

**Asia Development Bank Financed
Shandong Pollution Control Project in Hai River Catchment Basin**

Zouping Solid Waste Management Component

Resettlement Plan

Zouping Urban Administration Bureau

August 2005

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(with the government letter head paper)

Endorsement Letter of the Resettlement Plan

The Planning/Construction Bureau of Zouping Urban Administration Bureau (ZUAB) has prepared the resettlement plan (RP) for the Asian Development Bank (ADB) financed municipal solid waste management (SWM) sub-project in Zouping County. This resettlement plan fully complies with the requirements of the relevant laws, regulations and policies of the People's Republic of China and Shandong Province as well as the ADB policy on involuntary resettlement.

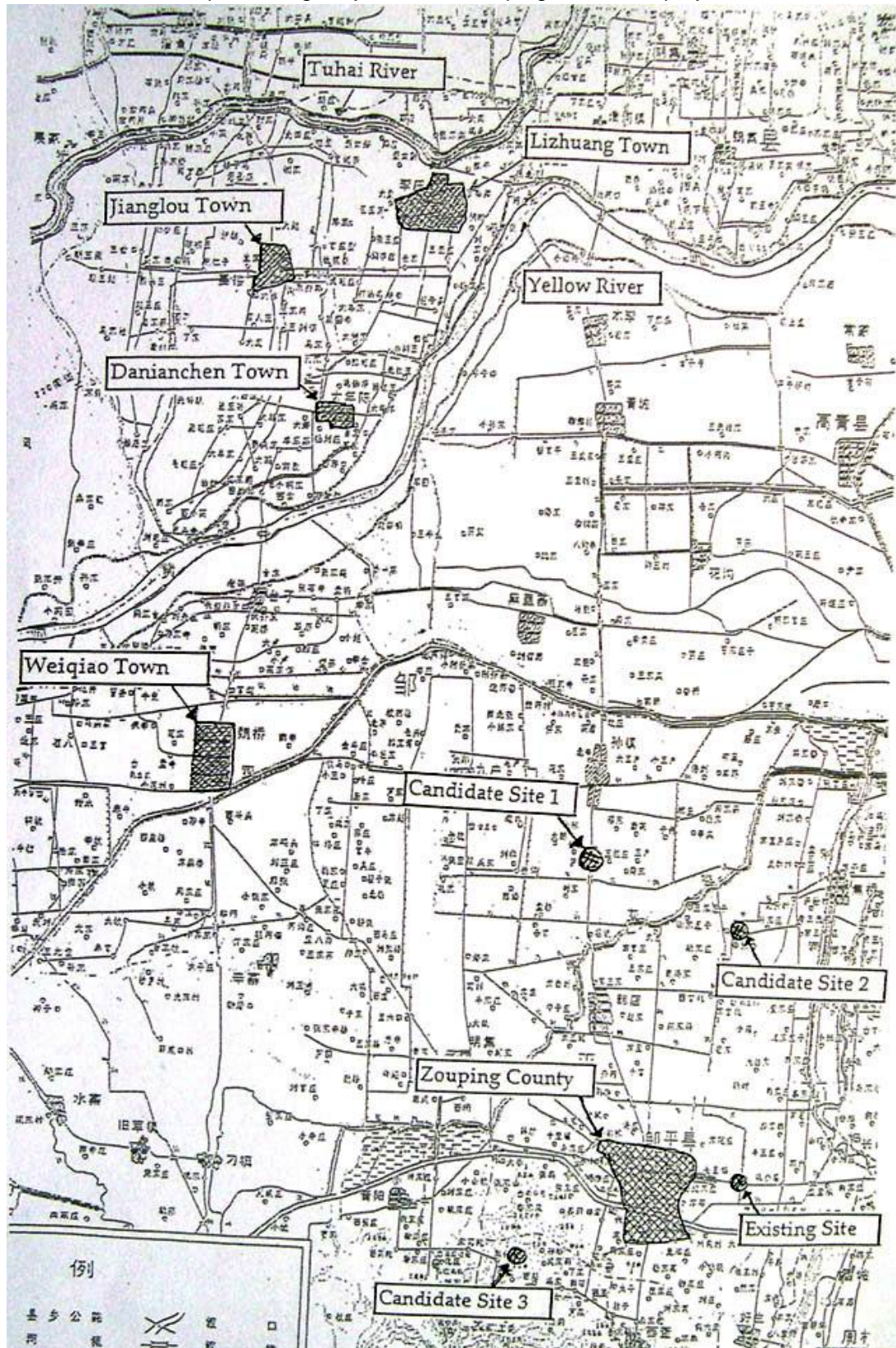
The Planning/Construction Bureau of Zouping County Government confirms the content of this resettlement plan (RP) and will guarantee the land acquisition, compensation, economic rehabilitation being implemented and full budget being provided according to the provisions of this resettlement plan. This RP is based on the feasibility study report and the RP social-economic surveys.

------(signature)

Magistrate, Zouping County Government

July 2005 (date)

Map Showing Project Site of Zouping SWM Sub-project



Executive Summary

Zouping solid waste treatment plant sub-project will build a solid waste treatment plant with a solid waste treatment capacity of 400 tons per day lasting for 15 years. The technology to be adopted for the solid waste treatment is the current mature landfill techniques. Zouping County Government is the project implementation agency (IA), and the Zouping Urban Administration Bureau (ZUAB) will be the responsible institution for the sub-project (Project component) implementation.

The land selected for the proposed solid waste treatment plant (SWTP) is site of the original No. 732 State-owned Farm (the Farm), currently belonging to ZUAB, with a total land 627 mu (41.8 ha) to be permanently acquired for the sub-project, and there is no temporary land occupation. The directly affected persons by land acquisition are 30 persons, of which, 25 staff who belonged to the No. 732 Farm before, but currently they have been transferred to the SSWTP Preparatory Division together with the all the land of the Farm, and 5 persons who are currently renting the cultivated land in the proposed SWTP area.

In order to avoid or minimize land acquisition impacts, close consultation on project site has been made with local government officials and village committees (VCs) during the Feasibility Stage (FS), the best site was recommended by comparison with alternative sites.

The Resettlement Plan (RP) is based on the *Land Administration Law of PRC* (1998) and related matching policies in Shandong Province. Meanwhile, the RP was prepared in compliance with *ADB's Policy on Involuntary Resettlement* and relevant social safeguard policies. Based on the above policies and thorough consultation with local governments and APs, the resettlement principles for the sub-Project is established as follows:

(i) Compensation and entitlements provided to APs are at least as adequate as to maintain their "without project" standard of living, with prospect of improvement; (ii) All APs, titled or non-titled, are taken into account for compensation and resettlement assistance; (iii) Land redistribution shall ensure per capita minimum farm-land holding to maintain livelihood standards in post-resettlement period; (iv) Where land acquisition per capita is not sufficient to maintain livelihood, compensation shall be provided for APs in cash or kind for replacement land for other income-generating activities; (v) All APs shall be adequately informed on eligibility for compensation, mode, rates and standards, restoration plans for livelihood and income, project timing, and shall be involved in RP implementation.; (vi) No land acquisition shall take place unless replacement land or sufficient compensation for resettlement are given to APs. (vii) The compensation and resettlement operations shall be monitored by the EA and an independent/third party; (viii) Vulnerable groups should receive special assistance or treatment to ensure their

livelihood. The APs listed in the RP shall have the opportunity to benefit from the project;
(ix) Resettlement plan should be combined with the overall county/city/district planning;
and (x) Resettlement budget should be made fully and thoroughly to cover all the aspects.

The affected persons have been informed of the key elements of the RP by various means, such as meetings, interviews, village group discussions, public consultation workshops, and community consultations, during which local representatives have participated in the planning and their concerns have been integrated into the RP. The Chinese version of Resettlement Plan had been sent to the governmental department of Zouping County, and the RP was also distributed to affected villages and households in April 2005, and feedback comments from village committees have been collected by Zouping County Project Management Office (ZCPMO). The RP is subject for approval by Shandong Provincial Project Management Office (SPPMO) and ADB, and will be posted on ADB website. The ZCPMO will be responsible for the supervision of RP implementation, follow-up consultation and grievance redress. The grievance redress procedures have been clearly described in this RP.

For permanent land acquisition, the land was state-owned (at County level) and has already been transferred to the construction unit, thus it does not need compensation. There is no temporary land to be occupied. Land clearance is planned to commence in February 2006, and will be completed in May 2006. In order to achieve the successful implementation of RP, besides the internal monitoring, an independent external monitor will conduct external monitoring every six months. The cost estimate for land transfer fees, taxes and resettlement is CNY 8.46 million (2005 current price), including a contingency of 10%. The RP budget accounted for 9.07% of total sub-project budget.

ABBREVIATIONS AND ACRONYMS

| | |
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| AAOV | Average Annual Output Value |
| ADB | Asian Development Bank |
| AP | Project Affected Person |
| DMS | Detailed Measurement Survey |
| EA | Project Executing Agency |
| FS | Feasibility Study |
| IA | Project Implementation Agency |
| LRB | Land and Resources Bureau (bureau) |
| mu | Chinese land area unit of measure: 1 mu = 0.0667 ha, or 1 ha =15 mu |
| MLR | Ministry of Land and Resources |
| PGZC | People's Government of Zouping County |
| PPTA | Project Preparatory Technical Assistance |
| RMB | Renminbi—another word for the PRC Currency, the Yuan |
| RP | Resettlement Plan |
| SPG | Shandong Provincial Government |
| SPPMO | Shangdong Provincial Project Management Office |
| TOR | Terms of References |
| SWTP | Solid Waste Treatment Plant |
| Yuan | PRC's currency |
| ZUAB | Zouping Urban Administration Bureau |

key terms used in this report

Affected Persons (APs) includes any people, households, firms or private institutions who, on account of changes that result from the project will have their (i) standards of living adversely affected; (ii) right, title, or interest in any house, land (including residential, commercial, agricultural, forest, and/or grazing land), water resource, or any other moveable or fixed assets in their possession or disposal—restricted, or otherwise adversely affected, whether in full or in part, permanently or temporary; and/or (iii) business, occupation, place of work or residence, or habitat adversely affected, with or without displacement.

