For acquiring farmer’s collective land, compensation should be made as follows:

(1) Land compensation: compensation for acquired cultivated land in the outskirt of primary city shall be eight to ten times the AAOV of the acquired land for three years preceding such acquisition; in the outskirt of secondary city and mining area seven to nine times the AAOV; in other areas six to eight times the AAOV. Of the farmland acquisition, various sideline products (excluding vegetable) shall be counted as 15% to 20% of the annual production based on major products.

(2) Resettlement subsidies: for acquisition of cultivated land, compensation shall be paid based on each 667 m2: For the average farmland per capita is over 667 m2, compensation shall be four to five times the AAOV of the acquired cultivated land for three years preceding such acquisition; for the average farmland per capita is over 334 m2 and under 667 m2, compensation shall be six to nine times the AAOV of last three years; for the average farmland per capita is less than 334 m2, compensation shall be ten to twelve times the AAOV of last three years. Under special circumstance, compensation shall not be over 15 times the AAOV of the acquired cultivated land for
last three years preceding such acquisition of 667 m².
(3) Standing crops: one times the AAOV.
(4) Compensation standards for attachments shall be executed according to the
regulation of Provincial People’s Government. No compensation shall be paid to the
newly added attachments from the date of public notification.

Article 35: The compensation for acquired land that belong to the village’s economic
collective or village committee shall be paid to the said collective or committee; if the
land belongs to the village group, the compensation shall be paid to that group; and if
the land belongs to the town economic collective, the compensation shall be paid to
that collective.
Compensation for attachments, standing crops and resettlement shall be in
accordance with the provision of the Article 26 of the Management Guidelines for
Implementation of the Land Administration Law of PRC.

ARTICLE 38: The annual production value for land compensation and resettlement
subsidies shall be based on the average annual production and current average
nation-regulated product price of last three years. With no nation-regulated price to
refer to, the local market price shall be used.

ARTICLE 39: Within the area of land acquisition, if there is water source, culvert,
culvert gate, pipeline, road, electric cable and other facilities related to production and
living, the local People’s Government shall organize relevant departments as well as
the land use unit and construction unit to resettle properly, without obstruction and
damage on purpose; if obstruction and damage can not be avoided, the items shall be
rehabilitated or replaced by relevant facilities according to regulations.

Article 40: Temporary land occupation shall be in accordance with the provision of the
Article 57 of Land Administration Law. When the occupation period is over, the land
should be restored to its previous condition before the occupation.

3.2.5. Notice of Puyang Municipal People’s Government Concerning the
Readjustment of Compensation Standards for Annual Output Value of
Land Acquired for State Construction

1. Compensation Standards for AAOV of Grain Fields

<table>
<thead>
<tr>
<th>Land Grade</th>
<th>standard</th>
<th>Compensation Rate (CNY/mu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Grade</td>
<td>excellent soil property; full irrigation and drainage; regular massif; excellent fertilization</td>
<td>1300.00</td>
</tr>
<tr>
<td>Second Grade</td>
<td>excellent soil property; adequate irrigation and drainage; regular massif; adequate fertilization</td>
<td>1105.00</td>
</tr>
<tr>
<td>Third Grade</td>
<td>ordinary soil property; moderate irrigation and drainage; fairly regular massif; moderate fertilization</td>
<td>940.00</td>
</tr>
</tbody>
</table>
2. The compensation for the standing crops in the acquired land will be counted as one year’s output value, according to the actual date for land acquisition. In summer the compensation rate will be 60% of the AAOV, while in autumn 40% of AAOV. The term “autumn” refers to a period from June 10 to September 30 every year and “summer” refers to a period from October 1 to June 9 next year.

3. The compensation standard for commercial crops is the same as that for the standing crops in the temporary land occupation.

4. The period between the beginning of land acquisition and the arrival of legal consent, even when it covers more than one sowing seasons, shall not necessarily result in additional compensation for standing crops if the project IAs do not start constructing on the said land, but just conduct activities such as making an inventory of the attachments or negotiation for land acquisition. However, if there are any damages of crops due to the measurement, pile-setting, or exploration in the land acquisition process, compensation shall be made. It is advisable for the land administrating authorities to take into consideration of the period of the land acquisition and construction preparation and to inform farmers not to delay the sowing in case that the land acquisition period covers more than one sowing seasons.

3.2.6. ADB’s Policies on Resettlement

1. The overall objectives of ADB’s policy on involuntary resettlement are:
   (1) take all steps to minimize or eliminate involuntary resettlement where feasible by exploring viable alternative design options;
   (2) conceptualize and implement resettlement measures as development programs when unavoidable, provide sufficient funds for the displaced population to share the benefit of the project, and consult with them earnestly so that they have opportunities to participate in the planning and implementation of the resettlement plan;
   (3) assist displaced people to improve, or at least regain their livelihood and living standards before the project or resettlement.

2. In order to avoid the loss of production capital or property among the displaced people due to the ADB-funded projects, the Bank demands the borrower to provide a resettlement plan, covering the following essential elements:
   (1) the resettlement plan or the resettlement framework shall take measures to ensure the displaced people
      a. have been informed of the right to make alternative choices on the resettlement and other privileges;
      b. have been informed of the feasible technological and economic plans of resettlement, participate in the consultation, and have the opportunity to make choice; and

<table>
<thead>
<tr>
<th>Land Grade</th>
<th>standard</th>
<th>Compensation Rate (CNY/mu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fourth Grade</td>
<td>poor soil property; no irrigation or drainage; wavy massif; deficient fertilization</td>
<td>800.00</td>
</tr>
</tbody>
</table>


c. acquire quick compensations based upon full replacement value for the lost assets.

(2) When relocation is unavoidable, the resettlement plan or the resettlement framework shall take measures to ensure the displaced people
a. gain assistance during resettlement (for instance, resettlement subsidies); and
b. have homestead or housing site, or acquire desired agricultural workplace, the potential, location, advantage and other factors of which shall be at least the same as their previous workplace.

(3) In order to fulfil the objectives of this policy, the resettlement plan or the resettlement framework shall take measures to ensure the displaced people
a. gain assistance during the transition period, which is estimated on the basis of time needed to restore their livelihood and living standards, after the resettlement; and
b. have other development assistances such as loan, training, and employment.

3.3. Compensation Standards of the Project

3.3.1. Compensation Rate for Permanent Land Acquisition
Affected land of Rongwan Village is identified as first-grade of which the AAOVs is 1300 CNY/mu and the compensation rates are decided by consulting with land administration and affected households, which are approved by Puyang Peoples’ Government:

(1) Land Compensation: 11700 CNY/mu, being 9 times the AAOV of the acquired land for three years preceding such acquisition. However, after negotiation with the APs, the compensation standard is increased to 12000 CNY/mu.

