

Resettlement Planning Document

Resettlement Plan – Sili River Rehabilitation and Flood Control Improvement Component
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Prepared by Hefei Urban Construction and Investment Co. Ltd.
Hefei Construction Commission

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Hefei Urban Environment Improvement Project

**Sili River Rehabilitation and Flood Control
Improvement Works Subcomponent**

Resettlement Plan

**Hefei Urban Construction Investment Co. Ltd.
Hefei Construction Commission
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 Sili 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.

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

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

November 2006

LIST OF ACRONYMS AND MEASURES

AAOV	Average Annual Output Value
ADB	Asian Development Bank
AP	Affected Persons
CNY	Chinese Yuan
CRC	Community Residents Committee
dia.	Diameter
DI	Design Institute
DMS	Detailed Measurement Survey
DRO	Demolition and Resettlement Administration Office
EA	Executing Agency
EIA	Environmental Impact Assessment
FB	Finance Bureau
GDP	Gross Domestic Product
FFM	Fact Finding Mission
FSR	Feasibility Study Report
Ha	Hectare
HMCC	Hefei Municipal Construction Commission
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
IA	Implementing Agency
LAB	Land Administration Bureau
LSSL	Least Subsistence Security Line
LRB	Land and Resource Bureau
M&E	Monitoring and Evaluation
MRM	Management Review Meeting
NGO	Non Governmental Organisations
PMO	Project Management Office
PPTA	Project Preparatory Technical Assistance
PRC	Peoples Republic of China
RIB	Resettlement Information Booklet
RO	Resettlement Office
RP	Resettlement Plan
ToR	Terms of Reference
US\$	United States Dollar
km ²	square kilometre
mm	Millimetres
m ³ /d	Cubic Meters per day
%	Percentage
≤	Less than or equal to
≥	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 = 1/8 \$US (\$US1=CNY 8)

EXECUTIVE SUMMARY

In order to improve the flood prevention ability of the Sili River and treat the environmental pollution on both banks including 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 Sili River – subcomponent 2.3, to be implemented by Hefei Urban Construction Investment Co. Ltd (HUCIC) as the implementing agency and the Hefei Municipal Drainage Office, as the implementing unit. The permanent requisition of land for this sub-component will directly affect three villager groups of the Silhe Community Residential Committee (CRC) from Luyang District; the project will permanently requisition 181mu of land, comprising 173mu cultivated and 8mu fallow that will affect 152 farmers in 37 households. No temporary occupation of land will be required. 11328 m² houses will be demolished, which will directly affect 90 farmers in 22 households. A total of 3 enterprises will be slightly disrupted by losing boundary wall to their property. These enterprises employ a total of 95 workers whose livelihoods will not be affected by this.

The impacts from land acquisition were minimized by close consultation with local officials and the CRC at the feasibility study report(FSR) stage, and alternative schemes had been compared and the optimized scheme selected. 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. The RP has been based on the FSR and will need to be updated based on the detailed design.

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) 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 will 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.

The people affected have been notified about the key elements of the RP during meetings, interviews, focus group discussions, public consultation workshops, and community consultation meetings. Local representatives have participated in the planning process and concerns have been integrated into the RP. The Hefei Project Management Office (PMO) will be responsible for the supervision of RP implementation, further consultation and grievance redress. The grievance redress procedures have been clearly described in the present RP.

Compensation standards for permanent land requisition are in accordance with HMG policy. The Project will pay CNY21,000 /mu to collectively owned cultivated land requisitioned by the Project. Farmers under age 16 who are to be resettled will be paid a resettlement subsidy of CNY10,000 /person. Those aged 16 or over will be paid CNY30,000 /person (comprising CNY12,000 /person for job seeking and CNY18,000/person for basic living security purposes integrated into the urban social security net); compensation for standing crops is calculated as CNY700/mu for one harvest.

Resettlement and income restoration strategies include cash compensation, skills training for the APs, project related employment and other measures. The APs from whom the land is acquired will find employment in either intensified farming work or non-agricultural employment to increase their income after related skills training. A budget of CNY100,000 for the skills training of APs has been allocated.

The land requisition and resettlement is scheduled to begin in May, 2007 and to be completed in November, 2008, hence lasting for 18 months. The civil works will not take place before compensation for the APs are paid in full. In addition to the planned internal monitoring and supervision, and in order to ensure successful implementation of the RP, , an independent external monitoring agency will be hired to conduct monitoring once every half a year. The budget for the land requisition compensation and resettlement fee is estimated at CNY32.2 million and comprises permanent land requisition costs and temporary land occupation costs, relevant taxes and fees, and a 10% base cost contingency. The resettlement plan budget amounts to about 13% of the total budget for the Project subcomponent.

KEY TERMINOLOGY

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 do, e.g., all the CRC leaders get full salary from government rather than a villager leader who only get subsidies from government and has 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.

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I. PROJECT DESCRIPTION

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, and (v) 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), are the implementation agency (IA) and Hefei Wastewater Treatment Administration Department (HWTAD), 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 household; 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. The implement agency (IA) have agreed that 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 submitted to ADB for review and approval and then uploaded on the ADB website before loan appraisal. Finally, the RP will be endorsed by the project executing agency (EA) before Management Review Meeting (MRM).