Replacement Cost means the method of valuing assets to replace the loss at market value, or its nearest equivalent, plus any transaction costs such as administrative charges, taxes, registration, and titling costs. Where national law does not meet this standard the replacement cost will be supplemented as necessary. Replacement cost is based on market value before the project or dispossession, whichever is higher. In the absence of functioning markets, a compensation structure is required that enables affected people to restore their livelihoods to levels at least equivalent to those maintained at the time of dispossession, displacement, or restricted access.

Allocation of land use right (*tu di shi yong quan hua bo*) indicates that land use right is delivered to a land user either free of charge or after paying compensation and resettlement subsidies, etc. based on China laws. It usually has no time limitation for using the allocated land.

Assignment of land use right (*tu di shi yong quan chu rang*) means that government transfers the land using right to a land user in certain years, and in turn the latter will pay the charges for land lease to the government.

Eviction of land use right (*tu di shi yong quan shou hui*) means that in special situation, upon the consideration of public interests, the government regains the land use right from a unit or individuals according to relevant laws.

Basic Farmland (*ji ben nong tian*) generally means those fertile land used for agricultural production. In this Project there is no basic farm land occupied. Article 34 of the PRC land law states:

“The State fosters the system of protecting the basic farmland. The following cultivated land shall be demarcated as basic farmland protection areas and subject to stringent control according to the general plans for the utilization of land:

1. Cultivated land in the grain, cotton and oil-bearing crops production bases approved by the land administrative department of the State Council or the local people's governments at and above the county level;
2. Cultivated land with good water conservancy and water and soil conservation facilities and medium-and low-yielding land where the execution of amelioration plan is in progress or medium-and low-yielding land that is transformable.
3. Vegetable production bases;
4. Experimental plots for research and teaching;
5. Other cultivated land that should be designated as basic farmland protection areas as provided for by the State Council."

Areas of basic farmland demarcated by various provinces, autonomous regions and municipalities should make up over 80% of the cultivated land within their administrative areas.

Basic farmland protection areas shall be demarcated with township (town) as the unit and the protection of which shall be carried out by the land administrative departments of the county level people's governments together with agricultural administrative departments of the same level.

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I. Introduction and Project Background

1.1 Introduction

1. The resettlement plan was prepared based on the following documents, ADB *Policy on Involuntary Resettlement*¹, the *Operations Manual F2 for Involuntary Resettlement* (2003), *Gender Checklist: Resettlement* (March 2003), and other relevant social policies; as well as the laws, regulations and policies of China and Chinese local government. All these have provided a policy framework for mitigating the adverse impacts from Zouping County Urban Waste Water Treatment Plant—a sub-project of Shandong Pollution Control Project in Hai River Catchment Basin, and have provided the policy base for formulating the income rehabilitation measures for the project affected persons (APs).

2. For both the PRC and the ADB, the over-riding objective of resettlement planning is to ensure that persons unavoidably losing land or property as a result of a development project attain equal to or better than livelihoods and living standards when the project had not occurred. All policies, proposals and compensation measures contained in this RP are designed to meet this objective. The project executing agency (EA) –Shandong Provincial Project Management Office (SPPMO) has clearly indicated that the People's Government of Zouping County (PGZC) is the sub-project implementation agency (IA), and the Planning and Construction Bureau under PGZC will be responsible for organization of the project implementation.

3. The preparation of this RP was based on: (i) relevant Project reports: particularly the Project Feasibility Study (FS), and the Resettlement Plan (draft) prepared by Shandong University in 2003-2004; (ii) discussions with the principal authors of the above documents, particularly the major author of RP; (iii) field visits to the proposed project site during the initial technical aid period; (iv) consultations with various levels of local government, village leaders and APs; (v) socio-economic surveys of affected households carried out during the PPTA stage (March 2005) by Shandong Statistical Bureau.

4. The impact data used in this RP is based on the solid waste treatment plant (SWTP) data in Feasibility Study. This data has a high level of reliability. However the preliminary design and detailed design may bring about minor modifications to the design of the solid waste treatment plant. This RP has been examined and endorsed by the PGZC and approved by SPPMO.

¹ Asian Development Bank, *Involuntary Resettlement*, Manila, November 1995; *Handbook on Involuntary Resettlement: A Guide to Good Practice*. ADB Manila, 1998.

1.2 Project background and description

1.2.1 Project background

5. The treatment, development and utilizing of the solid waste must be paid attention to on the urban construction. This public hazard cannot be controlled effectively all the time. In our country, this issue is especially remarkable. Currently, the collection, transportation and treatment of the municipal solid waste in Zouping County are planned and administered by ZUAB. Since the current waste landfill is small in size, with lower backward transportation capacity, it is not possible to send all the municipal solid waste to the landfill area presently. Instead, the solid waste from the villages within the town area is disposed in some ditches, which seriously pollute the villages and their nearby environment. This garbage disposal method in Zouping is recognized as backward, and with the increase of urban population and economic development, the growth of the total amount of the waste will threat the urban and nearby environment, underground water and the eco-systems of Hai River and Yellow River catchment basins. Therefore, Zouping County proposed to borrow ADB loan to construct a standardized SWTP which is in line with the requirements of modern environmental protection technology.

6. On June 18, 2004, the General Office of Zouping County Government issued a document (ZZBZ[2003]25) and established the Preparatory Division of SWTP, headed by Mr. Wang Yu, the standing committee member of Zouping Communist Party and deputy magistrate of Zouping County Government. His four deputies are the directors from ZUAB, Planning Bureau Environment Protection Bureau and Agricultural Bureau; other eight members are deputy directors from ZUAB, Planning Bureau, Fiscal Bureau, Construction Bureau and Land and Resources Bureau (LRB) as well as leaders from three townships covered by the service area of the sub-project. The SWTP Preparatory Division is located in ZUAB, of which the deputy director Mr. Li Hongwei is the Director of the Standing Office (namely Project Office) of the Preparatory Division.

1.2.2 Project description

1.2.2.1 Sub-project components and land acquisition scope

7. This sub-project will build an SWTP with a solid waste treatment capacity of 400 tons per day for 15 years landfill techniques. In detail, the construction of the SWTP includes: landfill area, wastewater-adjusting tanks, wastewater treatment systems and office area.

8. The land selected for the sub-project will cover part of the No. 732 Farm (the "Farm"), with an area of 627 mu (41.8 ha), with no temporary land occupation. The access road is wide enough thus there is no need for additional land acquisition but only land clearance.

1.2.2.2 Impacts of land acquisition and resettlement

9. The land proposed for project construction is state-owned land on the Farm, with permanent land use 627 mu, which accounts for 58% of the total land in the Farm 78 ha (1080 mu). There is no relocation of houses involved. Directly affected persons are those 25 workers who originally worked in the Farm, and currently all the personnel and land have been taken over by SWTP Preparatory Division. In addition, there are five farmers who lease the cultivated land in the proposed SWTP area. Therefore the total APs are 30 persons.

1.2.2.3 Environment, social and economic benefits

10. First, the sub-project will boost the sustainable social and economic development of Zouping County. The urban solid waste has become a focal problem of all sections of society. The solid waste treatment measures in Zouping County is recognized as backward because of limited fund raising channels, short of necessary facilities and poor maintenance techniques adopted. As the solid waste travels long distances and affects many types of water resources, so it causes heavier harmful pollution to soil, water, air and living surroundings wherever it goes. The solid waste pollution has indirectly affected the growth of agriculture and the quality of residential environment, and has even affected the investment enthusiasm of foreign businessmen and, hence, the future of local sustainable socio-economic development. With the project, however, solid waste will be greatly reduced and in turn will promote the local social and economic development.

11. Second, it will protect land resources and improve the living environment of the residents in Zouping County. Currently the solid waste in Zouping County is disposed without any treatment, thus the living environment of the urban residents has been polluted. Meanwhile, the natural stacking method for waste disposal has also resulted in second time pollution to the environment, and the living environment of the nearby residents has been polluted at different extents. With the sub-project, landfill will be adopted, thereby land resource will be protected, meanwhile non-toxic treatment technology will be adopted and to control the waste pollution to nearby environment. All these measures are aimed at improving residents' living environment through realization of non-toxic treatment, minimization and recycling of the waste.

12. Thirdly, with the sub-project, it will provide more employment opportunities. In accordance with the FS, this construction of the sub-project will last 2 years, during which the transportation, service tasks will provide 800 persons with employment to different extents. In addition, after completion of the SWTP, 44 persons will be recruited to work there. All these will provide a chance for local residents to increase their income level, and more people will benefit from the construction of the project.

13. Lastly, the sub-project is in line with the Zouping Socioeconomic Development Plan, and can improve the investment circumstance. In order to realize the long-term social economic development plan of Zouping County, the urban infrastructure construction projects

have been determined as the priority with the focus of providing a better circumstance for investment and residents' daily living. This project has been determined as a key project of Zouping County.

1.2.2.4 Sub-project budget

14. The budget for the sub-project is Yuan 93.28 million, of which application for ADB loan will be USD 6.94 million, is equivalent to Yuan 57.6 million.

15. The permanent land to be used is state-owned land, and has been taken over by the SWTP Preparatory Division. There will be only a change for land use purpose, thus it does not need compensation for permanent land acquisition. However, fees and taxes related to the land use and management fee for RP implementation are estimated at Yuan 8.46 million, accounted for 9.07% of total project budget.

1.2.2.5 Project schedule and resettlement program

16. It is planned that the construction of this project will start in June 2006 and end in June 2007. Before the project commences formally, the preparation of project began in June 2003 to work out the project proposal and report of environmental impact assessment. Beginning from May of 2004, CDM Company provided the technical assistance to guide the working out of the FS report, the resettlement plan report and the report of environmental impact assessment, which are necessary to apply for the ADB-financed project.

17. The preparation of the RP began with May of 2004. From October of 2004 to now, the report of resettlement has been updated and perfected under the guidance of the consultants from CDM Company. It is planned that after the approval of the project by ADB, the tasks such as the change of land use right, compensation payment and resettlement will start formally from October 2005.