(2) Resettlement subsidies: 26000 CNY/mu, being 20 times the AAOV of the acquired land for three years preceding such acquisition. However, because the villagers are not satisfied with the standard of 20 times the AAOV which is the highest according to the policy of Henan Province, the final standard is confirmed as 50780 CNY/mu.

(3) Standing Crops: 1200 CNY/mu

3.3.2. Compensation Standards for Temporary Land Acquisition

(1) state-owned road restoration: 7,073 CNY/mu

(2) collective-owned land:
- Standing crops: 1200 CNY/mu
- Re-cultivate fee: 3333 CNY/mu (After negotiation, APs could choose restoring the affected land by themselves or by construction units. Who restores the affected land would be paid with the re-cultivate fee and should finish the land restoration according to criteria. And the land and topsoil would be restored as the level of before acquisition. If the construction units do the restoration work, the restoration quality would be supervised and evaluated by APs.)

- Soil fertility loss compensation: 250 CNY/mu.
3.3.3. Compensation Standards for Ground Attachments

- Telegraph pole: 120 CNY/pole
- Wall: 10 CNY/m²
- Tree: 50 CNY/tree
- Tomb: 200 CNY/tomb
- Virescence belt: 400 CNY/m².

3.3.4. Entitlement Matrix

Based on the compensation principles, an entitlement matrix has been established to guide the implementation of Resettlement Plan. Including different categories of losses (such as land, houses and temporary land occupation, etc.), the entitlement matrix of compensation covers measures, regulations and standards and it is listed in the following table.
### Table 3-1 Entitlement Matrix of Compensation

<table>
<thead>
<tr>
<th>Application</th>
<th>Entitled Person</th>
<th>Entitlements</th>
<th>Compensation Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Land Acquisition</td>
<td>Village</td>
<td>• Eligible for land compensation &lt;br&gt;• Eligible for Resettlement subsidy &lt;br&gt;• Compensation for land acquisition and relocation will be used for improving soil fertility of adjusted lands, or other non-agricultural production, or collective welfare if agreed by two-thirds of villagers</td>
<td>12,000 CNY/Mu &lt;br&gt;50,780 CNY/Mu</td>
</tr>
<tr>
<td>(6.96mu collective-owned cultivated land)</td>
<td>Farmers with farming contract (17 persons in 6 households)</td>
<td>• eligible for training &lt;br&gt;• Through land readjustment within the village to restore the farming activities &lt;br&gt;• Standing crop compensation</td>
<td>1200 CNY/Mu</td>
</tr>
<tr>
<td>Temporary Land Acquisition</td>
<td>Farmers with farming contract (183 persons)</td>
<td>• Standing crop compensation &lt;br&gt;• Soil fertility loss compensation &lt;br&gt;• Re-cultivate fee (It will be paid to the construction units or affected persons directly, depending upon who would recover the land for recultivating.)</td>
<td>1,200 CNY/mu &lt;br&gt;250 CNY/mu &lt;br&gt;3333 CNY/mu</td>
</tr>
<tr>
<td>(227.2mu collective-owned land, 464.2mu state-owned road, 2353m² state-owned virescence belt)</td>
<td>Road proprietors</td>
<td>• Road rehabilitation cost &lt;br&gt;• Virescence belt restoration</td>
<td>7,073 CNY/mu &lt;br&gt;400 CNY/m2</td>
</tr>
<tr>
<td>Ground Attachments and facilities (4 types)</td>
<td>Proprietors</td>
<td>• Eligible for 100% compensation according to relevant policies or regulations at replacement value</td>
<td>Telegraph pole: 120 CNY/pole &lt;br&gt;Wall: 10 CNY/m² &lt;br&gt;Tree: 50 CNY/tree &lt;br&gt;Tomb: 200 CNY/tomb</td>
</tr>
</tbody>
</table>
4. INCOME RESTORATION AND REHABILITATION MEASURES

4.1. Economic Rehabilitation Plan for Affected People

The economic rehabilitation tasks will be executed by the Rongwan village committee with the following working procedure:

(1) The villager group assigned the resettlement task will organize the villager meeting or the meeting participated by the representatives of APs to research the land readjustment, allocation and overall scheme of production recovery;

(2) Make the land cultivation, adjustment, allocation and overall plan of production recovery public to further collect opinions from the villager group and APs;

(3) Adjustment and allocation of land;

(4) Publicize the plan of rehabilitation and list of affected persons, and to put them under the supervision of villagers;

(5) Special attention must be paid to the protection of women’s rights and the production recovery of vulnerable groups/households.

4.2. Analysis on Environmental Capacity

Rongwan Village has 360 mu farmland, 100 families, 440 people, and the per-family farmland area is 3.6 mu with per-capita farmland of 0.82mu. This project involves the occupation of 6.96 mu of farmland which accounts for 2% of village’s farmland and has 6 families involved. Through the consultation with the Rongwan Village Committee and representatives of the APs, the village can adjust pre-left land to affected villagers. The adjustment plan will be publicized in February 2008, and be carried out in March 2008.

<table>
<thead>
<tr>
<th>Item</th>
<th>Pumping Station</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of village</td>
<td>Rongwan</td>
</tr>
<tr>
<td>Number of household</td>
<td>100</td>
</tr>
<tr>
<td>Population</td>
<td>440</td>
</tr>
<tr>
<td>Area of land</td>
<td>360</td>
</tr>
<tr>
<td>Average area per household (mu/household)</td>
<td>3.6</td>
</tr>
<tr>
<td>Acquisitioned area (mu)</td>
<td>6.96</td>
</tr>
<tr>
<td>Area per capita before acquisition (mu/person)</td>
<td>0.82</td>
</tr>
<tr>
<td>Area per capita after acquisition (mu/person)</td>
<td>0.8</td>
</tr>
<tr>
<td>Loss ratio of land</td>
<td>2%</td>
</tr>
</tbody>
</table>

4.3. Relocation and Restoration Plan

(1) Land adjustment. Before the construction of the Project, the village committee will adjust pre-left land to affected persons to make up to their former contracted quantity;

(2) Land compensation and resettlement subsidy. This part of compensation funds will be distributed to village collective to develop village commonality work. And it is also used to help
affected households to restore or improve land quality of adjusted lands.

(3) Standing crop compensation. This part of fund will be distributed to APs through village committee after the compensation funds being distributed to village.

(4) Cash compensation for affected households involved in temporary land occupation. APs could choose restoring the affected land by themselves or construction units. Who restoring the affected land would be paid with the re-cultivate fee and should finish the land restoration according to criteria. And the land and topsoil would be restored as the level before acquisition. If the construction units do the restoration work, the restoration quality would be supervised and checked by APs.