1.2 Project Background

5. The major Nanfei River cuts 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 Sili River is one such tributary which is also susceptible to flooding. Hefei is a national key city for flood control and has flood mitigation plans to withstand a 1 in 100 year flood. The city has not yet reached that standard. The terrain on both sides of the Sili River is generally flat and during floods both banks on the flood plain become inundated. Earlier rehabilitation work on the Sili River has straightened out meandering sections, but there is an upstream section from Yanhelu Bridge which is completely natural. This section does not have any flood control structures to meet the requirements of the City's flood control plans. Industrial wastewater and domestic sewage are discharged directly into the river, seriously polluting the water. Furthermore, encroachment of buildings along the river channel and dumping of large amounts of solid waste are seriously narrowing the river which is exacerbating the flooding problem.

6. The Sili River is the main flood discharge channel of the Dafangying Reservoir in the northwest of the City, (see Figure 1). The Sili River flows into the Nanfei River about 350 meters downstream from Suixilu Bridge and has a total reach of 5.18km.

7. In order to improve flood control ability, treat environmental pollution and improve the regional ecological environment; the HMG have decided to utilize the ADB loan for the comprehensive Sili River rehabilitation and flood control improvement project (subcomponent 2.3) to be implemented through the IA -HUCIC.

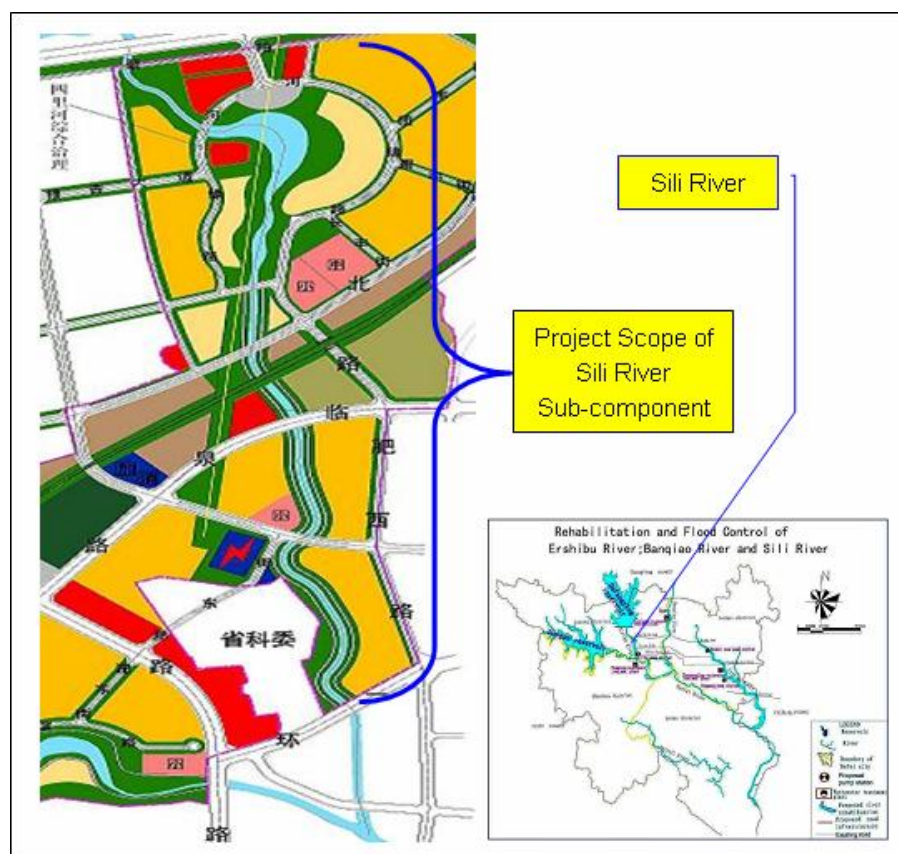


Figure 1 Map Showing the Location and Scope of Sili River Sub-component

1.3 Project Description

1.3.1. Main Construction Content

8. The project investment is to upgrade the Sili River channel from the Second Ring Road to its confluence into the Nanfei River to be able to withstand a flood of 100-year frequency. Flood control dykes (levees) or walls will be built if necessary. The river course will be reasonably designed according to the requirements of the flood control plans, and closely into the urban plans for the northwest section of Hefei City. Parts of the winding river course will be straightened.

9. The major works for this subcomponent include river widening and dredging, and

bank strengthening along a 3.18 km section, including slope protection, diverting wastewater to a wastewater treatment plant (WWTP), five bridges, construction of access roads, landscpaing including tree planting along the river banks. Major works for this sub-component are listed in Table 1-1.

Table 1-1:Major Works for the Sili River - Subcomponent 2.3

	Types	Quantities
1	Flood control walls	600m ³ of slurry stone
2	Slope protection	19,900m ³ of slurry stone block
3	Reinforcement of river banks	511.9 thousand m ³ of earthwork, comprising 187.7 thousand m ³ of excavation and 324.2 thousand m ³ of fill
4	Waterfront platform	1.8km of slurry stone block retaining walls, 4,300 m ³ of stone block
5	Greening for river course slopes	The acreage is 25,420 m ²
6	Sewage interception	d300~d800, the total length is 11.4km
7	Flood drainage pump station and water pipe	d300~d800, the total length is 10.2km. 14 culverts across the bank will be set and 1 pump station, the design runoff of which is 2.0 m ³ /s, will be established
8	Sludge desilting	The total desilting quantity is 76,000 m ³
9	Road and bridge	The total length of the riverside roads is about 7.8km and the width of the road is 8m. The total length of the riverside footpath is about 2.5km and its width is 3-6m. There will be five bridges.
10	Land requisition and demolition and Resettlement	All above works are integral part of the sub-component, and all will be constructed within the control line (blue line) of the river alignment. Therefore, 181mu of collectively owned land will be requisitioned and the demolition area is 11,328m ²

