

Resettlement Planning Document

Resettlement Plan – Ershibu River Comprehensive Treatment Component
Document Stage: Final
Project Number: 36595
December 2006

PRC: Hefei Urban Environment Improvement Project

Prepared by Hefei Urban Construction and Investment Co. Ltd.
Hefei Municipal Drainage Office

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Hefei Urban Environment Improvement Project

**Ershibu River Comprehensive Treatment
Subcomponent**

Resettlement Plan

**Hefei Urban Construction and Investment Co. Ltd.
Hefei Municipal Drainage Office
Hefei-China
30 November, 2006**

ENDORSEMENT LETTER FOR THE RESETTLEMENT PLAN

The Hefei Urban Construction and Investment Company (HUCIC) Ltd, the implementation agency (IA), and Hefei Municipal Drainage Office (HMDO) the implementing unit together with the assistance of the Hefei Design Institute of Coal Industry has prepared this Resettlement Plan (RP) for the Ershibu River Rehabilitation and Flood Control Works Sub-component as part of the Hefei Urban Environment Improvement Project, which is under application for a loan from the Asian Development Bank (ADB).

The RP fully complies with requirements of the relevant laws, regulations and policies of People's Republic of China, Anhui Province and Hefei Municipal Government as well as complies with ADB's policy on involuntary resettlement.

This resettlement plan is based on the feasibility study report and socio-economic survey and Hefei Project Management Office hereby confirms the content of this RP and will guarantee the land acquisition and compensation budget being provided according to the provisions of aforesaid plan. No demolition and resettlement issues are applicable in this case.

This RP will be future modified and approved by ADB before its implementation when the detailed design is finished.

WANG Linjian, Vice Mayor, Hefei City
LI Wuhao, Director of Hefei Project Management Office:

November 2006

EXPLANATION OF KEY TERMS INVOLVED IN THE REPORT

Affected Persons: Affected persons (APs) include any person, household, enterprise or private unit that has following changes caused by the project: (i) Living level is subjected to negative influence; (ii) House, land (including house site, commercial land, agricultural land, woodland or grassland), water resource or any other movable property or real property gained or owned are subjected to restrictive and negative influence, wholly or partially, permanently or temporarily, so that their rights, qualifications or interests are subjected to affect; (iii) Businesses, occupations, works or living places or environments, which may be moved or may not be moved, are subjected to negative influence.

Replacement Cost: Replacement Cost refers to a method of asset evaluation that uses market price to replace lost property or uses its closet equivalent, adding any transaction cost, for example, administration cost, tax, registry fee and the cost for gaining (owning or using) qualification. If the standard is not stipulated in any national law, a replacement cost is necessary to be complemented to it. The replacement cost is determined on the basis of the higher one of the current market price and the market price prior to property lost. In the absence of the functional market, a compensation structure shall be used to make the living level of APs recover at least to the level when losing property, moving or limiting use (of the property).

The replacement cost for most of the properties to be lost can be determined; however, under a system of collective land ownership where market price does not exist, Chinese government has adopted complementary means besides the compensation for land to be lost—resettlement subsidies can be increased (as HMG did, not limited to the stipulated times of average annual output value of land to be acquired), and reemployment training is provided for APs. In short, the key objective is to ensure that land loser's livelihood and income level at least main the same level as that before the project or improved.

Allocation of the land use right refers to acts that, after the land user has paid compensation and expenses for resettlement, etc. with the law, allocate the land to the land user or gratuitously allocate the land-use right to the land user.

Transfer of the land use right refers to the acts that the State grants land users the right to use the State-owned land for a certain number of years on condition that the users shall pay the State a transfer fee for the land-use right.

Basic Farmland generally means the fertile land used for agricultural production. In this Project there is no basic farmland occupied. The following lists Article 34 of the Land Administration Law of the PRC:

Article 34: 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.

Community Residents' Committee (CRC): This is the product of recent urbanization in Hefei City as well as other cities in China. It refers to the transformation from original suburb villages toward urban communities (street or neighborhood), and correspondingly, the original villagers' committee is changed into community residents' committee which is still different from a pure urban street residents' committee in terms of the overall quality of its population. However, in other areas, CRCs share the equal right as other urban communities, e.g., all the CRC leaders get full salary from government rather than a villager leader who only get subsidies from government and have to do farming work by themselves. Currently the overall target for a CRC is to transfer the agricultural population into urban citizens, which means not only the physical transfer of their registration status (Hukou) but also the overall quality of population and life style.

Table of Contents

Page

ENDORSEMENT LETTER FOR THE RESETTLEMENT PLAN.....	i
EXPLANATION OF KEY TERMS INVOLVED IN THE REPORT.....	ii
EXECUTIVE SUMMARY	ix
I. INTRODUCTION AND PROJECT BACKGROUND	1
1.1 Introduction	1
1.2 Project Background	1
1.3 Project Description.....	2
1.3.1 Project Scope and Composition	2
1.3.2 Measures to Minimize Land Acquisition and Resettlement.....	4
II. SCOPE OF LAND ACQUISITION AND RESETTLEMENT	6
2.1 Introduction	6
2.1.1 Potential Impacts of the Project	6
2.1.2 Specification on Identification of Impacts	6
2.2 Impacts of Land Acquisition and Resettlement.....	7
III. SOCIOECONOMIC PROFILE AND IMPACT ASSEMENT	10
3.1 Social and Economic Status	10
3.2 Current Social and Economic Status of Affected Communities	10
3.3 The Socioeconomic Survey	11
3.4 Social and Economic Status of Affected People	12
3.4.1 Demographic Features of APs	12
3.4.2 Housing Conditions	14
3.4.3 Land Resource and Land Tenure	15
3.4.4 Financial Status and Vulnerable Group	15
3.5 Gender Analysis.....	18
3.5.1 Gender Difference in Education.....	18
3.5.2 Gender Difference in Occupation and Income	18
3.5.3 Gender Views related to Resettlement.....	21
3.6 Impact Assessment.....	22
3.6.1 Land Loss.....	22
3.6.2 House/flats Demolition and Relocation	22
3.6.3 Enterprises/Businesses/Shops	22
3.6.4 Income Losses.....	23
IV PARTICIPATION, CONSULTATION AND GRIEVANCE.....	24
4.1 Identification of Stakeholders.....	24
4.2 Consultation during Project Preparation	24
4.2.1 Public Consultation.....	24
4.2.2 Public Participation and Consultation Plan.....	26
4.3 Distribution of the RP	27
4.4 Appeals and Grievance Redress	27
V LEGAL FRAMEWORK AND RESETTLEMENT POLICIES	29
5.1 Brief Introduction.....	29
5.2 The ADB Involuntary Resettlement Policies	29
5.3 Related Laws and Regulation of China	31
5.4 Gaps between ADB and China Policies.....	31

5.5 Project Policies on Resettlement	33
5.6 Compensation Standards	33
5.6.1 Principles	33
5.6.2 Methodology of Evaluation on Compensation Rates	34
5.6.3 Applicable Compensation Standards	36
5.7 Compensation Funds Disbursement and Timing	38
5.8 Eligibility and Compensation Entitlement	39
VI RELOCATION OF HOUSING AND SETTLEMENT	43
6.1 Resettlement Targets	43
6.2 Resettlement Options	43
6.3 Household Relocation and Resettlement	44
6.4 Compatibility Analysis of Resettlement Sites	44
6.5 Special Concerns	45
VII INCOME REHABILITATION	46
7.1 Context	46
7.2 Formulation of Income Rehabilitation Strategy	46
7.3 Income Rehabilitation Plan	47
7.3.1 Use of Compensation Fund by Collectives	47
7.3.2 Use of Compensation Fund by Individuals	48
7.3.3 Technical Training for AP	48
7.3.4 Project Related Income-generating Opportunities	49
7.4 Gender Issue during the Process of Resettlement	50
7.5 Transfers from Rural to Urban Status	50
7.6 Assistance to the Vulnerable Households	50
VIII INSTITUTIONAL FRAMEWORK	52
8.1 Institutions	52
8.2 Responsibilities	53
8.3 Institutional Capacity	54
8.3.1 Assessment of Institutional Capacity	54
8.3.2 Institutional Capacity Building	55
8.4 Roles of Civil Organizations	56
IX MONITORING, EVALUATION AND REPORTING	57
9.1 Internal Monitoring	57
9.1.1 Objectives of Internal Monitoring	57
9.1.2 Major Tasks of Internal Monitoring	57
9.2 External Monitoring and Evaluation	58
9.2.1 Objectives	58
9.2.2 Methodology	58
9.2.3 Major Tasks	59
9.3 Reporting Requirements	59
X IMPLEMENTATION SCHEDULE	60
10.1 Activities Prior to Resettlement	60
10.2. Activities during Resettlement	60
XI RESETTLEMENT COMPENSATION BUDGET	64
11.1 Calculation of Resettlement Costs	64
11.1.1 Permanent Land Acquisition	64
11.1.2 Demolition and Resettlement Costs	64
11.1.3 Ancillary Facilities	65
11.1.4 Expenses Related to RP implementation	65

11.2 Taxes and Fees.....	65
11.3 Contingency.....	65
11.4 Budget Funding and Fund Flow.....	65
ANNEXES	68
Annex 1 Resettlement Information Booklet(RIB).....	68
Annex 2 TOR for External Monitoring and Evaluation	71

LIST OF TABLES

Table 1-1: Project Composition	3
Table 2-1 Summary of Project Impacts	8
Table 2-2 Affected Land	8
Table 2-3 Affected Ground Attachments	9
Table 3-1: Basic Information of Affected CRCs and Villages	10
Table 3-2: Surveyed Villages and Number of Households	12
Table 3-3 Demographic Features of Surveyed Households	13
Table 3-4: Housing Conditions of Surveyed Households.....	14
Table 3-5 Land Statistics of Surveyed Households.....	15
Table 3-6: Per Capita Financial Status of Surveyed Households in 2005.....	16
Table 3-7: Income Sources of Surveyed Households in 2005.....	16
Table 3-8: Expenditure Patterns of Surveyed Households in 2005.....	17
Table 3-9: Women's Share of Household Income in 2005.....	18
Table 3-10: Points of View related to Resettlement.....	21
Table 4-1: AP's Awareness of the Project.....	25
Table 4-2: Summary Consultation Records	25
Table 4-3: Consultation Plan.....	26
Table 5-1 Gaps between ADB and PRC Policies on Involuntary Resettlement.....	32
Table 5-2 Summary of Resettlement Principles	33
Table 5-3 Compensation rates for acquisition of collective land.....	36
Table 5-4 Compensation rates for land attachments and infrastructures.....	37
Table 5-5 Compensation rates for house/building demolition	38
Table 5-6 Compensation Entitlements Matrix	41
Table 7-1 Preference of APs income rehabilitation	47
Table 7-2 Training Plan for APs	49
Table 7-3 Specific Measures to be Provided to Vulnerable Groups	51
Table 8-1 Resettlement Institutions and Staffing	52
Table 8-2 Responsibilities of Agencies.....	53
Table 10-1 Resettlement Implement Schedule (Supervision Milestone).....	62
Table 11-1 Budget for Land Acquisition and Resettlement	66

LIST OF FIGURES

Figure 1 Location Map of Ershibu River.....	2
Figure 2 Selected Drawing for Ershibu River Reinforcement.....	6
Figure 3: Gender Specific Education Status in the Project Affected Area	19
Figure 4: Gender Specific Occupation Status in the Project Affected Area	20
Figure 5 Compensation Fund Flow	39
Figure 6 Resettlement Organization Structure	52

LIST OF ACRONYMS AND MEASURES

AAOV	Average Annual Output Value
ADB	Asian Development Bank
AP	Affected Persons
CBO	Community Based Organisations
CNY	Chinese Yuan
CRC	Community Residents Committee
dia.	Diameter
DI	Design Institute
DMS	Detailed Measurement Survey
EA	Executing Agency
EIA	Environmental Impact Assessment
EPB	Environmental Protection Bureau
FB	Finance Bureau
GDP	Gross Domestic Product
FSR	Feasibility Study Report
Ha	Hectare
HCSB	Hefei City Statistics Bureau
HH	Household
HLAB	Hefei Land and Resources Bureau
HMCC	Hefei Municipal Construction Commission
HMDO	Hefei Municipal Drainage Office
HMG	Hefei Municipal Government
HSB	Hefei Statistical Bureau
HSMCLR	Hefei Supervision and Management Committee for Land Acquisition and Resettlement
HUCIC	Hefei Urban Construction Investment Holding Company Limited
HWAB	Hefei Water Affairs Bureau
HWWTAD	Hefei Wastewater Treatment Administration Department
IA	Implementing Agency
LAB	Land Administration Bureau
LFG	Landfill Gas
LSSL	Least Subsistence Security Line
MLG	Minimum Level Guarantee
NGO	Non Governmental Organisations
PDMF	Project Design and Monitoring Framework
PIU	Project Implementation Unit
PMO	Project Management Office
PPTA	Project Preparatory Technical Assistance
PRA	Participatory Rapid Appraisal
PRC	Peoples Republic of China
RIB	Resettlement Information Booklet
RP	Resettlement Plan
RRP	Report and Recommendations of the President
TA	Technical Assistance
ToR	Terms of Reference
WWTP	Wastewater Treatment Plant
US\$	United States Dollar
km ²	square kilometre
mm	Millimetres
m ³ /d	Cubic Meters per day
%	Percentage

\leq	Less than or equal to
\geq	Greater than or equal to
#	Number
mu	Chinese area measure for land, 1mu = 1/15 ha (1 ha = 15 mu)
CNY	Chinese currency Yuan, 1 Yuan = 1/7.9 \$US (\$US1=CNY 7.9)

EXECUTIVE SUMMARY

I. Project Description

In order to improve flood prevention along the Ershibu River and treat environmental pollution on both banks and to generally improve the regional ecological environment, Hefei Municipal Government (HMG) intends to utilize part of the Asia Development Bank (ADB) loan under the Hefei Urban Environment Improvement Project (HUEIP) to launch a comprehensive rehabilitation and flood control improvement project of the Ershibu River – Subcomponent 2.1, to be implemented by Hefei Urban Construction Investment Co. Ltd (HUCIC) as the implementing agency and the Hefei Municipal Drainage Office (HMDO), as the implementing unit. The Hefei Project Management Office (PMO) will maintain an overseeing role.

The Ershibu River Rehabilitation and Flood Control Improvement Project covers flood protection works, drainage, wastewater interception, river bed dredging, ancillary roads, bridges and landscaping and greening works. The following will be included; strengthening of a 16.8km section of the river including constructing flood prevention stone walls, stone protection embankments, dyke protection civil works, 16.5km section of roads, 5 bridges, riverbed dredging, a 16km long wastewater interception pipeline, 2 pumping stations with design flow capacity of 8.5m³/s and 4.5m³/s; a 12km long storm water drainage pipeline; 27 culverts and gates, landscaping work and greening. Permanent land that needs to be acquired is 1,326.4 mu (88.42hectares).

To avoid or reduce the impact of land acquisition required by the Project, concerned organizations have already consulted with the local government and affected village committees on the proposed project river alignments and improvements to the project preliminary design have been made accordingly. The RP has been based on the project feasibility study reports (FSR) but will need to be updated based on the detailed design in due course. The IA will make every effort to ensure that the least possible impact on the affected communities.

According to the (FSR), 3 counties and 11 villages/communities will be affected by land acquisition and house demolition as follows.

- a) 541 households with 1,922 persons will be partially affected by land acquisition;
- b) 209 households with 771 persons will be partially affected by house demolishment;
- c) Ten business/shops will be affect, of which, two business will only have enclosure wall to be affect, without income loss; and other 8 shops are adjusted using residential housing.

Therefore, the total number of affected households is 750 (with 2,693 persons). Of this total, 96 households with 329 persons will be affected by both land acquisition and demolition.

II. Policy Framework and Entitlement

The present Resettlement Plan (RP) is prepared in accordance with all necessary PRC state legislation provincial and municipal related policies related to land and also with ADB's Policy on Involuntary Resettlement. This includes the recently announced PRC State Council decree #31.

Based on PRC land legislation and policy, the resettlement principles established for the sub-component of the Project are: (i) compensation and entitlements provided to the affected persons (APs) are adequate to at least maintain their "without project" standard of living, and

with prospect of improvement; (ii) All APs, titled or non-titled, will be provided with resettlement assistance and granted fair compensation; (iii) in the rural area where post- requisition cultivated land 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 the APs; (iv) all the APs will be adequately informed on eligibility, compensation rates and standards, livelihood and income restoration plans, project timing, and will be involved in the RP implementation process; (v) no land requisition will take place unless replacement land or sufficient compensation for resettlement is given to the APs; (vi) Hefei Municipal Government (HMG), the executing agency (EA) and an independent / third party will monitor compensation and resettlement operations; (vii) vulnerable groups should receive special assistance to ensure they are better off, so that the APs listed in the RP will have the opportunity to benefit from the project; (viii) RP will be combined with the overall City / County / District planning; and (ix) the resettlement budget will adequately cover the full aspects of all compensation required.

III. Responsible Organizations

The IA, HUCIC together with HMDO will be responsible for the project implementation and land resettlement and house demolition and co-ordination. The land acquisition and demolition office is composed of officials from land administration departments and urban construction departments. All affected residential committees and villages provide one staff member respectively to the land acquisition and demolition office, responsible for the work concerned with demolition and resettlement and income rehabilitation activities.

IV. Public Participation

Public participation has been the key to this RP and from September of 2005 to June 2006, a number of meetings were held in the project area. Participants from the HMG, PMO, urban Community Resident Committees (CRCs), villages, land administrative department, civil department, women's federation, urban construction department, project affected groups and consultation institutes have all been consulted. Project investigation has been undertaken in 2 rural villages and 9 urban communities. These meetings and investigations have generated a lot of interest in the resettlement policies and compensation entitlements. More consulting meetings will be required in the future. Affected people have participated in the preparation of the resettlement plan and their concerns and comments have been included in the resettlement plan already.

V. Grievance

Affected people can propose any complaint related to land acquisition, resettlement, income rehabilitation and compensation. The grievance procedure is described clearly in the resettlement information booklet (RIB) and explained to affected people in the meetings held by the IA - HUCIC and the district land acquisition and demolition office before any action of land acquisition and demolition takes place.

VI. Costs

According to the project FSR and subsequent investigations, the resettlement cost is estimated CNY195 million including a contingency equivalent to 10% of basic compensation costs, which may be adjusted during Project implementation. The costs for resettlement are about 48% of the total base costs for the Project. The Project IA will ensure that sufficient funds are made available to cover all necessary resettlement issues.

VII. Schedule

The land requisition and resettlement is scheduled to begin in August 2007 and to be completed in November, 2007, hence lasting for 4 months. Civil works will not begin before compensation for the APs are paid in full, which is in accordance with the recently promulgated State Council Decree #31.

VIII. Monitoring and Report

Internal and external monitoring will be conducted on the implementation of the resettlement program. HUCIC will be responsible for internal monitoring and prepare quarterly reports to the ADB covering the progress of the resettlement, discussing key issues about compliance with the RP and compensation policies. The PMO will engage an independent agency to conduct external monitoring and assessment and prepare an assessment on resettlement progress, compensation disbursement, and other measures to ensure that the APs maintain standard of living and do not suffer because of the Project.

I. INTRODUCTION AND PROJECT BACKGROUND

1.1 Introduction

1. The Resettlement Plan (RP) report is prepared in accordance with (i) ADB Policy on Involuntary Resettlement, Operational Manual F2: Involuntary Resettlement (Operations Manual, 2003), (ii) Gender Dimension of Resettlement (Gender Checklist: Resettlement, March, 2003) (iii) other relevant social security guidelines; (iv) Chinese laws and regulations, (v) and local by-laws and policies, which provide a framework for mitigating negative impacts by using measures to recover the income of the affected persons (APs).

2. For ADB and the PRC Government, the fundamental objective of the RP is to ensure people whose land or property is unavoidably lost due to the Project, receive adequate assistance so that they would be at least as well-off as they would have been in the absence of the Project. Hefei Urban Construction and Investment Company Ltd (HUCIC), is the implementation agency (IA) and Hefei Municipal Drainage Office (HMDO), the implementation unit responsible for Project implementation. Hefei PMO will have an overseeing role.

3. The RP is prepared based on: (i) review and discussion with authors of the relevant project reports, especially the feasibility study report (FSR) for the Project, environmental impact assessment (EIA) report, the original RP report (2005) that was prepared by the IA with assistance of Hefei Design Institute of Coal Industry; (ii) a field survey on the project design area; (iii) consultations with the affected households; and (iv) the social economic survey for the APs conducted during April-July 2006.

4. Engineering data for the RP are taken from the FSR and considered reliable. Data regarding resettlement impact and cost will be reviewed and revised and the RP will be updated, based on detailed measurement survey (DMS) for further assessment on the impact before the land acquisition takes place. Any findings through the DMS will be reflected in the RP and a final budget will be presented. The updated RP will be disclosed to APs and submitted to ADB for approval. The current RP will be uploaded on the ADB website before loan appraisal. Finally, the RP will be endorsed by Hefei Municipal Government (HMG) before Management Review Meeting (MRM).

1.2 Project Background

5. The major Nanfei River passes through the heart of the city of Hefei, the provincial capital, flowing from west to east before turning south to drain into Chao Lake. Three tributaries of the Nanfei River flow through the northern sections of the city, and are heavily polluted with sewage and wastewater. The Ershibu River is one of these tributaries (see Figure 1), and is an important seasonal river that flows through an economic development and residential area.

6. In recent years, along with the expansion of Hefei and the growth of industry, the river water quality has deteriorated as raw sewage and solid waste have been dumped indiscriminately into the river channel creating unsightly and foul smelling odors. The river water quality has deteriorated and is now worse than Class V and needs to be improved. The pollution of the Ershibu River has major consequences for the Nanfei River and for Chao Lake which are the downstream recipients. River ecology has also suffered and according to the environmental monitoring and sampling analysis, there is no aquatic life existing at the mouth of Chao Lake. Eutrophic conditions have increased and the incidence of blue-green algae has grown dramatically and there has also been a build up in ammonia and nitrogen. The polluted

water quality now seriously threatens the safety of the urban water supply and Chao Lake's function as a water resource is being threatened.