4.4. Measures to APs' Income Restoration

It can be seen from the relocation scheme that the affected households involved in permanent land acquisition will obtain the same quantity land as before after land adjustment. To restore APs' income as soon as possible, following key problems should be taken into consideration:

(1) **The quality of adjusted pre-left land should reach or exceed the acquired land.** After land adjustment, land compensation and resettlement subsidy will be used to realize this objective, and following measures can be considered: (a) improve the irrigation methods and extend the irrigation to the non-irrigation area; (b) develop other infrastructure for agricultural use, such as the agricultural products processing; (c) multiple business of crops, including the fruit garden and other cash crops; (d) construct plastic sheds for vegetables; and (e) develop the animal and poultry raising.

(2) **Training plan;** organize the villager group for the skill training, including: (a) planting of cash crops; (b) maintenance of agricultural machines; (c) domestic animal/poultry raising; (d) sewing skills; and (e) small-business registration and operation. Such plans will be provided with independent budgets. The village committee will allocate 3% of land acquisition fund for this purpose and all affected people can take part in such training. It will be organized by Chengguan Town working closely with Rongwan village committee.

(3) **Poverty Reduction.** The income per capita in project area is comparatively high due to near the city. In fact, rural poverty ratio is low and absolute poverty (can't meet the basic requests of living) is little, while urban poverty ratio is comparatively high. Poverty population and vulnerable groups should be obtained preferential treatment, especially in relocation assistance and employment. For example, logistics service work during construction period and operation period of pumping station can be offered to vulnerable groups and property villagers.

(4) **Project Related Employment:** The Project itself will generate large employment opportunities during construction period (20-30 months) and 4-5 permanent jobs in the operations and management of the new pumping station. The project IA has agreed to give preference to the employment of workers from Rongwan village and will encourage their
contractors to do likewise.
5. Institutions and Responsibilities

5.1. Institutions Participating in Resettlement Planning

A. Leading Group of Project Resettlement
B. Project unit
C. Land acquisition office of the Puyang County Wastewater Company.
D. Resettlement Office of Chengguan Town
E. Village committee and villager groups
F. Project design unit
G. Independent supervision, monitoring and evaluation institutions

5.2. Institution Responsibility

A. Leading Group of Project Resettlement

To guarantee the smooth implementation of the project resettlement, Puyang County Government, Puyang County Construction Committee, Puyang County Land Resources Bureau and Puyang County Municipal Garden Management Bureau have co-established the “Leading group of project resettlement” with the major functions to strengthen the leadership on the project and formulate the polices of resettlement and organize and coordinate the relationship between various resettlement institutions. An office to support the leading group and deal with its everyday affairs is established in the Puyang County Municipal Engineering and Garden Management Bureau.

B. Land Acquisition Office of Puyang County Wastewater Company

As the responsible Project Unit (IA), the Puyang County Wastewater Company (PCWC) shoulders the main responsibility for ensuring land acquisition and resettlement activity is properly carried out. In order to ensure this task is done well PCWC has established a land acquisition office (LAO) that has the following major functions:

1. Formulate the policies for land acquisition and resettlement
2. Entrust the design unit to set the influence scope, survey the data on influenced practicality and be responsible for the saving of data;
3. Apply for the land use license and land use construction license;
4. Be responsible for the training for cadres responsible for the resettlement;
5. Organize and coordinate the compilation and execution of “Resettlement Action Plan” and “Resettlement Updated Action Plan”;
6. Manage, allocate and supervise the use of resettlement fund;
7. Direct, adjust and supervise the implementation and progress of the resettlement;
8. Undertake internal monitoring and compile reports on land acquisition and resettlement progress;
(9) Support and cooperate with the Independent External Monitoring Agency.

C. Resettlement Office of Chengguan Town

The office consists of the major leaders of the party committee, land management station and forestry station and village cadres with the following main functions:

(1) Participate in the survey and assist the compilation of “Involuntary Resettlement Action Plan” and “Resettlement Updated Action Plan”;
(2) Organize the public participation and popularize the resettlement policies;
(3) Conduct, check, supervise and record the resettlement activities within the town;
(4) Propose the removal procedure for the houses of Affects Persons;
(5) Pay and manage the land compensation fund;
(6) Supervise the acquisition of land, removal of the houses and attached buildings and the rebuilding and removal of houses;
(7) Report to the land resources bureau and migrant resettlement office on the conditions of land acquisition, removal and resettlement;
(8) Coordinate the proposal of conflicts and problems in the work.

D. Village Committee and Villager Group

The resettlement working group of the village committee and villager group consists of their major cadres with the following functions:

(1) Participate in the social and economic and project impact surveys;
(2) Organize the public consultation and popularize the polices on land acquisition and removal;
(3) Select the site for the resettlement and allocate house foundation for migrant families;
(4) Adjust and allocate land, and organize the resettlement activities such as the production and development;
(5) Manage and pay fund;
(6) Reflect the opinions and proposals from Affected Persons to the superior department;
(7) Report the implementation progress of LAR activity;
(8) Provide help to households requiring special assistance, such as the poor and vulnerable.

E. Project Design Unit

The design unit of this project is the North China Design and Research Institute of China Municipal Engineering with the following functions:

(1) Conduct the designs of various unit projects according to the contract regulations;
(2) Define the scope of land acquisition and removal.

F. Independent Supervision and Evaluation Institution

The Independent Supervision and Evaluation Institution of this Project will be appointed by HPMO through bidding and will have the following functions:
(1) Monitoring the implementation of the resettlement plan and preparing an evaluation report on the resettlement to be submitted to ADB through the resettlement office. Further details on resettlement monitoring arrangements are given in section 9.

(2) Provide technical consultation to the PCWC LAO regarding the data surveys and on how to resolve specific resettlement issues that may occur during RAP implementation.

5.3. Supervision Institutions of Resettlement

During the project implementation, Puyang Wastewater Company is responsible for the supervision of resettlement activities, which is to ensure the resettlement is carried out according to the RAP seriously. Other local administrations such as audit bureau, finance bureau and park administration of municipal bureau should be responsible for the supervision of above responsibilities respectively.

5.4. Involved Personnel of the Resettlement Institutions

The resources required for the preparation, implementation and monitoring of the RAP have been estimated and are shown in Table 5.1 below.

