

Social Monitoring Report

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PRC: Jiangxi Fuzhou Urban Integrated Infrastructure Improvement Project

Prepared by Zhong Bingfang for the People's Republic of China and the Asian Development
Bank

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Jiangxi Fuzhou Urban Integrated Infrastructure Improvement Project

**External Monitoring Report
on
Land Acquisition and Resettlement**

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July 2016

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Abbreviations

ADB	– Asian Development Bank
APs	– affected persons
BRT	– bus rapid transit
CNY	– Chinese Yuan
C&P	– consultation & participation
FIDC	– Fuzhou Investment Development Co., Ltd.
HH	– Household
IA	– implementing agency
LAR	– land acquisition and resettlement
M&E	– monitoring and evaluation
MOU	– Memorandum of Understanding
PMO	– project management office
PRC	– People's Republic of China
RO	– resettlement office
RP	– resettlement plan

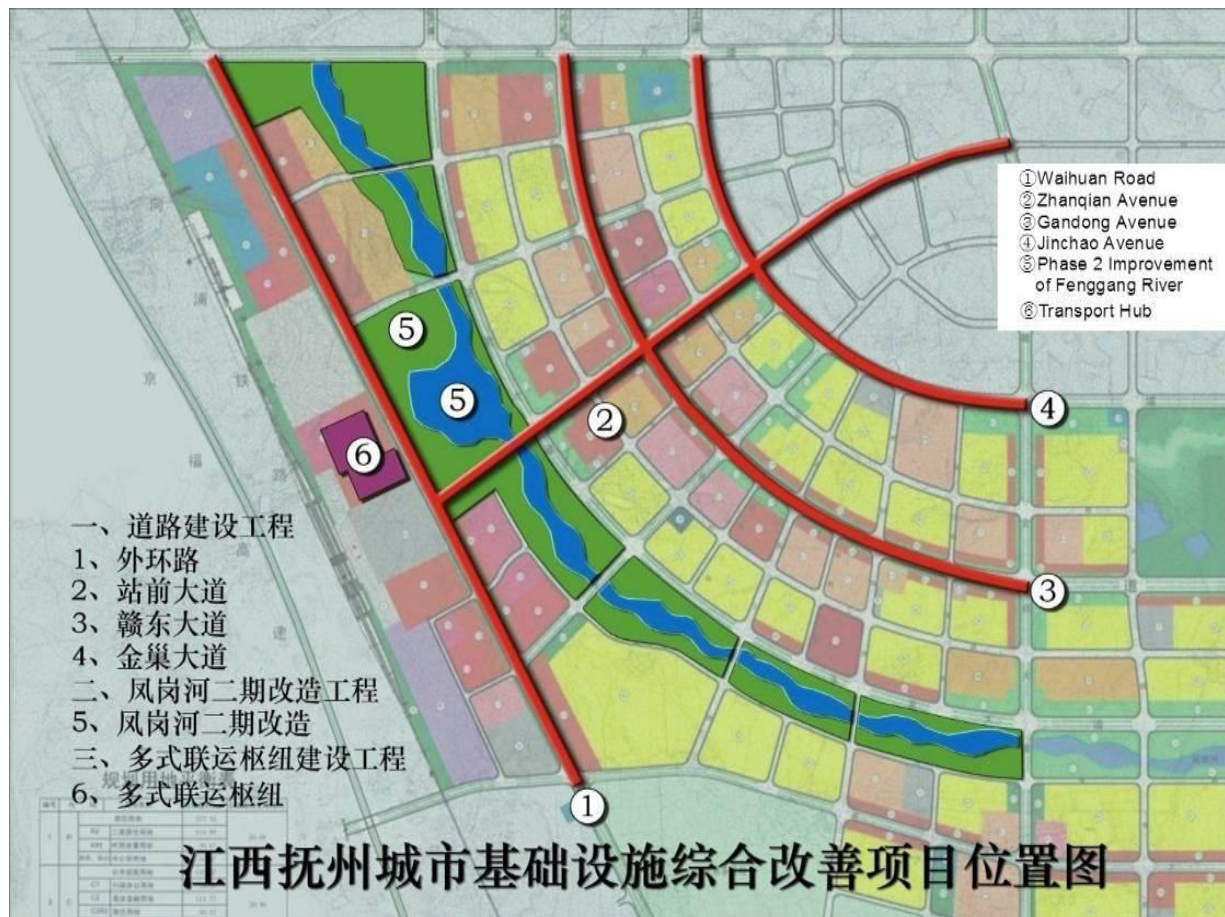


Figure 1: Project Components

1. Introduction

1.1 The Project

1. Jiangxi Province is situated in southeastern People's Republic of China (PRC) and south of the middle and lower reaches of the Yangtze River. To the southeast is Fujian Province, to the east is Zhejiang Province, to the south is Guangdong Province, to the west is Hunan Province, and to the north are Hubei and Anhui Provinces. The total area of Jiangxi Province is 166,900 km², and the total population was 45.1 million in 2013.

2. Fuzhou, 1 of the 11 municipalities, had applied for an ADB loan to implement Fuzhou urban infrastructure improvement project. The project will be implemented to support Fuzhou railway station and its neighborhood area; the station started its operation in October 2013. As the southern gate of Fuzhou, the railway station and its neighborhood area is planned as an important functional new urban block of Fuzhou. Based on the Fuzhou Municipality Master Plan, an area of about 9.5km² in front of the railway station (named as Zhanqian New Urban Area) is defined to include a Fuzhou transportation hub and logistics center, a new residential district, and an important urban block in the future (see Figure 1).

3. Fuzhou Municipality is located in eastern Jiangxi Province. It is at a distance of 90 km from Nanchang Municipality. The total area of Fuzhou is 18,816.92 km², the total population is about 4.27 million in 2014. Fuzhou administrates 1 district and 10 counties.