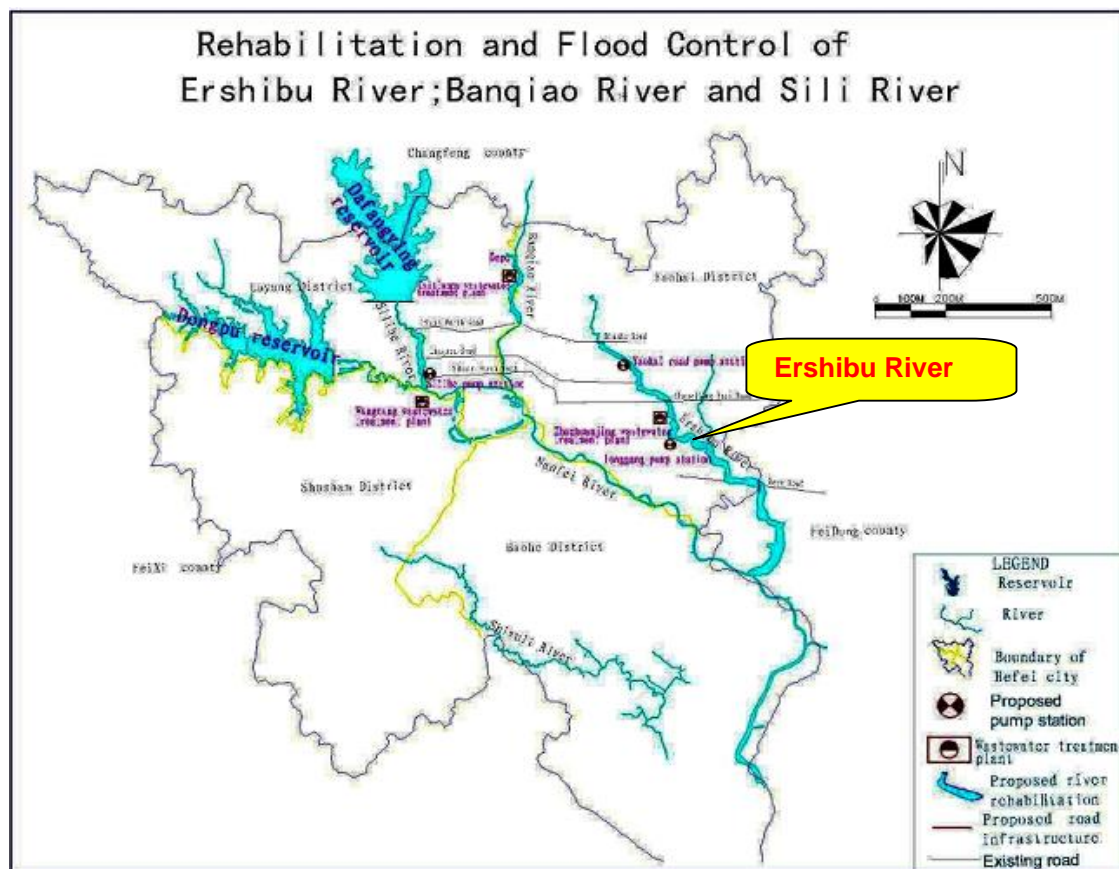


Figure 1 Location Map of Ershibu River

7. The Ershibu River Rehabilitation and Flood Control Improvement Project (Sub Component 2.1) is a key important subcomponent of Hefei Urban Environment Improvement Project (HUEIP). The Project will contribute towards pollution alleviation of Chao Lake and improvement to Hefei's urban ecological environment, and benefit sustainable social, economic and environmental development of Hefei.

1.3 Project Description

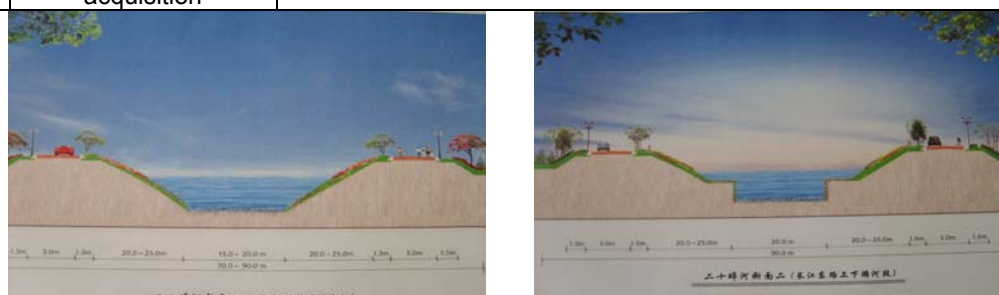
1.3.1 Project Scope and Composition

8. The total length of Ershibu River from the Railway Marshalling Station to the confluence with Nanfei River is 21.80km. The work to be undertaken as part of the Project covers 16.80km from Bianhelu Bridge over Ershibu River (eastern point of northern 2nd ring road) to the confluence with the Nanfei River.

9. The proposed scheme for flood control from the FSR entails dyke reinforcement on the river section in the north of the old Huainan Railway Bridge (urban section). The section at the south side of the old Huainan Railway Bridge (rural section) will basically remain in its existing ecological state.

10. The Ershibu River course will be realigned properly in line with its flow status. The river course from the old Huainan Railway Bridge up to the Bianhelu Bridge to the north is 9 km in length and will be shortened to 8.22km after river realignment works. The river course from the old Huainan Railway Bridge to the New Railway Bridge will be 7.9km with the river channel base width set at 20m on the upstream section and greater than 50m at the confluence with Nanfei River after improvement. The “right of river course alignment” (blue line¹) will be controlled to be at least 90m. (The section upstream and downstream from Changjiangdonglu Bridge is the main area where industry and residential areas are located. For the sake of minimizing the resettlement, the river mouth width is controlled to be 40m and the width of the river “blue line” is controlled to be at least 60m in width. (See pictures in Table 1-1).

Table 1-1: Project Composition

No.	Activities	Indicators of Works	Links to land acquisition
1	River course treatment and embankment slope improvement	16.8km river course length;; 4,000m ³ of stone flood prevention walls;; 42,900m ³ of slope improvement; 1,560,600 m ³ of civil works excavation for dyke improvement	Yes, land acquired covers all works listed below (see drawings below)
2	Road and bridge construction	16.5km road length; 12m road width: and 5 bridges	No (within overall land scope)
3	River bed dredging	Total volume: of 629,000m ³ ; divided into phase I: 243,000m ³ ; phase II: 386,000m ³	No (within overall land scope)
4	Wastewater interception	d300~d800; length: 16Km; 2 pump stations with designed flow capacities of 1020l/s and 120l/s	No (within overall land scope)
5	Drainage pump stations and sewers of rainwater	2 pump stations with designed respective flowing capacity of 8.5m ³ /s and 4.5m ³ /s; d400~d1200; length: 12Km; culverts and gates: 27	No (within overall land scope)
6	Landscaping Greening scenery	780,000m ² of landscaped greening area	No (within overall land scope)
7	Demolition and land acquisition	Demolition volume: 26170m ² ; land acquisition: 1326.4mu	
			

11. The river course from the New Railway Bridge upstream to Chenxiaoying near the Railway Grouping Station is 5km in length with the base width of 15m and the river mouth width is controlled larger than 45m with a “blue line” of at least 70km in width. The river bottom height is designed to be between 14.0~18.0m. Project development will start from Bianhelu Bridge. The programmed section of the river course from Bianhelu Bridge to the New Railway Bridge is controlled according to the above description.

¹ The “blue line” is similar to the “red line” in a road project, its show the “right of way” of the river alignment to be treated.

12. Ershibu River Rehabilitation and Flood Control Improvement Project covers flood protection works, drainage, wastewater interception, river bed dredging, ancillary roads, bridges and landscaping and greening works. The following works will be included; strengthening of a 16.8km section of the river including constructing flood prevention stone walls, stone protection embankments, dyke protection civil works, 16.5km section of roads, 5 bridges, riverbed dredging, a 16km long wastewater interception pipeline, 2 pumping stations with design flow capacity of 8.5m³/s and 4.5m³/s; a 12km long storm water drainage pipeline; 27 culverts and gates, landscaping work and greening. The project activities are presented in Table 1-1 above.

1.3.2 Measures to Minimize Land Acquisition and Resettlement

13. Hefei Municipal Construction Commission (HMCC), HUCIC, HMDO and the design institute have undertaken detailed work based on relevant design principles and in accordance with the ADB's policy on involuntary resettlement. The scope for building demolition concerns the project construction area within the course of the river alignment. This area is north of the old Huainan railway bridge, while south of the old Huainan railway; the river course will be maintained under its current status.

14. Two different alternative schemes have been considered with the objective to reduce the amount of land acquisition and resettlements required and hence minimize impact. These are as follows:

Scheme A: Retaining Small Commercial Market

15. The market place at East Changjiang road lies above the Ershibu River, which flows beneath it through a series of rectangular culverts. The volume of flow has been designed to pass through four rectangle culverts under flood conditions beneath the market place. The total flood flow volume that can pass through this section of the river channel has been calculated at 192m³/s which is considered adequate for a 1 in 100 year flood. Consequently according to the calculations, the design can meet the requirements considering the water flow volume generated. A photograph of the East Changjiang Road is shown below.



Picture showing the market place at the East Changjiang Road

Scheme B: Demolishing the Small Commercial Market.

16. River bed dredging is undertaken to make the river bed as high as the designed height. The river course section adopts programmed ladder-shaped open ditch sections which involves a large amount of demolition of the small commercial market at East Changjiang Road. Roads on both sides of the river course need to be extended to connect to the East Changjiang Road.

Conclusion based on comparison:

17. Scheme A can reach the required volume under peak flood flow. Only river bed dredging is needed and demolition works and resettlement required are minimal. This scheme has the least cost.

18. Scheme B can also reach the required section under peak flood flow. River bed dredging is needed, but a large amount of demolition and resettlement is required and furthermore, road cost rises. This scheme requires a higher cost.

19. Through comparison, scheme A is more practicable and feasible, thus it is recommended in the FSR.

II. SCOPE OF LAND ACQUISITION AND RESETTLEMENT

2.1 Introduction

2.1.1 Potential Impacts of the Project

20. The project area crosses Xinzhan Zone, Yaohai District and Feidong County, covering five sub-districts/towns and eleven urban/village communities (for detail see Table 2-1). On the one hand, the project implementation will improve the environment of the 11 village level units in the three districts; on the other hand, except there will be no collective land loss in Hengtong CRC of Xinzhan Zone and there will be no building demolition in Xinzhan CRC of Feidong County, the project will unavoidably affect them regarding land loss, property losses or both. According to the best estimate by affected CRCs, villages and IA, most of the APs with land loss will lose part of their land.

21. Currently the project is under the feasibility study stage and a FSR has been produced, but there are no detailed design drawings yet. The land acquisition and demolition covers the area within the new aligned river course under the proposed project development (See Figure 2 (a) central line and blue line). However, most of the drawings do not show the central line and blue line combined; they only show the central line (see Figure 2 (b) hence in this case land acquisition and resettlement impacts have had to be estimated based on technical standards and drawings from the FSR.

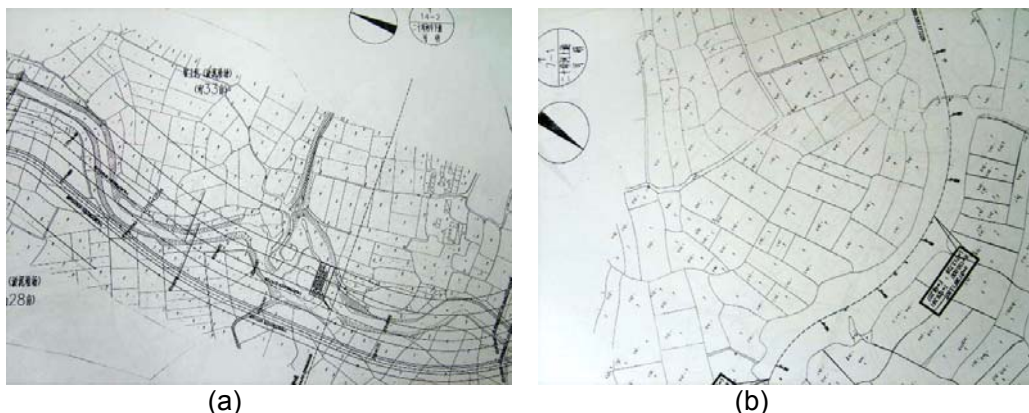


Figure 2 Selected Drawing for Ershibu River Reinforcement

2.1.2 Specification on Identification of Impacts

22. The physical identification of impacts principally relies on the statistical data obtained from government departments based on documentation from investigations, site visits, meetings, etc. The information about potential loss of the land and housing and properties comes from the following agencies.

23. (i) **Project Implementing Agency (IA)** – HUCICI and HMDO has conducted the investigation regarding the project impacts, consulted with the Statistics Bureau, Urban Spatial Planning Bureau and other concerned departments, discussed with local officials, community leaders and potential affected people to collect their comments and viewpoints regarding land acquisition, resettlement, and compensation for land and housing. Photographs of this process are shown below.



Deployment meeting on village data collection for Ershibu and Banqiao River

24. (ii) **Hefei Design and Research Institute, Ministry of Coal Industry** obtained data through site visits.

25. (iii)-The PPTA Consultancy contracted **Hefei Statistical Bureau (HSB)** to conduct data collection about potentially lost assets and properties under the project.

26. In May 2006, the project entities, PPTA consultants, design institute (DI), resettlement planners consulted with Hefei Municipal Demolition and Resettlement Office about compensation policies and measures and legal issues. The group consulted Hefei Municipal Land & Resources Bureau regarding the preconditions of land use procedure for project development, timing of document review, relative cost, and process of collective-owned land formalities, organizations and procedures.

2.2 Impacts of Land Acquisition and Resettlement

27. During the FSR stage, the IA and the project DI adopted technical measures to minimize the land acquisition and resettlement, but unavoidably the following properties are to be potentially earmarked as affected but further confirmation will be undertaken during the detailed design stages: (i) Land: dry land, vegetable land, fruit land, paddy land, ponds and temporary occupied land; (ii) Different structures of housing: brick and cement, brick and wood, wood; (iii) Structures and properties attached on the groundwater: wells, enclosing walls, graves, etc; (iv) Trees: fruit trees and scattered trees and (v) Facilities, such as: electricity wires poles, etc.

28. The project will require permanent land of 1,326.4mu (88.4 hectares) of which the cultivated land is 1,056.6mu, state-owned land 70mu, pond surface 145 mu, housing plots 44.8mu and other land 10 mu. There are 541 households with 1,922 persons affected by the Project. Temporary land occupation during project implementation is estimated at 130 mu. The house demolition required is estimated at 26,170m², which affects 209 households with 771 persons. Thus, the total APs caused by land acquisition and resettlement totals 750 (541+209) households with 2,693 (1,922+771) persons. However, there is an overlap between land loss and demolition impact categories. About 96 households with 329 persons are affected by both land acquisition and house demolition. Taking this into consideration (i.e. deducting the overlap), the APs would be 2,364 persons in 654 households. (refer to Table 2-1 and Table 2-2), accounting for 7% of the total number of households in the 11 affected villages/communities.

29. The project will affect infrastructure and structures attached on the ground such as electricity poles, walls, graves, trees, wells, sandy road, involved with all affected CRCs and

villages (See Table 2-3). There are no public organizations and large size enterprises involved. However, there are ten small shops will be affected, which are all adjusted using their residential building at the first floor.

Table 2-1 Summary of Project Impacts

No	District /County	Streets Office /Towns	Name of Community /Village	Permanent land acquisition			House demolition		
				Land area Mu ¹	Affected house -holds	Affected people	Area m ²	Affected house -holds	Affected people
1	Xinzhan	Qilitang Street Office	Zhantang	75	80	256	0	0	0
2	Yaohai	Dongqilizhan Street Office	Hengtong	11	0	0	400	3	13
3		Daxing Town	Fulong	148.4	71	249	1,260	7	40
4			Xingji	104	36	115	1,690	14	47
5			Zhongyoufang	192	59	238	1,180	8	33
6		Longgang Industrial Park	Magang	180	47	175	2,730	20	76
7			Xinzhan	50	15	53	11,350	102	363
8			Shicheng	66	16	75	6,560	45	174
9		Feidong	Longtang Town	Tang'an	91	55	133	860	9
10	Xinjian			251	87	372	0	0	0
11	Sanqing			158	75	256	140	1	4
Total				1,326.4	541	1922	26,170	209	771

Note: The permanent land acquisition does not include river surface.

Table 2-2 Affected Land

Community / village	Permanent land loss categories (mu)							Total Land loss	APs with land loss
	Paddy field	Dry field	Vegetable land	Ponds	State-owned land	Land for Houses	Land for Other purposes		
Zhantang	75	0	0	0	0	0	0	75	256
Hengtong	0	0	0	0	11	0	0	11	0
Fulong	139	6.6	0	0	0	2.8	0	148.4	249
Xingji	92	0	0	0	8	4	0	104	115
Zhongyoufang	65	30	45	40	12	0		192	238
Magang	120	30	0	0	10	10	10	180	175
Xinzhan	0	7	0	0	23	20	0	50	53
Shicheng	41	11	0	0	6	8	0	66	75
Tang'an	70	11	10	0	0	0	0	91	133
Sanqing	160	40	36	15	0	0	0	251	372
Xinjian	50	8	10	90	0	0	0	158	256
Total	812	143.6	101	145	70	44.8	10	1326.4	1922

Table 2-3 Affected Ground Attachments

Affected attachments	Unit	Amount
Electricity poles	No. of pole	107
Wall	M	488
Graves	No.	1,270
Sand and gravel road	m ²	2,429
Cement road	m ²	5,030
Mature trees	No.	3,838
Young trees	No.	370
Fruit trees	No.	7

30. The demolition and resettlement policies apply the Demolition and Resettlement Rules of the State Council, Hefei Municipal Demolition and Resettlement Methods approved by the provincial people's congress and the documents Numbered 32, 165, and 195 of 2006 respectively. Land acquisition mainly applies the Hefei's documents of No.138 of 2003.

III. SOCIOECONOMIC PROFILE AND IMPACT ASSEMENT

3.1 Social and Economic Status

31. There are three counties (Feidong, Feixi and Changfeng) and four districts (Baohe, Luyang, Yaohai and Shushan) and three development zones (Hefei Hi-tech Industrial Development Zone, Hefei Economic and Technical Development Zone and Hefei Xinzhan Pilot Zone) under the jurisdiction of Hefei municipality in 2005, covering a total area of 7,029km² including 233.4 km² square kilometers part of Chao Lake water surface. The programmed area of Hefei is 838.52 km² including the 72.93km² Chao Lake water surface, and the developed area of 22 km² square kilometers. The annual per capita income of the city and township residents in 2005 was CNY 9,684/person.

3.2 Current Social and Economic Status of Affected Communities

32. The basic data for this project subcomponent involved 11 CRCs/villages that are presented in Table 3-1. The total number of households is 9,099 with 29,776 persons, and all are Han nationality. It shows that agriculture accounted for a relatively small share in the total village income in both Xinzhan and Yaohai District, particularly in Zhantang and Zhongyoufang CRCs; the shares of 1st industry were no more than 1% in 2005 while Xinji, Xinzhan and Shicheng CRCs had a agricultural share no more than 5%. However, the village total income share in Fulong CRC was still accounted for 34%.

Table 3-1: Basic Information of Affected CRCs and Villages

No	District /County	Streets Office /Towns	Community /Village	No. of House- hold (H.H.)	Population (persons)	Average per capita net income in 2005 (CNY)	Indicative industrial structure (%)		
							1 st	2 nd	3 rd
1	Xinzhan	Qilitang street	Zhantang	80	256	4,300	1	99	Nil
2	Yaohai	Dongqilizhan street	Hengtong	217	678	4,800	19	70	11
3		Daxing Town	Fulong	683	2,752	6,800	34	49	17
4			Xingji	1,300	3,800	6,000	3.6	92	4.4
5			Zhongyoufang	765	2,574	4,800	0.6	99	0.4
6		Longgang Industrial Park	Magang	2,200	7,300	3,500	20	30	50
7			Xinzhan	620	2,170	3,500	5	67	28
8			Shicheng	1,055	3,700	n.a.	4	76	20
9	Feidong	Longtang Town	Tang'an	650	1,500	3,000	n.a.	n.a.	n.a.
10			Xinjian	789	2,738	3,500	n.a.	n.a.	n.a.
11			Sanqing	740	2,308	3,500	n.a.	n.a.	n.a.
Total				9,099	29,776				

Note: the net income and the proportions to the three industries are indicative since there is no systematic statistical data at the village level.

Source: Data collected from Sub-district and Towns. July 2006.

33. The economic situation of the affected villages and CRCs along the Ershibu River vary markedly. The villages of Xinjian and Sanqing in Feidong County are recognized as pure rural areas although they are adjacent to Hefei City. Other CRCs are administratively treated as urban area; however, since most of these CRCs along Ershibu River are both a semi-urban and

semi-rural nature; and considering the current process of urbanization of Hefei City, the agricultural population is being converted to urban status. During this process, an outstanding feature of the CRC (transformed from original village committee) is that almost all its leaders are becoming officials or clerks with a salary disbursed by the Finance Bureau of the respective District Government.

34. Following this change in status, the functions of the CRC leaders have also changed. These CRC leaders are now playing a pivotal role with the urbanization process, e.g., they have maintained their management responsibility function from original village level status and can now assist the sub-district and respective higher authority government to implement the transformation from a rural resident (farmer) to an urban resident in which also includes the process of land acquisition and resettlement.