II. IMPACT OF LAND REQUISITION AND RESETTLEMENT

2.1 Measures to Minimize Land Requisition and Resettlement

2.1.1 Measures of Reducing Project Impact

10. Hefei Municipal Construction Commission, HUCIC and the design institute (DI) have carefully planned the flood control structure in order to minimize land acquisition and demolition. Meanwhile procedures are in place to compensate those who will be unavoidably affected by the project

2.1.2 Comparison of Project Alternatives

11. There are two alternative flood control schemes that have been considered:

- **Scheme I:** The Sili River from the Second Ring Road to the confluence with the Nanfei River will upgrade to withstand a 1 in 100-year flood frequency. Flood control dykes (levees) or walls will be built as necessary and the river course will be designed according to the requirements of the flood control plans, and closely combined with the urban plans of the surrounding area. Parts of the winding river course will be realigned and straightened.
- **Scheme II:** Flood control dykes or walls will be built only on the left bank (east bank) of the Sili River from the Railway Bridge towards the confluence with the Nanfei river according to the a 1 in 100-year frequency. The west bank will remain unchanged.

12. **Comparison:** The environmental impacts of Scheme I and Scheme II are generally the same, while Scheme II involves a smaller amount of civil works, less demolition and resettlement, and less impact on the ecological, atmospheric and acoustic environments compared with Scheme I. Table 2-1 provides a comparison of technical economic and environmental impacts of the two schemes.

13. Scheme I not only solves the problem of flood control along the river, but also harmonizes the appearance of the river with the landscape planning of the nearby forest park for Hefei City, and is in accordance with the City's long term plan to turn the area into a recreational and tourist center, which will be beneficial for improving the ecological environment along the river and will play an important role in enhancing the general quality and nature of the City.

14. Scheme II can only solve the problem of the threat of flooding to the urban area on the eastern bank. However, as a main drainage channel of the planned Hefei forest park and a designated recreational tourist attraction, the Sili River is far from meeting the requirements of the City's development plan in its present state with unsightly buildings occupying the flood plain; garbage being dumped into the river course, and along the river banks. Meanwhile, many obstacles within the river course are causing drainage difficulties and an increase in the probability of flood occurrence. This not only increases the quantities of construction required such as flood control walls or embankment, but also increases the risk to urban flooding.

15. By only solving the problem of the urban flood threat, the Sili River, Scheme II cannot meet the City's development requirements ; instead, Scheme I satisfactorily combines urban flood control with urban construction and environmental improvement. It closely sticks to the theme of forest park planning of the city and will provide an attractive recreational tourist area. Therefore, according to the above comparison, Scheme I is recommended

Table 2-1: Comparison of Alternatives

No.	Item	Scheme I	Scheme II
1	Area of land requisitioned (mu)	330 ¹	200
2	Demolition area	11,328m ²	6,532 m ²
3	Volume of works		
3.1	Stone works (m ³)	24,800	10,500
3.2	Earthworks(m ³),	511,900	301,000
	of which, --cutting works	187,700	120,000
	--filling works	324,200	181,000
3.3	Landscaping area (m ²)	254,200	123,000
4	Total investment (million CNY)	251,353	113,232
5	Environmental impact in the construction period	larger impact	less impact

Note:¹ The land includes 149 mu water course. Source: FSR, 2006.

2.2 Impact of Land Requisition and Resettlement

16. According to the result of scheme optimization, the recommended scheme permanently requisitions a land area of 181mu (excluding the river surface area) which belongs to Sihe CRC of Xinghua Street Office (same as sub-district), Luyang District. Of which, there are 173 mu cultivated land and 8 mu land of housing area. In the area permanently requisitioned, the demolition area of houses is calculated at 11,328m² and the houses are brick built in nature. In addition, some land attachments affected are listed in Table 2-2.

Table 2-2 Types and Amounts of Attachments on the Requisitioned Land

Names of Groups ¹	Power ² poles	Enclosure wall(m)	Graves	Wells	Trees	Concrete ² road (m ²)	Sand-gravel ² road (m)
Liwa	42	1,630	70	205	1,300	3,300	4,100
Sihe	27	1,810	580	502	1,400	0	2,800
Liangying	11	1,560	0	130	740	0	1,460
Total	80	5,000	650	837	3,440	3,300	8,360

¹ The definition of Group in this context relates to communities below village level / former production teams or sub-villages.

² Power poles and roads are part of the attachments but are the property of the State but within the boundary of respective Groups.

2.3 Affected Population of the Project

17. In April 2006, HCC, HUCIC, resettlement panel members of the Hefei Design

Institute of Coal Industry conducted a socio economic survey in the affected district, towns and villages. The results of the investigation showed that the land acquisition of the Project will directly affect 152 people within 37 households of Sihe Community, Luyang District. Of which, 9 households with 18 persons will lose all of their land, the rest will loss part of their cultivated land. Within this CRC a total of 90 residents reside in 22 households that will be demolished (all partially affected, i.e., they have other houses). There are three small scale enterprises that employ 95 persons. The enterprises will still continue to operate (only losing a wall of their property, further confirmed by DI and IA during a field visit conducted during FFM), and therefore the employees are not affected. Moreover, nobody rent these houses to be demolished due to the smelly environment aside Sili River, therefore there is no house renter to be affected. This has no conflict to the income earned from house leasing. Some households have more than one house elsewhere but not sited along the Sili River. Thus the demolition of the houses along Sili River will neither affect the renters nor the house-rental income of it corresponding house owners.