II. Impacts of Land Acquisition and Resettlement

2.1 Measures to minimize land acquisition and resettlement

2.1.1 Principles for project design and site selection

18. Under the guidance of the urban master plan, combine the professional planning of environmental sanitation of Zouping County, carry out the national relevant policies and guidelines, observe the technical policy of garbage disposal of our country, pay attention to developing the comprehensive utilization technology of waste and follow the principles below:

- To reduce land occupancy, realize the total goal of the non-toxic, amount-reduced and resource-recycling disposal of waste, and obtain the better economic, social and environmental benefits.
- The design of scheme shall observe strictly the relevant laws and regulations and standards established by the state and local governments. Take the measures of environmental protection to minimize pollution of environmental sanitation surrounding the project based on the operation characteristics of treatment site, local climatic conditions, topographical situation, and hydro-geological characteristics.
- To find out the outlet of smooth circulation and sustainable development and one economic and feasible outlet for the treatment of solid waste.
- Strictly observe the Law on Environmental Protection and the Law of Prevention and Control of Solid Waste Pollution to protect the environment and control the solid waste pollution of the environment.
- To combine short-term and long-term to provide space for the development in the future.

2.1.2 Measures to minimize adverse impact of the project

19. In accordance with the above-mentioned principles and ADB policy on involuntary resettlement, the ZUAB and the design institute have selected the project site carefully. The site for SWTP construction has been selected on the reserved land of ZUAB under the urban planning of Zouping County, with no collective land acquisition and no relocation of houses. Meanwhile, various mitigation measures have been prepared for APs in the purpose of ensuring that APs' livelihood will be maintained or improved at least to the "without project" status.

2.2 Land acquisition and priority

2.2.1 Land acquisition options

20. In accordance with the urban master plan of Zouping County and comments from relevant institutions, this sub-project has three options for site selection: the original military No. 732 Farm, Jiaoqian Township-owned Farm and Xidong option. These three options will be abbreviated as "Farm option", "Jiaoqiao option" and "Xidong option" in the following paragraphs.

(1) ZUAB Farm Option

21. The Farm belongs to ZUAB, located in the junction area of Handian, Mingji, Sunzhen and Jiuhu four townships, to the north-east of Zouping county town with a distance about 13 km, with an easy access, about 1 km from the Qing-Zi highway. The Farm belongs to state-owned land, with a total area 72 ha, which consists three parts: part one (proposed site

for SWTP construction) is located in the eastern part of the Farm, with an area 54 ha; part two sites in the western part of the Farm, with an area 11 ha, and the third part is located in the southern part of the Farm, 7 ha.

22. There are 25 workers in the Farm, all with non-agricultural status. After completion of the project, these need to be resettled internally for their jobs.

(2) Jiaoqiao Farm Option

23. Jiaoqiao Farm belongs to Jiaoqiao Township Government, located in the western part of the jurisdiction of Jiaoqiao Township, or to the east of Xinmin River and northwest of Litao Village, with a distance of 20 km to the county town, and 6 km to the township center. The access roads are rural township or village roads, and passing through 5 villages (two of them are marketplaces) from the county town area. It is only 600 meters far away from Litao Village, but for the rest directions there are no other villages within 4 km distance.

24. The land of Jiaoqiao Farm is township-owned land, total area 35.33 ha. According to national regulations, a distance from the solid waste treatment plant to any villages shall not be less than 1000 meters, but it is only 600 meters from Jiaoqiao Farm to Litao Village. Accordingly, if the Jiaoqiao option is selected then all the Litao Village as a whole will need to be resettled.

(3) Xidong Option

25. Xidong option currently is an abandoned mineral pit of Zouping Copper Mine, located in Sunyu Village, the northeast of Xidong Township, between Huanghu Mountain and Songshan Mountain, with a distance of 12 km to the county town of Zouping, 6 km to Xidong township-center. The total area of this option is 27.6 ha, with the length 1600 meters from north to south, and 180 meters from east to west. It is 300 meters far away from Sunyu Village; there are no other villages in other directions within 3 km.

26. This option, with a distance to Sunyu Village less than 1000 meters, will cause a seriously impacts to Sunyu Village, and the whole village should be resettled if it is chosen as the project site. In addition, this option lacks of soil sources for burying or covering the solid waste, and is limited by the space for future enlargement of the waste disposal area. All these factors indicate that this option is not suitable for SWTP construction.

2.2.2 Priority of the options

27. Since Xidong option is too close to a village, which is not in line with the conditions of a SWTP site selection, and it is excluded at the first place. Through comparison between the Farm and Jiaoqiao Farm, the Farm is recommended as the project site. The reasons are as follows:

- There is no relocation of houses for the Farm, and only 25 affected workers. This

is in line with ADB involuntary resettlement policies.

- There is no land acquisition from the Farm since the land has been transferred to ZUAB to be allocated for the project use, and although there is no need to pay compensation for land loss; however, ZUAB still needs to pay land transfer fees and taxes to government.
- The Farm has a large area (72 ha), it is good for long-term development of SWTP.
- Compared with Jiaoqiao option, the Farm has a shorter distance to the county town (13 km), but Jiaoqiao has a distance of 20 km. In this aspect, the Farm option is easy for reducing transportation cost.

Recommended Site for SWTP Construction, see the pictures below:



2.3 Project impact

28. This sub-project will need permanent land 627 mu, which is all the Farm land. Of which, cultivated land is 400 mu, ditches and forest area 15 mu, and other unused land 212 mu. There are 1800 trees to be cut down, but there is no relocation of houses.

2.4 Population affected

29. The total population to be affected is 25 persons, previous workers in original 732 Farm, and currently are all registered as workers in ZUAB.

III. Social Economic Characteristics

3.1 Socioeconomic situation of Zouping County

30. Located in the junction area of Yellow River and Hai River basins, Zouping County is administratively governed by Binzhou City in Shandong Province. With a total area of 1251.75 square kilometers, Zouping has a population of 700,000 persons, governing 13 towns and 3

townships. The county town is located in the southern part of the whole county area, with an easy access to Jiaozhou-Jinan Railway and Qingdao-Jinan Expressway, and good quality highways to each township. The county town has an area of 18 square kilometers, with a total population of 146,000. It is expected that the county town area will be 32 square kilometers in 2010, with a total population of 300,000. The overall target of the Zouping urban development is to build a full-functioned, reasonable layout, environment friendly, garden-like town with outstanding characters of Zouping County.

31. The GDP of Zouping County was RMB Yuan 8.4 billion in 2002, the output value of agriculture and industry was Yuan 15 billion, and the fiscal income was Yuan 730 million, of which the local fiscal income reached Yuan 454 million, ranked the 24th in Shandong Province. In 2003, the total GDP of Zouping County was Yuan 11 billion, increased 30.7% compared with that in 2002. The total fiscal income was Yuan 1 billion, of which local fiscal income was Yuan 438 million. The manufacturing sector in Zouping County has established six key industries of textile, food, metallurgy, construction materials and machinery.

3.2 Evolution of No.732 Farm

32. This sub-project will only affect the No. 732 Farm owned by the ZUAB.

33. The No. 732 Farm was established in 1975, originally belonged to the Boshan Military Factory for resettling the family members of the factory workers. The Farm was established gradually through reclaiming land on the swampland, but due to various reasons, it was transferred to Zouping County Government and taken over by Zouping Agricultural Bureau and had the name changed to “the Agricultural Trial Farm of Zouping County”. In June 2003, it was taken over by ZUAB. Currently people are used to call this Farm as “732 Farm”, or just “Farm” (hereafter call the Farm).

34. The total land area in the Farm is 1080 mu, of which 843 mu is cultivated land, others (including ditches and unused land) 237 mu. There are 25² permanent workers. This Farm has a name as “State-owned Farm”, but both from the land size and management pattern, it is just similar to a village or production team with only 25 permanent workers.

35. Due to outdated operational system, before the project preparation, the Farm was transferred to ZUAB at the time of the Farm approaching bankruptcy. Currently the operation as a whole enterprise of the Farm has been stopped. During the construction of the SWTP, the land of the Farm has been leased out to farmers with the contracts signed at a yearly base. Five farmers that rent the 400 mu cultivated land to be transferred to SWTP use will be directly affected. Of the total 25 workers, 5 of them have found relative stable plural-jobs or migrant jobs, 4 of them are now working in the existing landfill sites as safety guards, 16 of

² There are actually 27 persons, due to two of them have run their own companies and only leave their personnel files in ZUAB but without salary, here the two persons are excluded from the 25 mentioned. After the completion of the SWTP, the work in SWTP is not attractive to the two persons at all, thus the resettlement measures in this RP will not include those two persons.

them are managing the land contracts signed between ZUAB and farmers on the Farm.

36. At present, the project affected 25 workers receive food allowance of Yuan 180 per month from ZUAB. During the project implementation, besides the food allowance, they will have the chance to work for the project and can benefit directly from the project.

37. After taking over the Farm in 2003, ZUAB had carefully planned the temporary use of the 400 mu cultivated land that was extensively farmed by the Farm but will be finally transferred to SWTP construction use. Starting from 2004, ZUAB leased out the 400 mu cultivated land to 5 skilled laborers—tractor drivers; namely, they all can use machinery for farming. This intentional arrangement will be helpful for the project construction in the purpose of reserving skilled labor. Currently each of the farmers rents 80 mu of the cultivated land, with a yearly rental charged by ZUAB is Yuan 300 per mu. The average net income earned by these farmers from the renting land is about Yuan 100 per mu, thus there are Yuan 8000 per year for each of them. This income loss will be compensated during the project construction (see Section 3.5).

3.3 Situations of Affected People

3.3.1 Gender Analysis

38. Of the total 25 persons, there are 11 male, accounted for 44%; and 14 female, accounted for 56%.

3.3.2 Age Structure

39. Of the total Farm workers, 4 persons are at the ages ranging from 20 to 29 years old, accounted for 16%; the majority, 12 persons at the ages ranging from 30-39 years old, accounted for 48%. There are 7 persons at the age interval of 40-49 years old, accounted for 28%; and the 2 persons are at ages between 50-55 years old, as shown in Table 1.

Table 1 Age structure of the Farm workers

| Age | 20-29 | 30-39 | 40-49 | 50-55 |
|----------------|-------|-------|-------|-------|
| No. of persons | 4 | 12 | 7 | 2 |
| Percentage | 16% | 48% | 28% | 8% |

3.3.3 Education background

40. The education levels of the Farm workers are relatively high compared with other locals. There are 11 people graduated from junior middle school, accounted for 44%; then 8 persons graduated from secondary school, accounted for 32%; 3 persons (12%) received professional education and the rest 3 graduated from high school. See Table 2.