<table>
<thead>
<tr>
<th>Resettlement institution</th>
<th>Professional workers</th>
<th>Total number of workers at peak</th>
<th>Personnel constitution</th>
<th>Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading Group</td>
<td>8</td>
<td>17</td>
<td>Government officials</td>
<td>From June 2004</td>
</tr>
<tr>
<td>Puyang County Municipal Bureau</td>
<td>3</td>
<td>8</td>
<td>Engineering and technological management personnel</td>
<td>From June 2004</td>
</tr>
<tr>
<td>Project Unit Land Acquisition Office</td>
<td>3</td>
<td>7</td>
<td>Engineering technological and social and economic survey personnel</td>
<td>From August 2004</td>
</tr>
<tr>
<td>Government of Chengguan Town</td>
<td>8</td>
<td>10</td>
<td>Workers</td>
<td>From August 2004</td>
</tr>
<tr>
<td>North China Design and Research Institute</td>
<td>4</td>
<td>7</td>
<td>Senior engineer and engineers</td>
<td>From August 2004</td>
</tr>
<tr>
<td>Independent Monitor</td>
<td>3</td>
<td>3</td>
<td>Professors , engineers</td>
<td>July 2005</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>52</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.5. Measures to Strengthen the Resettlement Institutions

(1) Strengthen the personnel teaming

The personnel of organizing institutions at various levels shall consist of the professional technicians and administration personnel who should be qualified in terms of professional ability and management quality.
(2) Strengthen the training

A. Organize training on the resettlement policies and related requirements of ADB for the key workers of various institutions;

B. Provide training to the workers of resettlement of towns and villages to ensure all relevant policies are understood and implemented in an effective and timely manner.

C. Fully guarantee the funds and equipment necessary to improve working efficiency;

D. Divide jobs rationally, establish praise and punishment measures in conducting the land acquisition and resettlement to stimulate the activity of workers;

E. Set up database and strengthen the information feedback system to keep the flow of information smooth between the different levels involved, and to ensure important problems are referred to and solved by the resettlement leading group;

F. Enhance the report system and the internal monitoring, and the solutions to problems should be proposed and carried out in a timely manner;

G. Establish the external supervision and evaluation system and the pre-warning system.
6. Public Participation and Grievance Procedure

6.1. Public participation

Much importance has been attached to the public participation and consultation during the phases of formulation of resettlement policies, compilation of the RAP and to assist its smooth execution, and the opinions from various social communities, government departments, village and villagers have been collected. All relevant parties have been encouraged to take part in the resettlement work. The IA (PCWC) and the design unit have asked for opinions and proposals on the site selection, construction plan, site access, resettlement methods and the related work from the various related local department, political consultation department, mass community, township governments and mass representatives during the feasibility study design conducted in the preparation phase. The Project Resettlement Office has also collected opinions from the local government and the representatives of affected people during the preparation of resettlement work. Under the assistance of local government, the “Resettlement Plan” has been compiled. During the execution phase, the resettlement institutions at various levels will further encourage the public to participate in the resettlement, recovery and rebuilding work.

6.1.1. Public Participation during Project Preparation Phase

The IA has always encouraged all relevant units and individuals affected by the Project to actively take part in the project preparations.

(1) During the project design, the IA and design unit have organized technicians to conduct surveys on various sites and fully consider the proposals and opinions on the Project from the various local government departments. The design unit has basically observed the opinions and proposals of the local government on the formulation and selection of all comparative schemes and tried to reduce the acquisition of farmland and avoid the house removal.

(2) To strengthen the project awareness in the local community and further know the opinions on the project construction and resettlement from the cadres of various areas, the related personnel of the IA have gone to the involved town and village than ten times, since the commencement of project preparations, and have conducted wide propaganda on the necessity and resettlement policies of the Project in the form of meetings with the related township and village cadres and the representatives of affected people, and also have asked for opinions on the concrete methods of resettlement.

6.1.2. Public Participation during Action Plan Preparation Phase

The local governments at various levels and APs have participated in the following work during the preparation and compilation of “Resettlement Action Plan” and “Resettlement Updated Action Plan”:
(1) From August to September 2004 and October 2007, the IA organized manpower to conduct the survey on the lands, ground attachments and socio-economic conditions within the area of removal, and the representatives of APs also took part in the survey on the project plan and raised opinions on the compensation for land acquisition and removal and resettlement, which has been given positive confirmation during the compilation of the resettlement plan and the project design.

(2) The IA and township resettlement office organized propaganda meetings participated by the local cadres and involved people at various levels to conduct wide awareness briefings on the related national, provincial and municipal resettlement polices and the relevant requirements and polices of ADB. They also listened to opinions and conducted wide consultation on how to resettle APs, reduce the LAR project impacts and the adequacy of compensation standards for various involved objects.

(3) From May to June 2004 and October 2007 the LAO organized a survey team of 10 members to conduct the survey on the land acquisition, the extent of assets to be relocated, and the practicalities of the resettlement process, and local village representatives took part in the survey. Meanwhile, the LAO also listened to the opinions on the site selection, construction scale and scheme, land acquisition and removal, resettlement and compensation standards and conducted wide consultation to fully observe the proper requirements and opinions of the APs. In addition, the LAO also conducted the social, economic and psychological surveys and collected public opinions. During the social and economic survey, the survey is conducted door to door with the residents directly impacted by the Project. The LAO also went deep into the village and villager group and asked for further opinions and proposals on the resettlement including the selection of resettlement points, labor employment and compensation polices in the form of conversations participated by the village cadres and APs.

(4) During the social and economic surveys, the IA has received support and assistance from the village groups and APs as well as the local government. Obviously, they have participated in the preparation of “Resettlement Plan”.

(5) To strengthen the project propaganda and further know the opinions on the project construction and resettlement from the cadres and mass of various areas, and to ask for the opinions on the construction and resettlement work from the people to be affected by the LAR activity and the related village and groups before the compilation of the RAP. In July 2004 and November 2007, the design and survey organization of the LAO conducted a survey on the opinions from the public and APs through the questionnaire, and all of the 6 involved families took part in it with the results as shown in the following tables:
Table 6-1 Affected Persons opinions and attitudes towards the Project

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are you familiar with the resettlement policy?</td>
<td>Very familiar</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Can your loss be compensated reasonably?</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Besides reasonable compensation, will relevant government office help you in any other way?</td>
<td>yes</td>
</tr>
<tr>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Do you support this project?</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>6</td>
</tr>
<tr>
<td>What changes have been brought about by this project to your family life?</td>
<td>Better</td>
</tr>
<tr>
<td></td>
<td>6</td>
</tr>
</tbody>
</table>

According to the above statistical results, all of the APs know that this project will be constructed and have been fully ready for the land acquisition and removal and are willing to follow the land acquisition, removal and resettlement. In addition, many residents prefer land adjustment method, and through wide propaganda, most residents know that they can appeal through the legal ways when their own lawful rights and interests are infringed.

(6) The updated RAP has been delivered to Henan Provincial PMO. And by the end of January, 2008, it has been publicized in the website of the Henan Provincial PMO, and at the same time, the resettlement information booklets from Puyang WWTP PMO have been provided to the affected villages or villagers. It will also be uploaded on ADB website.