III. SOCIAL ECONOMIC CHARACTERS

3.1 Brief of Hefei Municipality

18. Hefei Municipality has three counties (Feidong, Feixi and Changfeng), four districts (Baohe, Luyang, Yaohai and Shushan) and three development zones (Hefei Hitec Industrial Development Zone, Hefei Economic and Technical Development Zone and Hefei Xinzhan Pilot Zone). According to official statistics Hefei's GDP reached CNY56 billion and has a developed area of 210 km² with the population of 2 million by 2005. Hefei's GDP is projected to rise to CNY100 billion by the year 2010 and the city will cover the developed area of 280 km² with an urban population of 3 million.

3.2 Social Economic Situation of the Affected Village

19. The affected Sihe CRC has altogether 1,024 households and 3,620 persons. The per capita net income in 2005 was CNY5,200. The residential community is located at the interconnection of urban and rural areas, although it has been brought into Hefei urban area, the residents were mainly carrying out agricultural tasks. In recent years, with the rapid development of Hefei's economy, a lot of surplus labor has been attracted to the City. Presently, villagers in the affected area no longer depend on agricultural sources for their main income. Main income sources are now from business or outside employment with a secondary income source being cash crops, such as rice, rape and vegetables.

3.3 The Socioeconomic Survey

20. 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.

21. 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.

22. A strict purposive sampling frame was designed for household and business/survey and applied using data collected in 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 Sili River, and was also placed on the 1 to 2,000 scale alignment map 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

23. 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 project¹. This should not however affect the identification of the socio-economic characteristics of the APs.

24. The socio-economic survey covered the only 1 CRC destined to be affected by the Project. A total of 20 individual households (54% of total 37 households) were interviewed containing around 51 people (33.6% of total APs). Of the 20 surveyed household, one is non-agricultural household, the rest are all agricultural households. There were 2 business managers interviewed of the total 3 small-scale enterprise affected. The survey focused on the seriously affected households rather than a random sample survey, thus the survey result cannot be used to detect the overall situation of all APs.

3.3.1 Demographic Features of APs

25. The average household size is 2.55 persons (51/20). The detailed demographic features of surveyed APs are listed in Table 3-1.

Table 3-1: Surveyed Villages and Number of Households

Item	Male		Female		ALL	
	No.	%	No.	%	No.	%
Age						
≤6 years	1	4.0%	1	3.8%	2	3.9%
7-19 Years	4	16.0%	6	23.1%	10	19.6%
20-35 Years	4	16.0%	5	19.2%	9	17.6%
36-50 Years	9	36.0%	6	23.1%	15	29.4%
51-60 Years	4	16.0%	6	23.1%	10	19.6%
61-70 Years	2	8.0%	2	7.7%	4	7.8%
≥71	1	4.0%	0	0.0%	1	2.0%
Total	25	100%	26	100%	51	100%
Education of labor						
Primary school	3	16.7%	5	29.4%	8	22.9%
Junior mid school	13	72.2%	9	52.9%	22	62.9%
High school	2	11.1%	3	17.6%	5	14.3%
Total	18	100%	17	100%	35	100%
Occupation of labor						
No job	2	11.1%	1	5.9%	3	8.6%
Farming/chores	6	33.3%	13	76.5%	19	54.3%
Migrant labor	4	22.2%	0	0.0%	4	11.4%
Business	1	5.6%	1	5.9%	2	5.7%
Worker	4	22.2%	2	11.8%	6	17.1%
Others	1	5.6%	0	0.0%	1	2.9%
Total	18	100%	17	100%	35	100%

Remark: (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) Others category of occupation include: one male 63 years old, retired regular worker and one female worker in an insurance company.

Source: RP Social Economic Survey, 2006.

¹ 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.

26. The ages of APs cannot clearly show the trend due to the small sample size. But the education of labor data obtained showed that women received relative lower education compared with men. The obvious characteristic is because over three quarters of female labor are engaged in farming, while this ratio for male only accounted for one third.

3.3.2 Housing Conditions of APs

27. The housing conditions showed that among the 20 households, 12 of them have houses leased out, and with a larger floor space for owner occupied houses but some respondents answered that they still have rooms available for leasing out.

28. The average area of owner occupied residential houses is 260.6 m² for each household, and the average area for leased out houses is 128.5 m² per household. This indicates that for a small-size household (average 2.55 persons / household) have abundant rooms for living. Detailed information is listed in Table 3-2. All the houses surveyed are brick and concrete structures. In addition, there are two owner occupied houses for business purposes with 10 m² and 80 m² of floor area respectively, but none of them will be affected.

Table 3-2: Housing Conditions of Surveyed Households

Types	Indicator	N	Minimum	Maximum	Mean	Std. Deviation
Owner Occupied	Rooms (room)	20	2	15	4.1	3.1
	Floor space (m ²)	20	50	1800	260.6	483.0
Rent-out	Rooms (room)	12	2	12	5.1	3.0
	Floor space (m ²)	12	50	340	128.5	85.1
All	Rooms (room)	20	2	15	7.2	4.1
	Floor space (m ²)	20	50	1800	337.7	465.0

Note: N = number of respondents.