Table 2 Education background of APs

| Education | Junior middle school | High school | Secondary school | Professional education |
|---------------|----------------------|-------------|------------------|------------------------|
| No. of people | 11 | 3 | 8 | 3 |
| Percentage | 44% | 12% | 32% | 12% |

3.3.4 Status of APs

41. There are six persons of the total 25 persons are identified as cadres, other 19 persons are workers. (This is a hierarchical system for promotion used in China).

3.3.5 Income situation

42. The income earned by the persons who are on the Farm currently ranges from 400 to 500 Yuan per month; for those who find a job outside, their incomes are not available. See Table 3.

Table 3 Salary or income of APs

Unit: Yuan/Month

| Salary structure | Guards (4 persons) | Contract manager (16) | Migrant labor (5) |
|---------------------------|--------------------|-----------------------|-------------------|
| Food allowance | 180 | 180 | 180 |
| Fixed salary | 220-320 | - | N.A. |
| Contract management bonus | - | 320 | N.A. |
| Total | 400-500 | 500 | N.A. |

3.4 Attitudes of APs to project

43. In 2004, the Zouping SWTP Preparatory Division held a meeting with all employees of the Farm, and all expressed their attitude of supporting this sub-project. Later during several rounds of consultation, they expressed the same attitudes, and 20 employees expressed that they will transfer to the SWTP to find a proper post for each. The salary of employees in the SWTP is expected at the level of 600-800 Yuan per month, higher than their current income level.

3.5 Land contractors and informal garbage collectors

44. The five farmers who contract the land from the Farm have their own land in their villages. The land lease contract with the Farm is signed on a yearly basis. After the termination of the contracts at the end of this year's harvest, there will be no more contracts

signed with these farmers for farming, but instead, ZUAB will sign the contract with them as construction workers for project construction. The termination of renting land out is due to the necessary change for the land utilization. Since there is no further legal obligation under these contracts and no loss of green crops, no cash compensation is required for these farmers.

45. ZUAB has agreed that to hire the five farmers as temporary construction workers from 2006 up to the end of the sub-project construction as intentionally planned, with the salary Yuan 600 per month, plus social insurance and one to two month(s) bonus (in cash or in kind) each year. Thereby the arrangement is adequate to compensate their income loss from their farming of renting land (Yuan 8000/year). After the completion of the project construction, some or all of them may be recruited as permanent worker in the SWTP, or some may not willing to work there but rather for farming. However, the County government will ensure that these farmers will be able to lease the same quantity and quality of farmland nearby, if they so desire. This is feasible because there is plenty of lands near the urban area for lease at similar prices since more farmers have been shifting to work in enterprises due to the prosperous development of the manufacturing industry in this county. Additionally, once the sub-project site is transferred to the SWTP, it is possible that the land required for landfill could be converted from farmland over time to enable some continuation of leasing farmland. In short, these measures can meet the Farm land contractors' needs and replace their income loss.

46. For those garbage collectors in the existing landfill site³, based on the suggestions proposed by the ADB social and resettlement specialists, the project unit planned that after the SWTP completion, they will provide protection measures for those garbage collectors in the aspects of safety training, access permission and identification system (on the topic of recycling of solid waste, refer to the PPTA social and poverty assessment report).

IV Legal and Policy Framework

4.1 Brief introduction

47. The People's Republic of China has established and carried out the rules, regulations, and laws about the resettlement and compensations for the infrastructure projects. It is expected for the project to follow the related China laws, national and provincial regulations and local policies, and also to include comments and suggestions from APs, and meet the requirement of ADB policy on involuntary resettlement.

³ These collectors have already been coming to the new site which has started a small trial operation. They will be included as project beneficiaries.

48. The following ADB policies, China Laws and regulations will be implemented during the Project land acquisition and resettlement:

- 1) *Involuntary Resettlement*, ADB, November, 1995,
- 2) *Resettlement Handbook—A Guide to Good Practice*, ADB, 1998,
- 3) *Gender Checklist: Resettlement*, ADB, February, 2003,
- 4) *Operations Manual (OM Section F2- Involuntary Resettlement)*, ADB, October 29, 2003,
- 5) *The Land Administration Law of P.R.C.* (Issued in 1998 and in effective as of January 1, 1999)
- 6) *The Urban Real Estate Administration Law of P.R.C* (July 5, 1994)
- 7) *The Regulations on Petition Letters*, P.R.C State Council (in effective as of May 1, 2005)
- 8) *Guidelines on Information Disclosure for Land Acquisition*, P.R.C Ministry of Land and Resources (MLR) (October 22, 2001)
- 9) *The Implementation Regulations on the P.R.C Land Administration Law* (in effective as of January 1, 1999)
- 10) *Provisional Regulations of the P.R. C Concerning the Assignment and Transfer of Right to the Use of the State-owned Land in the Urban Areas* (promulgated on May 19, 1990 and effective as of the date of promulgation);
- 11) Catalogue of Allocated Land of the Ministry of Land and Resources P.R.C., on Oct. 18, 2001;
- 12) *Administration Measures of Pre-examination of Land to be Used for Construction Projects*. P.R.C. MLR (adopted on July 28, 2001 and revised on Oct. 29, 2004) ;
- 13) *Circular on Printing and Issuing of the Suggestions Concerning Improvement of Examination and Approval Works of Conversion of Use of Farmland and Requisition of Land*, P.R.C MLR (Nov. 2, 2004);
- 14) *The Implementation Regulations of Shandong Province on the P.R.C Land Administration Law* (August 22, 1999)
- 15) *The Approval on Adjusting the Annual Output Value of the Land Acquisition and the Compensation Standards for the Attachments* (LJFF[1999]No.314, Executed on December 21, 1999)

4.2 ADB Policies

49. ADB Involuntary Resettlement (1995) and Resettlement Operations Manual (OM Section F2) have already specified the 3 important points about the involuntary resettlement: (i) compensation to replace lost assets, livelihood, and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. Some or all of these elements may be present in a project involving involuntary resettlement. For any ADB operation requiring involuntary resettlement, resettlement planning

is an integral part of project design, to be dealt with from the earliest stages of the project cycle, taking into account the following basic principles:

- (1) **Involuntary resettlement should be avoided whenever feasible.**
- (2) **Where population displacement is unavoidable, it should be minimized by providing viable livelihood options.**
- (3) **Replacing what is lost.** If individuals or a community must lose all or part of their land, means of livelihood, or social support systems, so that a project might proceed, they will be compensated and assisted through replacement of land, housing, infrastructure, resources, income sources, and services, in cash or kind, so that their economic and social circumstances will be at least restored to the preproject level. All compensation is based on the principle of replacement cost.
- (4) **Each involuntary resettlement is conceived and executed as part of a development project or program.** ADB and executing agencies or project sponsors, during project preparation, assess opportunities for affected people to share project benefits. The affected people need to be provided with sufficient resources and opportunities to reestablish their livelihood and homes as soon as possible, with time-bound action in coordination with the civil works.
- (5) **The affected people are to be fully informed and closely consulted.** Affected people are to be consulted on compensation and/or resettlement options, including relocation sites, and socioeconomic rehabilitation. Pertinent resettlement information is to be disclosed to the affected people at key points, and specific opportunities provided for them to participate in choosing planning and implementation options. Grievance redress mechanisms for affected people are to be established. Where adversely affected people are particularly vulnerable groups, resettlement planning decisions will be preceded by a social preparation phase to enhance their participation in negotiation, planning, and implementation.
- (6) **Social and cultural Institutions.** Institutions of the affected people, and, where relevant, of their hosts, are to be protected and supported. Affected people are to be assisted to integrate economically and socially into host communities so that adverse impacts on the host communities are minimized and social harmony is promoted.
- (7) **No formal title.** Indigenous groups, ethnic minorities, pastoralists, people who claim for such land without formal legal rights, and others, who may have usufruct or customary rights to affected land or other resources, often have no formal legal title to their lands. The absence of a formal legal title to land is not a bar to ADB policy entitlements.
- (8) **Identification.** Affected people are to be identified and recorded as early as possible

in order to establish their eligibility through a population record or census that serves as an eligibility cutoff date, preferably at the project identification stage, to prevent a subsequent influx of encroachers or others who wish to take advantage of such benefits.

(9) **The poorest.** Particular attention must be paid to the needs of the poorest affected people, and vulnerable groups that may be at high risk of impoverishment. This may include those without legal title to land or other assets, households headed by females, the elderly or disabled and other vulnerable groups, particularly indigenous peoples. Appropriate assistance must be provided to help them improve their socio-economic status.

(10) **The full resettlement costs are to be included in the presentation of project costs and benefits.** This includes costs of compensation, relocation and rehabilitation. Social preparation and livelihood programs as well as the incremental benefits over the without-project situation (which are included in the presentation of project costs and benefits). The budget also includes cost for planning, management, supervision, monitoring and evaluation, land taxes, land fees, and physical and price contingencies.

4.3 China Laws and Regulations

50. This project can be implemented based on the P.R.C Land Administration Law (be in effective as of January 1, 1999) and the P.R.C. Urban Real Estate Administration Law (July 5, 1994) as well as the other rules and regulations related to them as listed in Section 5.1. For an easy reading, the relevant clauses of the laws, regulation and policies have been summarized in Table 4.