3.3 The Socioeconomic Survey

35. This survey was undertaken by the Hefei Statistical Bureau (HSB) under the supervision of PPTA consultants in June and July 2006. Its main objectives were: (i) to compile socio-economic information on the APs likely to lose land or property to the project component; (ii) to obtain information on the extent of APs knowledge of the proposed sub component; and (iii) to identify APs' preferences regarding land acquisition, house relocation and income restitution measures.

36. The survey involved collecting primary data from selected villages/urban residents' communities and households on the proposed river rehabilitation alignment. Methodologically, three survey instruments were used: (i) a village level (including urban community) questionnaire, administered to village leaders, (ii) a household questionnaire administered to individual households, and (iii) business/shop questionnaire related to non-residential establishment managers.

37. A strict purposive sampling frame was designed for household and business/survey and applied using data collected from the earlier IA survey and the current village level survey also conducted by the IA. Information collected by the HSB traversing the length of the Ershibu River, and was also placed on the 1 to 2,000 alignment maps prepared for the FSR. Under the frame, the following selection criteria were applied:

- cover all village/urban communities that will suffer land loss;
- strong representation of households that will lose land, property or both with an sample ratio of at least 20% (one of every five households) for those severely affected households,
- inclusion of the least well-off or vulnerable households

38. Within each village/urban community individual households were selected on the basis of their proximity to the proposed river alignment. As the alignment has neither been finalized nor clearly marked on the ground, it is not certain that all interviewed households will definitely be affected by the project². This should not however affect the identification of the socio-economic characteristics of the APs.

39. The socio-economic survey covered 11 (100%) villages/CRCs destined to be affected by the Project. The villages/CRCs surveyed are indicated in Table 3-2. A total of 153 individual households (20.4% of the total 750 households) were interviewed, comprising around

² The IA has indicated that in order to minimize land acquisition and resettlement, the river alignment will be further optimized during the detailed design stage.

620 people (or 30.1% of total APs). There were 2 business managers were interviewed of the total 10 businesses/shops affected.

Table 3-2: Surveyed Villages and Number of Households

County/ District	Township/ Sub-district	Community Residents' Committee	Surveyed Households (household)
Yaohai	Daxing		35
		Fulong	10
		Xingji	15
		Zhongyoufang	10
	Qilizhan		10
		Hengtong	10
	Longgang		73
		Magang	26
		Shicheng	21
		Xinzhan	26
Feidong	Longtang		30
		Sanqing	12
		Tang'an	12
		Xinjian	6
Xinzhan	Qilitang		5
		Zhantang	5
Total			153

3.4 Social and Economic Status of Affected People

40. This section presents the detailed findings on the household survey conducted by the HSB. Of the 153 households surveyed, 84 respondents were male and 69 were female. A total of 106 households have agricultural status, and 47 households have non-agricultural status, in which 12 migrant households are conducting business in Longgang Industrial Park.

3.4.1 Demographic Features of APs

41. The detailed demographic features of surveyed APs are listed in Table 3-3 below, including age, population composition, education and occupation by sex and location.

42. The survey results showed that the population is normally distributed with regard of age. There is a larger population between the 20-50 years age group which accounted for 46.8% of total sample households. Students accounted for 17.9% of total surveyed population, which is almost the entire population between 7-19 years old age group (17.1%). As for the identification of the labor force, many household members over 60 years (male) and over 55 years (female) were reported as fully employed. Thus the labor force population is defined as between 16-65 years old for male and 16-60 years old for female. According to this definition, the labor force account for 65.6% of total surveyed population.

Table 3-3 Demographic Features of Surveyed Households

Unit: persons, %

Item	Yaohai		Feidong		Xinzhan		All			
	Male	Female	Male	Female	Male	Female	Male	Female	sub-total	%
No. of Households	118		30		5		153			
Household Size	4.12		4.10		2.2		4.05			
Age										
≤6 years	15	10	7	2	0	0	22	12	34	5.5%
7-19 Years	55	45	4	2	0	0	59	47	106	17.1%
20-35 Years	60	63	23	17	1	0	84	80	164	26.5%
36-50 Years	55	58	7	6	0	0	62	64	126	20.3%
51-60 Years	29	32	13	18	2	2	44	52	96	15.5%
61-70 Years	23	15	12	8	3	3	38	26	64	10.3%
≥71	12	14	2	2	0	0	14	16	30	4.8%
Total	249	237	68	55	6	5	323	297	620	100%
Composition										
Children	18	10	7	2	0	0	25	12	37	6.0%
Students	57	47	4	3	0	0	61	50	111	17.9%
Labor resource	157	151	48	40	6	5	211	196	407	65.6%
Retired ⁽¹⁾	17	29	9	10	0	0	26	39	65	10.5%
Total	249	237	68	55	6	5	323	297	620	100%
Education ⁽²⁾										
Illiterate	7	9	0	0	0	0	7	9	16	2.8%
Primary school	45	65	14	25	0	4	59	94	153	26.4%
Junior mid school	109	108	40	23	6	1	155	132	287	49.6%
High school	52	33	5	3	0	0	57	36	93	16.1%
Vocational Edu.	6	1	2	2	0	0	8	3	11	1.9%
College Edu.	6	8	0	0	0	0	6	8	14	2.4%
University Edu.	2	3	0	0	0	0	2	3	5	0.9%
Total	227	227	61	53	6	5	294	285	579	100%
Occupation ⁽³⁾										
No job	10	14	0	0	0	0	10	14	24	5.9%
Farming	32	55	28	35	4	5	64	95	159	39.1%
Migrant labor	65	36	0	0	0	0	65	36	101	24.8%
Business	13	13	0	1	0	0	13	14	27	6.6%
Worker	31	25	18	3	0	0	49	28	77	18.9%
Others	3	3	2	1	2	0	7	4	11	2.7%
Total	157	151	48	40	6	5	211	196	407	100%
Of the farming labor, who has a second job as migrant labor	7	8	18	12	5	0	30	20	50	

⁽¹⁾ Retired age here means 66 years old and above for male and 61 years old and above for female, thus the labor sources related to those who are above 16 years old but not at school and below these ages.

⁽²⁾ Missing data in Education part including 4 adult persons and 3 children.

⁽³⁾ Missing data under occupation includes 3 male and 4 female members.

Source: RP Social Economic Survey, 2006.

43. Most of the household members have received junior middle school education, and primary school education ranked the second. More than one fifth of all those surveyed have finished, or are pursuing, high school and above level education. This includes 19 persons who have finished or are pursuing college or university education. The 16 members surveyed

shown as illiterate are mostly those who are over 55 years old.

44. Generally, occupation is classified as follows: the aged people and women stay at home, engaged with farming and animal husbandry while the young people leave home for jobs. The surveyed occupations showed that nearly 6% of the laborers have no job. These are mostly from those non-agricultural households in Longgang Industrial Park where more rural population have changed their status in recent years. A total of 39.1% of surveyed laborers are engaged in agriculture, of which, 50 persons (12%) have a second job as migrant labor. If these migrant laborers are deducted, then those who engage only in agriculture account for 26.8% of the total work force. Regular migrant labor accounted for nearly one quarter of total labor resources while those who are engaging in business accounted for 6.6%, regular workers accounted for 18.9%, and other occupation such as CRC leaders, accountants and physicians accounted for 2.7%.

3.4.2 Housing Conditions

45. An assessment of housing conditions was undertaken on all those interviewed, although one third will not be affected. Table 3-4 shows that the average housing areas for self owned houses or flats of each household are all over 200 m² for the agricultural population in Yaohai District and Feidong County but only 82.2m² for the non-agricultural population in Yaohai District. Farmers in Xinzhan have an average of 71m² house for self use; however, the rented-out house areas covered a relatively large range from 30 to 800 m².

Table 3-4: Housing Conditions of Surveyed Households

Unit: m²/household

Location	Status of APs	Functions of building /flat	Respon- -dent (H.H.)	Minimum	Maximum	Mean	Std. Deviation
Yaohai	Agri. population	Self-owned	66	40	660	207.3	126.9
		Leased out	4	60	150	110.0	46.9
		Businesses/ shops	2	76	120	98.0	31.1
		Others	6	81	115	90.5	12.4
	Non-agri. population	Self-owned	25	24	260	82.8	67.3
		Leased out	4	123	180	142.0	26.4
		Business/ shops	15	8	850	179.9	223.4
		Others	10	77	180	98.5	30.9
Feidong	Agri. pop.	Self-owned	27	30	500	216.1	123.4
Xinzhan	Agri. pop.	Self-owned	5	60	85	71.0	11.4
		Leased out	5	30	800	265.0	307.8

46. Most houses surveyed were either brick or concrete— 70% are brick-concrete structure, usually two-floor building, 10% are steel-concrete frame structure owned by the non-agricultural population group and the remaining houses (20%) are wood and concrete.

47. The survey also assessed to what extent respondents' houses would be demolished. About 1/3 of the respondents answered that their building/houses would be partially affected, and the remaining 2/3 replied that all their houses/building would be affected (100% demolition). This is just an indicative answer at this stage because the IA has promised to try and further minimize land acquisition and resettlement during the detailed design stage.

3.4.3 Land Resource and Land Tenure

48. The average cultivated land (including home gardens) area per household is 2.26 mu for Yaohai District, 3.67mu in Feidong County and 3.34mu in Xinzhan Zone respectively (see Table 3-5). There is an interesting and special case in Yaohai District where one household can sustain four members with just a 0.2 mu vegetable garden.

Table 3-5 Land Statistics of Surveyed Households

Unit: mu/household

Location	No. of respondents (H.H)	Minimum	Maximum	Mean	Std. Deviation
Yaohai	59	0.2	7	2.26	1.36
Feidong	30	1.8	8.75	3.67	1.44
Xinzhan	5	1.9	4.2	3.34	0.92

49. It is worth pointing out that the land tenure might not directly relate to the land registration status. For instance, of the total surveyed 74 households in Yaohai District, there are 15 households (about 20%) who do not own any cultivated land (hence 59 are shown in Table 3-5 above). These households are concentrated in Xinzhan CRC of Longgang Industrial Park. On the contrary, three households in Tang'an CRC of Feidong County registered as non-agricultural status do own enough land. This situation indicates that there has been a gradual process of urbanization based upon farmer's voluntary selection.

50. After consultation with Hefei Land Administration Bureau (LAB) and resettlement staff within the Project area, it is clear that the tenure of collective land in Hefei City were redistributed during the second round contract in 1995, and since then no land reallocation has been conducted. Instead, the Hefei Municipal Government (HMG) has encouraged the transfer from agricultural status to non-agricultural status following the Anhui Provincial By-law of implementing the PRC Land Administration Law-- If a per capita land area is lower than 0.2 mu of a household, the household can apply for the conversion from agricultural status to non-agricultural status.

3.4.4 Financial Status and Vulnerable Group

3.4.4.1 Household Financial Status

51. The incomes are divided into two categories: disposable income for urban population and net income for rural population. Given the complexity of the households surveyed in the combined areas of town and countryside, the incomes, expenditures and savings of affected households have been carefully calculated by location and registration status, and are shown in Table 3-6. On average, the income within Xinzhan Zone is the highest, even higher than that non-agricultural population of Yaohai District, which has the highest per capita expenditure of CNY 5,066/year. However, the per capita saving in the non-agriculture population group in Yaohai District is not high, just slightly higher than that for the agricultural population in Feidong County.

52. To understand Table 3-6, it is necessary to understand the income sources and expenditure patterns for the different communities. Statistical data showed that in Yaohai district, the non-agricultural population has a relatively narrower income sources compared with those who engaged in agriculture within Feidong and Xinzhan. Table 3-7 shows that the income from business operation ranked first; however the occupation results showed that only around 8% of labor resources engage in business, thus the major income source in fact is salary related income. Property income from house/flat releasing, bank capital interests and insurance

payment etc. accounted for 14.5%, and other transferable income like donation or supporting income accounted for the remaining 2.3%.

Table 3-6: Per Capita Financial Status of Surveyed Households in 2005

Unit: CNY/Person

Location	Indicator	Respondent (H.H.)	Minimum	Maximum	Mean	Std. Deviation
Yaohai ^{/1}	Non-agri. Population					
	Disposable income	52 ^{/2}	556	30000	6459	5800
	Expenditure	52	1667	24000	5066	3873
	Saving	52	-4000	16500	1393	3529
	Agri. Population					
	Net income	58	450	9978	4634	2399
	Expenditure	58	200	6625	2396	1452
	Saving	58	-1101	6913	2238	1784
Feidong	Agricultural pop.					
	Net income	30	690	7900	3427	1629
	Expenditure	30	510	4800	2096	1089
	Saving	30	50	4563	1331	1219
Xinzhan	Agricultural pop.					
	Net income	5	6910	11500	9415	2229
	Expenditure	5	4050	5600	4557	624
	Saving	5	2410	6733	4858	1979

Note: ^{/1} the non-agricultural population in Yaohai District includes 12 households registered as agricultural population but without any land, in Xinzhan CRC of Longgang Industrial Park; *vice versa*, these households were excluded from the agricultural population when calculated.

^{/2} Two extreme high income households of CNY300000 and CNY200000 per year (outside business managers) were excluded during calculation of average income and expenditures.

Table 3-7: Income Sources of Surveyed Households in 2005

Item	Agriculture	Wages from Migrant labor	Salary	Business	Others	Total
Non-agric population		(Property income)			(transfer income)	
Yaohai	-	14.5%	40.2%	43.0%	2.3%	100%
Agric-population						
Yaohai	18.3%	55.7%	19.3%	3.1%	3.7%	100%
Feidong	63.7%	13.5%	12.4%	6.6%	3.8%	100%
Xinzhan	25.3%	27.5%	22.4%	0.0%	24.8%	100%

53. For the agricultural households, Feidong is a rural area, with 63.7% income originated from agriculture. Yaohai has a larger income from migrant labor, agriculture only accounted for 18.3%, while Xinzhan households have a higher income from house releasing, ("Others" shown in Table 3-7) accounting for 24.8%.

54. Expenditure patterns in 2005 of surveyed households are shown in Table 3-8. In Yaohai District, the expenditure spent for children's education accounted for 27.4% and 19.9% of total household expenditures for agricultural and non-agricultural households respectively. Some eight households had negative annual savings, who have borrowed money from friends or relatives, one household borrowed money for health treatment, another seven households were all for children's tuition fee and other related education costs. In addition, there were five businessmen who had bank loans either for business purposes or for buying a flat.

3.4.4.2 Identification of Vulnerable Groups

55. Vulnerable groups have been identified based on the survey results. Firstly, the surveyed population was divided to examine the household financial status by (i) the agricultural population and non-agricultural population, and (ii) those with land and without land. Secondly, those who have negative yearly savings in each group were examined. Thirdly, the situation within each group has been analyzed.

Table 3-8: Expenditure Patterns of Surveyed Households in 2005

Item	Food	Clothes	Housing	Education	Healthcare	Culture and Recreation	Transport/Communications	Total
Non-agricultural Population								
Yaohai	29.7%	24.9%	0.7%	19.9%	7.8%	8.3%	8.7%	100%
Agricultural Population								
Yaohai	48.4%	11.2%	1.1%	27.4%	4.8%	2.8%	4.3%	100%
Feidong	63.6%	14.4%	1.0%	6.9%	11.1%	0.4%	2.5%	100%
Xinzhan	54.7%	19.0%	0%	0%	19.6%	0%	6.8%	100%

56. For the agricultural population, such as those people residing in Feidong County, it was straightforward to identify the poor based on the national designated poverty lines (below CNY683 for absolutely poor households, and between CNY683-934 for poor population in 2005). The results showed that one household was in debt due to their children's education and for building a new house in 2005. However, with an annual per capita net income of CNY4,100 in 2005, this household can by no means be recognized as poor.

57. Besides this household, three other households were identified with a low monthly per capita income in 2005 as CNY450, CNY600 and CNY923. These can be classified as poor population (lower than CNY886 for a poverty household or CNY934 for poor population). The major reasons for the three poor households were: one was a female headed household, one household had a person with long term health problems and the last was due to lack of work/unemployed.

58. For the non-agricultural population, it is difficult to identify who are poor or vulnerable since there is no generally accepted standard in China yet. Nonetheless the households in debt were also examined and the urban "Least Subsistence Security Line in Hefei" (LSSL) set at CNY230 per month per capita) has been adopted. It was found that for those in debt can be categorized as two categories: one is the businessmen group, usually with a large amount of bank loan borrowed, these can be excluded from poor households otherwise they cannot get the loan from the bank. The other group is the urban residents with debt borrowed from their relatives and friends, mostly used for children's education. This problem can be alleviated after the "government policy on exemption of student's tuition fee for compulsory education"³. Thus these households, with a higher per capita income than the LSSL cannot be identified as poor. But, in the surveyed household, there are four households with lower per capita income who are already received the government relief fund from the LSSL program, i.e., these four households are really poor households.

59. It is clear that of the total 153 households surveyed, seven households (4 urban and 3 rural households) have been identified as vulnerable households, accounted for about 4.6%. If this ratio is applied to all the affected households, it is estimated that around 30 households would be potential vulnerable households within the Ershibu River Project subcomponent.

³ The "two reduction and one exemption" policy referred to the promise of Premier Wen Jiabao to UNESCO that for the 9-year compulsory education, to realize that all the students' tuition fee will exempted and the book fee and related expenses will be reduced by the end of 2006.

3.5 Gender Analysis

60. This section will discuss the gender issues related to the resettlement impact. and comprises three aspects: (i) gender difference in education, (ii) gender difference in occupation and income, and (iii) gender views related to resettlement.

3.5.1 Gender Difference in Education

61. Based on the survey data tabulated in Table 3-3, it is clearly shown that in the project affected area; the overall education levels of women are lower than men, particularly in the rural area of Feidong County.

62. Figure 3 shows the percentage of education received for men's and women's groups. The data clearly show that apart from similar percentages achieved at junior middle school level in Yaohai District, the secondary school levels and above show a higher proportion of women receive lower education than men. This can be seen by the curve being skewed to the left on the graphs in Figure 3.

3.5.2 Gender Difference in Occupation and Income

63. Similar to and interlinked with the education background of men and women groups, 18% more women engaged in farming than men, but 12.4% less women engaged in jobs as migrant labor and 9% less women worked as regular workers compared with the respective percentages of men's (see Figure 4). There was no respondents working as migrant labor in Feidong County, and only one women engaged in business in 2005.

64. Given the facts of potential APs' education and occupation background by gender, subsequently the income shares of women in a household total income were reviewed (See Table 3-9). The results show that the women's share of household income ranged from 24% in Xinzhan Zone to 37.9% in the agricultural population in Yaohai District. This is consistent with the 30% reported during the survey.

Table 3-9: Women's Share of Household Income in 2005

Location	Indicator	Respondent (H.H.)	Minimum	Maximum	Mean	Std. Deviation
Yaohai	Non-agri. Population	53	10%	80%	35.1%	14.2%
	Agricultural Population	56	10%	100%	37.9%	17.6%
Feidong	Agricultural Population	29	10%	60%	31.2%	14.6%
Xinzhan	Agricultural Population	5	20%	30%	24.0%	4.2%