3.3.3 Land Resource and Land Tenure

29. There were 13 households replied that they owned cultivated land, with an average area of 1.04 mu per households (see Table 3-3). For the remaining 7 households surveyed including the household with non-agricultural status, they do not own any cultivated land, but do own collective housing plots.

Table 3-3: Cultivated Land Owned by Surveyed Household

Number of Respondents	Minimum	Maximum	Mean	Std. Deviation
13	0.10	2.00	1.04	0.53

30. After consultation with Hefei Land and Resources Bureau (LRB) and resettlement staff of 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 no land reallocation has been conducted since then. Instead, the HMG encourages the transfer from agricultural status to non-agricultural status following the Anhui Provincial By-law of implementing the P.R.C Land Administration Law-- If a per capita land area is lower than 0.2 mu of a household, the householder can apply for the conversion from agricultural status to non-agricultural status. There are two pre-conditions for this (i) per capita land area must not be less than 0.2 mu after land acquisition and (ii) upon the application the householder must prove affordability, i.e.

that he can make a living as an urban citizen.

3.3.4 Financial Status and Vulnerable Group

3.3.4.1 Household Financial Status

31. The household per capita net income was CNY5,295 in 2005, which is a little higher than that of the village level CNY5,200. And the average per capita expenditure was CNY2,937, and consequently the per capita saving was CNY2,358 in 2005 (see Table 3-4)

32. Of the total net income, nearly one third was derived from cropping, the second source was house rental received from house leasing with an income share of 28.6%, and the third income source was income from migrant labor (see Table 3-5). The expenditure patterns of all the 20 surveyed households as a total (see Table 3-6, showed that the largest single cost item was food, which accounted for 56.7% of the total household's expenditure, and the shares for clothes and children's education ranked 2nd and 3rd respectively in 2005.

Table 3-4: Per Capita Financial Status of Surveyed Households in 2005

Unit: CNY/ person

Item	No. of respondent ¹	Minimum	Maximum	Mean	Std. Deviation
Net Income	20	2,945	9,600	5,295	1,646
Expenditure	20	933	6,900	2,937	1,410
Savings	20	300	4,000	2,358	1,028

Note: the non-agricultural household was included since its income sources were not different from other households without cultivated land.

Table 3-5: Income Sources of Surveyed Households in 2005

Item	Agriculture	Migrant labor	Salary	Business	House Rental	Total
CNY	93,200	73,240	27,600	8,600	81,000	283,640
%	32.9%	25.8%	9.7%	3.0%	28.6%	100%

Table 3-6: Expenditure Patterns of Surveyed Households in 2005

Item	Food	Clothes	Housing	Education	Health-care	Culture and Recreation	Transport/Communications	Total
CNY	83,700	24,600	3,300	21,400	8,950	1,200	4,550	147,700
%	56.7%	16.7%	2.2%	14.5%	6.1%	1%	3%	100%

3.3.4.2 Identification of Vulnerable Households

33. Before the RP social economic survey, it was presumed that there would be some vulnerable households along the Sili River. In fact, it was confirmed that there are no ethnic minorities among the potential APs. A single woman² household was found, she is 55 years

² It was confirmed by seasoned resettlement staff that a considerable number of households in the city fringe separate their family members into more than one household, not only for taking care of their abundant houses, but also so they can get separate apartments according to the resettlement policy when land acquisition and resettlement is conducted. This is an understandable arrangement.

old, with an average net income of CNY5,220 in 2005. A single man over 60 years lived alone in parallel to this woman with a per capita income of CNY7200 in 2005. In this situation, it can be postulated that they are by no means vulnerable. Thus it can be concluded that no vulnerable groups were found within the sampled households. However, in case any vulnerable households or population are found during the Detailed Measurement Survey (DMS), they will be well treated and will receive the full provision of necessary assistance.

3.4 Gender Analysis

34. Besides the education difference between male and female labor groups, the income difference earned in their households depends on their occupation. Since many male laborers leave for migrant jobs, and leave female labor engaging in cropping (no animal husbandry or other agricultural activities) and taking care of household chores, of which the most important task is to find clients to rent out their houses and collect house rental. In fact, this job is much more suitable for women than for men. Accordingly, the household income share earned on average by women (see Table 3-7) is about 4-22% more than that in other river treatment sub-components of the Project, e.g., Ershibu River (24-37.9%) and Banqiao River (37.7%).

Table 3-7: Women's Share in Household Income 2005

Item	No	Minimum	Maximum	Mean	Std. Deviation
All but the single man	19	20	100	47.4	22.4
Excluding the 2 one-person households	18	20	80	44.4	18.7

35. Concerns related to resettlement with respect to potential APs were obtained through interviews. Although the number of respondents was small; only ten households; it shows a trend with different views for males and females. Table 3-8 showed that the top five major concerns are: (i) government assistance during relocation, (ii) fair compensation, (iii) children's education, (iv) timely compensation and (v) loss of income. And the top ranked minor concern was starting up a new business, followed by replacement land for cropping, future employment as well as income loss.