(7) From now on, the LAO and the resettlement organizations at various levels will take the following measures to strengthen the resettlement policy propaganda and to encourage the active participation of affected persons:

1) Propaganda of resettlement information

To guarantee that the APs of involved area and local government is fully familiar with the detailed resettlement and the compensation and resettlement plan of this Project, the LAO will disseminate information in the updated RAP (once this is approved by ADB) and make it public in the affected area through the post or radio, and make a information pamphlet to be sent into the hands of each AP one month before the execution of land acquisition and removal, including brief introduction to the project, scope of LAR, all damaged assets, compensation standards and amount, resettlement polices, rights and interests of APs, opinion feedback and appeal channel, and supervision and evaluation arrangements.

2) Meetings

Before the land acquisition implementation, consultation meetings (the female representative
should take up above 30%) participated by the families of land acquisition, village committee, women and weak community representatives will be organized to introduce the conditions and further listen to their opinions and proposals; and the meetings will be also organized 3 months before the execution of the land acquisition and removal to further explain the related polices, laws, regulations and compensation standards to the local mass for their early acquaintance and arrangement. One such meeting was held on July 13, 2004 with most people from 52 affected families and the representatives from the concerned local government agencies. The next meeting will be organized once the RAP is finalized and approved.

3) Publicize the construction content, progress and resettlement polices through TV, radio and newspapers.
   a. Participation in the reorganization of agricultural production.
   The land adjustment and allocation and other agricultural development projects will be participated in by all villagers.

   b. Participation in the use and management of compensation expense for land acquisition
   The land compensation fund belongs to the village collective, and no unit or individual is permitted to embezzle it. After the village group receives the fund, the collective will manage it in an overall way to guarantee funds for special uses. The use of the funds must be passed by the villager meeting and the supervision from villagers shall be exercised in applying the funds for the approved purposes.

   c. Participation in construction
   The project construction will bring both opportunities and disruption to the local community. In order to guarantee the rights and interests of affected people during the construction process, the IA will actively encourage local participation and will give preference to local sourcing of materials and labor.

6.2. Grievance Procedure

6.2.1. Possible Grievances and Solutions
During the survey, the demand and feedback from the Affected People (APs) on the Project have been investigated in order to assess their resettlement and relocation. They have been aware of the potential benefits from Project, and the issues they are concerned about include:

1) land and property losses
2) inadequate compensation
3) Interruption to normal life resulting from resettlement and relocation.

The opinions from APs were discussed in the consultative meeting, into which officials from affected villages and the IA had participated. In review of the issues on compensation for land
acquisition, resettlement and measures for income restoration, etc., the following strategies are concluded:

1) try to reallocate farmland where it is possible
2) Disburse compensation in such a way as to guarantee that the expenditure of compensation funds will directly benefit APs.
3) Seek ways to improve the productivity of remaining land and enhance crop values.
4) develop non-agricultural and small-size enterprises
5) Give assistance to family-run small business, especially for women.

All these strategies have been taken into consideration in the formulation of resettlement and relocation policies for the Project.

6.2.2. Grievance Channels and Procedures

In the process of formulating and implementing Resettlement Plan for the project, the participation of affected households for resettlement and relocation is always encouraged. However, more or less problems will arise. In order to solve these problems in a timely and effective way and guarantee that project construction and land acquisition could be carried out smoothly, a transparent and effective grievance channel has been established for the affected person of the project in addition to existing appeal and grievance channels of local governments at all levels. The detailed procedures run as follows:

Stage 1:
If the affected persons/enterprises are not satisfied with the planning or implementation of resettlement and relocation, they may make oral or written appeals to the township RO, village office or LAO of the Project. Relevant agencies should resolve the issue within 2 weeks.

Stage 2:
If the affected persons/enterprises are not satisfied with results of stage 1, after receiving the results, they may appeal to the Resettlement Office at county level, who in turn should resolve the issue within 2 weeks.

Stage 3:
If the affected persons/enterprises are still not satisfied with results of stage 2, after receiving the decision from the County Resettlement Office, they may appeal to the Leading/Decision-Making Team for Resettlement at the municipal level and ask for administrative arbitration. The arbitral authority should make its decisions within 10 days.

Stage 4:
If the affected persons/enterprises are still not satisfied with the arbitral decision from the arbitral authority, after receiving the decision, they may file a civil suit based on law of civil
procedure. The affected person may sue for any aspect of the resettlement and relocation, including compensation standard, etc.

The grievance channels mentioned above will be made known to the affected person through meeting and other methods in order that they are fully aware of their rights to appeal. At the same time, media coverage of the project will be promoted. Opinions and suggestions on resettlement and relocation from all walks of life will be gathered and classified for the real-time consideration and disposal by resettlement agencies at all levels.

Agencies handling appeals from affected person do not charge any fees. The cost resulted from appeals will be included into the unforeseeable expenses by the Project Office.
7. MONITORING AND EVALUATION

In order that Resettlement Plan could be carried out smoothly and affected persons could be properly resettled, monitoring will be carried out through the whole process of land acquisition and resettlement for the project. Monitoring may be divided into two separate parts, namely “internal monitoring” by resettlement agencies and independent external monitoring.

7.1. Internal Monitoring

7.1.1. Objectives and Requirements
The objectives of internal monitoring are to guarantee that resettlement agencies at all levels could carry out their responsibilities properly during the implementation of the Resettlement Plan/Updated Resettlement Plan, that the rights of the affected persons under the law will not be infringed upon, and that project construction could be carried out smoothly. The audit department from Puyang County People’s government will independently audit and monitor the relevant agencies under its jurisdiction on the basis of relevant laws and regulations. At the same time, all responsible agencies should monitor the work of their affiliates in order that resettlement could be carried out in accordance with the principles and schedule of Resettlement Plan by resettlement agencies at all levels.

7.1.2. Agencies and Staff
The internal monitoring on the implementation of land acquisition and resettlement is the responsibility of the Implementing Agency, will be arranged through the LAO, and implemented by village/township Resettlement Offices and relevant groups. In order to carry out internal monitoring effectively, those particularly designated staffs of resettlement agencies at all levels have participated into the formulation and implementation of Resettlement Plan/ Updated Resettlement Plan, and will carry out internal monitoring and control according to the Resettlement Plan during the implementation of the project.

7.1.3. Monitoring Indicators
The main internal monitoring indicators include:
1. timely disbursement of compensation fund for resettlement and its proper use
2. assistance to the vulnerable and poor APs
3. employment arrangement for the APs
4. land reallocation and distribution
5. restoration and reconstruction of infrastructures
6. schedules for activities mentioned above
7. the implementation of policies and regulations on resettlement plan
8. participation and consultation of Affected Person during the implementation
9. staffing, training, work schedule and the operation of resettlement agencies at all levels.
7.1.4. Implementation Procedures
In the process of implementation, resettlement agencies at all levels should set up respective databases for resettlement, update them based on implementation practice, and send in a timely manner the real-time record of activities being taken and monitoring results and recommendations to the superior resettlement agencies from bottom level to the top.