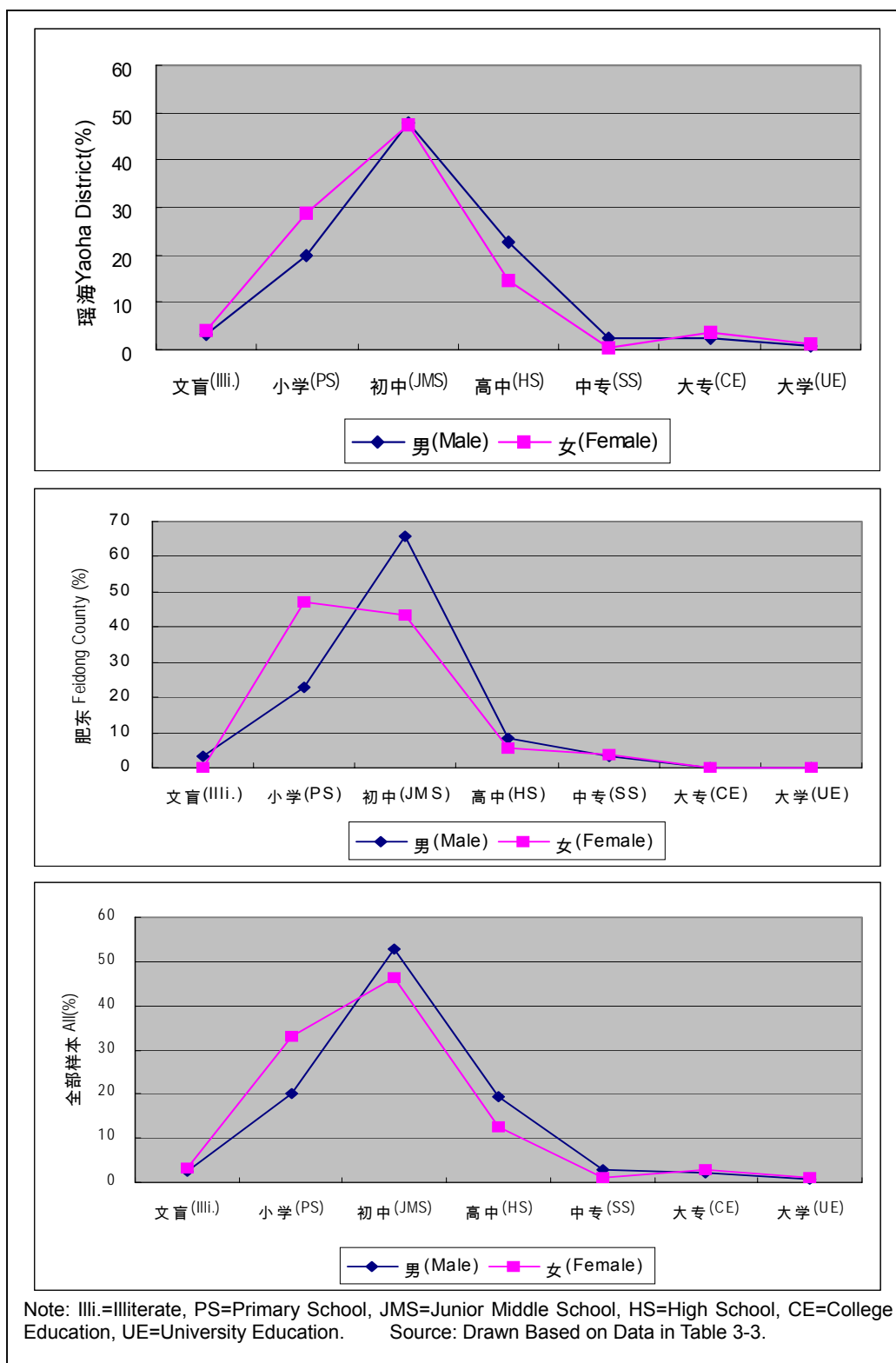


Figure 3: Gender Specific Education Status in the Project Affected Area

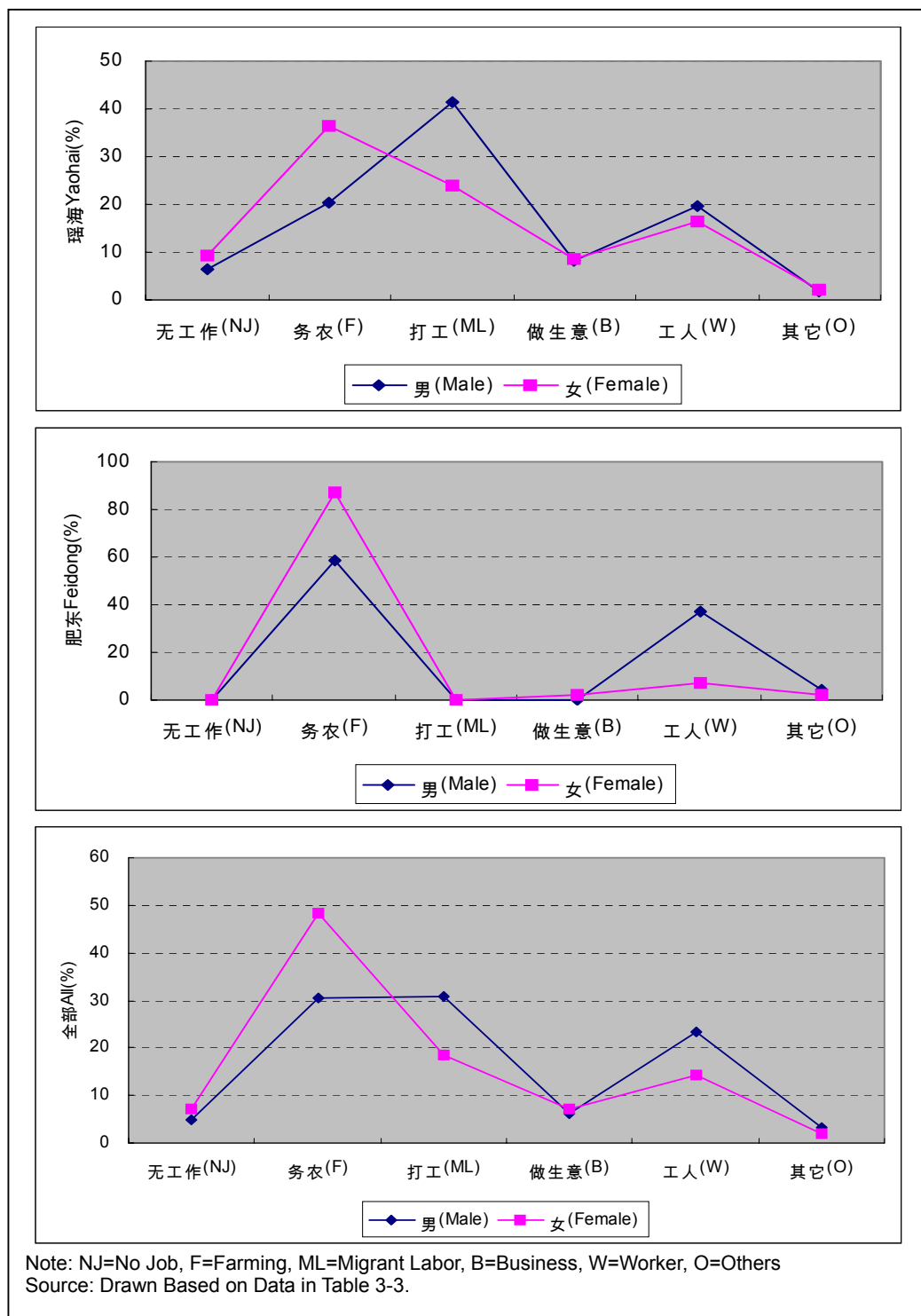


Figure 4: Gender Specific Occupation Status in the Project Affected Area

3.5.3 Gender Views related to Resettlement

65. The male and female respondents were interviewed on the resettlement issues. They were asked questions regarding their views on if their house/buildings have to be demolished, and the results are tabulated in Table 3-10.

66. The results indicate that there are five major concerns (Item points No.1, 2, 5, 6, and 7 in Table 3-10) and four minor concerns (Points No. 3, 4, 8 and 9 in Table 3-10). By far the most important issues for all respondents was fair and timely compensation (item 1 and 2); 96% for men and 90% for women (94% overall). Future employment was the next major concern, 82% female respondents mentioned this as a major concern against 64% for men. By coincidence, this is the same ratio difference (18%) representing more women engaged in farming practices than men as described in Section 3.5.2. In fact, there are common linkages among education, occupation, income earning capacity and their concerns, reflected from their points of view.

Table 3-10: Points of View related to Resettlement

Item		Male (N=55)		Female (N=39)		All (N=94)	
		Major	Minor	Major	Minor	Major	Minor
1	Fair compensation	96%	4%	90%	10%	94%	6%
2	Timely compensation	80%	18%	85%	15%	82%	17%
3	Re-starting a new business	31%	51%	18%	69%	26%	59%
4	Replacement land for cultivation	2%	76%	8%	85%	4%	80%
5	Loss of income	53%	42%	49%	44%	51%	43%
6	Future employment	64%	25%	82%	15%	71%	21%
7	Education for children	64%	24%	69%	26%	66%	24%
8	Assistance during relocation	33%	53%	44%	51%	37%	52%
9	Separation from kin and relatives	4%	65%	15%	69%	9%	67%
10	Other (help to find new shops)	2%	15%	0	8%	1%	12%

67. In contrast to the building demolition, respondents treated land acquisition as a relatively easier issue and only about 15 respondents mentioned that they would buy pension insurance, others mentioned they will use the compensation for a small business. It is confirmed from Table 3-10 that only a few respondents mentioned the replacement land for cultivation as a major concern. Nevertheless, overall about 80% of all respondents (men + women) still mentioned this option as the first ranked minor concern. The common practice is that no land reallocation has been implemented since the second round land contract. But during the urbanization process this land has been informally leased out by those households to more emigrant labor. Given the current occupation skills, renting a piece of land personally from neighbors is the most practical and feasible choice.

68. It has a strong implication for the RP planning and implementation that all of these concerned raised by potential APs should be incorporated in this RP, and relevant countermeasure will be formulated and implemented.

3.6 Impact Assessment

69. Having reviewed the social economic conditions of surveyed households and their concerns on resettlement, this section will assess the social impacts with respect to the property losses to be caused by the project land acquisition and resettlement.

3.6.1 Land Loss

70. The land loss will definitely cause certain income loss for households, particularly in Feidong County; however, with the exemption of agricultural taxes and fees related to land, the losses to respective villages are negligible. This is because the land loss follows the river alignment and concerns a strip of land. And the land reallocated in China is evenly distributed among different classed of land scattered in a village, the net result for this is that no household will lose all their cultivated land. Regarding the urban CRCs, with most of the land encroached but not listed on their contracted land, the land loss has no significant impact since sooner or later the collective land will be acquired as state-owned land and the key function of CRC officials is to manage their communities on this state-owned land. Based on the village level data, it is estimated that averagely each household will only lose 9.49% of their cultivated land. Therefore, the only important concern for the villages and CRCs is a fair compensation for the land to be lost. Similarly and further to the village/CRCs concern, the APs concern is to get fair compensation paid in timely manner.

71. The positive impact for the land users is that this is a chance for them to get cash paid for either small business or other investments, or for those that lost most of their land (remaining less than 0.2mu per person after land acquisition), a transition away from agricultural status to urban status.

3.6.2 House/flats Demolition and Relocation

72. House demolition and relocation are the key issues for resettlement both for urban and rural areas. It is easier for those residing in Feidong County since only ten households will be affected, and they can select self-relocation in their own villages based on the village construction planning. There is no relocation necessary in Xinzhan Zone, thus the relocation is concentrated in Yaohai District, both for the agricultural and non-agricultural population. If there are some potential risks for the resettlement in this Project, then loss of household income should be considered for RP preparation and implementation.

73. The positive impact for house demolition is that APs' housing condition will be improved, and for those to be affected by both land acquisition and resettlement, it means a chance to convert their status during the urbanization process.

3.6.3 Enterprises/Businesses/Shops

74. Based on the data provided by local CRCs, there will be ten small scale business/shops that are affected, and two of them were interviewed for the survey. One was a thermo-proof material factory and another is a gasoline station. All are private businesses. After the interview, the IA decided to avoid the relocation of the Jinlong Gasoline Station and shift the River Alignment to the opposite side of the Gasoline Station across from the current river course, where there is an open area without any structures. Regardless, the interviews provided useful information and the key concerns were: fair compensation and sufficient advance notice (three/four months) so that they can make arrangements for relocation.

75. The Tang'xing Thermo-proof Material Factory, with a registered capital fund of CNY50,000 and 15 employees, occupied an area of 2.6 mu of land. It is foreseen that only a corner of its enclosure wall will be affected (see the picture with red brick wall in the annex), but its 700 m² main building/workshop will not be affected, thus this will cause a minor impact.

76. The compensation for the demolition of the other shops will be paid to the owners but not the tenants. The tenants will be paid a relocation allowance. Based on the experience of resettlement staff of the project IAs, it is easier to relocate enterprise/shops than residential building since the business/shop operators concerned more on the location of their shops where they can run prosperous business. Thus there will be no risk on the relocation of shops/businesses.

3.6.4 Income Losses

77. This is the key issue particularly to those extremely poor, aged, female-headed households, disease suffering households and other vulnerable households. As the local government has already started social safeguard programs such as the LSSL program in urban area, special assistance will be provided at local sub-district level. The Project will provide non-cash assistance such as relocation assistance.

78. For the APs with land loss, measures to reinforce the future employment will be taken to minimize the income risks, for instance, skills training will be key to help those affected find a proper occupation or to reinforce their farming skills.

79. To summarize, during the resettlement process, if the RP is well prepared and with a fair compensation rate, all the resettlement issues can be minimized and the APs income level can be rehabilitated with strong supervision by HMG.

IV PARTICIPATION, CONSULTATION AND GRIEVANCE

4.1 Identification of Stakeholders

80. Public participation and consultation are important procedures according to ADB policies and Chinese laws and regulations. Above all, the stakeholders should be identified. According to the feature of the proposed project, the project stakeholders can be categorized as primary stakeholder and secondary stakeholder.

81. Primary stakeholders are identified as those directly adversely affected and those who purely benefit from the project, it mainly includes: (i) People directly affected by land and property losses; (i) Social and public institutions affected by land acquisition and resettlement; (iii) Villages CRCs as well as 5 townships/sub-districts (*Jie Dao Ban*) traversed by the river alignment; and (iv) all institutions and companies directly involved in the project construction and operation, such as construction contractors.

82. The secondary stakeholders include the indirect beneficiaries such as the construction material suppliers, government organization involving in the project processing as well as those who are interested in the project and participated in the project related activities.

83. The purpose of identifying the project stakeholders is to ensure extensive public participation of and consultation to APs particularly those adversely affected in order to ensure the smooth implementation of the proposed project without resulting in decrease of the AP's livelihood. The following paragraphs describe what has been done and what has to be done in the process of achieving this goal.

4.2 Consultation during Project Preparation

4.2.1 Public Consultation

84. The public consultation process for the Project began in December 2003 with a series of surveys by the Project DI. The IA, Hefei Urban Construction and Investment Company Ltd (HUCIC) and the Hefei Municipal Drainage Office (HMDO) have also conducted a series of social mobilization since 2005 with support from the project EA and concerned departments. The majority of the affected population became aware of the project at that time (see Table 4-1). This was followed by further surveys and consultations carried out by the Hefei Design Institute of Coal Industrial Ministry in 2005-2006. An in-depth socio-economic survey conducted by local survey teams supervised by the PPTA Consultants was then undertaken in June-July 2006. This survey also served to make the IA and DI aware of local conditions and of APs' concerns. A summary of the key consultations/meetings and issues discussed is contained in Table 4-2.

85. The RP household survey revealed that the major concerns raised by the households are summarized as follows (also see Table 3-10): (i) fair compensation; (ii) timely compensation; (iii) education for children, (iv) future employment, (v) loss of income, and (vi) assistance during relocation.

Table 4-1: AP's Awareness of the Project

Questions	Responses	%
(1) Have heard about the Ershibu River treatment project? (N=153)	Yes No	82.4 17.6
(2) If yes, when did you hear about it? (which year) (N=125)	2004 2005 2006	28.0 55.2 16.8
(3) From which channel did you hear about the project? (N=129)	Parents Designers Village cadres Neighbors Friend/ Relatives	4.7 5.4 60.5 11.7 17.8
(4) Do you know any laws and regulations on land acquisition and resettlement? - house demolition regulations (N=127) - land acquisition regulation (N=143)	Yes. I know No. I don't Yes. I know No. I don't	11.0 89.0 6.3 93.7
(5) If the response to above (4) is "Yes", please list at least one document name, or some content she/he knows.	(Currently applied HMG documents No.138, 195)	-
(6) If you have any grievance related to land acquisition and resettlement, do you know to whom should you air your appeal? (N=151)	Yes. I know No. I don't	48.3 51.7
(7) If the response to above (6) is "Yes", please ask whether he/she knows the detailed grievance redress procedures. (N=73)	Yes. I know No. I don't	57.5 42.5

Table 4-2: Summary Consultation Records

Institute	Date	Participants	No. of people	Objectives	Feedback/discussion of main issues
Hefei DI of Coal Industrial Ministry	May. 2005~ April. 2006	Staff from Districts, Towns, CRCs/villages, AP households	20	Data collection for RP	--support the project and survey --understand the attitudes of APs --collect basic data
Local government, PPTA consultants	April. 2006	HMG Officials, PMO staff	10	Prepare for compensation and rehabilitation	--suggestions for compensation standards of land acquisition, --method to calculate replacement price --suggestions for resettlement management and livelihood
Hefei Statistics Bureau, PPTA consultants	June.-July 2006	CRCs /village leaders, AP household, business managers	155	RP household survey	--make adequate compensation plan to rehabilitate AP's livelihood; --AP propose their choice for income rehabilitation; --discuss different ways of compensation, merits and shortcomings.
ADB Senior Resettlement specialist, TA consultants	June 14, 2006	Staff from PMO, IA and ADB officials	20	Keynotes for RP	--ADB staff introduce preparation of RP, RP policies, experience of RP implementation; --PMO staff introduced the importance of RP.
PMO, IA	Oct. 20, 2006	IA, local officials, CRC/village leaders	750	RIB dissemination	--consent to the compensation standards and grievance redress procedures

86. The policies and entitlement matrix contained in this RP have been heavily influenced by the results of these meetings and surveys. This applies particularly to the derivation of the compensation rates and the formulation of an income restoration strategy based on cash compensation, and livelihood/training programs. One major concern mentioned by nearly 2/3 of respondents was the education for their children after relocation. The Hefei Resettlement Administration Office answered that this can be handled easily since usually there is no cross district resettlement unless the APs voluntarily choose to do so, and all the resettlement sites have well equipped schools and other public utilities and services. The problem is that they may not afford their children to study in the top quality schools, but this is the universal issue beyond the RP scope. Nevertheless, income rehabilitation is a key factor interlinked with future employment to affect APs livelihood and will be addressed in this RP.

4.2.2 Public Participation and Consultation Plan

87. Notwithstanding the amount of public consultation already carried out, the EA/IA and local government fully accept that additional consultative meetings will be required after the PPTA mission and during the implementation of the resettlement and land acquisition process. The principal activities to be undertaken are: (i) Publication and dissemination of a Resettlement Information Booklet RIB (see Annex 1), in standard Chinese, summarizing the policies, entitlements, compensation standards and rates, grievance procedures and resettlement/ land acquisition program, (ii) Formal CRO/village meetings to ratify the options relating to compensation disbursement and utilization, and (iii) Detailed Measurement Survey (DMS) in the field to measure and agree the final requirements for land, property and other acquisition, from each affected household/shop/enterprise. Table 4-3 contains a schedule and activity of the consultation plan.

Table 4-3: Consultation Plan

Purpose of Event	Tasks	Timing	Implementation Agency	Participants	Remark
1. Publicizing of RP program	Resettlement Booklet (RIB)	Sep.-Oct., 2006	IA, District/County/ and Township Resettlement Agencies	All affected households	Completed
2. Disclosure of final RP	Distribution of Chinese version RP	See milestone	IA, District and Sub-district/ Township Government	All APs	Distribution of final RP to all affected villages /CRCs
3. Conduct Detailed Measurement Survey (DMS); Disclosure of updated RP	Face to face meetings with APs	See milestone	EA, IA, Resettlement Offices at district/ county and Townships levels and township officials	All APs	(i) inventory of all assets + land holdings; (ii) Create a definitive list of APs; (iii) Prepare basis for household compensation contracts
4. Village level RP finalization and implementation	Village meetings	See milestone	District/County and Township level Resettlement Offices and village leaders	All APs	(i) Identification and allocation of new housing sites; (ii) Finalize compensation disbursement options in each village; and (iii) Discussion/decisions on how to invest/use

					compensation funds not distributed to individual APs
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4.3 Distribution of the RP

88. Resettlement is a critical social activity. The information dissemination work will be performed well in advance to ensure that all people concerned understand the purpose of the project and the policies and procedures regarding land acquisition, resettlement, compensation, payment, and provision of grievance redress and appeal procedures. The EA/IA distributed a RP Information Booklet (RIB) (see Annex 1) on 20 October 2006. The RP will be disclosed to all affected villages/CRCs by November 2006.

4.4 Appeals and Grievance Redress

89. Attention should be paid to participation of APs and affected organizations during the preparation and implementation of the RP. Mechanisms of grievance redress for undergoing projects of each IA are available and can be applied for this Project.

90. In case APs are dissatisfied with any aspect of the compensation arrangements made by the resettlement agencies (e.g., location, number, size and rates to be compensated), or they feel they are treated unfairly or unreasonably, they can seek settlement through grievance or appeal redress procedures. Generally there are five channels for grievance redress in Hefei City: (i) the project IA, (ii) the external independent supervision institution, (iii) the township/CRC and the County/District LABs and Resettlement Offices, (iv) the HMG or (v) by taking legal action through civil courts.

91. **The Project IA:** This is the direct channel to redress the project related grievance since each project subcomponent will establish an on-site land acquisition and resettlement office with telephone number disclosed, and most of the appeals will be settled at this level.

92. **The External independent supervision Institution:** There is a strong supervision committee led by HMG high ranking officials and consisting of about 20 members named as the Hefei Supervision and Management Committee for Land Acquisition and Resettlement (HSMCLR), with a major responsibility to inspect the compensation provided to APs. If the compensation items (resettlement location, size and amount) and timing are not in line with the approved and disclosed document, the Committee has the mandate to stop the project construction. Therefore, if APs have grievance with the compensation and the timing, they can easily air their appeals to the HSMCLR members who patrolled from project to project frequently.

93. **Township/CRC and the County/District LABs and Resettlement Offices:** This is a formal project procedure for grievance redress to enable problems aired for those that cannot be settled by lower level institutions. However for each level, the solution must be done within one week, if it cannot be solved, then it must be submitted to its immediate higher authority for a solution.

94. **The HMG:** When APs feel dissatisfied with the implementation of the RP, they may submit an appeal or express their dissatisfaction in writing or verbally to the Municipal Land Administration Bureau and the Municipal Administration Office for Demolition and Resettlement. If their appeal is in verbal form, the two departments should record it and give settlement within 7 days. If APs are not satisfied with the solution of these institutes, they can go to see the

deputy mayor at the “Mayor’s Appeal Redress Day” held each Monday morning.

95. **Legal Action:** In case any of the above solutions are not accepted by APs, they can appeal to the People’s Court according to Administrative Case Law or the PRC Ministry of Land and Resources. AP can appeal against any aspects of resettlement work, including compensation standards.

96. The complaints and appeal procedures will be conveyed to APs through public meetings and other information dissemination procedures, to ensure that they fully understand their rights and the mechanisms for complaint and appeal. Complaints raised by APs will be formally filed in writing with adequate follow-up for eventual resolution, and this documentation will be made available for the external monitoring officer at a later date.

V LEGAL FRAMEWORK AND RESETTLEMENT POLICIES

5.1 Brief Introduction

97. PRC has established and carried out the laws, regulations, and policies on the resettlement and compensations for the infrastructure projects. The project will follow the related China laws, national and provincial regulations and local by-laws and policies, and also to include comments and suggestions from APs, and meanwhile meet the requirement of ADB policy on involuntary resettlement. The ADB policies including:

- 1) Involuntary Resettlement Policy, ADB, November, 1995,
- 2) Operations Manual F2: Involuntary Resettlement, ADB, October 29, 2003,

98. Since local regulations and by-laws cannot be in conflict with those of upper levels, the following documents form the basis for the Project land acquisition, demolition and resettlement:

1. The Land Administration Law of the PRC (revised, 2004);
2. The Real Estate Administration Law of the PRC (effective on January 1, 1995);
3. The Management Methods of Urban House Demolition of Hefei Municipality (effective, 2003);
4. The Standards of Compensation and Subsidies for Urban House Demolition of Hefei Municipality (HMG [2002] 195, effective, January 1, 2003);
5. Interim Methods for Acquisition of Collective-owned Land of Hefei Municipality, HMG [2003] 138, effective January 1, 2003)
6. Approval on Basic Compensation Rate, Property Ownership Replacement Price Difference and Temporary Resettlement Subsidies of Hefei Urban Housing Demolition, issued by Hefei Municipal Government, No. Hemi [2006] 32
7. Hefei Guidelines (HMG [2005]10) for Implementing No. 28 Documents (The State Council's Decision on Further Reform in Strengthening Land Management, No. [2004]28).
8. Circular on Related Issues of Strengthening Land Regulation and Control, PRC State Council [2006] No. 31.