Table 3-8: AP's Concerns on Resettlement by Gender

Item		Male (N=6)		Female (N=4)		All (N=10)	
		Major	Minor	Major	Minor	Major	Minor
1	Fair compensation	67%	33%	100%	0%	80%	20%
2	Timely compensation	83%	17%	50%	25%	70%	20%
3	Starting a new business	17%	83%	25%	25%	20%	60%
4	Replacement land for cropping	0%	33%	0%	75%	0%	50%
5	Loss of income	33%	67%	100%	0%	60%	40%
6	Future employment	17%	50%	50%	25%	30%	40%
7	Education for children	67%	33%	100%	0%	80%	20%
8	Assistance during relocation	83%	17%	100%	0%	90%	10%
9	Separation from kin and relatives	0%	100%	75%	25%	30%	70%

36. There are two different points that can be seen clearly between male and female groups; (i) in terms of percentage, more proportion of women concerned loss of income than that of men concerned. (ii) for the first two questions listed in Table 3-8, while 4 female

respondents all mentioned the fair compensation, but only half take it as the major concern for the timely compensation, which is different from that of the male group. One reason is that some women have learnt some experience from contract signing with housing clients that once the compensation is agreed or contract is signed, then the compensation be paid sooner or later will not affect the household too much.

3.5 Impact Assessment

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

3.5.1 Land Loss

38. The land loss will definitely cause certain income reduction for households; however, with the exemption of agricultural taxes and fees related to land, losses to respective communities are minor and generally concerning small strips land loss implying that few households will lose all their cultivated land due to the Project.

39. 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 the state-owned land. Therefore, the uppermost 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 and timely compensation

40. The positive impact for APs who will lose land is that this will be a chance for them to get paid cash for either small business or other investments, or for those who can afford it, a chance to convert from agricultural status to non-agricultural status and obtain formal urban citizenship.

3.5.2 House/flats

41. Generally, the house demolition and relocation are the key issues for resettlement; however, the survey results showed that there are abundant houses within the potential AP households. Consequently, after they have received cash compensation, they can choose self-relocation or relocation with local government assistance, if required. This means therefore that resettlement of this sub-component will have a minor impact on APs.

3.5.3 Enterprises/Businesses/Shops

42. Based on the interviews with two small-scale enterprises and leaders from Sihe CRC, it is clear that all three enterprises are privately owned by individuals, and were all invited by the CRC in the purpose of increasing employment and income of this CRC.

43. Of the three enterprises, all only have a one-side enclosure wall (toward the river) that will be affected, but no production facilities will be affected, thus it will not cause production stoppages. After paying compensation for the enclosure wall, they can manage to build a new one. The land at this site belongs to the Sihe CRC.

3.5.4 Income Losses

44. This is a key issue particularly for the extremely poor, aged, women-headed households, disease suffering households and other vulnerable households. As the local government has already started a social safeguard programs such as the least subsistence security line (LSSL) program in urban areas, special assistance will be provided by the local sub-district. The Project will provide non-cash support such as relocation assistance.

45. For the APs with land loss, measures will be taken to reinforce the future employment opportunities in order to minimize the income risks, for example, skills training would be useful to help find a proper occupation or to reinforce their existing farming abilities.

46. In summary therefore, if the RP is well prepared with fair compensation rates, all the resettlement issues can be minimized and the APs income levels can be more than rehabilitated under strong supervision from HMG.

IV PARTICIPATION, CONSULTATION AND GRIEVANCE

4.1 Identification of Stakeholders

47. Public participation and consultation are important procedures according to ADB policies and Chinese laws and regulations. Above all, the stakeholders should be identified and categorized as primary and secondary stakeholders.

48. Primary stakeholders are identified as those directly or adversely affected and those who will purely benefit from the project, it mainly includes: (i) people directly affected by land and property losses, (ii) social and public institutions affected by land acquisition and resettlement; (iii) all villages/ CRCs as well as 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.

49. Secondary stakeholders include the indirect beneficiaries such as the construction material suppliers, government organizations involved with the project processing as well as those who are interested in the project and participated in the project related activities.

50. 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 project without affecting AP's livelihood. The following sections describe procedures that have been and must still be done to achieve the Project goals.

4.2 Consultation during Project Preparation

4.2.1 Public Consultation

51. The public consultation process for the Project began in December 2004 with a series of surveys by the Project DI. HUCIC have conducted a series of social mobilizations since 2005 with support from the project EA and concerned departments. This was followed by further surveys and consultations carried out by the Hefei Design Institute of Coal Industrial Ministry in 2005-2006 and an in-depth socio-economic survey conducted by local survey teams supervised by the PPTA Consultants 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 4-1.

52. The RP household survey revealed that the major concerns raised by the households are summarized as follows (also see Table 3-8): (i) Government assistance during relocation; (ii) fair compensation; (iii) education for children; (iv) timely compensation; and (v) loss of income.

Table 4-1: 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, Sub-district, CRC, AP households	10	Data collection for RP	--support the project and survey --understand the attitudes of APs --collect basic data

Institute	Date	Participants	No. of people	Objectives	Feedback/ discussion of main issues
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 leaders, AP household, business managers	30	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.
IA	Oct. 15, 2006	Sub-district officials, CRC leaders, representatives of APs	25	Distribution of compensation fund due to land loss	-- agreed on that all compensation due to land loss (including land compensation fee and resettlement subsidy) will be paid directly to APs.
PMO, IA	Oct. 20, 2006	IA, local officials, CRC leaders	155	Resettlement information booklet (RIB) distribution	--consent to the compensation standards and grievance redress procedures as previously discussed

53. 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 80% of respondents was 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 be able to afford to send their children to study in the top quality schools, but this is a universal issue beyond the scope of this RP. Nevertheless, the income rehabilitation is a key factor interlinked with future employment to affect APs livelihood and has been addressed in this RP.