4. The proposed project includes four components: (i) four station access roads of about 11 km, (ii) the Phase 2 improvement of the Fenggang River, for this component, there was a project scope change in early 2016, (iii) an urban transport hub, and (iv) bus rapid transit (BRT) extending for about 13km, starting from the northern side of urban Fuzhou and ending at the new railway station.

5. Three of the four project components (the station access road, the urban transport hub, and the Phase II improvement of Fenggang River) will be located in the Zhanqian New Urban Area. Figure 1 shows the distribution of the three project components, as well as the urban planning of the station area (see Figure 1). These three components involved land acquisition and resettlement (LAR) in 6 villages of Chonggang Township and Zhongling Subdistrict of JXFZ High-Tech Industrial Development Zone), locally also referred as industrial park. For the BRT component, there will be no land acquisition and resettlement (LAR) according to latest preliminary design by July 2015.

6. The planned project implementation period is Feb 2013~ December 2016. The Fuzhou Investment and Development Co. (FIDC) is the implementing agency (IA) of the project. Within the IA, a project management office (PMO) was set up

1.2 Project Construction Progress

7. The construction progress as of July 2016 are as follows:

- (i) Station access roads: overall 70% of engineering works completed.
- (ii) BRT system: construction has not started.
- (iii) Urban transport hub: construction just started.
- (iv) Fenggang River greenway: construction started in May 2015 and about 50% of engineering works completed.

1.3 This Report

8. This report, the fifth external monitoring report, presents the monitoring results on resettlement implementation over the period of Jan-July 2016, including the implementation of proposed follow up actions in the previous monitoring report and in the ADB review mission's MOU. It also presents problems identified, as well the recommendations to solve the problems.

2. Change of Resettlement Scope

2.1 Fenggang River Component

9. The IA requested to exclude a long strip of 50.2mu from the project scope through boundary adjustment to maximally avoid house demolition and relocation of 4 natural villages from Zhujia Village (see Figure 2 and Table 1). The excluded strip of land, as shown in Figure 2, is around the edge of the Fenggang River greenway. The project will still achieve the same level of benefits after excluding this strip. ADB had approved the exclusion of this 50.2mu from the project scope.