Table 4 Excerpton of relevant laws and regulations

| Content | Discription of Clauses | Index |
|--|---|---|
| 1 Basic land system | The state applies, in accordance with law, a system of compensated use of State-owned land, with the exception of land the right to the use of which is allocated by the State within the provinsions of law. | Article 2, Land Administration Law |
| 2 Procedures for processing the land use for construction projects | <p>If a construction project needs land, which is the state-owned construction land under the urban Master Plan for a local city/county town, it will go through the following procedures: 1) During feasibility examination, the land administration department will examine the proceedings related to the land for the construction project, and write out a priliminary examination report, which is the necessary document for the FS report approval. 2) The construction unit, with relevant approved documents, will apply for the land used for the project from the land and resources bureaux (LRB) at city or county government. LRB will conduct an examination on the domument and prepare a land provision plan, then submit to city or county government for approval. If higer level government approval is needed, it shold apply. 3) After a land provision plan is approved, the construction unit can get a permission letter for using the land from local city or country government.For the allocation of state-owned land, the LRB of local government will issue a decision letter to the land user for allocation of state-owned land. 4) The land user will have the land registered according to the law.</p> <p>If the construction project will use the state-owned or unused land which have already been covered by the local master land use plan, then the following procedures will apply: To be approved by the local county (or county level city) government if in an area of 2 hectares or less, to be approved by the city government if in an area of 2-8 hectares, to be approved by the provincial government if in an area of more than 8 hectares.</p> | <p>Article 22 of Implementation Regulations to the Land Administration Law</p> <p>Article 24 of Implementation Regulation of Shandong Province (SP) on Land Law</p> |
| 3 Allocation of land use right | The allocation of land use right means that with the approval from county or above level government based on the law, the land is transferred to a land user after the user paid the compensation, resettlement cost, etc., or transferred to a land user free of charge. If a land use right belongs to allocation, there is no limit in term of duration except it has been prescribed in the law and regulations. | Article 22 of Administration Law of Urban Real Estate |
| 4 Legal base for land use right allocation of this project | <p>If it is necessary that land should be used for the urban infrastructure facilities or public interest purposos, the land use right can be approved for allocation by county or above level government in accordance with the law.</p> <p>Allocation of land use right cannot be allowed unless the land is in conformity with this category of construction projects, with the application of construction unit and approved by the county or above level government.....(III) Land to be used for urban infrastructure facilities ...</p> <p>5. Environmental and sanitation facilities: including rainwater treatment facilities, wastewater treatment plant, rubbish/(manure) treatment facilities, and other environment and sanitation facilities.</p> | <p>Article 23 of Administration Law of Urban Real Estate;</p> <p>Category of Land to be Allocated</p> |
| 5 Regaining the land use right of state-owned | <p>If for the public interests, the local land administration department can report it to the original government or the government with an approval right and then, take back the land using-right.</p> <p>If compenstion is needed for taking back the land use right of state-owned land, appropriate compensation should be paid for the original land user. If the original land user needs relocation, the construction unit should be responsible for it. Compensation for taking back state-owned land should be implemented based on agreement.</p> <p>Before the approval of the construction project, the pre-examination should be completed, otherwise it is not allowed to approve the agricultural land transfer, land acquisition and land use permission.</p> | Article 58 of the Land Law Article 30, Shandong Implementation regulation of Land Law |
| 6 Temporary land use | If needing a state-owned or collective land for the construction project, it is possible to go through a series of procedure according to Article 57 of Land Law and to compensate for the land. In case of the temporary land in the (urban) planned area, it is essential to pay it at the price of the local land using-right. | Articles 38 & 39 of Implem. Regulation of SP on Land Law |

4.4 Project compensation and resettlement policies

51. The policies about the compensation and resettlement for the APs are formulated based on the policies and requirements of ADB and the P.R.C rules, regulations and laws. The priority target of the resettlement program is to ensure that APs income and living standard after resettlement will be rehabilitated as quick as possible and at least maintained at the level of “without project” status, and the adverse socioeconomic and environmental impacts caused to APs will be minimized. The preparation of RP and its implementation are focused on this target. The poor and other vulnerable groups need special concern. In addition, the Project site selection during FS stage had considered the needs of avoiding involuntary resettlement.

52. The resettlement principles adopted in the project reflect the legal and policy requirements of PRC and ADB. The principles are summarized in [Table 5](#). The adopted principles with regard to compensation, resettlement and income restoration are flexible enough, allowing for considerable variability from village to village (e.g., between land redistribution and cash payments on the one hand, and community-based and individually organized income restoration options on the other). The key is to ensure that all APs receive adequate compensation and assistance to restore and improve their incomes, living conditions and general livelihood in post-resettlement period.

Table 5 Project resettlement principles—Summary

| No. | Principles |
|-----|--|
| 1 | That compensation and entitlements provided to APs are adequate to at least maintain their “without project” standard of living. |
| 2 | All APs, titled or non-titled, are taken into account for compensation and resettlement assistance. |
| 3 | Land redistribution will ensure per capita minimum holding in post-resettlement period to maintain livelihood standards. |
| 4 | Where land acquisition per capita is not sufficient to maintain livelihood, compensation in cash or kind for replacement land for other income-generating activities will be provided for. |
| 5 | All APs will be adequately informed on eligibility, compensation rates and standards, livelihood and income restoration plans, project timing, and will be involved in RP implementation. |
| 6 | No land acquisition will take place unless replacement land or sufficient compensation is given to APs. |
| 7 | The EA and independent/third party will monitor compensation and resettlement operations. |
| 8 | Vulnerable groups should receive special assistance or treatment to ensure they are better off. APs documented in the RP should have the opportunities to benefit from the Project. |
| 9 | Resettlement plan should be combined with the overall county/County/district or township planning. |
| 10 | RP budget should be adequate and cover full aspects. |

4.5 Nature of Project Land and Compensation Policy

53. According to the nature of the project land, on which the project is designed, being transferred to ZUAB from Zouping Agricultural Bureau, it belongs to the allocation of state-owned land use right. Thus according to national laws and regulations, Zouping County Government decided to transfer the whole Farm from Zouping Agricultural Bureau to ZUAB. Currently the personnel transfer has been completed. In the agreement signed on 28 June 2003 between Zouping SWTP Preparatory Division and the Zouping Agricultural Bureau, it stated that the former will pay compensation at one time to the later Yuan 1.5 million (of which 418 thousand Yuan for the sunk investment cost by the Agriculture Bureau in 1988, 1.08 million Yuan sunk cost for the fishing technology and infrastructure investment⁴ on the Farm).

The compensation was paid to the previous owner of the Farm——Zouping Agricultural Bureau in December 2004, thus there is no remaining issues related to the land acquisition.

54. The attachment to the land includes 1800 trees to be cut down, which belonged to the Farm and currently belongs to ZUAB, thus it does not need compensation for the tree itself, but it needs to pay forest land rehabilitation fee (generally 3.5% of the tree value), which will be paid to local forestry bureau when the tree cutting permission is applied for.

55. The sub-project will involve permanent use of cultivated land, thus the project should pay land occupation tax, at the standard of 4 Yuan per square meter, to the Agricultural Tax Division of the Fiscal Department when land use permission is applied for, which is now under processing. Land reclamation fee at 10000 Yuan per mu will be paid to local land and resources bureau.

4.6 Entitlement of APs

56. Currently, based on ADB and China policies, the Zouping SWTP Preparatory Division will be responsible for the resettlement of the 25 employees of the Farm and 5 farmers who rent the land from the Farm in terms of their employment and income. After the project completion, ZUAB will provide protection measures for the informal garbage collectors regarding the safety and access permission affairs so they will also benefit from the Project; the Project can also benefit from low cost informal sorting and recycling.

57. For the tree cutting, forestland rehabilitation fee will be paid to local Forestry Bureau, and fees for hiring local laborers to cut the tree and unearth the tree roots. The trees after cutting belong to ZUAB. Table 6 describes the eligibility and entitlement of the sub-project compensation.

⁴ The fish operation started in 1988 and has ceased in 1995.

Table 6 Entitlement Matrix

| Type of loss | Degree of impact | Entitled persons | Compensation policy | Implementation issues |
|------------------------------------|--|-----------------------------|--|---|
| Permanent land owned by State Farm | 627 mu land (including 400 mu cultivated land) change its use to construction land | None | The land has already been transferred from the State Farm to the SWM Company. Pay taxes and fees for land use change to LRB and related government agencies | Paying them in time in order to get the legal certificate for construction land |
| Loss of trees | 1800 trees | ZAUB | Pay forest vegetation recovery fund at 3.5% of the tree value to the local forestry bureau The tree after cutting down can be sell by ZUAB or for other use 50 Yuan for each tree including costs for tree cutting and tree root unearthing | Pay forest recovery fund to local forestry bureau meanwhile get the certificate for tree cutting |
| Income loss | Farmer workers to be formally re-employed | 25 workers | Recruited as permanent worker in the SWTP | |
| | Land contractors | 5 skilled farmers | Contract as temporary worker during SWTP construction, and to be recruited as permanent workers after SWTP construction completion If some of them are not willing to work in the SWTP, they can choose to rent the same amount and same quality land for farming nearby the city town area | Government will provided assistance in case the five farmers desire to rent land after the construction of SWTP |
| | (Beneficiaries) | Informal garbage collectors | After completion of SWTP, ZUAB will provide protection measures for them regarding safety measures and identification system for easy access to the SWTP | |

V Participation, Consultation and Grievance Redress

5.1 General

58. In accordance with the ADB resettlement policies and relevant PRC laws and regulations, Public participation and consultations have been conducted in the purpose of benefiting the project implementation, and the comments and suggestions from APs have been collected and incorporate into the RP. Currently, the Farm is affiliated to ZUAB, which means the project unit has the ownership of the project land; therefore, the land use only involves type change of land use right (from farmland to construction land).

59. Although the land acquisition is simple, ZUAB has conducted since June 2004 a series of investigations and consultations with respect to the responsible person of the Farm and APs in order to let all APs aware the land compensation standard and scope. These activities were conducted based on ADB policies and principles under the technical support of Shandong Project Office, CDM Company and the related land acquisition and resettlement agencies.

60. ZUAB has conducted or will organize the following public participation and consultation activities.

5.2 Participation during project preparation

61. During project preparation stage, based on the project design principles, an important factor is to minimize the resettlement land acquisition. And during the preparation stage, Shandong Engineering Consultation Academy, the resettlement team of Shandong University and PPTA consultant had conducted in-depth consultation on project land acquisition and resettlement. The details on the number of persons and issues discussed refer to Table 7.