99. The above laws and regulations have improved the protection of those whose standard of living might decline because of the project development.

5.2 The ADB Involuntary Resettlement Policies

100. ADB Involuntary Resettlement Policy (1995) and Resettlement Operations Manual (OM Section F2) have already specified the 3 important elements of 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 pre-project 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 socially harmony is promoted.
- (7) **No formal title.** Indigenous groups, ethnic minorities, pastoralists, migrants/floating population, 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. A cut-off date is set 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 costs for planning, management, supervision, monitoring and evaluation, land taxes, land fees, and physical and price contingencies.

5.3 Related Laws and Regulation of China

101. This project can be implemented based on the PRC Land Administration Law (effective as of January 1, 1999) and the P.R.C. Urban Real Estate Administration Law (effective as of July 5, 1994) as well as the other rules and regulations related to them. The State Council No. 31 document, in terms of the resettlement aspect, stress Article 13 of the State Council No. 28 and supplemented with two important measures—(i) skill training for employment of land loss farmers (rather than provided jobs for them) and (ii) social security, which prescribed that the social security expenses should be included in the land compensation/resettlement subsidies. Here listed are the most important excerpts form State Council No. 28 document:

- **Article 12: Improving land acquisition compensation practice:** People's Governments at the county level and above shall adopt practical measures to ensure that the farmers whose land is acquired shall not be made worse off. Provincial level government shall formulate and publicize the annual average output values (AAOV) in uniform amount or comprehensive land price for each city/ county, and the compensation should be uniformed within the same class of land. The full costs of land acquisition for national key development projects shall be included in the overall project budget.
- **Article 13: Resettle the land loss farmers properly:** County level and above government should specify detailed measures to secure APs' long-term livelihood. Within the planned urban area, local governments must bring farmers who have suffered land loss caused by land acquisition into the urban employment system, and establish a social security system; outside of the planned urban area, local government must reserve necessary cultivated land in its administrative jurisdiction for these land-loss farmers when land acquisition occurs, or corresponding jobs will be provided for them.
- **Article 14: Improve land acquisition procedure** Documentation on information disclosure to and confirmed by the farmers whose land is to be requisitioned should be treated as an integral part of the materials submitted for the approval of land acquisition.
- **Article 15: Strengthen supervision and management of the land acquisition process:** In case the resettlement of land acquisition has not been carried out, use of the acquired land is not allowed. Provincial government shall formulate the internal distribution options of the land compensation within the collective organization based on the principle that most of the compensation should be used for farmer households whose land has been requisitioned. The rural collective organization shall make the information on the revenues and allocation of the land compensation fund publicized to and supervised by its members. The agriculture, civil affairs and other departments shall strengthen the supervision over the distribution and use of the compensation fund within the rural collectives

5.4 Gaps between ADB and China Policies

102. Comparing the Gaps between ADB and PRC policies, Table 5-1 shows that the distinctive difference is in the aspects of information disclosure and consultation which are lacking in content or lagging in time. For the resettlement budget, regarding some domestic

centrally government funded small-scale projects, the only budget for engineering works was prepared and leave the RP costs being matched by local either county or township government. Fortunately, this situation is changing and this Project is does not face this issue. As Hefei has well prepared local by-laws for land acquisition and resettlement, it is foreseen that there is no distinctive difference from ADB policies for this Project

Table 5-1 Gaps between ADB and PRC Policies on Involuntary Resettlement

No	ADB IR Policy	Comparison	Remark
1	Involuntary resettlement should be avoided whenever feasible	No difference Usually conducted with technical and financial optimization (alternative analysis)	
2	Where population displacement is unavoidable, it should be minimized by providing viable livelihood options	No difference c.f. Clause 13 of No. 28 document	
3	Replacing what is loss	No difference With compensation and assistance	
4	Each involuntary resettlement is conceived and executed as part of a development project or program.	Slight difference Also see No. 10	ADB procedure has been and will be conformed to
5	The affected people are to be fully informed and closely consulted.	Different Usually no consultation, and the information disclosure are conducted after RP approval in China	ADB procedure has been and will be conformed to
6	Social and cultural Institutions	No difference China has required compatibility analysis for resettled people, and it is experienced in this aspect	
7	No formal title	No difference. Negotiation on a agreed compensation price	
8	Identification	No difference (ADB statement "as early as possible" is vague)	
9	The poorest	No difference Provided assistance	
10	The full resettlement costs are to be included in the presentation of project costs and benefits	Slight difference c.f. point of clause 12, No 28 doc. The full costs of land acquisition for national key development projects shall be included in the overall project budget.	ADB procedure has been and will be conformed to

103. Notwithstanding the minor difference in clause or statement, the most significant difference is the procedural difference, ADB requires RP preparation starting from the beginning of the project preparation, but it will only be considered during the project land approval with no detailed social economic survey and no consultations with potential APs at that time. Meanwhile, during the project preparation time, there are no specific persons responsible for RP affairs of a proposed project. It is very unlikely that a project resettlement can achieve a successful result without a well-prepared RP. In short, the successful implementation of resettlement work needs strong enforcement of currently improved regulations and policies. Efforts have been made for this Project to bridge this gap by training and coaching IA staff. The ADB senior resettlement specialists, as well as PPTA consultants, have endeavored to make IAs fully understand ADB requirements and PRC policies on involuntary resettlement. This is just a start; further measures will be adopted after the PPTA phase and before RP implementation (details are discussed in the institutional capacity

section).

5.5 Project Policies on Resettlement

104. The compensation to the affected people and resettlement policies are made based on the ADB's policies and the laws and regulations of China. The first objective should assure the affected people of their income rehabilitation and the increase of their living standard and minimize the social and environmental impacts. The preparation and the future implementation of the resettlement plan are based on the above targets. Special attention should be given to vulnerable groups, such as the poor, women, elderly, and disabled. In addition, the comparison of the schemes considers the need of the involuntary resettlers.

105. Table 5-2 summarizes the principles applied in the land acquisition and resettlement. The principles might be flexible regarding compensation, resettlement and rehabilitation considering the differences among communities (such as disbursement of cash, rehabilitation methods of communities and individual income rehabilitation). All these approaches target at the assistance with sufficient compensation to the affected people during resettlement so as to rehabilitate and increase their livelihood.

Table 5-2 Summary of Resettlement Principles

No.	Principles
1	Assistance for rehabilitation to achieve at least the same level of well-being with the project as without it.
2	Consideration about compensation and resettlement is given to all affected people regardless their entitlement or not.
3	Relocation of land should ensure affected people to maintain their livelihood level based on the land after resettlement.
4	In case land per capita is not sufficient to maintain the livelihood of affected people, compensation will be provided with cash or similar economic activities.
5	The affected people should be fully informed and closely consulted on resettlement and compensation options and standards, social and economic rehabilitation, project implement schedule, and participate in the implement of resettlement. .
6	Land should not be acquired before the affected people obtain the replacement land or sufficient compensation.
7	The executive agency and the independent third party conduct monitoring over the implement of the resettlement plan.
8	Special attention should be given to poor people and other vulnerable groups to ensure their living conditions are improved. The affected people should be provided opportunities to get benefits from the project.
9	The resettlement plan should be combined with local development program.
10	The budgets of compensation and resettlement should be made complete and the funds should be disbursed in a timely manner.
11	Provision of transfer to urban registration (where applicable)
12	Land acquisition certificate
13	Adoption of modern socialist countryside program (where applicable)

5.6 Compensation Standards

5.6.1 Principles

106. Lost land and property or livelihood should be compensated based on the principle of replacement value as follows.

- The property is compensated in line with the principal of resettlement. Compensation fees are paid before the land is acquired.
- Training and assistance and employment opportunities should be provided to the APs to ensure they maintain their standard of living.
- Compensation for crops, green seedlings, trees and attachments will be paid according to market prices.
- Management of construction should be strengthened to ensure an optimization of the construction period so that negative impacts are reduced.
- Compensation funds for resettlement subsidies will be given to the affected labor force so that they can continue their existing work once they get subsidies or to enable them to develop individual businesses.

5.6.2 Methodology of Evaluation on Compensation Rates

107. Before discussing the compensation standards for land acquisition and resettlement, it is necessary to explain the methodology of how the compensation standards are formulated. To do this, a precondition is to introduce the background of three useful documents to be applied in this Project:

- The Management Methods of Urban House Demolition of Hefei Municipality (effective, 2003);
- Interim Methods for Acquisition of Collective-owned Land of Hefei Municipality (HMG [2003] 138,) (called No. 138 document hereafter); and
- The Standards of Compensation and Subsidies for Urban House Demolition of Hefei Municipality (HMG [2002] 195, effective, January1, 2003) (called No. 195 document hereafter).

108. Both HMG No.138 and HMG No. 195 documents were issued in December 2002 before the revision of PRC Land Administration Law in 2004. Up to date, the compensation rates for house demolition in No. 195 document has been updated in *Approval on Basic Compensation Rate, Property Ownership Replacement Price Difference and Temporary Resettlement Subsidies of Hefei Urban Housing Demolition*, issued by Hefei Municipal Government in March 2006, (Hemi [2006] No. 32). But the methodology for calculating compensation rates remains valid. The HMG No. 138 document is still valid although a new document HMG [2005] No. 10 was issued in 2005 following China State Council [2004] No. 28 document, there is no conflict between PRC State Council No. 28/No.31 documents and the HMG 138 document. It is surprising that this document was originally drafted with such a practical long-term vision!⁴

5.6.2.1 The HMG No. 138 document and compensation for land

109. Due to various problems of low payments for land loss households that prevailed throughout China, HMG initiated the revision of compensation rates at the end of 2002. It seems that the calculation method in HMG No. 138 document is outdated for resettlement subsidies due to land loss. However, it is the classic method documented in the PRC Land Administration Law and it is still valid in Hefei City (as well as in the suburb areas of other cities in China) with transfer from an agricultural population to a non-agricultural population. The resettled number of agricultural population is calculated as: acquired land is divided by the per

⁴ It may not directly linked to this Project, but it is worth mentioning that some national policies were initiated from Anhui Province such as the famous "Household Land Contract System", another example is the urban state-owned land reserve system originated in Hefei City.

capita crop land area of the rural collective organization before the acquisition. Previous resettled persons would not be recalculated⁵. Since most of the per capita land area around the urban fringe is less than one mu, with compensation rates of CNY10,000 for agricultural population below 16 years old, and CNY30,000 for those at and over 16 years old, the resettlement subsidy is at least above 6 times AAOV for the young and 2 times higher for those at and above 16 years old.

110. Based on the HMG [2005] No.10 document, all the resettlement subsidies should be paid to the farmers who will lose land, and the land compensation fee due to land loss should be mainly used for the production and living purpose of APs who have lost land. Before land compensation and resettlement subsidies are disbursed, APs and their villages/CRCs should be closely consulted. In practice, many of the land compensation fees and resettlement subsidies are managed by the CRCs/villages since after land acquisition, the compensation is a necessary condition to maintain farmers' living conditions but not adequate. Therefore, more people would like to leave the money managed by the CRCs but entitled in their own names, either by saving in a bank or joining an income earning program as a shareholder. To summarize, all the compensation money will be used based on the APs acceptance and supervised by their CRCs or villages. For this sub-component, the same model will be conformed to, that means the resettlement subsidy will be disbursed to APs, and the land compensation fee will be titled under the name of land loss households for the purpose of rehabilitate their production and living standards.

5.6.2.2 The Urban House Demolition and compensation for property

111. The Management Methods for Urban House Demolition of Hefei Municipality is an important by-law approved by Anhui Provincial People's Congress in September 2002. This by-law regulated the detailed management methods for compensation both for building/houses on state-owned land and collective-owned land. The major points are summarized below.

112. Compensation for house/flat demolition can apply cash compensation or replacement. The Compensation is calculated according to a formula, namely:

$$\text{Compensation Cost} = (B + U \times D) \times (1 - A)$$

Where,

- | | | |
|---|---|--|
| B | = | basic cash compensation price, i.e., region-specific compensation price, determined by HMG relevant agencies such as Prices Bureau and Resettlement Administration based on the evaluation prices from real estate market. |
| U | = | unit cost per square meter of demolished building in specific structure |
| D | = | status coefficient =(1- discount rate), based on years (the old house has a poor quality) of a specific structure building, e.g., a house is 90% new means 10% discount used. |
| A | = | adjustment coefficient, e.g., the coefficients are 0, 2% and 3% for flat at (1) 3 rd and 4 th floors, (2) 2 nd and 5 th and (3) 1 st and 6 th floors respectively. |

113. The above formula is just to show how the compensation costs are derived and does not necessarily relate to this Project since there are no buildings/houses higher than 2-stories that will be demolished.

114. For house/building on state-owned land to be demolished, the flat/house will be

⁵ If one household has 1.4 person(s) to be resettled due to land loss, one person must be resettled, and the 0.4 person equivalent share will be registered in CRC and the money will be utilized by the land loss household. At the time of the next land acquisition, only 0.4 persons will be added up for further consideration of resettlement.

replaced at the same floor space. For those on the collective land, the resettled area should be at the standard of 30m² per person, with the additional provisions: (i) the resettled household can apply area increase from 15-30 m² for each person by paying price difference about CNY200/m² for the first 15m² and a comprehensive construction costs at about CNY 900/m² for the second 15m² and (ii) for a household with a pregnant wife under the household planning program, one more person will be added to this household for housing replacement.

115. The basic compensation rates for house/building and detailed compensation rates for attachments and structures are listed in HMG Document No. 195 and updated in Hemi Document [2006] 32.

5.6.3 Applicable Compensation Standards

116. Having reviewed the current HMG documents and consulted with seasoned HMG and district government officials, compensation standards⁶ for land acquisition and resettlement have been formulated and are considered as adequate.

5.6.3.1 Compensation Standards for permanent land Loss

117. According to No.138 document of Hefei Government, based on the location of the land in the in Hefei Municipality, the comprehensive compensation rates for land acquisition fee have been divided into 4 classes: CNY24000/mu for Class I land (within No. 1 Ring Road of Hefei City), CNY 21000 /mu for Class II land (basically between No. 1 and No.2 ring roads), CNY 18000/mu for Class III land (outside of No.2 Ring Road but within the urban zoning area), and CNY 15000/mu for Class IV land (three counties and outskirt of the city). Since Ershibu River located in the area crossing Class III and Class IV land, the compensation rates for land acquisition of this sub-component are as follows:

- (1) Land compensation fee is CNY18,000/mu for the urban section (Yaohai District and Xinzhan Zone), and CNY15,000 for the rural section, i.e., Feidong County,
- (2) Resettlement subsidy due to land acquisition is calculated for those agricultural population who require resettlement (lose all of his/her land share), based on the rate of CNY10,000/person for those under the age of 16, and CNY30,000/person at and over the age of 16.
- (3) Compensation rates for standing crops are calculated based on the land types: CNY 1,200/mu for vegetable land, CNY900/mu for paddy land and CNY700 for dry land.

118. Table 5-3 listed the compensation rates for acquisition of collective-owned land. Temporary land occupation will be paid at CNY1,000/year for three years (usually use field tracks). In addition, duties and taxes to be paid for the acquisition of collective-owned land have been fixed and included in the project budget.

Table 5-3 Compensation rates for acquisition of collective land

Item	Unit	Amount
Land compensation fee		
Urban Section	CNY/mu	18,000
Feidong Section	CNY/mu	15,000
Resettlement Subsidy		
Below 16 years old	CNY/person	10,000
At and above 16 years old	CNY/person	30,000
Compensation for standing crops		

⁶ Compensation standards are different to compensation agreements that will be signed with APs during June 2007.

Vegetable land	CNY/mu	1,200
Paddy land	CNY/mu	900
Dry land	CNY/mu	700

119. After revision of the PRC land law (c.f. clause 2), HMG has recently decided that the compensation for state-owned land must be compensated by the Project before the land is reallocated to a construction Project (State Decree #31). The purpose is to compensate the land acquisition costs paid by previous land owners. This sub-component will require 70mu state-owned land, and after negotiation, it is agreed that the state-owned land will be transferred with payment at the rate of CNY180,000/mu. Assuming that there is no building demolition, the compensation rates for State Land are about two times higher than for other land owners because that for the land use right reallocation of state land, the new user should pay all the costs of that former user has paid. That includes three parts: (i) all the land acquisition expenses (land compensation fee, resettlement subsidy and compensation for standing crops and attachments, taxes and fees), (ii) land transferring/ auction cost for obtaining the state land, and (iii) land premium when the land has been well developed for commercial or industrial use. Regarding the first two items, the costs are traceable, but the amount for the third item need negotiation based on the location. For this sub-component, the unit land acquisition (without demolition of buildings) including fees and taxes, is about CNY8500/mu, if plus resettlement cost for the APs due to land loss, it is in line with the HMG documented standard—CNY137,000/mu for Class III land. Further plus the land auction fee and land premium required by former land user, the cost has been reached up to CNY180,000/mu. Accordingly, the compensation cost for state-owned is about 31.3% higher than collective-owned land ($CNY(180000-137000)/137000=0.312$).

120. Compensation rates for land attachment and specific facilities are listed in Table 5-4.

Table 5-4 Compensation rates for land attachments and infrastructures

Item	Unit	Amount
Trees		
Mature tree	CNY/tree	75
Young tree	CNY/tree	25
Fruit tree	CNY/tree	75
Roads		
Concrete road	CNY/square meter	100
Gravel road	CNY/square meter	50
Power transmission poles	CNY/pole	200
Wells	CNY/well	5,000
Enclosure wall	CNY/m	50
Tombs	CNY/tome	300

5.6.3.2 Compensation Standards for House demolition

121. House demolition and resettlement will be conducted in accordance with No.195 document of Hefei Municipality and its amendment—Document Hemi[2006] No.32.

122. Since the APs are sited along the river banks, it is not practical to build a concentrated new resettlement site. Thus cash resettlement and self-relocation in the urban section (Yaohai District only as no resettlement in Xinzhai Zone) and “self-demolish, self-built” after receiving cash payment in Feidong County (Longtang Town) have been prepared for the APs. The compensation to be paid to APs for relocation includes the following items: (i)

compensation for house/building, (ii) attachment of a house (usually inside decoration), (iii) transitional cost during, and (iv) moving allowance, detailed compensation rates are listed in Table 5-5.

123. For Feidong County (Longtang Town only), the costs for new housing site preparation will be paid to local government in order to cover the costs of leveling the land, building a new road and providing water and electricity services.

Table 5-5 Compensation rates for house/building demolition

	Item	Unit	Urban	Rural (Feidong)
1	Rate for house/building	CNY/m ²	1,635	1,200
2	Attachments of a house/building	CNY/household	5,000	5,000
3	Transitional subsidy (subsidy to be paid for temporary housing of APs)	CNY/ m ² • month	6 (for 3 months)	-
		CNY/household	-	2,430
4	Moving allowance	CNY/Household	400	400
5	Cost for housing site preparation (% of total housing compensation)		-	20%
6	Resettlement Management expenses			
	District/County Government	CNY/ m ²	5	5
	Resettlement Office at district level	CNY/ m ²	5	5

124. In order to mobilize the initiatives of District Government and its Resettlement Offices to do the resettlement, both for safety purposes and for successful resettlement, a management fee will be paid to these institutions at a rate of CNY5/m² respectively.

125. Besides the residential house/building, it was found that ten shops within the blue line of the river course, and all are adjusted from residential houses. According to the Document 195, these houses will be paid the same as residential houses while usually there is no compensation for its facilities. However, the Project agreed to pay an extra relocation allowance based on the real situation, with an average of CNY 2,000 for each.

126. There will be no enterprise relocation thus no costs related to operational income loss and employment losses are applicable.

127. In case there are some leased house/building to be demolished, the legal owners will be paid, and the tenants will be relocated with the assistance of the owners. The IA will provide non-cash assistance for the tenants during their relocation such as providing tracks for transporting their belongings. In addition, the IA and local CRCs will help them to find another housing site in the same communities.

5.7 Compensation Funds Disbursement and Timing

128. Hefei Municipal Drainage Office HMDO is responsible for the compensation funds disbursement. All the compensation funds should be disbursed within three months after the compensation agreement are signed with APs. Figure 5 shows the fund flow.