10. As a consequence, house demolition and relocation of as many as 537 households from 4 natural villages in Zhujia Village are avoided (see Figure 2 and Table 1). In addition, 4 relocation sites that totals to 228mu are also avoided. This maximum reduction of house demolition and resettlement is in compliance with ADB's policy requirements (SPS 2009).

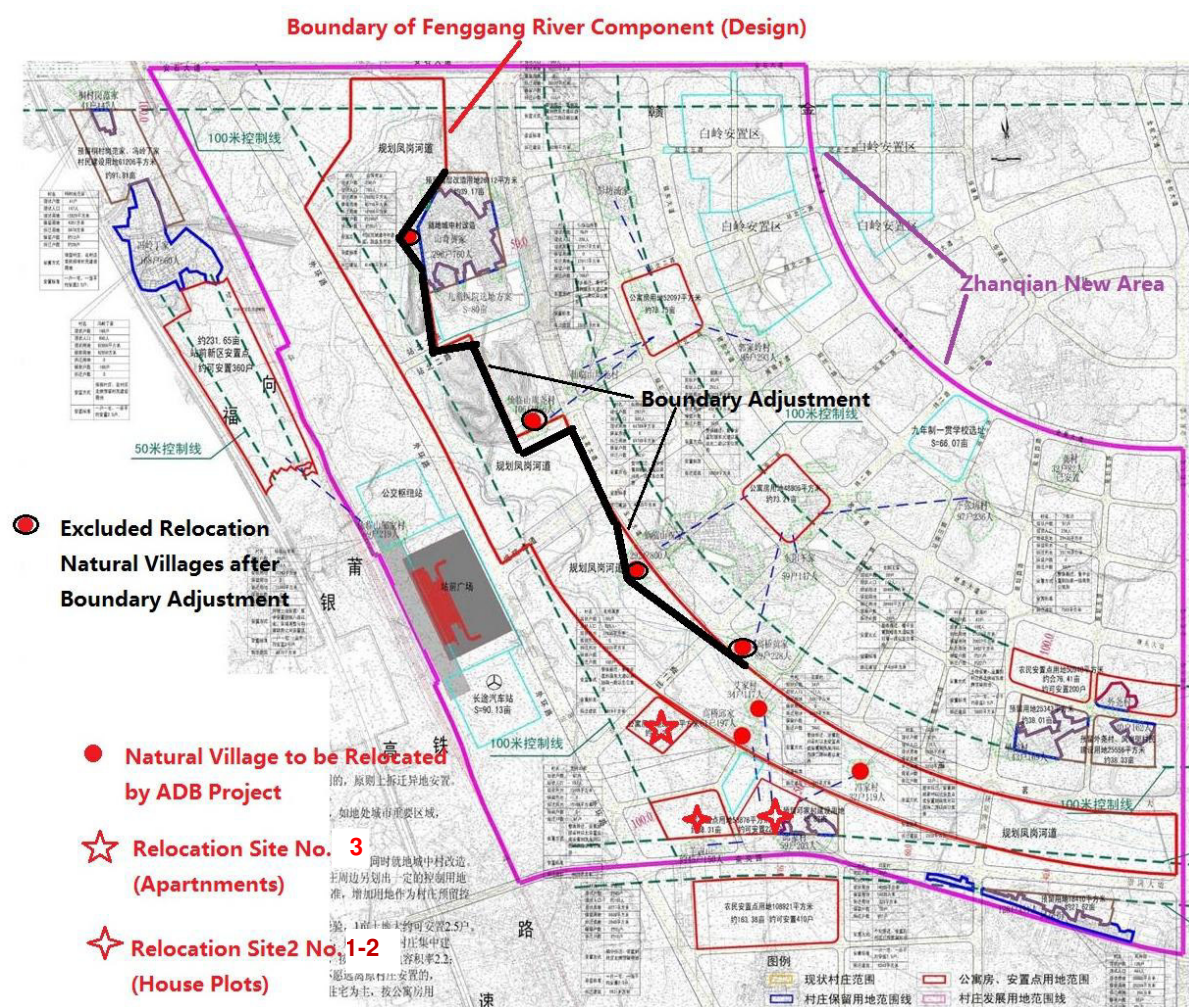


Figure 2: Existing and Excluded Relocation Natural Villages

11. PMO was requested by the ADB review mission to submit a Due Diligence Report (DDR) for the reduced scope of resettlement impact by July 2016. Hopefully this DDR could be prepared and submitted the soonest.