4.2.2 Public Participation and Consultation Plan

54. 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:

- Formal CRC meetings to ratify the options relating to compensation disbursement

and utilization.

- 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.

55. Table 4-2 contains a schedule and activity of the consultation plan.

Table 4-2: Consultation Plan

Purpose of Event	Tasks	Timing	Implementation Agency	Participants	Remark
1. Publicizing of RP program	Resettlement Booklet	Oct. 2006	IA, District and sub-district Resettlement Agencies	All APs	completed
2. Disclosure of final RP, including compensation rates	Distribution of Chinese version RP	Nov. 2006	IA, District and Sub-district/ Township Government	Affected CRC	Distribution of final RP to the affected CRC which can be easily read by APs, before MRM
3. Conduct Detailed Measurement Survey (DMS); Disclosure of updated RP	Face to face meetings with APs	June, 2007	EA, IA, Resettlement Offices at district/county and Townships levels and township officials	All APs	(i) inventory of all assets and land holdings; (ii) Creation of definitive list of APs; (iii) Prepare basis for household compensation contracts

4.3 Distribution of the RP

56. 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 RIB on 20 October, 2006. The RP will be disclosed to all affected CRC by November 2006.

4.4 Appeals and Grievance Redress

57. 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.

58. In case APs are dissatisfied with compensation rates, arrangements made by the resettlement agencies, 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 LRBs and Resettlement Offices, (iv) the HMG or (v) by taking legal action.

59. **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.

60. 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 (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.

61. Township/CRC and the County/District LRBs 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.

62. 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.

63. 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 P.R.C Ministry of Land and Resources. AP can appeal against any aspects of resettlement work, including compensation standards.

64. The complaints and appeal procedures will be conveyed to APs through public meetings and other information dissemination procedures, to ensure they fully understand their rights and the mechanisms for complaint and appeal. Any complaints raised by APs must be registered in written form by each organization that receives these grievances. Complaints will be formally filed 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

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

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

66. Since local regulations and by-laws cannot be in conflict with those of upper levels, the following listed documents are from the basis for 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, January1, 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).

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

5.1 The ADB Involuntary Resettlement Policies

68. 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.

69. 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.

5.2 Related Laws and Regulation of China

70. 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. Here

listed are the most important excerpts from 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 type 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

5.3 Gaps between ADB and China Policies

71. Comparing the Gaps between ADB and PRC policies, Table 5-1 shows that distinctive difference are in the aspects of information disclosure and consultation which are lacking in the content or time delays. For the resettlement budget, regarding some domestic central government funded small-scale projects, only a budget for engineering works was prepared and the RP costs are left to either the county or township government. Fortunately, this situation is changing and this Project is beyond that scope. 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.

72. 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 stage 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 on this Project to bridge this gap, by training and coaching IA staff throughout. Furthermore, ADB senior resettlement specialist as well as PPTA consultants have explained to the IAs to ensure that they fully understand ADB requirements and PRC policies on involuntary resettlement. This is just a start; further measures will be adopted after the PPTA stage and before RP implementation (details will be discussed in the institutional capacity section).

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 followed
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 followed
6	Social and cultural Institutions	No difference With compatibility analysis, experienced on 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 followed

5.4 Project Policies on Resettlement

73. 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 be to assure the APs of their income rehabilitation and the increase of their standard of living, while minimizing the social and environmental impacts. The preparation and the future implementation of the RP are based on the above targets. Special attention should be given to vulnerable groups, such as the poor, women, elderly, and disabled.

74. 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 are targeted at the APs to ensure adequate compensation 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 timely.

5.5 Compensation Standards

5.5.1 Principles

75. Lost land and property 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 their 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.

5.5.2 Compensation Rates

76. Having discussed the current HMG documents during consulted with seasoned HMG and district government officials, and then discussed with CRC leaders and AP representatives, compensation standards³ for land acquisition and resettlement along the specific location of Sili River have been formulated and are considered as adequate.

77. The land compensation fee is calculated based on 15 times (usually 6-10 times as documented in the PRC Land Administration Law) average annual output value (AAOV) at CNY1400 /mu. Resettlement subsidy due to land loss is divided into two categories of below 16 years old and those at and over 16 years old agricultural population to be resettled, and these resettlement subsidies can be used by APs, which is equivalent to the calculation with land loss directly based on the land share he or she owned in their collectives. The compensation rate for non-productive land is the same as the cultivated land since the area is located within the zoning area of Hefei City – it has the economic potential for land price increase once it is developed although it is unused.

78. Compensation for temporary resettlement is calculated based on an 18-month span. Compensation rates for other types of lost properties are also determined, and details are listed in Table 5-3.