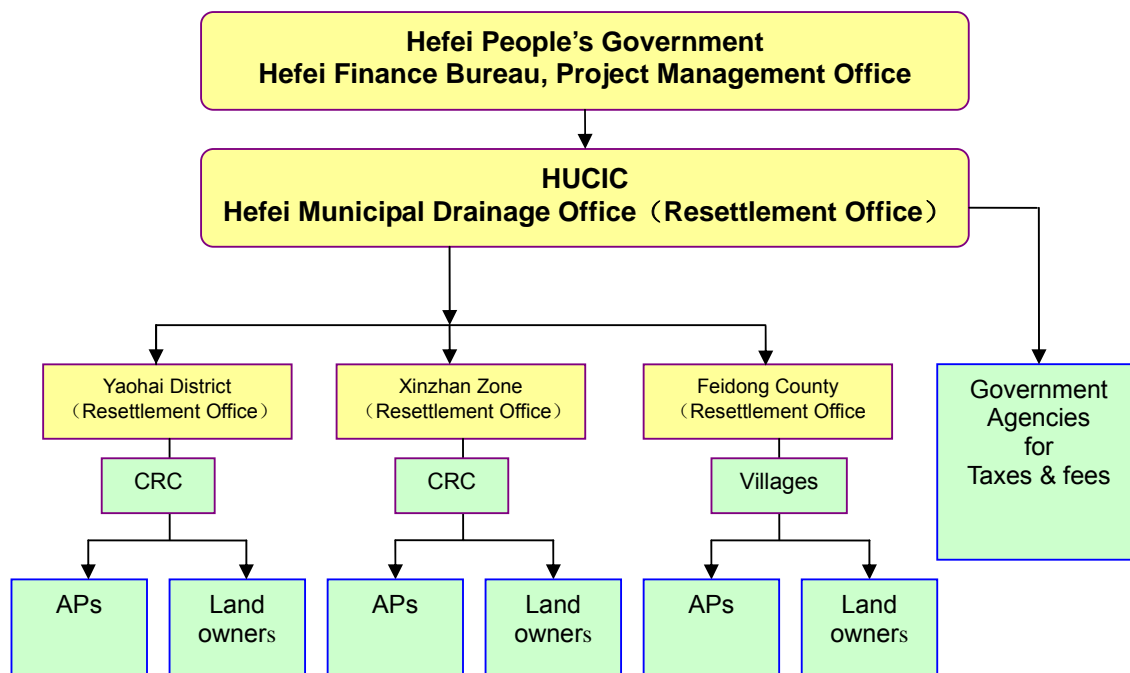


Figure 5 Compensation Fund Flow

5.8 Eligibility and Compensation Entitlement

129. All APs and organizations (whether public or private) losing land, buildings/houses, crops or sources of income will be compensated or rehabilitated according to the types and amount of their losses (permanent and temporary) as long as they are included in the final Detailed Measurement Survey (DMS) to be concluded on or around the time of the approval of RP, or are identified as affected by temporary impacts during construction.

130. The cut-off date for compensation eligibility will be provisionally set as November 1, 2006 or whenever the DMS is concluded. APs' cultivating land, constructing buildings or settling in project affected areas after the cut-off date will not be eligible to compensation or subsidies. Compensation will also not be paid for any structures erected, or crops and trees planted purely for the purposes of gaining additional compensation.

131. The affected people will be compensated according to replacement cost for lost properties. The remaining materials after demolition could be salvaged by those affected people without any charge. Table 5-6 shows the Project compensation entitlements according to compensation principles.

132. For the vulnerable groups, the compensation for their land and properties should be fully paid in time. In addition, non-cash assistance will be provided by the Project during their relocation. During the income rehabilitation period, local government and CRCs will screen these vulnerable groups and treat them properly. For example, those who are workable can

engage in development activities, but for those widows or widowers or disabled people without development capabilities, must be included in the local social safeguard programs.

Table 5-6 Compensation Entitlements Matrix

Type of Impact	Application	Definition of Entitled person	Compensation policy	Implementation issues
Permanent loss of productive land	Productive land located in the right-of-way (ROW) of the river course alignment 1326.4 mu	a) 10 Villages/ CRCs (excl. Hengtong) b) Farmers who use the land c. 1922 APs c. 541 households	Land compensation CNY 18,000 per mu and resettlement subsidies based on the agricultural population to be resettled: CNY 10,000 per capita for those below 16 years old, and CNY30,000 for those at and above 16 years old. The entire resettlement subsidy will be paid to APs through village committees/CRCs but land compensation fee will be retained in the village account but titled under the names of land loss households for the purpose of rehabilitating their production and living standards. Cash compensation for any standing crops and trees based on HMG 138 document Cash payments and/or income restoration measures sufficient to ensure maintenance of existing economic and social conditions	Village/CRC meetings to be responsible for deciding on the utilization of funds, investment in income generating activities such as small business development/ training, and recommendations/ assistance for transfer to urban status. Higher level authorities to approve and monitor village level development proposals and, if required to facilitate urban transfers and training programs
Temporary loss of arable land	Land to be temporary occupied during construction 130 mu	Farmers, villages/ CRCs who use the land c. 100 APs within above item and 11 villages/CRCs	Cash compensation based on AAOV for each year land is not available + reinstatement to pre-construction condition	Based on the principle to minimize the use of fertile land use Reinstatement of temporary occupied land
Loss of non-productive land	Land to be acquired for river slope treatment 200 mu	Magang CRC of Longgang Industrial Park	Cash Compensation—paying land compensation fee at the comprehensive rate (CNY18,000) for Class III land.	Used for collective social welfare, or improvement of infrastructures after villager's meeting in affected CRCs and villages.
Loss of State-owned land	Land to be reallocated within the river blue line 70 mu	Current owners of the state-owned land	Compensation with cash to off-set the costs current owners paid for land acquisition, at negotiated and agreed price of CNY180,000 per mu	Be sure the timely turn over of the state-owned land
Loss of residential land	Residential land located in or affected by river blue line (ROW) 44.8 mu	a) 5 CRCs in urban area, 2 villages in rural area. b) House owners 5 CRCs	<u>Urban area</u> : Cash compensation for land (unless replacement site provided) at the comprehensive rate (CNY18,000) for Class III land to CRCs <u>Rural area</u> : Cash compensation for land (if rebuilding on existing site nearby possible) or replacement plot, Cash payment for leveling and access to road, water, and power services.	<u>Urban area</u> : District level government, resettlement offices provide assistance to find new residential area to buy an apartment <u>Rural area</u> : County level government, resettlement offices provide assistance to provide new housing plots with infrastructure services, or provide recommend new residential area in urban residential area.

Type of Impact	Application	Definition of Entitled person	Compensation policy	Implementation issues
Loss of building/ houses + attached structures	Residential housing located in or affected by the river blue line	a) Owner of the building or houses b) renters (c. 3 households) c. 771 APs c. 209 households (urban 199 H.H., rural 10 H.H.)	Cash compensation at replacement rates for all buildings Transition and moving allowances (both in urban and rural areas); <u>Urban area</u> : buying new apartment(s) in urban area nearby their existing house/building or elsewhere, buying economic residential apartment, and relevant fees and duties will be exempted upon showing the resettlement agreement signed with the Project. CRCs help the tenants to find a new house for residing within respective CRCs, IA will provide non-cash assistance when they move to a newly rented house. <u>Rural area</u> : build a new house in their own villages or buy a suitable sized apartment in urban area Attached structures will be paid to house owners in cash based on HMG 195 document, averagely CNY5000 per household	<u>Urban area</u> : District and sub-district to allocate new apartments for urban transfers (both non-agricultural households and those agricultural households to be converted to non-agricultural status). CRCs and APs to decide on location of new residential area <u>Rural area</u> : Village meetings to discuss the arrangement of new housing plots according to village special planning Based on face-to-face measurement and negotiation
Loss of business/shops	Establishments affected	Legal owner of the establishment	Cash compensation to owners for buildings Moving allowance.	Assistance by IA and district government in finding new location for business if relocation is unavoidable. Assistance in registering or renew business permission due to location change
Loss of land attachments	Facilities attached to land (wells, tombs, roads, power lines)	Owners of the attachments	Cash compensation relocation of power transmission poles by respective agency, tombs to be relocated or treated by owners, rebuilding road if necessary	Announcement should be made for tomb relocation in the newspaper of <i>Hefei Evening Paper</i> at least one month before land acquisition
Vulnerable groups	Poverty households, disabled, sick etc. affected by the project	c. 30 households	Additional assistance will be provided by local government besides the compensation due to their land or property losses. --help to find proper housing in the first floor for the disabled. --provide social safeguard measures for them --provide labor and transportation assistance during their relocation	The district level Labor and Social Safeguard Bureau, Civil Affairs Bureau, Women's Federation and IAs have reached the agreement, and all of them will actively participate in the livelihood and income rehabilitation process of APs.

VI RELOCATION OF HOUSING AND SETTLEMENT

6.1 Resettlement Targets

133. The concrete resettlement targets for the Project are set as follows:
- Optimize the project design, by avoiding dense population/high buildings and minimizing the scope of impacts on involuntary resettlers.
 - The resettlement of affected people will be considered as a component of the project and sufficient funds will be available to the resettlement and affected people will get benefits.
 - Assistance will be provided to the resettlers during the process of removal and resettlement.
 - Resettlers will be merged into the new community socially and economically.
 - Affected people will be encouraged to take part in the preparation of the RP and implementation of the RP. Their opinions should be fully respected in the RP.
 - The productivity and living standards of the affected people will be rehabilitated at least up to the level before the resettlement or before the project implementation as quickly as possible (1 year).

6.2 Resettlement Options

1) Urban Residents

134. In the urban area of China, there are two approaches for resettlement involved in housing demolition, i.e., (i) in-kind resettlement—replacement of housing and (ii) cash resettlement—compensation paid to APs based on the replacement cost (evaluated by a real estate evaluating agency) and APs can use the money to buy a new apartment or disposable for other purposes if they have another apartment. The cash compensation for houses/apartment to be demolished should be defined considering the location, structure, floor areas, number of storeies, decoration based on the base price of cash compensation defined by the government when the demolition license is issued.

135. For this sub-component, since the APs are scattered in a long distance along the Ershibu River, to build a concentrated resettlement community may cause inconvenience greatly to APs. Accordingly, IAs and local district government have agreed to adopt cash resettlement, and currently there are 3 options available in the urban section i.e. Yaohai District to APs after cash compensation. These are: (i) Purchasing a new residential house/apartment at the real estate markets, (ii) Purchasing an “economic and practical apartment”⁷ provided by the government, and (iii) Renting a subsidized (with a cheap rental) house/apartment provided by the government.

2) Rural Residents

136. For those living in Zhantang Town of Feidong County, the 10 affected households can choose building a new house in their own villages based on the village clustering plan. The village committee will allocate a housing plot to the APs, with land leveling and access to road,

⁷ *Jing Ji Shi Yong Fang* in Chinese, is a government subsidized program to provide housing for those with low income in China. which is sold in construction cost, generally is about 1/3-1/2 cheaper than the same apartment from real estate markets.

water and power facilities.

6.3 Household Relocation and Resettlement

137. Based on the currently available documentation, the Project IA has made the following plans:

- More affluent APs can have the option to purchase a new residential house in Hefei city, or a villa in the suburb, or in any other place at their own will.
- Any APs with average or even lower income may choose to purchase a new apartment provided by the government, especially those building purposefully prepared for resettlement during the urbanization process. APs whose house is destined for demolishment have the priority of buying these apartments. Since the prices for these apartments are much lower than those in the real estate market, the APs who have lost their houses through demolishment can afford such accommodation using the compensation fund received for house demolition. In parallel with these choices, APs without a higher income can also purchase a second-hand apartment near their current residential area; the rationale being that presently all the second-hand apartments have lower prices than the newly-built ones in a same area of Hefei
- Any affected poor people who have only one house with a floor area of less than 45 m² can obtain higher cash compensation⁸. The poor AP households can use the total apartment /flat compensation fund (including the added amount of compensation) to purchase an “Economic and Practical” apartment. In case the APS still cannot afford this, then local district government will provide a cheaper rent house/apartment for those APs after they obtain the cash compensation.

138. The compensation under the project in the urban area is in the form of cash at the compensation rate of CNY1,635/m². In addition, fees relative with removal, compensation for attached properties and temporary or transitional living subsidy for 18 months will be fully provided according to HMG 195 document. The resettlers could purchase a flat at their preference. Concerned purchase tax will be exempted when resettlers buy flats with compensation funds and present the compensation agreements.

139. The house relocation in the rural Feidong section will be done by the APs themselves, based on the compensation rate of CNY1,200 m²r, with moving allowance, transitional subsidies, and compensation to attachments. In addition, 20% of total cost for housing compensation will be paid to local County Government for providing housing plots and related infrastructure services. The new house construction and relocation will be planned and organized by local County and Town Government.

6.4 Compatibility Analysis of Resettlement Sites

140. The local government both at district and sub-district levels will assess the compatibility between the resettled APs and the host community before they provide

⁸ The calculation of increased compensation for actual floor area is: the shortened area (45 m² less demolished area) multiplied by 40% of basic house value in a specific area.. For instance, if a household owned only a 20-square-meter flat, with the basic or benchmark house price of CNY1200 per square meter, then the extra compensation amount will be: (45-20)x1200*40%=CNY 12,000.

recommendations to APs. Meanwhile, the resettlers will also consider needs of their work and life and social relation before they move in the resettlement place. And other dwellers in the host community have the similar situation either from house replacement or residents working or living nearby. Therefore it is easy for resettlers to integrate with existing dwellers without any barrier.

141. Currently the urban area particularly in the fringe of Hefei city is a mixture of both agricultural and non-agricultural population. Generally for the APs with higher income usually have sufficient income to live in the urban area since they can afford their children's education or to run a business regardless of their agricultural or non-agricultural status. However, for those with an average or lower income, which can be classified as two groups—non-agricultural status and agricultural status, they need to decide carefully where to live. For the non-agricultural population, they already have the same access with urban citizens in all aspects, then their decisions mainly depend on their major concerns, e.g., future employment, children's education, or stay nearby with their kin or relatives. For those who currently belong to agricultural status, they will seek a balance among agrarian life and other concerns such as children's education, but the major issue is the income related occupation. Nevertheless, firstly they can decide whether to discard the agricultural status or not, then they can choose where to live. Obviously, if they still remain in agriculture (they still have cultivated land), then their new apartment will not be too far from their land. All these aspects have been considered by local CRCs and sub-district/Town government, and continuous efforts will be made by local CRC leaders and local officials in helping APs to be resettled successfully.

142. Since there is no new resettlement site required for this component, all the social infrastructures and public utilities are available, thus there is no environmental risks for APs to live in the urban area. For rural Feidong area, it is foreseen that the 10 households will still stay in the same village thus no barrier at all.

6.5 Special Concerns

143. The RP household survey showed that many husbands work outside as migrant labor, with longer time outside of home. Women play a very active role in the economy of the project area as well as being responsible for many household tasks. The future welfare of women affected by loss of land and/or property is implicit in the compensation and other measures adopted in this RP. Women will be eligible, on an equal basis, for all compensation payments, training programs and other assistance being proposed. In order to protect the APs properties, the apartment purchased for the purpose for resettlement belongs to both husband and wife, thus both wife and husband's names should be written on the property certificate of the apartment.

144. Vulnerable groups should be treated carefully. As there are already some households under the social safeguard program, like LSSL for the urban citizens, if more affected people are found like disabled, women headed households, the local Civil Affaires Bureaus must take the responsibility to incorporate these households into the social safeguard program. During the relocation stage, the project IA and local government will provide non-cash assistance for the vulnerable groups (see section 7.6).

VII INCOME REHABILITATION

7.1 Context

145. The overall objective of income restoration is to ensure that all APs losing their means of livelihood (in this case their land or shops) to the project are able to at least maintain their pre-project levels of income and living standards.

146. The construction of the Ershibu River reinforcement will result in 578 households losing at least some of their land, and hence part of their income. The results of the RP household survey indicate that, although over 18.3% of household income derived from agriculture in Yaohai District and 25.3% in Xinzhan Zone, this figure is around 63.7% in Feidong County. The loss of land will not only affect the livelihood, but also affect the future employment of many agricultural households. For those non-agrarian households (non-agricultural households or agricultural households that have no farmland) in Yaohai District, no longer rely on farmland for their livelihoods; thus land acquisition has no impact on their livelihood.

147. The compensation rates agreed for in this project provide land compensation fees of CNY18,000/mu for the urban section and CNY 15,000/mu for Feidong County to be paid directly to the affected CRCs/villages, and resettlement subsidies will be paid to APs via affected CRCs/villages. The land compensation fees, titled under the land loss APs, will be used for income generating activities in order to restore their livelihood and income levels. The compensation for the standing crops and ground attached properties would be directly paid to the affected farmers.

148. Current laws and regulations provide a substantial amount of flexibility as to how CRCs/villages use the land compensation fee, with the condition that, directly or indirectly, it benefits the affected farmers. Subject to ratification by the sub-district governments, properly constituted meetings of the members or representatives of the CRCs/villages can decide to use the compensation for the good of the community, or can decide to pay the money directly to the APs or do a combination of both of these.

7.2 Formulation of Income Rehabilitation Strategy

149. Any income restoration strategy should respect, as far as possible, the preferences of APs as to how this should be achieved. Table 7-1 presents the preference of APs on livelihood/income rehabilitation after land acquisition and resettlement. It is interesting that over total 85 respondents, about 13 people (15.3%) would like to get compensation directly and solve the income rehabilitation by themselves, whom mostly have regular jobs. The respondents who chose to ensure social security (31.8%) and employment (31.8%) accounted the same proportion. The ten business/small-shop related operators (11.8%) chose to do business continuously. Those who chose find a job as migrant labor accounted for 9.4%. The results almost coincide with the answers from the affected CRC/village leaders, and also related to the major concerns the respondents raised regarding house/building relocation.

Table 7-1 Preference of APs income rehabilitation

Item	Social security	Employment	Get compensation	Operate business/shops	Migrant labor	Total
Respondents	27	27	13	10	8	85
%	31.8%	31.8%	15.3%	11.8%	9.4	100%

150. Based on the above findings, the income restoration strategy will be flexible, democratically-based, and self-administered in accordance with the decisions of individual CRCs/villages. The strategy will have the following main elements: (i) Use of land compensation fund, (ii) Investment by the community, primarily for the income-generating activities in the purpose to rehabilitate APs livelihood, (iii) Investment by individual APs, (iv) Training, and (v) Employment on project-related activities. Specific plans are presented in the next section

7.3 Income Rehabilitation Plan

7.3.1 Use of Compensation Fund by Collectives

151. According to the HMG [2005] No.10 document, the land compensation fee will be mainly used for the production and living purposes of the land loss farmers. Land reallocation is not feasible in the city fringe, and agricultural production in the affected CRCs/villages will decrease in the short-term. Compensation funds accruing to the CRCs/villages will therefore be based primarily around improving agricultural productivity and, in particular, on the following: (i) the improvement of irrigation facilities and their extension to currently non-irrigated areas, (ii) the development of orchards and other cash crops, (iii) improving animal husbandry, and (iv) the development of agro-processing.

152. The compensation funds for 200 mu non-farming land acquisition will belong to the affected communities/villages that can use the funds for public utilities or infrastructure projects such as improved schools, access roads or water supply networks..

153. Together with the compensation fund of collective owned loss, the land compensation fees to APs have been planned in respective villages/CRCs. For example, in Feidong County, based on the special location of Longtang Town, the three villages/CRC has planned to build jointly a goods transportation hub in the purpose of (1) distribute consumption goods from urban area to rural area, and (2) collect agricultural produces from rural area and distribute to urban area. This plan has been agreed by Longtang Town Government. With this plan, the APs planned to invest part of their compensation fund related to land loss in this enterprise as a shareholder, and they can also find a job like porters or drivers, or even management positions in the enterprise as which is planned for 1000 employment positions. The land area currently will be 100 mu which will be available in mid of 2007 (using spared housing plot after new construction of socialism villages, near the Daxing Town Water Park to the east). Based on this plan, the construction of the transportation hub will be completed within half year, and consequently after it is put into use, all APs is expected to rehabilitate their income level within 1.5 years.

154. Similarly, Yaohai District has planned to extend the product-chain relying on the Yaohai Industrial Park, for example, provide automobile parts for Jianghuai Truck, and spare parts for air conditioners factories. The affected CRCs have planned to establish these

industrial-based enterprises. Regarding women intensive work, a “Garment Town” in Yaohai District has been established, more workers are needed to conduct knitting and sewing. In this situation, land loss farmers can rehabilitate their income resulted due to land loss within 1 year. (if a female can earn CNY500/month, then the salary will be CNY500x12=CNY6000/year, which is more than 4 times of AAOV or at least 6 time of their net income earned from farming).

155. Regarding the APs in Xinzhan Zone to be affected by this sub-component, Xinzhan Zone Government agreed to incorporate those APs into the Hefei “40-50 program”, which is a government program in the purpose of training the old labor in order to enable them to find a new employment. As the APs in Xinzhan has the skill on vegetable cultivation, local government planned to train them for flower cultivation as gardeners as there would be a tourism site in the Xinzhan Road and Traffic Control Component (component 3 of the Project).

156. The state-owned land will be reallocated to the Project after paying an agreed cost of Y180,000/mu to their owners that are other government agencies of HMG, thus there is no income related issues.

7.3.2 Use of Compensation Fund by Individuals

157. Based on HMG 138 document, the resettlement subsidy due to land loss for a person at and above 16 years old will be CNY30,000, of which, CNY12,000 is for the subsidy of finding a new job, and CNY18,000 will be used as his basic livelihood safeguard included in the HMG social safeguard net⁹. It means that the CNY 12,000 can be used under the supervision of CRCs/villages— should be used for income rehabilitation purpose. For those who would like to start a new business, CNY 12,000 is enough, usually they will start a small-scale business like trading vegetables, they may use CNY500 at the first time, and the key is to get experience and economic benefit. Gradually, their businesses will become larger and larger.

158. The above arrangement has solved the problem of social security worries. But the payment of a substantial portion of compensation funds to individuals will place a considerable responsibility for income restoration on APs themselves. The agricultural and service sectors in the project area have expanded rapidly in recent years due largely to the initiatives of private individuals and there is every likelihood that funds will be devoted to productive activities as well as purchasing new house/apartments for renting. Additionally, some households are likely to use funds to provide their offspring with a better education indicating a more far-sighted approach on the future wellbeing of their household.

159. APs who have engaged in business/shop operation clearly stated that they will continue their businesses, thus the compensation fund can help them.

7.3.3 Technical Training for AP

160. Notwithstanding the fact that affected communities and APs will be primarily responsible for income restoration, an extensive series of training programs will be implemented. These programs, for which a separate budget item of CNY 200,000 has been allocated, will be available to all APs and will include some or all of the following subjects:

- Flower cultivation and gardening skills

⁹ Any resettled person due to land loss can withdraw CNY 100 per month after 60 years old for male and 55 years old for female. If the CNY 18000 has not been used, it can be inherited by their off-springs of the resettled person. On the other hand, the CNY 100 per month can last for the rest of their life span.