12. The excluded natural villages will be managed by the Urban Village Reconstruction Program of Zhanqian New Area that is indicated Figure 2.

Table 1: Relocation Natural Villages

Village	Natural village	Total HHs	Relocation HHs	Responsibility	
				Before Scope Change	After Scope Change
Xianxi	1. Fengjjialing	32	32	ADB project	ADB project
	2. Aijia	34	34		
	3. Gaojiao Qiujia	61	101		
Zhujia	4. Gaojia Huangjia	89	89	ADB project	Avoided
	4. Xianlinshan Zhujia	292	292		
	6. Xianlinshan Zhouyao	106	106		
	7. Shanbei Huangjia	296	50		
Total		910	704	704	167

Source: the monitor second monitoring report (Jan 2015)

2.2 Urban Transport Hub Component

13. For the urban transport hub component, there includes a commercial development block (see Figure 3). The project had determined to exclude this commercial development block of 10mu from the project scope and it was approved by ADB.

14. With the exclusion of commercial development block from the project, the house demolition and resettlement scope of the component reduced to only 6 households from the original 29. The remaining 23 households are still living in the commercial development block and the Chonggang Township Government will seek alternative approach for commercial development and resettlement of the remaining 23 households. PMO, with assistance of the management consultant, was requested to prepare a DDR for the reduced scope of resettlement impact. Hopefully, this DDR could be submitted to ADB the soonest.

15. Houses of the 6 households, about 1,850m² in total, had been demolished by 2015. Of these 6 households, 5 agreed to move to existing resettlement housing plots next to the hub, to the northwest of the hub (see Figure 3) and 1 moved into the Xiangshan Garden resettlement apartment.