Information sheets will be particularly designed and formatted for the monitoring operation mechanism mentioned above in order to achieve the circulation of information from Resettlement Teams at the village level to the Project Land Acquisition Office. As key components of the internal monitoring system, the Project Land Acquisition Office, Township Resettlement Office and Village Resettlement Teams will conduct regular inspection and verification.

During resettlement implementation, a summary report of the internal monitoring will be sent to Henan PMO each quarter, and a copy forwarded to ADB.

7.2. Independent External Monitoring and Evaluation

7.2.1. Objectives and Requirements
External monitoring and evaluation is to conduct regular evaluation of activities such as the practice of land acquisition and resettlement from the external perspective other than the resettlement agencies to evaluate whether the objective of resettlement is achieved or not. External monitoring and evaluation will provide assessment and suggestions on the whole process of resettlement and the restoration of living standard for affected persons, provide the construction management department a warning system, and bring about a channel for the expression of opinions from affected persons.

The external monitoring agency will also act as the advisor to the Leading Group and the LAO of the IA. They will track, monitor and evaluate the implementation practice of resettlement and relocation plan, and present consultant’s opinions for decision-making. The terms of reference for the external monitoring institute are contained in Appendix 2.

7.2.2. Main indicators for Monitoring and Evaluation
1) Progress: including preparatory work for and implementation of land acquisition and resettlement.
2) Quality: including the degree to which affected persons are satisfied with the process of resettlement and their restoration of living conditions, livelihoods and incomes.
3) Financial Control: to verify proper disbursement of compensation funds and their use.

7.2.3. Monitoring and Evaluation Method
Monitoring and evaluation will be carried out on the basis of survey statistics provided by the survey design institute and resettlement implementing agency. Based on a comprehensive investigation and understanding, the evaluation work depends on a mixture of sampling and
participatory assessment, including selection of typical samples (affected villages/households) which are representative, establishment of respective evaluation systems of indicators for different categories of affected persons, and to calculate, analyse and evaluate the survey results.

Independent monitoring and evaluation agency will also be engaged in the following activities:

1) survey of living standard of the affected person for resettlement

Comprehensive survey will be carried out for the project and information of selected samples (initially, samples are selected by random sampling) on living and production standard would be gathered. In order to measure the fluctuation of living and production standard of sample household, survey of living and production standard will be conducted each year for at least two years, or until conditions have been fully restored. Via regular survey, random interview and on-site observation, etc., necessary data and information will be obtained. On this basis, statistics will be analysed and evaluated.

Survey form of living standard is made up of various indicators that are used to measure the standard of living and production. Whether the design of these indicators reflects faithfully the change of living standard of APs will be verified in this survey. Improvement to the design or implementation will be made on the basis of practice in order to make sure that the information obtained faithfully reflects the living and production standard of APs and relevant quality and quantity.

2) Public Consultation

Independent monitoring and evaluation agency will attend the public consultative conferences held by village/township. Through these meetings, the agency may evaluate the effect of AP participation and the willingness of AP to cooperate under the Resettlement Plan. After the implementation of resettlement, these activities will continue until all outstanding issues are resolved.

3) Opinions from AP

The independent monitoring and evaluation agency will visit resettlement agencies at village and township level to collect opinions and suggestion expressed by the AP. The independent agency will also meet those APs and affected entities who have grievance in formal or informal ways, transfer their opinions and demand in a timely way, and bring forth suggestions to improve the work in order that the implementation process of resettlement would be more effective.

4) Other Responsibilities

During the implementation process, the independent external monitoring and evaluation agency will monitor following activities:

1) production rearrangement and restoration
2) support for the vulnerable groups
3) restoration and reconstruction of infrastructure
4) payment of compensation and its amount
5) employment for the labour force
6) technical training
7) schedule of all activities mentioned above
8) the establishment of networks for resettlement agencies
9) Use of land compensation for benefit to the collective and the AP
10) Income increase from employment for the labour force

7.2.4. Work Procedures
1) Formulation of the outline for monitoring and evaluation
2) Development for monitoring and evaluation information system of APs
3) Formulation of survey outline, survey form, and record cards for typical villages and households
4) Design of sampling scheme
5) Baseline investigation of sample households and affected entities
6) Establishment of monitoring and evaluation information system
7) Monitoring surveys:
   --- area socio-economic survey
   --- monitoring implementing agencies for resettlement
   --- investigation on typical village
   --- investigation on typical household
   --- investigation on other typical targets
8) collection of monitoring materials and establishment of resulting database
9) comparative analysis
10) Compilation of one monitoring and evaluation report every year.

7.2.5. Independent Monitoring and Evaluation Report on Resettlement
Independent monitoring and evaluation agency will submit its work report within one month since it starts to work. When Project Land Acquisition Office reports to ADB on the progress of resettlement, the reports from the external monitoring and evaluation agency will be attached.

1) Time Interval
According to the requirement from ADB, monitoring and evaluative investigation would be conducted for once every year, since the beginning of resettlement implementation. It would be carried out in August every year, and the monitoring and resettlement report on resettlement would be submitted before 31st December every year. Independent monitoring and evaluation of resettlement for the project would be carried out for four times (once from 2008 to 2010, according to plan) based on the implementation of resettlement. By the end of March, 2008, the outline for monitoring and evaluation would have been provided, selection of
land acquisition and resettlement samples as well as collection of sample background information would have been completed, and the resulting database would be established.

2) Content

1) background information of APs

2) the progress of land acquisition and resettlement

3) arrangement and restoration of livelihood

4) the living standard of APs

5) the substantiation and use of resettlement fund

6) evaluation on the operation and effectiveness of resettlement and relocation implementing agency

7) assistance to vulnerable groups

8) function of resettlement implementing agency

9) existing problems and suggestions
8. Cost Estimate

The estimated cost for resettlement is CNY 7.67 million, among which CNY 445 thousand is permanent land acquisition compensation, 4370 thousand is temporary land occupation compensation, CNY 1309 thousand is ground attachments and facilities compensation, CNY 20 thousand is related tax and fee, CNY 919 thousand is unpredictable fee and CNY 612 thousand is other fees. See details in Table 8.1.