- Training program to women on sewing and knitting skills (a garment base established in Yaohai Industrial Park)
- Skills on motorcycle, vehicle, tractor and farm machinery repair
- Manufacturing, repair and maintenance of electrical goods
- Product marketing
- Small business registration and operation.

161. Considering that many of the laborers of affected households are regular workers or undertake other jobs that do not need skills training, it is planned that the skills training mainly focused on those agricultural labors particularly women. To date, 200 APs has been planned as trainees to receive the training, with over 50% of these trainees as women (see Table 7.2). The training will be started immediately after the land acquisition; it is expected to start in August 2007.

162. The skill training courses will be offered both on site and by the training centers in County/District and township centers. Payments will be made directly disbursed to the training institutions while the labor and social safeguard agency in each district or county will take the lead, and in association with the women's federation in organizing the training courses. Allowances will be paid for trainees attending courses away from their own CRCs/villages

Table 7-2 Training Plan for APs

Training Courses	Training Organizations	No. of Trainees	Location of APs
1. Flower cultivation and gardening skills	Xinzhan Gardening Bureau	20	Xinzhan Zone
2. sewing and knitting skills	The Women's Federation and Light Industry Agency of Yaohai District	100 (female)	Yaohai District
3. Skills on motorcycle, vehicle, tractor and farm machinery repair	Hefei Industrial School	25	Yaohai District
4. Manufacturing, repair and maintenance of electrical goods	Hefei Industrial School	25	Yaohai District
5. Product marketing	Anhui Industrial University	15	Feidong County
6. Small business registration and operation	Hefei Municipal Industrial Administration	15	Feidong County
Total		200	

7.3.4 Project Related Income-generating Opportunities

163. During the project construction stage, affected people nearby the river alignment can seek some income-generating opportunities—mainly providing services related to construction. For instance, APs can provide spare houses (if available) for construction contractors as temporary office or as residence of construction workers, operate grocery kiosks and provide food, cigarette and beer/spirits for the construction teams. That can provide temporary employment for certain APs of land loss as well as increase household cash income.

164. Additionally, after the project completion, it will require about one dozen permanent workers participated in the daily river course management such as cleaning of the water surface and river embankment. Project IA has planned to give the priority to the APs who would like to engage in the job.

7.4 Gender Issue during the Process of Resettlement

165. According to the law of land contract, men and women are equal. Women cannot be robbed of the entitlement to contract land. Besides, land adjustment is done based on the population and sex prejudice is forbidden. Thus, women have equal entitlement with men in land reallocation, employment and training. As land is getting less and less during the process of urbanization, women are becoming the major labor force in farming. As a result, strengthening on training to women is absolutely necessary as stated in 7.3.3.

7.5 Transfers from Rural to Urban Status

166. It is not considered that significant numbers of APs will transfer to urban status (*Fei Nongye Hukou*) in Feidong County and no significant businesses enterprises will cease operation. Where able-bodied APs transferred to urban status, they will be given the option of receiving their due compensation and finding employment in the normal manner as other urban citizens.

7.6 Assistance to the Vulnerable Households

167. The vulnerable households will go into two main categories: indigent households prior to the construction of the expressway (few in number) and those households losing a large proportion of their land but without the labor resources or technical expertise necessary to re-establish themselves.

168. In order to ensure that the living standards of these households are maintained after resettlement, the PMO and local District governments will mobilize related government agencies to participate in the resettlement, such as Civil Affairs Bureau, Labor and Social Safeguard Bureau and Agricultural Bureau, in order to provide timely assistance for those needed.

169. Members of vulnerable households will benefit from the proposed training programs and, if able-bodied, will be given priority in gaining project related employment.

170. In addition, certain vulnerable groups (e.g. widows, the disabled and the mentally ill) may be resettled by local Civil Affairs Bureau with *Wu bao hu* status and LSSL program. The LAB or the IA will pay the total land compensation fee and resettlement subsidies to the Bureau of Civil Affairs, who will then be responsible for these persons.

171. Based on the ADB OM Section F2/OP issued on 25 September 2006, (Para 16) measures to improve the status of the poor and vulnerable people should focus on strategies to avoid further impoverishment and create new income opportunities. Specific measures to be provided to the vulnerable groups are listed in Table 7-3. This is considered as sufficient to meet the IRP requirements given the specific background in China.

Table 7-3 Specific Measures to be Provided to Vulnerable Groups

No.	ADB requirement	Project Measures
(i)	reducing barriers, for example, to employment opportunities, such as project work;	Members of vulnerable households will benefit from the proposed training programs and, if able-bodied, will be given priority in gaining project related employment.
(ii)	improving access to and delivery of essential services, including those that can be provided by the project;	All APs regardless their vulnerability can access to the Project funded training.
(iii)	empowering people through good governance, sound participatory processes, and effective organization;	Assistance will be provided to vulnerable groups by local government besides the compensation due to their land or property losses. These are --help to find proper housing in the first floor for the disabled. --provide social safeguard measures for them --provide labor and transportation assistance during their relocation
(iv)	reducing vulnerability to poverty through asset-building strategies such as development grants, land-for-land, replacement housing of minimum standard, and increased security of tenure	Skill training for APs with CNY200000 budget earmarked, Compensation will be adequately paid for land loss, Housing of minimum standard will be ensured with housing certificate

VIII INSTITUTIONAL FRAMEWORK

8.1 Institutions

172. Ershibu River Rehabilitation and Flood Control Improvement is a Sub-component of HUEIP financed by the ADB. The project leading group has been set up in the HMG (the Executing Agency - EA) and the PMO has been established as the secretariat to the EA, HUCIC is the implementing Agency and HMDO is the Implementing Unit.

173. Under HMDO, there is a section called Office for Construction of ADB funded project, and within which there is a department responsible for resettlement. The organizational structure is shown in Figure 6.

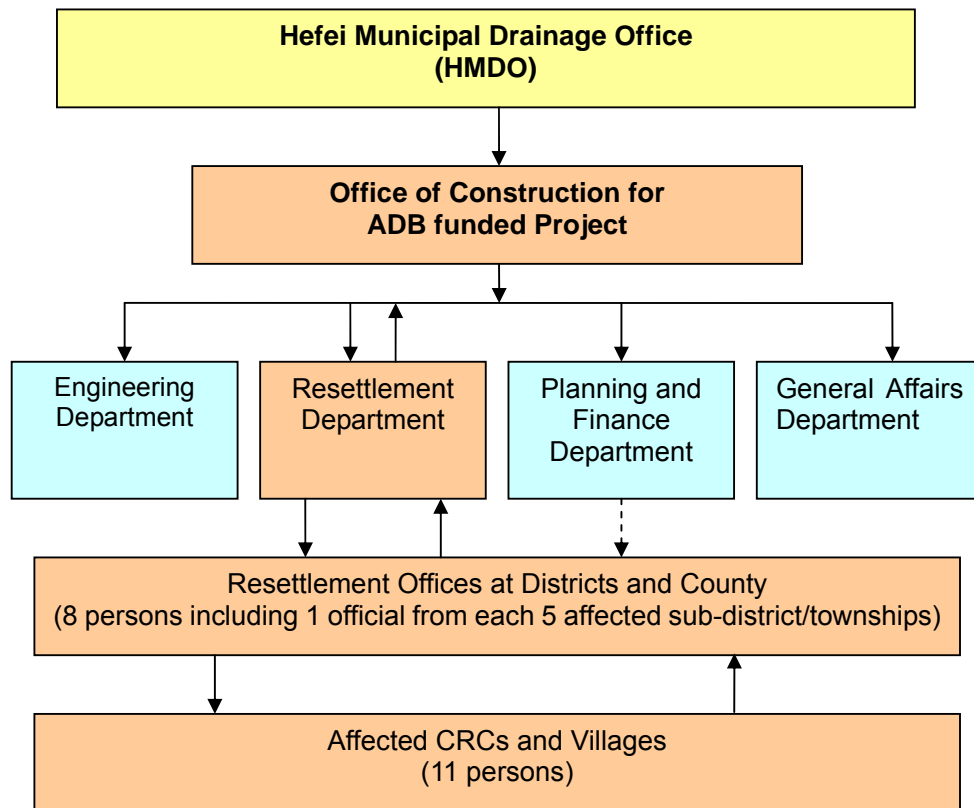


Figure 6 Resettlement Organization Structure

174. The IA will play a key role during the resettlement; however, besides IA, there are some related institutions will be unavoidably involved in the resettlement tasks. All these institutions and the staffing are presented in Table 8-1.

Table 8-1 Resettlement Institutions and Staffing

Institutions	Staffing
Hefei Project Management Office (PMO)	1
Hefei Municipal Land Administration Bureau	1-10
Hefei Municipal Spatial Planning Bureau	1
Hefei Municipal Drainage Office (—HMDO – Implementing Unit)	4
Hefei Municipal Demolition and Resettlement Administration Office	1
Xinzhan Zone, Yaohai District and Feidong County	3+5
CRCs/villages	11
Legal consulting agency	1
Hefei Municipal Design Institute (DI)	1
External Monitoring Agency	1

8.2 Responsibilities

175. Table 8-2 lists responsibilities of each agency in resettlement.

Table 8-2 Responsibilities of Agencies

Agencies	Responsibilities
Hefei Project Executive Agency (PMO)	Preparing the RP and organizing the implementation of the RP
	Supervising the resettlement fund usage
	Coordinating and supervising the resettlement activities and progress
	Coordinating monitoring and evaluation/supervision activities, including contracting an external monitor for the overall Project
	Submitting progress report to the ADB
	Coordinating and dealing with conflicts and problems during project implementation
Hefei Municipal Drainage Office (HMDO)	Engaging a consulting institution to monitor and evaluate the impact of the project
	Organizing social-economic surveys
	Applying for "the permission of land use " from Hefei Municipal Spatial Planning Bureau and the Land Administration Bureau
	Applying for "House Demolition Permission"
	Managing the displacement of facilities in the city
	Scheduling the RP implementation
	Entrusting the Hefei Municipal Land Administration Bureau, Demolition and Resettlement Administration Office to contract land acquisition and displacement and pay resettlement funds in accordance with the agreement
	Conducting monitoring and evaluation /supervision
Hefei Land Administration Bureau	Carrying out the related laws and regulations relating to the management of construction land use
	Participating in the review of the compensation rates and resettlement schemes
	Dealing with the formalities of land acquisition
	Participating in the social-economic surveys
	Participating in the preparation of the RP and reviewing the RP
	Issuing permission of land used for construction
	Directing, coordinating and supervising land acquisition and resettlement activities
	Coordinating and dealing with the conflicts and problems in the process of land acquisition and allocation

Agencies	Responsibilities
	Registering land acquisition and making announcements
	Organizing public participation and public hearings, if required
	Proceeding with resettlement and compensation disbursement
Hefei Municipal Spatial Planning Bureau	Finalizing the control line of river alignment for land acquired (blue line)
	Issuing the permission of land use based on spatial planning
Hefei Municipal Demolition Resettlement Administration Office	Reviewing and approving the compensation plan for displacement and resettlement and making announcement of issuance of House Demolition Permission
	Registering and managing the house displacement files
	Managing information about resettlement
	Mediating in and arbitrating disputes in the process of house displacement
District/County Government	Assisting in social economic survey
	Assisting in the preparation of resettlement options and the RP
	Supervising CRCs/village committees on resettlement and the income restoration of affected people
	Reporting to the higher level institutions about the comments and suggestions of affected people
CRCs/ Villager committees	Participating in the social economic survey
	Participating in the preparation of the RP and resettlement scheme
	Assisting in the public consultation and conducting propaganda of displacement policies
	Consulting on allocation of land compensation fee and payment of resettlement
	Organizing income-generating activities after land acquisition and restoring the income of the affected people
	Reporting to higher level authorities about the grievances and suggestions of the affected people.
	Providing assistance to the households with special difficulties
Consulting and designing agencies	Minimizing resettlement impacts through optimized design schemes
	Proposing/Finalizing the impact scope of land acquisition and demolition
	Assisting EA/IA in RP preparation
	Providing technical service in the aspects of collection and processing of information and data
External monitoring agency	Providing technical assistance in land acquisition and resettlement
	Working as an independent agency, to monitor and evaluate the implementation of the RP, and reporting to the EA and the ADB

8.3 Institutional Capacity

8.3.1 Assessment of Institutional Capacity

176. **Logistics and hardware.** Currently there is a resettlement section under HDO, and an emergency car used for the flood control purpose act as a dual purpose for resettlement use. In terms of the communication system, the computers in use by HDO are the desk-top bought in late 1990's and there is no lap-top computer for their staff. The PPTA consultants also found that many documents are presented in paper. It means that the hardware facilities in IA are not advanced if we cannot say outdated and should be upgraded.

177. **Finance.** It is foreseen that IA can conduct the resettlement tasks more efficiently after the project FS has been approved and budget has been allocated. During the PPTA stage, all budget spent were pre-paid by IA as well as EA. The lack of financial resource during project preparation stage has definitely hindered the institutional set-up and the preparation progress

(including FS and RP preparation) irrespective of the staff's capabilities. The RP has considered this issue and adequate management fund for RP implementation has been earmarked in the resettlement budget.

178. **Staff capabilities.** During the PPTA stage, the consultants found that many government officials are rich experienced in dealing with land acquisition and resettlement issues. However, almost nobody has resettlement experience of working in ADB funded project, and none of them has attended training on ADB involuntary resettlement policies before the Project. Therefore, a systematic training on Involuntary Resettlement is due necessary.

8.3.2 Institutional Capacity Building

179. The ADB will provide support to train staff on resettlement procedures. A part of the ADB loan for implementation will be provided for institutional capacity building through specific training courses and by on the job training with the appointed external monitoring consultants (see Annex 2)

8.3.2.1 Training for resettlement staff

180. The PMO will support training to the staff involved in the resettlement tasks in terms of ADB's policies on involuntary resettlement, rationale and requirements in order to promote the staff's capability and working efficiency. Based on the real situation, the requirements are as follows:

- training venue should be selected outside of Hefei City, preferable those cities also have ADB projects with successful resettlement experiences so that trainees can learn their experiences from study tour(s). This will need help from ADB.
- trainees should be those who will be seconded to the Project to undertake resettlement tasks, and that those resettlement official who participated in the RP discussions with PPTA resettlement consultant in August is a must.
- training timing is planned as in April 2007.

8.3.2.2 Measures To Strengthen Organizations

181. A variety of measures will be taken to support capacity building and ensure effective implementation and control of the RP. These include:

- The PMO should have sufficient funds and equipment to assure the efficiency of the work;
- Information system should be established through computer to guarantee the smooth information delivery between the authority and the lower levels;
- Vertical linking agencies will set up reporting system, to report once a month;
- Horizontal linking agencies will hold coordinating meetings once a season to enhance information exchange;
- Issues put forward by the APs will be reported and disseminated through the resettlement offices at each level;
- Issues which occur during construction will be reported by the resident engineer, first to his/her organizational level and then, if necessary, upwards through each of the hierarchical levels;
- Disciplinary measures will be introduced to constrain individuals from shifting responsibilities onto others and from delaying the resettlement process. People responsible for causing trouble will be punished, and those with good performance will

be awarded.

8.4 Roles of Civil Organizations

182. IAs agreed that they will hire/second one female staff working in HMDO resettlement office, both for resettlement file keeping and to work (day-time)¹⁰ with and assist women in all aspect of resettlement activities. However, it is anticipated that the women's federation can play a significant role during land acquisition, resettlement and income rehabilitation process. Other organization like the Social Safeguard Center affiliated to the Labor and Social Safeguard Bureau in each district or county will play a leading role as they provided issue the information on employment required by the enterprises located in Hefei City, and also conduct relevant training for labors. Beside the training courses planned in this RP, APs are eligible to participate in the training organized by them.

¹⁰ Many resettlement staff from IAs reported that they have to work weekends and even during night time in order to tackle the conflicts or problems in time.

IX MONITORING, EVALUATION AND REPORTING

183. The PMO and IA will regularly monitor and evaluate the implementation of land acquisition and resettlement activities in order to ensure resettlement work is implemented successfully in accordance with the RP, and to achieve the target of appropriate livelihood restoration for APs. The monitoring will comprise two components: internal monitoring and external monitoring. Internal monitoring will be mainly conducted by IA and will be overseen by the project leading group, PMO and the IA to ensure that organizations involved in implementation of land acquisition and resettlement work abide by principles and schedules of the Resettlement Plan (RP).

184. The aim of internal monitoring is to encourage the concerned organizations to carry out good performance while the external monitoring and evaluation will be conducted by an independent agency periodically on the activities of land acquisition, demolition and resettlement.

185. The scope of monitoring on resettlement will cover data collection, analysis, and the reporting of progress for an internal monitoring while the external monitor will check progress but their main role is to evaluate quality and results of resettlement.

186. Resettlement monitoring will focus on the following two aspects:

- The progress of disbursement and provision of entitlements to APs.
- Comparison of APs and villages pre and post resettlement socio-economic situation, particularly livelihood restoration. Background socio-economic data collected during the AP inventory and census will be used in this assessment.

9.1 Internal Monitoring

187. Internal monitoring and Evaluation will be undertaken by the PMO, Hefei Land Administrative Bureau, HMDO, and HUCIC, to assure the concerned departments to abide by the RP. Internal monitoring and evaluation aims to ensure good performance during the resettlement process.

9.1.1 Objectives of Internal Monitoring

188. The objectives of internal monitoring are:

- inspect the progress of demolition, displacement and land acquisition.
- assure the smooth communication channel between project managerial staff and affected people.
- assure timely full disbursement of compensation.
- assure timely settlement of appeals by affected people.
- assure the compensation disbursed is legally appropriate and corruption is prohibited.

9.1.2 Major Tasks of Internal Monitoring

189. The executive agency will take major responsibility of internal monitoring, covering the activities of affected people, entitlement, advice, grievance, problems, efficiency, timing, and budget, etc.

- Disbursement of entitlements to AP: compensation, housing, cultivated land, and employment as specified in the RP.

- Social adaptability and cohesion: impacts with a gender perspective on APs and vulnerable groups, public participation, non-government's role, AP's attitudes and commons after resettlement, number of complaints and appeal procedures, implementation of preferential policies and income restoration measures, and improvements in women's status in villages.
- Timing of house demolition and restoration: provision of residential land, disbursement of compensation for house replacement costs, and reconstruction of adequate housing and updating of resettlement schedule and resettlement budget where required
- Rehabilitation of community facilities and services: timely rehabilitation of community facilities and services and ensuring that mitigation measures to minimize impacts are implemented.
- Public participation and consultation: involvement of AP in resettlement implementation as per the public consultation plan outlined in the RP. Review of grievance register and responses to complaints.
- Assistance to vulnerable groups.

190. It is anticipated that internal monitoring reports will be brief documents reporting on progress to date and identification of issues, how issues were resolved, consultations undertaken, and revisions of the resettlement schedule and disbursement of budget where required.

9.2 External Monitoring and Evaluation

191. Required by the ADB, the PMO will appoint an independent agency to carry out the external monitoring and evaluation on resettlement. The independent agency should have good reputation and successful experience and fully understand the ADB's policy and requirements on resettlement. The PMO will sign a contract with this agency. The terms of reference (TOR) for the independent evaluator are listed in Annex 2.

9.2.1 Objectives

192. The objectives of external monitoring and evaluation are as follows:

- Evaluate the level of quality of results of the rehabilitation of affected people after land acquisition and resettlement.
- Identify the causes of any problems with the policies or implementation in case rehabilitation is not fully made.
- Evaluate the progress and performance, effect, affection including the response of affected people, resettlement policies, and sustainability.

9.2.2 Methodology

193. The methodology of external monitoring and evaluation are listed as follows:

- independent agency will conduct baseline survey on the affected area and acquire the baseline data of APs. The investigation about production and AP's living conditions will be made every year to measure the change. Sample trace investigation of affected households and businesses will be adopted. Irregular interview or site visits will be made to acquire sufficient data for evaluation.

- group discussion and consultation with various groups of people from government, non-government, community and affected people.
- interview with key persons such as local CRC leaders and village heads regarding resettlement implementation.
- community public meetings to collect various information about resettlement.
- purposeful direct observation regarding progress of demolition and replacement and visit to the individual or groups.
- informal investigation or interview by non-sampling means such as with the affected people, villagers and staff engaged with resettlement.

9.2.3 Major Tasks

194. The independent monitoring agency will monitor and evaluate the resettlement relative with the project and consolidate their findings and assessment into a report to ADB, EA and other concerned departments. These reports can be helpful in the policy-making by concerned department. The affected people and non-government organizations and communities will participate in the evaluation activities.

195. External monitoring and evaluation will cover the quality assessment on following the aspects:

- adequacy of compensation and timelines of payment;
- the house demolition and resettlement of APs;
- the situation of house and living environment pre and post resettlement; bear in mind with a gender perspective
- livelihood restoration of APs;
- the operation and efficiency of the resettlement institutions.

9.3 Reporting Requirements

196. Internal monitoring reports will be submitted quarterly by project IA to the EA and EA will submit it in the progress report to ADB. The external M&E reports will be submitted directly to EA and ADB every six months by the External Monitor. The external evaluation reports will be continued once every six months until the completion of the resettlement, and then the annual evaluation reports will also be prepared by the external monitor once every 12 months until Project completion. Finally, after project completion, the EA will prepare a resettlement completion report and submit to ADB.

X IMPLEMENTATION SCHEDULE

10.1 Activities Prior to Resettlement

1) Determine scope of land requisition and dismantling of houses.

197. According to project design and layout, identify and peg land requisition areas based on detailed designs. Resettlement will be announced to the affected CRCs/villages through meetings and notices regarding land acquisition which will be displayed in the CRCs/villages. HMDO will organize investigation and registration of the status of land, households, subsidiaries, and house properties within the pegged area.