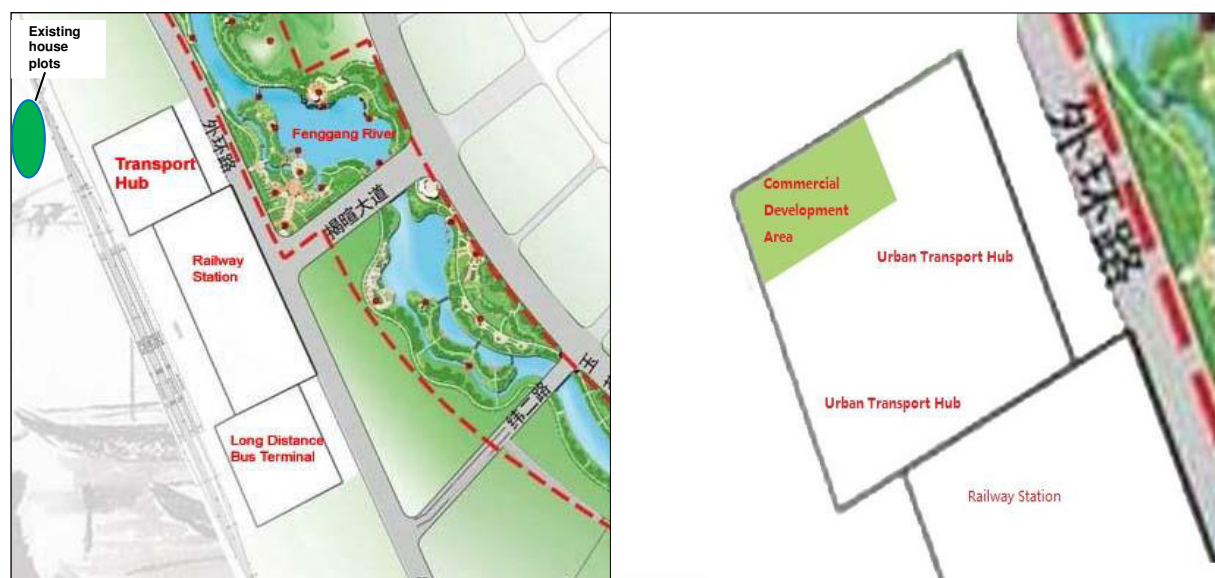


Figure 3: Urban Transport Hub & Commercial Development Area

3. LAR Status

3.1 Overall Progress

16. Again and again, there was only very limited progress in LAR during the period of Jan-June 2016, except some insignificant progress for preparing the resettlement sites for the Fenggang River component.

17. However, there are some significant and visible progresses in July 2016:

- (i) Signed agreement with the owner of one outstanding house affected by the road component on 04 July 2016, out of the three remaining houses whose owners did not sign agreements before 31 Dec 2015. Upon signing the agreement, the house that once lonely remained on the central line of the Zhanqan Road was instantly demolished.
- (ii) Resettlement method for the Fenggang River Component got approved on 20 July 2016;
- (iii) Resettlement method was disclosed among affected people in Xianxi village since 25 July 2016;
- (iv) Along with notification of resettlement method, resettlement office in Xianxi village was formally setup;
- (v) A number of consultation meetings were organized from 25 July 2016 on;
- (vi) Re-measurement of affected houses of the Fenggang River Component in Xianxi Village started on 26 July 2016 and will be completed by August 2016 or so.

18. The LAR status by project component, as of 31 July 2016, is given in the table below. As shown in the table:

- (i) For the access roads component, agreements were still not made with owners of two houses¹ although relocation work started in early 2014.
- (ii) For Fenggang River component, there is no physical progress regarding house demolition and resettlement.
- (iii) The urban transport hub component had completed its house demolition and resettlement work.

Table 2: LAR Status (by 31 July 2016)

Component	Village	Land Acquisition	Relocation HHs (RP)*	Agreements made (HHs)	Houses demolished (HHs)	Relocation (HHs)		Agreements to be made (HHs)
						Apartment	Self-built house	
Access Road	Zhujia	Completed 2013	286	286	284	60	224	2
Fenggang River	Xianxi		167**	0	0	0	0	167
Transport Hub			6	6	6	1	5	0
BRT		No impact	0	-	-	-	-	-
Total			459	292	290	61	229	169

Source: PMO; *: Revised and reported to ADB in May 2016; ** will be updated after re-measurement survey.

3.2 Preparation of Resettlement Sites for Fenggang River Component

19. Preparation of the resettlement sites for the Fenggang River component started in March 2016. The site preparation progresses by 31 July 2016, shown in Figure 4, are as follows:

- (i) Site 1~2 (sites for house plots): completed 50% of land filling (3m in height) from March to July 2016 (see Figure 4).
- (ii) Site 3 (site for apartment buildings): installed 500 concrete piles for foundation treatment during May~July 2016, out of a total of about 600 piles (see Figure 4).

¹ Several agreements will need to be made as owners of one house are from different households.



Figure 4: Resettlement Sites (Jan. vs. July)

20. Additional information about the resettlement sites are given in the table below.

Table 3: General Data of Fenggang River Resettlement Sites

Site	No. 1 & No. 2	No. 3
Land area (mu)	88.3	34.2
Type of resettlement	House plots	Apartments
Number of households to be resettled	226	530
Urban construction land use approval	Oct 2015	Oct 2015
Design approval	July 2015	July 2015
Contract awarding for site preparation (Sites 1-2) and apartment construction (Site 3)	Jan 2016	April 2016
Commencement of civil works/site preparation	March 2016	May 2016
Completion of construction/preparation	April 2017	Dec 2017

Source: Chonggang Township Government

3.3 Agreements with Owners of One House

21. The project eventually made agreements with the three owners of one remaining house affected by the access road component. Given that the house can't be avoided as it stood right in middle of the Zhanqian Road (see Figure 5), this really is a significant achievement for the project. Of course, the project made some compromises to allow three owners to split into three new households and signed an agreement with each of the three new household². Of the three new households, two chosen house plots and one chosen apartment. The house was instantly demolished upon signing the agreements and this could enable to contractor to complete the engineering works timely.