Table 8-1 Resettlement Cost Estimates for Puyang Wastewater Treatment Project

<table>
<thead>
<tr>
<th>No.</th>
<th>contents</th>
<th>Unit</th>
<th>Compensation Rate (CNY/unit)</th>
<th>Quantity</th>
<th>Cost (CNY )</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Land Acquisition and Occupation</td>
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<td>/</td>
<td>/</td>
<td>6123945</td>
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<tr>
<td>1.1</td>
<td>Permanent Land Acquisition</td>
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<td>/</td>
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<td>6.96</td>
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<td>Resettlement Subsidy</td>
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<td>/</td>
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<td>Wall</td>
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<td>1.3.4</td>
<td>Tomb</td>
<td>tomb</td>
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<td>33000</td>
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<td>1.3.5</td>
<td>Viroscence Belt</td>
<td>M²</td>
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<td>Related Tax &amp; Fee</td>
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<td>/</td>
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<tr>
<td>2.1</td>
<td>Cultivated land occupation tax</td>
<td>Mu</td>
<td>2868</td>
<td>6.96</td>
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<td>3</td>
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<td>3.1</td>
<td>Design &amp; Survey</td>
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<td>2% of land acquisition</td>
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<td>Monitoring &amp; Evaluation</td>
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<td>3.3</td>
<td>Administrative Fee</td>
<td></td>
<td>3% of land acquisition</td>
<td>183718</td>
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</tr>
<tr>
<td>3.4</td>
<td>Training Cost</td>
<td></td>
<td>3% of land acquisition</td>
<td>183718</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Unpredictable Fee</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>918592</td>
</tr>
<tr>
<td>4.1</td>
<td>Engineering Contingency</td>
<td></td>
<td>10% of land acquisition</td>
<td>612395</td>
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<tr>
<td>4.2</td>
<td>Price Contingency</td>
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<td>5% of land acquisition</td>
<td>306197</td>
<td></td>
</tr>
<tr>
<td>Total Cost</td>
<td></td>
<td></td>
<td>/</td>
<td>/</td>
<td>7674893</td>
</tr>
</tbody>
</table>

8.1. Payment flow

In accordance with compensation policy and standard defined in this RAP, and according to the land acquisition agreement signed between PCWC (the project unit) and the Land and Resource Bureau of Puyang County and the compensation standard stipulated in the agreement, compensation will be paid in batches to Puyang County Land and Resource Bureau. The Land and Resource Bureau will sign an agreement on Compensation for land acquisition and attachments to the land with the involved villager’s committee. The payment of
compensation will, in accordance with items compensated for, quantities, time and cost provided in the above mentioned contract, be paid to the county Land and Resources Bureau by the PCWC through a bank, and the Land and Resources Bureau will directly pay the sum to the villager’s committee or the village’s teams. The compensation for the attachments to the land will be paid to the owners through the villager’s committee.

8.2. Fund management and audit
(1) All kinds of fund relating to LAR activity will be accounted for in the overall cost estimate, and the resettlement and other funds will be paid to relevant units and individuals through Land and Resources Bureau by PCWC.
(2) The fund for land acquisition will be paid to each administrative village through a bank by the Land and Resources Bureau. The administrative villages will use it for resuming the production of the village’s teams that are under the direct impact, or for other rehabilitation measures authorized by the village committee.
(3) Compensation for land will normally be paid within 3 months before the acquisition;
(4) To ensure the smooth implementation of LAR activities, Puyang County PMO will set up financial monitoring arrangements to guarantee that all funds are allocated in place in a timely manner.
(5) The institutions responsible for the compensation fund for rural area are the special finance institution of the project unit, Land and Resources Bureau, township (town) and villager’s committee.
(6) LAR funds will be allocated from higher level to lower level and institution at all levels should strictly abide by financial settlement and audit system, examine and report regularly the fund in place and utilization situation. For unexpected situations remedial and shake up measures should be proposed, to ensure that funds are allocated and used as planned.
(7) In order to ensure that funds for resettlement will be earmarked and used for special purpose, no intermediate institution should be permitted to embezzle or misappropriate the fund.
9. Resettlement Implementation

9.1. Principles of Resettlement Implementation

The schedule of land acquisition and relocation will accord the schedule of engineering project. Following principles should be obeyed:

- The land acquisition should be prior to the constructions of each area.
- The adjustment and allocation of land should be carried out during the interval of crop season-changing.
- The labor resettlement should be finished prior to the land acquisition.
- The affected enterprises and shops should be compensated for loss in down time prior to commence of project.
- The calculation and distribution of the compensation should be done before land acquisition or demolition and after agreement signed.

9.2. Overall Schedule of Land Acquisition and Resettlement Activities

The overall schedule of land acquisition and resettlement activities is studied out according to the schedule of land acquisition and resettlement preparation and implementation. See Table 9-1 for the overall schedule.
<table>
<thead>
<tr>
<th>content</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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</thead>
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<tr>
<td></td>
<td>Nov.</td>
<td>Dec.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>First ten-day</td>
<td>Middle ten-day</td>
<td>Last ten-day</td>
</tr>
<tr>
<td>1. land acquisition</td>
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<tr>
<td>Socio-economic survey</td>
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<tr>
<td>Update RAP</td>
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<tr>
<td>Distribute updated resettlement booklet</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Organization and Training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publicize schedule</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding meetings with Villagers</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Disbursement of Compensation</td>
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<tr>
<td>2. Construction Site Preparation</td>
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<td>----------------------------------</td>
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<td></td>
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<tr>
<td>Demolition and Relocation of Ancillaries</td>
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<tr>
<td>Site Preparation /Clearing the ground</td>
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</tr>
<tr>
<td>3. Monitoring</td>
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<td></td>
</tr>
<tr>
<td>4. Construction Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 1 Resettlement Information Booklet

Huangxian County and Huaxian County are north to Puyang City, northeast to Changyuan City, northwest to Dongming, Heze and Zhencheng of Shandong, southwest to Senxian County Shandong Province. The County is 54km from south to north and 49km from east to west with acreage of 1455km². The altitude is usually between 50m to 58m and the total population is 1093.5 thousand. Puyang county seat locates in the center of the county with 156.6 thousand populations, 15km² urban areas and altitude of 48m-53m. Puyang County is a composition of Puyang City, which is the political centre, economic centre and cultural centre of Puyang City.

A. Project Background

The present drainage system of Puyang County is all-purpose for rainwater drainage and wastewater drainage. Wastewater is drained to Maxia River (cross the urban area) or billabongs around through open furrows or hidden channels. There is no wastewater treatment establishment in Puyang City now, and the industrial wastewater and living wastewater are drained into water body directly. The drainage system is not so perfect without plan. While Puyang is one of the important cities in Haihe River Basin, the treatment of wastewater in Puyang has significance on the clearness of Haihe River water, on the safeguard of peoples’ living, on the development of economy, on the improvement of environment.