Table 7 Record of stakeholder participation and consultation

| Unit | Date | Participants | No. of people | Purpose | Feedback/major issues or concerns |
|---|--------------------|--|---------------|---|---|
| Shandong Engineering Consultation Academy | May, 2004 | local government officials | 20 | FS preparation and field survey | ·Held a meeting with the local government and some departments (about 10 people) to introduce the technical standard and purpose. ·Site selection try to avoid or acquire less farmland |
| Shandong University | June-Dec., 2004 | Govt. officials, the Farm employees | 30 | PPTA RP socio-economic survey | ·Support project and assistant in surveys ·villagers expressed their attitude for supporting the project, ·To collect the socioeconomic data from the affected area. |
| Local govt. and RP consultants | Jan. – Mar. 2005 | County officials, affected enterprises | 5 | Preparation for income rehabilitation | ·The planning commission, LRB, other related institutions and consultants proposed compensation options. ·Discuss scope of impacts, compensation standards and resettlement measures. |
| Distribution of RP (draft) | Apr. –May 10, 2005 | IA, relevant institutions | 5 | Distribution of draft RP for comments | ·affirm that the RP is in line with national policies on land acquisition in full aspects. ·the compensation standards have been examined and confirmed |
| Distribution of RP (draft) | Apr. –May 10, 2005 | All APs | 20 | Information disclosure and seeking feedback | ·agree compensation standards in the RP (draft) ·hope the project will be completed earlier so that APs can find a proper job after training or work in the SWTP as temporary workers |
| ADB social and resettlement specialists, PPTA Resettlement consultant | April, 2005 | Village leaders, IA officials | 5 | Consultation on RP | ·explain ADB policies ·consultation on acquiring, including access roads. ·ADB (social and resettlement specialists) suggested that IA to conduct some training for the garbage collectors if necessary and let them participate in the SWTP unskilled labor activities for some cash income. The project office has adopted this suggestion. |
| ADB resettlement Specialist, PPTA Consultant | 28 July 2005 | IA officials | 3 | Training on resettlement planning and implementation, Endorsement of RP | ·SPPMO official (Mr. Zhang Yuzhao) introduced the importance of project resettlement following Chinese regulations and policies; ·ADB resettlement specialist (Mr. Zhu Wenlong) gave a lecture on RP preparation at different project processing stages and experiences on project RP implementation; ·Further discussion on the rehabilitation plan of APs such as safeguard measures of re-employment and income restoration to be provided for APs; ·County deputy magistrates/ Deputy mayor endorsed the RP. |
| Total | | | 88 | | |

5.3 Participation plan

62. Although several public consultations have been conducted, the project EA and local government have recognized that that it is necessary to have a series of consultation meetings after PPTA and during the RP implementation so as to minimize the adverse impacts caused by land acquisition. The major activities should be conducted are as follows:

- To further consult with the APs on the project and its compensation and resettlement plan.
- To conduct detailed measurement survey (DMS) with APs on the land and assets

- affected including temporary land occupation, and reach an agreement
- To establish a grievance redress and information disclosure mechanism.

63. Table 8 includes a consultation plan with time frame and activities to be carried out.

Table 8 Consultation plan

| Purpose | Task | Time | Implementation institutions | Participants | Remark |
|---|------------------------------------|----------------|---|--------------|---|
| 1. Establish grievance redress and information disclosure mechanism | Posters, leaflet, etc. | Sep. 2005 | IA, county/City/District resettlement staff, local officials, SWTP | All APs | (i) inform APs about the grievance redress procedures; (ii) establish grievance redress system, and (iii) propaganda campaign in affected villages |
| 2. Conduct DMS, distribute updated RP based on DMS results | Face to face consultation with APs | Jan.-Feb. 2006 | IA, local government officials, resettlement staff, and SWTP construction contractor(s) | All APs | (i) Inventory of land acquisition and assets to be lost; (ii) create a fixed name list of APs; (iii) provide basic data for compensation contract with respect to affected farmers. |

5.4 Grievance and appeal

64. If APs are not satisfied with the resettlement plan, or they are treated in an unfair way, they can seek to resolve their problems through a set of grievance and appeal procedures. Generally, APs appeals are derived from their dissatisfaction with the resettlement conducted by resettlement agencies, thus the consultation with the public is very important for the successful project implementation. Accordingly the consultation should be strengthened so that a series of policy and appeal procedures documented in the resettlement plan will be fully understood by APs. The APs can raise an appeal on any aspect of the resettlement, including compensation standards.

5.4.1 Treating an appeal

65. The APs can raise an appeal to the local government and the project office in many ways, such as petition letter, telephone, etc. The government departments relative to the project are respectively the Land Administration Bureau, Project Office and the ZUAB.

5.4.2 Grievance redress procedures

66. A revised version of the Regulation on the Petition Letters and Visiting (*xin fang tiao li*) issued by P.R.C State Council has been in effective since May 1, 2005. For a quick response to an appeal raised by APs, besides the appeal channels given in Chapter 2 of the regulations, the following grievance redress procedures have been formulated. These procedures will be known by APs through public meetings or other information diffusion media

so as to ensure that they can fully understand their entitlements and the grievance appeal mechanism.

- Any unit or person can express their grievances in oral or written form to the LRB of the local county/district government, or the Project Office and the ZUAB. In case the appeal raised is not in written form, these two institutions should document the appeal and resolve the problems in 2 weeks.
- If APs are not satisfied with the results, they can go on their appeal to the Project Office of Zouping County. It should be deal with in 2 weeks.
- If not satisfied to the decision from the County Project Office, APs can make an appeal to the LRB (land inspection and arbitration authority) of Zouping County, which should make a decision in 3 weeks.
- If not satisfied to this decision, the APs may appeal to the local people's court according to the Administration Accusing Law. They can appeal about any aspects related to the resettlement, including compensation standards.

VI Compensation, Resettlement and Rehabilitation

67. There is no land acquisition and relocation of houses for this sub-project, thus there is no compensation and project related resettlement. However, there are workers and farmers whose incomes and livelihoods will be affected; these aspects are addressed below.

6.1 Project employment

68. After the completion of the Zouping SWTP construction, there will be 44 job posts. The currently number of employees of the Farm is 25, who will be totally absorbed to work in the SWTP after training; the others will be newly recruited, of which the five farmers who rent the land and participated in the project construction are the first priority for recruiting. That means more workers will be arranged to work in the SWTP and the social employment capacity will be enhanced. In such a way, more workers will ensure their jobs and income, and their living standards and income level will be increased gradually.

69. We can say that the Farm employees are the APs and also the beneficiaries of the Project. Their income levels will not decrease with the implementation of the Project, instead, through re-employment training, and with the completion of the SWTP, their income will increase.

6.2 Enhancement measures for informal garbage collectors

70. Based on the constructive suggestions of ADB officials, IA planned to provide for those informal garbage collectors from nearby villages with access permission and safety protection measures after the completion of the SWTP, and carry out some pilot work in the “waste recycling”, which is in line with the “waste minimization” policy advocated by Shandong Provincial Government.

6.3 Environment control

71. In case of an environment problem occurs during land acquisition and resettlement, the local land acquisition and resettlement authority will be responsible for it. There is an environment control authority in the local government, any environment problems during land acquisition and resettlement will be dealt with by the authority. The Environment Impact Assessment Report for the project describes clearly the environment problems, resettlement measures and management mechanism of the project.

VII Institutional Arrangement

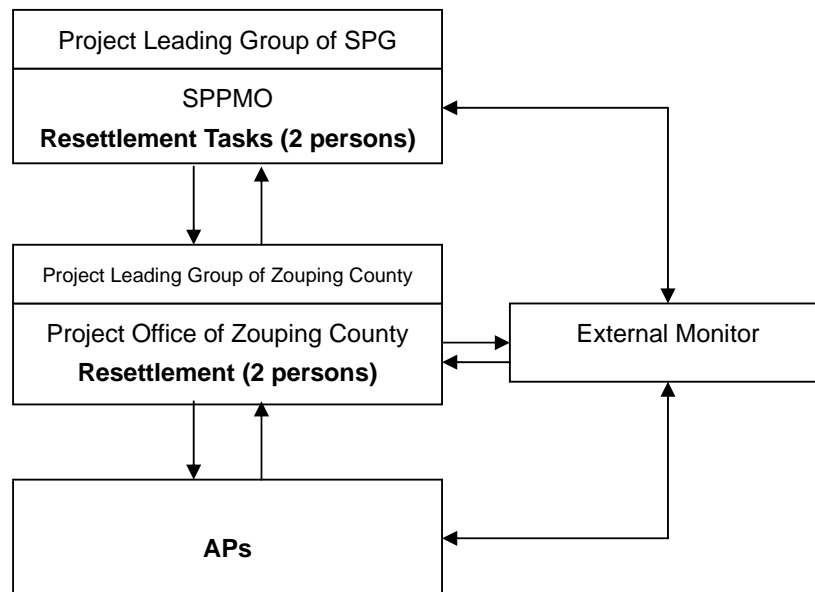
7.1 Organizational set-up

72. In order to implement the ADB financed Project, the major organizations established for the resettlement activity management, implementation and monitoring, are as follows:

- Shandong Provincial Project Management Office (SPPMO) of ADB financed Project;
- Project Office of Zouping County (hereafter called as Project Office, which is established in the ZUAB);
- The APs

73. SPPMO will appoint two persons responsible for the land acquisition and resettlement. The Project Office in Zouping County will designate at least two staff especially responsible for the land acquisition, compensation and resettlement tasks. For the details, refer to Chart 1.

Chart 1 Organizational set-up for the Project Component



74. The Zouping County Government has set up a SWTP Preparatory Division (equivalent to Project Leading Group) for the Project preparation and implementation coordination, headed by a Deputy Magistrate of Zouping County Government, under which there is an standing office (i.e., Project Office), located in the ZUAB, responsible for project preparation, organization/coordination and management tasks.

7.2 Institutions Responsible for Resettlement

7.2.1 SPPMO

75. As a higher-level coordination organization, SPPMO is responsible for the project preparation, resettlement and implementation and the inspection and evaluation after the project, and reporting to ADB semi-annually.

7.2.2 Project Office of Zouping County

76. As the direct project construction management institution, its responsibilities on land acquisition and resettlement are as followings:

- Participate in the formulation and review of RP;
- Organize public consultations, publicize the land acquisition and resettlement policies,
- Apply for the preliminary examination from LRB for the project land acquisition;
- Apply for the farmland transfer and permission for construction land;
- Implement the resettlement plan according to the project construction schedule;
- Organize and implement the internal monitoring; select an external monitor and coordinate and provided necessary assistance for the external monitoring;
- Review monitoring reports;
- Prepare progress reports and submit them in time; and
- Coordinate and resolve any issues and problems during construction.