22. As for the remaining two houses, given that they are uninhabited and are beyond construction redlines,³ the project/FIDC intends not take any action in the coming months

² Compensation rates were the same as that in the RP, yet housing area for each new household was slightly over counted.

³ The uninhabited houses will not affect project construction.

unless the owners approach the project for solutions. In other word, FIDC will not apply for the execution from the time being although it once said so.



Figure 5: House Demotion in July 2016

23. Table 4 presents the progress on agreements for relocation households. Overall 63.2% of relocation households, affected by all project components, had signed agreements. Among the 290 HHs who signed agreements, 61 HHs (21.0%) had chosen apartments for relocation (3-8 apartments for each HH) and 229 HHs (79.0%) had chosen house plots to build own relocation houses.

Table 4: Progress on Agreements by Village

No.	Village	Relocation HHs in RP*	Agreements Signed (HHs)				
			2014	2015	Jan-July 2016	Total	Proportion to RP
1	Zhujia	286	276	5	3**	284	99.3%
2	Xianxi***	173	0	6	0	6	3.5%
Total		459	276	11	3	290	63.2%

Source: PMO. *: revised and reported to ADB in May 2016; **: one house, but 3 agreements made as the old household split into three new households; ***: 6 and 167 HHs affected by the transport hub and Fenggang River component respectively

3.4 Demolishment of One House

24. Along with the signing agreements with owners the remaining house, the house of 500m² was demolished (Table 5).⁴

Table 5: House Demolishment Progress

No.	Village	RP(m ²)*	Actual demolishment (m ²)				
			2014	2015	Jan-July 2016	Total	Proportion to RP
1	Zhujia	102,000	100,000	500	500	101,000	99.0%
2	Xianxi	50,000**	0	1,850	0	1,850	3.7%
Total		152,000	100,000	0	500	102,850	67.7%

Source: PMO *: revised after May 2016; **: over counted in agreement with the HH; *** will be significantly changed once the re-measurement is made updated.

3.5 Approval of New Resettlement Method

25. Fuzhou Municipal Government drafted a new policy for house demolition and resettlement in the planned urban area in July 2015 and then finalized it in October 2015. Fundamental change of the new policy is the shifting of responsible body from project implementing agency to local government. Under the new policy, Chonggang Township Government shall take charge of the resettlement work for Fenggang River component (leading body); while PMO shall only provide necessary assistances. While in the case of the

⁴ House area, as a compromise, was over counted in the agreement.

access roads component, PMO took charge of resettlement work. Another change is that a ceiling or upper limit was set for households opting relocation apartments.

26. Based on the new policy, Chonggang Township Government developed a house demolition and resettlement method for the Fenggang River component and then submitted it to the Fuzhou Municipal Government for approval in May 2016. The method eventually got approved on 20 July 2016 (see Figure 6). The major change, if compared with that of the RP or the method for the access roads component, is that there is an upper limit for households opting apartments. Under this new method:

- (i) a small sized HH with 1-3 persons can only apply for relocation apartments of 270m² or less;
- (ii) a medium sized HH with 4-5 persons can only apply for 360m² or less; and
- (iii) a big sized HH of more than 5 persons can only apply for 420m² or less.

27. In case of area of applied apartments is less than area of affected main house, the surplus area will be monetarily compensated at market prices.⁵

28. This change or setting upper limit will not allow an individual household to have as many as 8 apartments as in the case of the access roads component, and will enable the government to use less land for building apartment buildings. Given that surplus house area will be compensated at market price, households choosing apartments will not have any economic loss. This is in compliance with ADB's policy requirement.