2) Field check of land requisition and dismantlement areas.

198. The Hefei Land Administration Bureau and Demolition and Resettlement Administration Office will organize appropriate staff to visit the affected sites, check and register land, houses, subsidiaries, utilities, equipment etc, and determine the nature and proprietary rights of infrastructure, and record the information in detail.

3) Draw up the plan of land acquisition and resettlement and confirm and compile the budget.

199. The RP will be updated based on the detailed design and DMS and will be sent to the ADB for approval prior to commencement of land acquisition, demolition or civil works. According to findings of investigation, the Land Administration Bureau and Demolition and Resettlement Office and HMDO will prepare the compilation of the land acquisition and resettlement plan and prepare a budget based on relevant policies and regulations, and then will submit the plan and budget to Hefei Municipal Construction Committee for review.

4) Contract signing

200. Under the coordination and guidance of the PMO, HMDO will sign the land requisition contract agreement with relative District Land Administration Bureau and Demolition and Resettlement Office, and pay them the total contract amount.

201. Sign land acquisition and compensation agreement according to the compensation rates set out in the RP, which are consistent with the related laws and regulations of resettlement stipulated by the State, Province, Municipality and agreed by the ADB. The Land Administration Bureau and Demolition and Resettlement Office respectively, consult and negotiate with CRCs/village committees on the aspects of compensation and resettlement. CRCs/Village committees, in turn, consult with households who will be affected. When agreements are reached land acquisition and resettlement agreements are signed instantly by persons requiring resettlement, Municipal Land Administration Bureau and Resettlement Office. The APs will be provided a copy of the agreement they have signed. The Municipal Land Administration Bureau supervises and witnesses the process.

10.2. Activities during Resettlement

202. Concerned Land Administration Bureau will disburse the land compensation fees to the communities/villagers according to the signed agreement. On the premise agreed by 2/3 villagers, villages can use the funds of land acquisition and compensation fees to adjust industrial structure and increase villagers' income. The Demolition and Resettlement Office will provide houses for those affected by dismantled households, or allocate the housing

compensation fees to the affected people.

1) Land usage permission

203. Project IA should make efforts in going through the formalities of obtaining land usage permission so as to complete the procedure timely. IA will apply for the land use permission to land administration department level by level. Land acquisition certificates must be approved prior to payment of compensation and dispossession of land, housing and private assets.

2) Facilities displacement and reconstruction

204. The dismantling of facilities and utilities affected by the project will be supervised by the EA. Hefei Urban Drainage Construction Office will disburse compensation fees to the proprietor and the proprietor arranges displacement, restoration and reconstruction of these facilities and utilities.

3) Resettlement

205. The APs will be resettled by the government in close proximity to their original environment. . Great improvements have been made in recent years to provide housing with full services nearby, such as good access to communication, medical treatment, culture, education, business, telecommunication, public utilities and residential environment..

4) Internal and external monitoring and evaluation

206. Internal monitoring will be responsibility of the local IA and they will prepare and submit a monitoring report to the EA every 3 months. External monitoring will be the responsibility of the EA, who will contract this work to an independent consultant and will submit to the ADB monitoring reports every six months and followed by annual evaluation reports. The external monitoring and evaluation target at the AP's income rehabilitation and maintenance of their livelihood after land acquisition and demolition. In case the targets are not achieved, problems will be identified.

10.3 Activities after Resettlement

1) Continue Internal and external monitoring and evaluation

2) Filing and Documentation

207. When resettlement work is completed, responsible persons will write a resettlement complementation report. EA will review and provide a copy to ADB.

208. The resettlement supervision milestones are shown in Table 10-1.

Table 10-1 Resettlement Supervision Milestones

No.	Resettlement Tasks	Target	Responsible Agency	Completion Deadline	Status and Additional Deadlines
1.	Disclosure				
1.1	Information booklet	750 copies	HMDO	Oct 20. 2006	completed
1.2	Resettlement plan distribution to resettlement offices/villages/APs	100 copies	3 District /county/zone	Nov. 2006	
1.3	RP placed on ADB website		ADB	Dec.2006	
2.	Detailed Measurement Survey (DMS)				
2.1	DMS (also see item 4.4)		HMDO	May 2007	
2.2	Updated RP based on DMS Distribution to resettlement offices/villages/APs	100 copies	HMDO	May 2007	
3.	Detailed Rehabilitation Plans				
3.1	Assistance for Vulnerable Groups	c.30 H.H.	3 district/county	Dec. 2007	
3.2	Technical training for APs	200 APs	3 district/county	Dec.2007	
4.	Resettlement Plan and Budget				
4.1	Complete redline survey (map)		HMDO	Dec. 2006	
4.2	Approval of RP & budget		HMG	Nov. 2006	
4.3	Approval of compensation rates		HMG	Nov. 2006	
4.4	Staking survey/DMS		HMDO/LAB/RO	Apr. 2007	
5.	Compensation Agreements				
5.1	CRC/Village agreements	11 villages	3 district/county	June 2007	
5.2	Enterprise/shop agreements	10 businesses	3 district/county	June 2007	
5.3	Household agreements	541 HHs	3 district/county	June 2007	
6.	Implementation Capacity				
6.1	district resettlement staff	24 staff	3 district/county	Dec. 2006	
6.2	Designate village representatives	22 staff	3 district/county	Dec. 2006	
6.3	Training of staff	110 of staff	3 district/county	Apr. 2007	
6.4	Setting up grievance redress committees	11 of staff	HMDO	Apr. 2007	
7.	Monitoring and Evaluation				
7.1	Baseline survey	10% of APs	External Monitor	Apr. 2007	
7.2	Set-up internal supervision	As per RP	3 district/county	Apr. 2007	
7.3	Contract external monitor	As per RP	3 district/county	Apr. 2007	
7.4	Internal monitoring reports	Quarterly	HDO	Apr. 2007	
7.5	External monitoring reports	Semi-annual	External Monitor	Dec. 2009	
7.6	Evaluation reports (tracer surveys)	Annual	External Monitor	Dec. 2009	
7.7	Resettlement Completion Report		External Monitor/HMDO	Dec. 2009	
8.	Documentation of Consultation	As per RP	3 district/county	Dec. 2009	
9.	Documentation of Grievances	As required	3 district/county	Dec. 2009	
10.	Flow of Funds / Compensation				
10.1	Executing or Implementing Agency		3 district/county	Dec. 2009	
10.2	Project Management Office – Resettlement Unit or NGO Resettlement Implementer		3 district/county	Dec. 2009	
10.3	To affected households	1,922 APs			
11.	Commence Resettlement				
11.1	Land acquisition	88.4 of hectares	3 district/county	May 2007	

No.	Resettlement Tasks	Target	Responsible Agency	Completion Deadline	Status and Additional Deadlines
11.2	House removal	26,170 m ² 771 APs	3 district/county	July 2007	
11.3	Temporary land occupation (Land will be returned after completion of construction section by section	130mu	HMDO, Construction contactors	Aug. 2007-Dec, 2011	

XI RESETTLEMENT COMPENSATION BUDGET

209. The resettlement budget for Ershibu River Rehabilitation and Flood Control Improvement Sub-Component is CNY194.93 million, and accounts for 35.8% of the total investment budget for the sub-component which is calculated at CNY543.9 million. Table 11-1 shows the budget for land acquisition, demolition and resettlement under this subcomponent.

11.1 Calculation of Resettlement Costs

11.1.1 Permanent Land Acquisition

210. Permanent land acquisition required by the project is 1,326.4mu including 1,056.6mu cultivated land and 70mu state-owned land. According to No.138 document of Hefei Municipality, the land compensation fee is calculated at the rate of CNY18,000/mu for the urban section and CNY15,000 for the rural section, and totals CNY22.38 million. Temporary land occupation of 130 mu will be compensated and cost CNY390,000.

211. Resettlement subsidies for land acquisition is calculated based on all 1,922 affected persons, of whom 1,579 persons are compensated at the rate of Y30,000/person. The compensation for those under 16 years old is fixed at CNY10,000/person. The resettlement compensation fees total CNY50.80 million.

212. The compensation fees for ground attached properties are CNY703,000. The state-owned land utilization fee is CNY25.2 million at the price of CNY180,000/mu. Green seedling/young crop (assume half of the paddy and dry land will be cultivated during land acquisition) compensation fee is CNY536,900.

213. Thus, the total sum for the above items is CNY87.405million.

11.1.2 Demolition and Resettlement Costs

214. The demolition will affect a building area of 26,170m² and of which, 25,170 m² is in the urban section, based on the replacement cost on cash payment of CNY 1,635/m², the cost is estimated at CNY41.153 million; and there will be 1,000 m² houses to be demolished and rebuild by APs in Feidong section, with a compensation rate at CNY1,200/m², and with a total cost of CNY1.2 million.

215. The removal allowance is CNY83,600 for 209 households at a rate of Y400/household.

216. Compensation for house attached properties is CNY1.04 million at the rate of CNY5,000/household.

217. Temporary resettlement subsidies are calculated at the following method:

- (1) cash-compensation in the urban section will be paid once according to the floor area of AP's existing houses at CNY6/m² for 3 months, until a total of CNY453,100 is reached.
- (2) For self-demolition and self-building for houses in Feidong section, the compensation will be CNY24,300 based on CNY 2,430 for each household.

218. In addition, an administration fee is CNY261,700 given to the district /county

government and demolition and resettlement offices at the rate of Y5/m² each.

11.1.3 Ancillary Facilities

219. There are four types of facilities affected. Electric wire poles, wells, gravel roads and concrete roads, with a total compensation amounts CNY930900.

11.1.4 Expenses Related to RP implementation

220. The cost of internal monitoring (including purchasing of office facilities, equipment and RP reports preparation) is estimated at 1% of the basic costs of land acquisition including green seedling compensation, displacement compensation and infrastructure cost. External monitoring cost is calculated based on 0.5% of the basic costs.

221. Managerial cost for RP implementation is estimated at 2% of the basic costs of land acquisition and resettlement.

222. Skill training of APs is planned in four times, with a total cost of CNY200,000.

11.2 Taxes and Fees

223. The taxes and fees are required for permanent land acquisition, namely, land cultivation fee, construction occupation tax, cultivated land occupation tax and land mapping fee. The total amounts to CNY44.09 million.

11.3 Contingency

224. Physical contingency accounts for 10% of the base costs of land acquisition including green seedling compensation, displacement compensation and infrastructure cost, and for the possible consideration of alternative design and physical changes during the resettlement implementation.

11.4 Budget Funding and Fund Flow

225. The budget for land acquisition and resettlement of Ershibu River Rehabilitation and Flood Control Improvement sub-component will be financed by Hefei Finance Bureau. According to the progress of the project, 80% of the resettlement budget will be used in 2007 and the rest 20% will be used in 2008. The cash flow has been shown in Chapter V.

Table 11-1 Budget for Land Acquisition and Resettlement

Cost Items	Quantity	Unit	Unit Cost (CNY)	Total Costs (CNY10,000)
A、Basic Costs				13279.65
I. Land acquisition and resettlement				8740.51
1.Land Compensation Fee	1326.4	mu		2237.52
1.1 Urban section	826.4	mu	18000	1487.52
1.2 Rural (county) section	500	mu	15000	750.00
2.Resettlement Subsidies				5080.00
1.2 Resettled under 16 yrs. Old	343	person	10000	343.00
1.3 Resettled ≥ 16 years old	1579	person	30000	4737.00
3.Standing Crops				53.69
3.1 Vegetable land	101	mu	1200	12.12
3.2 Paddy land	812	mu	450	36.54
3.3 Dry land	143.6	mu	350	5.03
4.Compensation for State-owned Land	70	mu	180000	1260.00
5.Temporaray Land Occupation	130	mu	3000	39.00
6.Land Attachments				70.30
--Mature tree	3838	tree	75	28.79
--Young tree	370	tree	25	0.93
--Fruit tree	7	tree	75	0.05
--Enclosure wall	488	m	50	2.44
--Tombs	1270	tomb	300	38.10
II. Infrastructure				93.09
Power transmission pole	107	pole	200	2.14
Wells	57	unit	5000	28.50
Gravel roads	2429	m ²	50	12.15
Concrete roads	5030	m ²	100	50.30
III. Demolition and Resettlement				4446.06
Urban section	25170	m ²	1635	4115.30
County/rural section	1000	m ²	1200	120.00
Attached structures	209	HH.	5000	104.50
Moving allowance	209	HH.	400	8.36
Transitional subsidy --urban section	25170	m ²	18	45.31
Transitional subsidy --rural section	10	HH.	2430	2.43
Rural housing plots preparation	20% of House Compensation			24.00
Expenses for RO, District Govt.	26170	m ²	10	26.17
B、Costs for RP Implementation				484.79
1.Monitoring and Evaluation (Facilities/RP reports)		1% of A		132.80
2.Management fee for RP implementation (incl. staff training)		2% of A		265.59
3.Skill training for APs				20.00
4.External Monitoring			0.5% of A	66.40
C、Taxes and Fees				4400.94
Land reclamation fee	1056.6		6000	633.96

Cost Items	Quantity	Unit	Unit Cost (CNY)	Total Costs (CNY10,000)
Compensation fee for using newly increased construction land	1326.4		21300	2825.23
Tax for acquiring cultivated land	1326.4		6000	795.84
Land tenure change/registration fee	1326.4		800	106.11
Land mapping fee	1326.4		300	39.79
Sub-total(A+B+C)				18165.38
D. Contingency			10%	1327.97
Total(A+B+C+D)				19493.34

ANNEXES

Annex 1 Resettlement Information Booklet(RIB)

(Name of APs)

The construction of _____ Ershibu River Comprehensive Treatment Subcomponent _____ (name of a component/ or sub-component), a key component of Hefei Environmental Improvement Project financed by ADB loan, will affect the location of your family (unit) to some extent. The booklet is distributed to inform you on the basic status of the sub-component of the Project, relevant land acquisition and relocation policies of the state and the impacts on your household.

Hefei is a national key city regarding the flood control, and Ershibu River is an important seasonal river at the eastern Hefei City. With important economic development zones of Hefei City and residential areas along its both banks, currently the Ershibu River has been heavily polluted. Meanwhile, the most sections of the river channel have not been improved and thus cannot meet the requirements for flood control. In order to improve flood prevention along the Ershibu River and treat environmental pollution on both banks and to generally improve the regional ecological environment, Hefei Municipal Government planned to implement the project. The construction scope of this sub-component starts from Bianhe Road in the north and end up at the confluence with Nanfei River, with a total length of 16.8 km. The engineering works include dredging, bank reinforcement, installation of wastewater and rainwater pipelines, and construction of pump stations and landscaping. The total investment cost for this sub-component is CNY498 million, of which ADB loan will be US\$17 million.

The fundamental objective of the RP is to ensure people whose land or property is unavoidably lost due to the Project, receive adequate assistance so that they would be at least as well-off as they would have been in the absence of the Project.

1. Compensation Rates

The compensation rates of land acquisition and resettlement are determined on the basis of sufficient surveys, with reference to involuntary resettlement principle of Asian Development Bank, state laws and regulations and Anhui and Hefei by-laws and aimed to restore and improve living standard of affected persons in short period after resettlement. The compensation rates applied to the _____ Ershibu River Comprehensive Treatment Subcomponent _____ (name of a component/ or sub-component) are tabulated in Table A1-1 (To be filled in based on different components by IA based on RP, particularly the entitlement matrix and budget table)

**Table A1-1 Compensation Rates for Land Acquisition and Resettlement
Urban Section**

Category	Compensation Rates	Remark
1. Permanent Land Acquisition	Compensation fee: CNY15000/mu	
2. Temporary Land Use	CNY1000/mu per year	Will last for three years
3. Compensation for Standing Crops	As per the HMG document No. 138	
4. Compensation for trees	CNY75/tree	
5. Houses	CNY1635/m ²	

6. land attachments	CNY 1.63 million	Road, wells
7. House attached structures	CNY5000/household	
8. Moving allowance	CNY400/household	
9. Transitional subsidy	CNY18/m ²	
10. Housing plot preparation	No	
11. Enterprises/shops	No	
12. compensation for income loss	No	

Rural Section

Category	Compensation Rates	Remark
1. Permanent Land Acquisition	Compensation fee: CNY18000/mu Resettlement subsidy: CNY3000/person	Resettlement subsidy for those below 16 years old: CNY10000/person
2. Temporary Land Use	CNY1000/mu per year	For three years
3. Compensation for Standing Crops	As per the HMG document No. 138	
4. Compensation for trees	CNY75/tree	
5. Houses	CNY1200/m ²	
6. land attachments	CNY 1.63 million	Road, wells
7. House attached structures	CNY5000/household	
8. Moving allowance	CNY400/household	
9. Transitional subsidy	CNY2430/household	
10. Housing plot preparation	Village will allocate housing plots to APs	housing plot preparation is allocated as 20% of total housing resettlement cost to be paid to village committees
11. Enterprises/shops	No	
12. compensation for income loss	No	

2. Impacts on Your Household (unit)

Table A1-2 Impacts of a Specific Household or Unit

Impacts	Quantity	Compensation rate	Compensation deserved	Remark

3. Estimated time of project implementation

Table A1-3 Proposed Schedule for Key Activities

Items	Time	Remark
Promulgate bulletin of land acquisition and relocation	2006.10-2007.4	
Compensation payment	2007.7-2007.11	
Land acquisition and relocation	2007.8-2007.11	

Move into new house	2007.8-2009.5	
Preparation for the project	2007.10-2007.11	
Implementation of the project	2007.12-2011.12	

4. Rights and Obligations of Affected Persons

(1) Rights of affected objects

Get all kinds of deserved compensation in complete conformity with the above compensation rates; reflect opinion and suggestions to land acquisition and relocation offices or project resettlement offices of CRCs/village committees, towns, district progressively, specific contents of which including base number of compensation quantity, compensation rate, time of compensation payment, site selection for house reconstruction, etc. various resettlement offices must reply to complaints of affected people and problems subordinate resettlement office reflects within 7 days.

(2) Obligation of affected persons

- Actively cooperate with implement of state project.
- New buildings shall not be constructed within scope of resettlement survey, otherwise compensation fund will be canceled.
- Demolish buildings within the red-line /blue-line scope of project planning.

5. Assistance to Vulnerable Households

Vulnerable households would get non-cash assistance as listed below:

- Labor assistance. CRC/Village would provide labor assistance in house relocation and reconstruction for those households lack of labor.
- Give them priority in site selection for house reconstruction in the rural area, and provide guidance on relocation

6. Organizations of Land Acquisition and Resettlement

The Project Management Office (PMO)

Address:	Postal code:	Tel:
PMO, Finance Bureau, HMG	231300	0551-2843995

Project Resettlement Office (RO) within IA

Address:	Postal code:	Tel:
Floor 12, No. 51 of Funan Road, Hefei	230001	0551-2622601

Project RO at District/County

Address:	Postal code:	Tel:
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7. Right of Interpretation of the Booklet

The right of interpretation of the booklet belongs to the PMO.

Annex 2 TOR for External Monitoring and Evaluation

1. Objectives

According to ADB's Resettlement Handbook and ADB's Social Analysis Guideline, independent monitoring and assessment will be made on the resettlement to analyze and compare the change of living level of AP via checking and tracking the progress and fund and management relative with resettlement.

The report that is provided to the ADB, the EA and concerned departments will provide sufficient information and suggestions for reference to the concerned departments to keep them informed of the progress and status of resettlement so as to assure them identify the problems and propose suggestions on the improvement.

2 Tasks for Monitoring and Evaluation

Progress of land acquisition and demolition includes:

- progress of land acquisition;
- progress of temporary land occupation;
- affected progress of the project.

Progress of house demolition and resettlement includes:

- progress of house demolition and status of compensation;
- progress of house construction for resettlers;
- progress of removal.

Progress of funds availability and payment includes:

- payment of fund allocation;
- expenditure (budget and factual expenditure).

Monitoring and assessment on living level of AP includes:

- living level of AP prior resettlement;
- living level of AP after resettlement;
- employment of AP prior and after resettlement.

Monitoring on availability of compensation, rehabilitation and reconstruction of public facilities and progress of construction;

AP's participation in the processes of preparation of RP, land acquisition and resettlement and income rehabilitation;

Monitoring on mechanism and efficiency of grievance procedure;

Collection of monitoring data and establishment of data file;

Comparison analysis;

Report submission.

3. Technical Procedures

Prepare RP working outline; prepare questions and tables for investigation; prepare the scheme of random sampling; base investigation; set up information management system; supervise survey; establish data files; compare analysis and make assessment; prepare monitoring report; check the completion of monitoring; draw conclusion.

4. Independent Monitoring Agency

An independent monitoring agency will be engaged to take the responsibility of monitoring on the resettlement of the project by PMO or separately by IAs.

The PMO will provide assistance to the external monitoring and evaluation agency, particularly in the aspects of field survey, staffing and logistics.

5. Monitoring and Evaluation Methods

A combined method of field survey, analysis and comprehensive assessment;

An overall and site survey of progress, funds, institution and management and a random sampling survey.

Sampling according to classification. Tracking the samples at the percentage of 10% of house-demolished households and 10% of households who loss land.

Overall survey including table investigation, meetings, and file review.

Collection of photos, tape records, video records, physical substance except for written documents.

6. Schedule of Monitoring and Assessment

Dec. 2006	Contract an independent evaluator, prepare the working outline;
March.2006	prepare monitoring such as outline of survey, tables, establishment of monitoring system, defining assignment, and selection of monitoring samples;
Apr. 2007	Baseline and first survey, submit No. 1 monitoring report;
Dec. 2007	Second survey, submit No. 2 monitoring report;
June.2008	Third survey, submit No. 3 monitoring report;
Dec.2008	Fourth survey, submit No. 1 evaluation report;
June.2009	Fifth survey, submit No. 2 evaluation report;



Upper stream start point of Ershibu River Treatment Project



East Changjiang Road Bridge on Ershibu River



Downstream of Ershibu River--outside and inside of the river dyke