7.2.3 External monitor

77. The Project Office will entrust an experienced independent monitoring agency to conduct monitoring for land acquisition and resettlement. Its responsibilities are (also see Annex 1, TOR for external monitoring and evaluation) as follows:

- To conduct full-aspect monitoring for resettlement tasks, and submit a report to ADB through SPPMO every six months, and
- To provide technical assistance to project IA during the preparation stage in the aspects of land acquisition and resettlement.

7.3 Staffing and training plan

7.3.1 Staffing

78. The personnel of the resettlement organizations will come from the government or permanent staff of an enterprise, with strong commitment and relevant experiences. For the details, refer to [Table 9](#).

Table 9 Staffing of the resettlement organizations

| Organizations | No. of Staff | Qualification and no. of persons |
|-----------------------------|--------------|--|
| SPPMO | 2 | Government officials, experienced |
| Zouping Resettlement Office | 2 | Government officials, with strong commitment and relevant experience |

7.3.2 Training plan

79. Involved in the ADB project at the first time, IA is new to the resettlement implementation. In order to achieve a successful implementation of RP, it is necessary to conduct training on the aspects of RP preparation and implementation before the commencement of all subprojects. The training will be organized by SPPMO, combining with a flexible way such as study tour to other ADB projects area in China. The time for the training has been planned to commence after the approval of RP, around the time between July and September, 2005.

7.4 Capacity building of resettlement organization

80. Besides the well-chosen staff for the resettlement organization, and training provided for them, the following measures should be adopted for strengthening the institutional capacity:

- Adequate supply in fund and equipment. Telephone, fax, and computer are necessary in the Project Office.
- To establish various kinds of working rules, reporting and internal monitoring systems. In case any problem is found, it should be solved immediately.
- To strengthen monitoring and evaluation. The independent monitoring and evaluation agency should point out the problems existed in time and provide problem-solving suggestions to relevant organizations.

VIII. Implementation Schedule

8.1 Implementation principle

81. The time schedule for land acquisition and resettlement should be consistent with the project construction schedule. Based on the time schedule for the project documented in the FS, a corresponding RP implementation schedule has been formulated, which reflects the consistency with civil works.

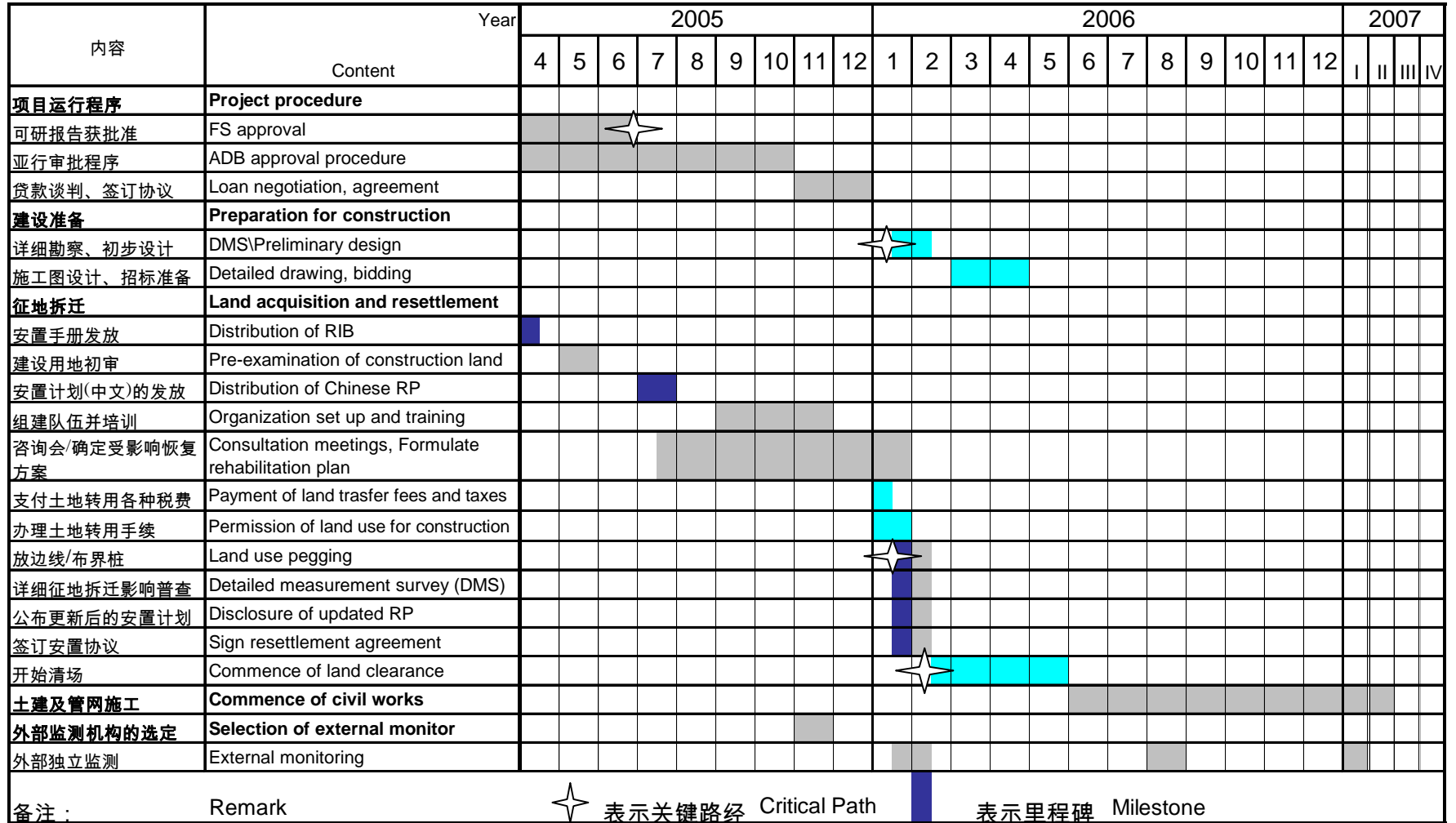
8.2 Implementation schedule

82. The project civil works will commence in February 2006, and will be put into operation in July 2008. Since the SWTP will be constructed with no relocation for the sub-project, the implementation of RP and economic rehabilitation will be mainly focused in the first year. Detailed RP implementation schedule refers to Table 10 and Chart 2.

Table 10 Time schedule for RP planning and implementation

| | Activity | Responsible Institution | Time | Status |
|----|--|-----------------------------------|--------------------|-----------|
| 1 | Distribute RIB for all APs, and get feedback | SPPMO, IA | April 15, 2005 | Completed |
| 2 | Preliminary examination for construction land | Project Unit, LRB | May | Completed |
| 3 | Establishment of resettlement organization | Project Office | April /July | Completed |
| 4 | Staff training for RP implementation | SPPMO, Project Office | July-Sep. | Ongoing |
| 5 | ADB approve RP, (MRM) | ADB | September | |
| 6 | Process land use permission | Project Office, Construction Unit | September | |
| 7 | Consultations on details of RP preparation | Project Office, ZUAB | April-Sep. | Ongoing |
| 8 | Decide rehabilitation plan of affected units | Project Office, ZUAB | July.-Dec | |
| 9 | Finalization of compensation agreement with affected units | Project Office, ZUAB | October | |
| 10 | Start land acquisition | Project Office | Oct, 2005-Jan.2006 | |
| 11 | DMS survey, and assets inventory, update of RP, and distribute updated RP to APs | Project Office | Jan. 2006 | |
| 12 | Based on DMS results, submit to ADB about the changes including budget change | Project Office | Jan. 2006 | |

Chart 2 Time schedule of RP activities



IX. Monitoring, Evaluation and Reporting Systems

9.1 Supervision during implementation

83. In order to sure a smooth implementation of RP and achieve the RP objectives, regular monitoring and evaluation will be carried out for the Project land acquisition and resettlement in accordance with ADB involuntary resettlement policies and principles. RP monitoring and evaluation includes internal monitoring and independent external monitoring.

9.2 Contents to be monitored

9.2.1 Internal inspection

84. SPPO, the Project Office, the Land Administration Bureau and the Labor and Social Security Bureau of ZOUPING COUNTY will participate in the internal monitoring, and Project Office will write out an internal monitoring plan so that all the responsible units would follow the resettlement principles and schedule. The purpose of the internal monitoring is to keep the resettlement organization function well.

85. Main contents of internal monitoring are:

- (1) Time schedule of above activities;
- (2) Implementation of ADB policies documented in the RP;
- (3) Participation and consultation conducted in RP implementation;
- (4) Staffing, training, working schedule of resettlement organizations and their working efficiency.

9.2.2 External inspection & evaluation

86. In accordance with ADB requirement, an independent organization is needed to conduct monitoring and evaluation for the RP implementation, which should have successful experience and good reputation, and could well understand the ADB resettlement policies. SPPMO is responsible for selecting an external monitoring agency and sign a contract with it (for details, refer to the TOR for external monitor). An experienced candidate is Shandong or Hohai University.

87. The following activities will be conducted by the external monitoring agency:

(1) Baseline survey

88. The independent monitoring and evaluation organization will conduct a baseline survey in the project affected unit, and collect the baseline data on production and living standard of the APs. The survey for APs' production and living standard can be carried out once a year in order to trace the changes of APs' living standards. Methodologically, typical sample data will be collected (random sample selection at the first time), interview and field observation, etc., in such ways necessary data are collected, and based on which evaluation can be done through analysis.

(2) Regular monitoring and evaluation

89. During RP implementation, the external monitor will conduct monitoring every six months in the ways as field observation, tracing surveys of affected households, and informal interview, and the main points to be monitored are show as follows:

- Training,
- Production situation and living standards of APs,
- Time schedule of RP implementation

(3) Public consultation

90. The independent monitor can take part in the public consultation meetings during RP preparation and implementation so that it could make a fair evaluation about the effect of APs' participation.

(4) Complain and appeal

91. The independent monitoring agency can visit the affected units regularly, and visit the organization dealing with grievances, listen to them and understand the grievances redress situation. Persons with grievance should be visited, and focusing on the specific problems some improving measures and recommendations should be proposed to guarantee an effective implementation of the RP.