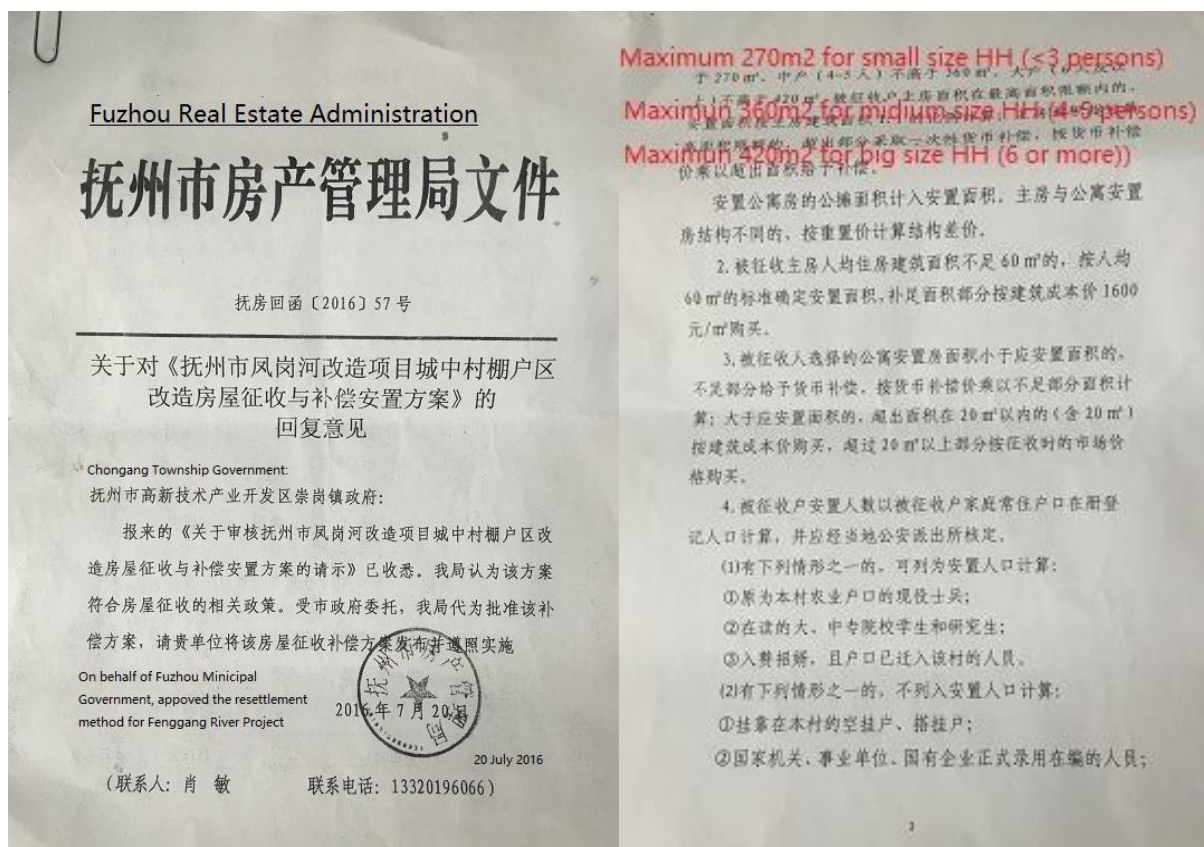


Figure 6: Approved Resettlement Method

3.6 Notification of New Resettlement Method and Consultation

29. Upon the approval, Chonggang Township Government disclosed 50 copies of the resettlement method in the 3 affected natural villages⁶ on 25 July 2016 (see 7), including

⁵ It is CNY2,238-2,528/m², a price for economic housing rather than commodity housing.

⁶ There are Qiujia, Aijia and Fengjia natural villages.

posting it in 7 public locations.

30. Along with disclosing the resettlement method, a series of consultations were carried out in the following days for further explanation/clarification of the method, house demolition and resettlement schedule, institutional setups, grievance redress mechanism, etc (see Figure 8). Each affected household attended at least one of such consultations.