The total investment of the engineering is CNY 50386.5 thousand, among which 4042.8 thousand is for pumping station while 46343.7 thousand is for associated sewerage pipeline system. 6 households with 17 persons of Rongwan Village Chengguan Town are affected by permanent land acquisition in this project. 6.96mu of collective-owned cultivated land are affected, which is used for pumping station construction. The area of temporary land occupation for project construction includes storage area of sand and stone, area for composite mixing system, area for project construction & living area for resident staff and temporary access to the construction site, etc. All of the temporary land occupation of pumping station occurs within the permanent acquired land, while 691.4mu land (227.3mu of collective-owned land, 464.1mu state-owned road) will be temporarily occupied with 183 persons being affected during pipeline network construction.

B. Project Schedule

Puyang wastewater project: from February 2008 to January 2009.

C. Contract Institute and Linkman

Implementation institution of land acquisition: Puyang Wastewater Company
Linkman: Wang Dong-ya
Tel: 13781359997
D. Policy Framework and Entitlements


Ground attachments such standing crops and trees are compensated entirely due to related laws and regulations.

Measures to relocated affected persons: 6 households with 17 persons in Rongwan Village are affected by permanent land acquisition.

This RAP is compiled on the basis of following laws and regulations:

• Land Administration Law of the People's Republic of China
• State Council Document No. 28
• Implementation Measures of Henan Province on Land Administration Law PRC
• Temporary Regulations of Cultivated Land Occupation Tax for the PRC
• Forestry Land Administration Law of Henan Province
• ADB’s Handbook on Resettlement

The compensation for permanent land acquisition including land compensation of 12000 CNY/mu, resettlement subsidy of 50780 CNY/mu and standing crop compensation of 120 CNY/mu.

Compensation for collective-owned land temporary occupation is 1200 CNY/mu for standing crops.

Compensation for road temporary occupation is 7073 CNY/mu for restoration.

In addition, compensation rates for ground attachments and facilities are 120 CNY/pole for telegraph pole, 10 CNY/m² for wall, 50 CNY/tree for tree, 200 CNY/tomb for tomb relocation and 400 CNY/m² for virescence belt.

E. Complaints and Grievances

In the process of formulating and implementing Resettlement Plan for the project, the participation of affected households for resettlement and relocation is always encouraged. The detailed procedures run as follows:
Appendix 2 Terms of Reference for External Monitoring and Evaluation

In Jan. 2005, ADB staffs had visited Henan Province and managed the work framework as follows:

A. Introduction
1. 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 Henan Wastewater Management and Water Supply Project (HWMWSP) to comply with the provisions of the Resettlement Action Plan (RAP), monitoring of implementation, both “internal” and “external”, will be carried out during and after the implementation of the Project.

2. 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.

3. Monitoring and evaluation will include, but not be limited to:
   Monitoring the progress and effectiveness of RAP implementation;
   Evaluation of income restoration and post-resettlement conditions of the APs and affected communities.

B. Objectives and Requirements of Monitoring and Evaluation
4. The objectives of monitoring and evaluation are to assess if the land acquisition and resettlement is implemented in accordance with the RAP/updated RAP and if the goals and principles of the RAP/updated RAP 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 land acquisition;
   ➢ Timely disbursement of funds;
- Environmental conditions;
- Rehabilitation of the vulnerable groups;
- Condition of land temporarily occupied when it is returned to the original land users;
- Measures taken by the village committees to restore affected livelihoods; and,
- Living conditions and economic status of APs following resettlement in comparison to the non-affected household in the Project areas.

5. Monitoring and evaluation will include the establishment of socio-economic baselines of the APs prior to land acquisition or physical relocation, and the regular monitoring of their relocation or adjustment during Project implementation, and evaluation of their situation for a period of one or two years afterwards. Qualitative and quantitative methods will be used to evaluate the standard of living of the APs. Investigation will include interviews with IAs, local officials, village leaders, and survey of at least 20% of affected households. Focus group discussions can be conducted to address issues related to women, poor, other vulnerable groups and unemployed workers.

C. Monitoring Indicators

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

- Disbursement of entitlements to APs and businesses: compensation, housing, cultivated farmland, and employment as specified in the RAP/updated RAP.
- Development of economic productivity: re-allocation of cultivated land, land restoration, job opportunities provided to APs.
- Provision of alternative housing: the affected persons must move into their alternative housing before demolition; the affected persons must receive on time their moving and transportation allowances.
- Restoration of civic infrastructure: all necessary infrastructures should be restored at the resettlement sites at least up to a standard equal to the standard at the original location.
- Level of satisfaction of APs: level of satisfaction of APs with various aspects of the resettlement program; the process for grievance redress the timely resolution of problems.
- 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.

Participation of affected persons: Involvement of APs in measurements of impacts, negotiation of compensation, decisions for collective investment of land compensation, and monitoring of progress.

Support for vulnerable households: impacts on children, the elderly and other vulnerable groups and implementation of preferential policies, income restoration measures, and improvements in women's status.

Adequacy of resettlement funds: full and timely disbursement of resettlement budget, results of financial audits and increased in funding meet any shortfalls.

D. Special Considerations
7. Special attention/provisions specified in the RAP 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 50 % of APs surveyed will be women.

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.

E. Contents and Distribution of Independent Monitoring Reports
8. A monitoring report will include:
Summary of findings and conclusion of investigations and evaluation;
Major problems identified (existing and potential);
Recommended mitigation or prevention measures which need to be taken;
Assessment of previous follow-up actions

9. The Monitor will provide ABD and the HPMO with monitoring reports every six months during the implementation of the RAPs. After the PMOs prepare their resettlement completion reports, the Monitor will conduct annual evaluations for two years, or until all issues have been successfully resolved.

10. All reports will be provided in English and Chinese. PMOs 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 verification. The Monitor will forward copies of the reports directly to ADB.
F. Duration and Frequency of M&E

11. The consulting services will be required during a period of 4 years (2005 to 2009).
12. During implementation of the RAP/updated RAP, external monitoring by the Monitor will be undertaken every six (6) months for an input of one (1) month. Two annual evaluations will be conducted for each subproject; the timing of these investigations may be staggered depending upon the progress of each subproject. The total input of the Consultant will amount to 15 months for domestic consultancy (excluding survey assistants).

Monitoring Schedule

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Timing</th>
<th>Report Due</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Baseline Surveys</td>
<td>May 2005</td>
<td>June 30, 2005</td>
<td>Being finished in the whole provincial M&amp;E Process</td>
</tr>
<tr>
<td>2) Monitoring of Implementation</td>
<td>June 2005</td>
<td>July 31, 2005</td>
<td></td>
</tr>
<tr>
<td>4) Monitoring of Implementation</td>
<td>June 2006</td>
<td>July 31, 2006</td>
<td></td>
</tr>
<tr>
<td>7) Monitoring of Evaluation</td>
<td>Dec. 2008</td>
<td>Jan. 31, 2009</td>
<td>Because of the RAP updating, extra M&amp;E work is arranged for Puyang WWTP.</td>
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