9.3 Timing for external monitoring and evaluation

92. For a schedule of external monitoring and evaluation, refer to Table 11.

Table 11 Schedule for external monitoring and evaluation

| Time | Tasks | Time for submitting report to ADB |
|-----------|--|--------------------------------------|
| Nov.2005 | External monitor recruited, working plan prepared | |
| Jan. 2006 | Baseline survey, 1 st monitoring, submit monitoring report No.1 | March 15, 2006 |
| July 2006 | 2 nd monitoring, submit report No.2 | August 30, 2006(half-year) |
| Jan. 2007 | 3 rd monitoring, submit report No.3 | Feb. 28, 2007 (half year) |
| Jan. 2008 | 1 st evaluation, submit report No.4 | Feb. 28, 2008 (yearly) |
| Jan. 2009 | 2 nd evaluation, submit report No. 5 | Feb.28, 2009 (completion of project) |

9.4 Reporting system

93. The project construction unit will submit the internal monitoring and evaluation report to the project EA once 3 months, while the external monitor will submit the external monitoring and evaluation report every 6 months during the resettlement and once a year in 2 years after the resettlement.

X. Resettlement Budget and Funding

94. The project RP budget has been prepared based on both ADB and Shandong policies. It mainly consists of three parts: basic costs, fees and taxes, and contingency (see Table 12 for details). Total budget for the RP is Yuan 8.46 million, which is accounted for 9.07% of total project investment.

10.1 Basic costs

95. The basic costs cover the compensations for permanent land acquisition and attachments on it. Since the land use right belongs to allocation and has been taken over by the project unit, thus there is no further cash compensation required. The basic costs include expenses related to tree cutting, total 90,000 Yuan, covering forestland rehabilitation fee (3.5% of tree value) to be paid during the application for tree-cutting permission, and expenses during tree cutting.

10.2 Taxes and fees

96. Based on the No. 28 document and related policies in Shandong Province, all the expenses related to land acquisition should be listed in the Project budget in full amount. In this RP, the budget covers tax for cultivated land occupation, land reclamation fee, management fee for land acquisition in lump-sum pattern, management expenses for RP implementation and external monitoring costs.

10.3 Training cost

97. The training for the 25 workers and the five farmers who had rent the land from the Farm will be mainly conducted as “on-job” training, and the cost will be borne by ZUAB; however, in order to strengthening the workers’ capability, Yuan 60,000 is listed in the project budget for hiring professional trainers to train them.

10.4 Contingency cost

98. The contingency cost is equivalent to 10% of the basic costs and taxes and fees, total Yuan 768,900.

10.5 Fund disbursement

99. The fund disbursement procedure is relative simple, mainly the taxes and duties to be paid to the LRB or Fiscal Department during the application for construction land use; in addition, forestland rehabilitation fee will be paid directly to the local Forestry Bureau. All the compensation will be paid by the Project Office of Zouping County.

10.6 Funding of RP budget

100. The fund of RP budget mainly comes from the Fiscal Bureau of Zouping County.

Table 12 Budget for land acquisition and resettlement

| Item | Unit | Amount | Compensation Stand (Yuan) | Cost (Y10,000) | Remark |
|---|----------------|-----------|---------------------------|----------------|---|
| A、 Basic Costs | | | | 9 | |
| I. Land Compensation | | | | 0 | |
| 1. Permanent land acquisition | mu | 627 | | 0 | Land was already transferred from State Farm to SWM Company |
| (1) ditches and forestland | mu | 15 | | 0 | |
| (2) irrigated land | mu | 400 | | 0 | |
| (3) unused land | mu | 212 | | 0 | |
| II. Attachments | | | | 9 | |
| Tree cutting, root unearthing | tree | 1800 | 50 | 9 | Inclu. Forestland Rehabilitation fee |
| | | | | | |
| B、 Taxes and fees | | | | 759.87 | |
| 1. Tax for cultivated land occupation | M ² | 400*666.7 | 4 | 106.68 | |
| 2. Land reclamation fee | mu | 400 | 10000 | 400 | |
| 3. Fees for the newly increased construction land use | M ² | 400*666.7 | 8 | 213.344 | |
| | | | | | |
| 4. LAR land management, survey and certificate fees | | | 地价的2.8% | 20.16 | No. land price, use 2.8% of Y7.2 million |
| 5. Management fee for RP implementation | | | | 10.13 | 2% of the first two items in B (Y5.07 million) |
| 6. Training for 25 workers | | | | 5.00 | |
| 7. Training for 5 farmers | | | | 1.00 | |
| 8. External monitoring costs | | | | 3.55 | 0.7% of the first two items in B (Y5.06 million) |
| | | | | | |
| Basic costs and Taxes, fees | | | | 768.87 | A+B |
| C、 Contingency | | | 10% | 76.89 | 10% of (A+B) |
| D、 Total RP budget | | | | 845.75 | |

ANNEX 1. TOR and Budget for Project External Monitor

A. Introduction

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

An independent monitoring agency (Monitor) will be engaged through competitive tenders for the external monitoring and evaluation. The Consultant will be a PRC consulting entity that has experience in ADB or World Bank projects dealing with resettlement issues. Among others, monitoring and evaluation will include:

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

B. Objectives and Requirements of Monitoring and Evaluation

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

- Economic situation after resettlement;
- Timely disbursement of funds;
- Environmental conditions;
- Condition and quality of land rehabilitated due to temporary occupation;
- Rehabilitation of the vulnerable groups;
- 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.

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 15-20% project affected households. Focus group

discussions can be conducted to address issues related to women, poor, other vulnerable groups and unemployed workers.

C. Monitoring Indicators

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

- Disbursement of entitlements to APs and enterprises/businesses: compensation, housing, cultivated farmland, and employment as specified in the RP.
- Economic rehabilitation: re-allocation of cultivated land, land restoration of temporary land occupation, job opportunities available to APs, number of APs employed or unemployed.
- Demolition of structures/buildings: the compensation for demolished structure/buildings should be equivalent to the replacement cost; whether the affected persons have received the compensation on time, their entitlements regarding moving allowance and transportation allowance.
- Restoration of basic infrastructure and special facilities: all necessary infrastructure and special facilities should be restored at the resettlement sites at least up to a standard equal to the standard at the original location; the compensation for all infrastructure and special facilities should be sufficient to reinstate at least at the original status.
- Satisfaction of APs: satisfaction of APs with various aspects of the resettlement program; the operation of the mechanisms for grievance redress will be reviewed and the speed and results of grievance redress measures will be monitored.
- Living standard: Throughout the implementation process, the trends in living standards 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 living standards and the conditions of the APs after resettlement. The survey will be conducted annually for two years, or until most affected households have fully restored their living standards and income generation.
- Reemployment of affected staff and workers, and compensation of lost wages.
- Social adaptability: impacts on children, the elderly and other vulnerable groups, public participation, APs' attitudes and reaction to post resettlement situation, number of complaints and appeal procedures and resolution, implementation of preferential policies, income restoration measures, and improvements in women's status.

D. Special Considerations

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

- The status and function of women: Closely monitor any change in women's status, function and situations. The monitoring and evaluating agency will also provide recommendations and assistance to the EA in respect of women's issues.
- Pay attention to seriously affected households and other vulnerable groups: Closely monitor living conditions of the serious land loss households, the old, the weak/ill, and other vulnerable groups after resettlement, to ensure that no hardship is experienced.
- Monitoring and evaluating will provide information on utilization and adequacy of resettlement funds. The Audit Institutions in Shandong Province will audit resettlement accounts and funds. The details of this audit will be made available to the internal monitoring report.

E. Contents and Distribution of Independent Monitoring Reports

A monitoring report will include, among others:

- Conclusion of investigation and evaluation;
- Major existing and potential problems;
- Recommended mitigation or prevention measures which will be incorporated into a revised plan if necessary;
- Evaluation of previous follow-up actions.

The Monitor will provide the EA, IAs and Project Offices of at county and provincial levels and Shandong Project Leading Group, with monitoring reports every six months from the start of the implementation of land acquisition and resettlement, and annual evaluation reports until the Project is completed, or until all resettlement issues have been successfully resolved.

All reports will be available in English and Chinese. EA and IAs shall ensure that information on the progress and status on all aspects of land acquisition and resettlement activities will be provided to the external monitor for verifying the progress reports. The Shandong Provincial Project Management Office (SPPMO) will forward copies of the reports in English to the Asian Development Bank. SPPMO will also submit a resettlement completion report to ADB, to be followed by post-resettlement impact evaluation reports by the monitor, which should provide further evidence whether adverse effects of the Project have been mitigated adequately, and at least "without project" income levels have been restored for the APs.

F. Duration and Frequency of Visits

The consulting services will be required during a period of 3.5 years.

During implementation of the RP, external monitoring by the Monitor will be undertaken every six (6) months for an input of one (1) month. The total input of the domestic resettlement consultant will be 8 months.

G. Monitoring Schedule

| Time | Tasks | Time for submitting report to ADB |
|-----------|--|--------------------------------------|
| Nov.2005 | External monitor recruited, working plan prepared | |
| Jan. 2006 | Baseline survey, 1 st monitoring, submit monitoring report No.1 | March 15, 2006 |
| July 2006 | 2 nd monitoring, submit report No.2 | August 30, 2006(half-year) |
| Jan. 2007 | 3 rd monitoring, submit report No.3 | Feb. 28, 2007 (half year) |
| Jan. 2008 | 1 st evaluation, submit report No.4 | Feb. 28, 2008 (yearly) |
| Jan. 2009 | 2 nd evaluation, submit report No. 5 | Feb.28, 2009 (completion of project) |

H. Indicative Budget for the Monitor⁵

Domestic Consultants:

| No. | Description | Cost (Yuan) |
|-----|---|---------------------|
| 1 | Professional fees (8 person-months@Y12,000) | 96,000 |
| 2 | Survey team (5 times @Y10,000) | 50,000 |
| 3 | Per diem (30 days * 5 times + 10 days) @ Y100 | 16,000 |
| 4 | Airfares and other travel (8 trips@Y2,400) | 19,200 |
| 5 | <u>Reporting, materials, translation, communication and other costs (5 reports @ Y10,000)</u> | 50,000 |
| | <u>Total</u> | Yuan 231,200 |
| | <u>Converted into \$US (1 \$US=Yuan 8.11)</u> | \$US28,508 |

⁵ The budget is for the whole resettlement monitoring and evaluation of the Shandong Hai River Environment Control Project rather than any individual sub-project.