Figure 7: Notification of Resettlement Method in Xianxi Village



Figure 8: Consultation Meetings on Resettlement Method

3.7 Working Groups

33. Along with notification of resettlement method, Chonggang Township also formally set up a resettlement headquarter (office) in Xianxi Village on 25 July. This headquarter will open daily in the forthcoming house demolition and resettlement period.

34. To speed up the overall process, three working groups⁷ were established with each responsible for a villagers' group⁸ (see Figure 9). Each working group, headed by an official of Chonggang Township Government, consists of township staff and members of village committee. Each group has at least one female member, and the second group is headed by a female official of Chonggang Township.

35. Contact information for all resettlement staff was disclosed to affected households. In addition, grievance redress mechanism with contact persons at village, township, district and

⁷ In the case of access roads component, there was no working group.

⁸ A village administratively consists of several (villagers') groups. A big natural village (Qiuji in the case in Figure 9) can be divided into two or more groups, while small natural villages could jointly form one (villagers') group (Aijia and Fengjia in the case in Figure 9).

municipal levels, was also notified to affected people.



Figure 9: Resettlement Headquarter and Working Groups

3.8 Re-measurement Survey

36. Re-measurement survey of affected houses started on 28 July 2016, just two days after the first consultation meeting.



Figure 10: Re-measurement Surely

4. Issues and Suggestions

4.1 Issues

4.1.1 DDRs and Action Plan

37. The ADB review mission's MOU in May 2016 had requested PMO to prepare and submit two DDRs and one action plan by July 2016: (i) a DDR for the reduced scope of house demolition and resettlement for the Fenggang River component; (ii) a DDR for the reduced scope of house demolition and resettlement for the Urban Transport Hub component; and (iii) an action plan for the house demolition and resettlement work of the Fenggang River component. As of 31 July 2016, unfortunately, these DDRs and action plan were not prepared and submitted.

38. In addition, the ADB review mission advised PMO to follow up and support the legal process in station access roads and report to ADB in the next progress report. As stated in this monitoring report, PMO did not take legal action during May-July 2016, yet it intends not to take any action in the coming months for the two remaining houses. Anyway, the progress report or internal monitoring report was unavailable as of 31 July 2016.

4.1.2 Remaining 2 Houses within Access Road Component

39. As of 31 July, there are still two houses, within the resettlement scope of the access roads component, remain un-demolished, yet agreements were not made with the owners. Luckily, two houses, beyond construction redline, will not affect roads construction. Owners' information of the two houses are as below:

- (i) **House 1** (brick-wooden structure of 200m²). The owner is Mr. Guo Wusheng and his family. The construction of the house was incomplete and unused. Mr. Guo's two other houses within the construction redline had been demolished and resettlement arrangements were accepted. Mr. Guo Wensheng refused to make an agreement with the project for this remaining house for demanding non-project related compensations.
- (ii) **House 2** (uninhabited ancestral house of about 200m²) jointly owned by Guo Wencheng, his brother Guo Wucheng and their four nephews. Mr. Guo Wencheng, his brother and their nephews have own families in Fuzhou and elsewhere. These six persons are demanding for 6 house plots but they are only eligible for 3 because Mr. Guo Wensheng and two other members are legally non-Zhujia villagers.

40. Although the two uninhabited houses will not project construction, they will affect follow-up development of the Zhanqian New Area. However, the monitor learnt that the project/FIDC intends not take any action in the coming months unless the owners approach the project for solutions.

4.2 Suggestions

41. It is suggested that:

- (i) IA, with the strong assistance of the management consultant, to prepare and submit the requested DDRs and action plan the soonest. Detailed requirements for the DDRs and action plan were specified in the ADB review mission's MOU signed in May 2016. For follow-up external monitoring, the action plan is deadily needed.
- (ii) Chonggang Township Government and IA, again, to keep communications with the owners of the two remaining houses for final solutions.