Table 5-3 Compensation Rates for Lost Land and Properties

	Item	Unit	Compensation Rates CNY
I.	Compensation for Collective Land		
1.1	Permanent land requisition compensation	CNY/mu	21000
1.2	Resettlement subsidy (for persons under 16)	CNY/person	10,000
1.3	Resettlement subsidy (for those at & over 16)	CNY/person	30,000
1.4	Standing crops	CNY/mu	700
II.	Ground Attachments		
2.1	Mature trees	CNY/tree	75
2.2	Tombs	CNY/tomb	650
2.3	Power poles	CNY/pole	200
2.4	Fencing walls	CNY/m	50
2.5	Concrete roads	CNY/m ²	100
2.6	Gravel roads	CNY/m ²	50
III.	Compensation for Demolition / Relocation		
3.1	Residential house demolition	CNY/m ²	1000
3.2	Moving allowance for households	CNY/household	400
3.3	House attachments	CNY/household	500
3.4	Moving allowance for enterprises	CNY/m ²	144
3.5	Temporary resettlement subsidy—household	CNY/m ²	72
3.6	Temporary resettlement subsidy—enterprises	CNY/m ²	90

5.6 Compensation Fund Flow and Timing

79. Compensation fund for land acquisition and resettlement regarding the Sili River

³ Compensation standards are different to compensation agreements that will be signed with APs during June 2007. Compensation agreement is a formal document signed based on the compensation standards for specific loss items as the base for compensation fund disbursement.

Rehabilitation and Flood Control Improvement Sub-component will be paid by HUCIC, According to Article 25 of the Regulations on the Implementation of the Land Administration Law of the PRC, payment of various expenses for land requisition should be effected in full within 3 months starting from the date of approval of the land requisition and resettlement plan. The fund disbursement of the Project is implemented according to the agreement signed between IA and APs. In practice, the fund must be fully paid to APs one month before land acquisition as a deadline.

80. In principle, compensation for the buildings and other attachments on the requisitioned land are directly paid to the legal owners themselves of these properties. For land acquisition, the resettlement subsidy will be paid by HUCIC directly to the landowners or land users, while land compensation fee will be paid to the collective economic organizations (villager groups) and further to be determined how to allocate and use it through villager's meeting. Figure 2 shows the compensation fund flow.

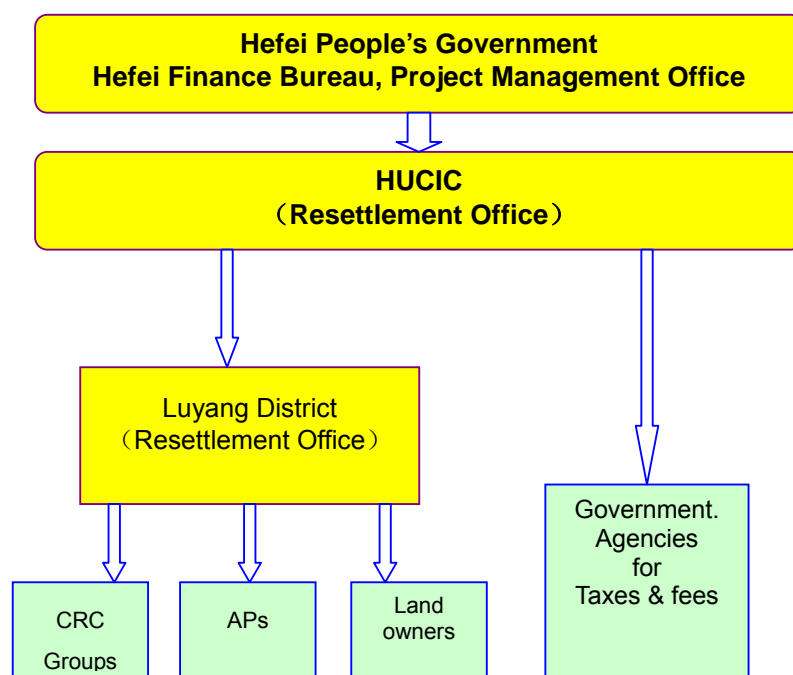


Figure 2: Compensation Flow Chart

5.7 Compensation Entitlement and Cut-off Date

81. All APs are entitled to compensation for their property losses based on replacement prices. A compensation entitlement matrix (see Table 5-4), is established according to the compensation principles and compensation qualifications.

82. The cut-off date for the compensation eligibility is set at the date when the pegs are staked in the field to show the exact land acquisition scope while DMS is conducted.

Table 5-4 Compensation Entitlements Matrix

Type of Impact	Application	Definition of Entitled person	Compensation policy/ standards	Implementation issues
Permanent loss of productive land	Productive land located in the right-of-way (ROW) 173 mu	a) 1CRCs b) Farmers who use the land c. 37 HHolds c. 152 APs	Land compensation CNY 21,000 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. These will be paid directly to affected APs.	CRC will provide recommendations/assistance for transfer to urban status. and, if required to facilitate urban transfers and training program
Loss of residential land (non-productive land)	Residential land located in or affected by river blue line 8 mu	Sihe CRC in urban area b) House owners 1 CRC	Cash compensation for land to be received by CRC (unless replacement site provided) Replaced flat in resettlement site already exist (In the west side neighboring to the Anhui Academy of Agricultural Sciences at the west bank of Sili River)	
Loss of building/ houses	Residential land located in or affected by the river blue line	Owner of the building or houses c. 90 APs c. 22 households	Replacement of housing demolished at replacement cost in the well established resettlement building as described above, which is the specific resettlement building for Sihe Village with well-established social service facilities, and close to Sihe Village (previously the site is within the boundary of Sihe CRC). (Transition and moving allowances has been prepared for this sub-component, and which should be paid to APs just in case that house demolition will be occurred before APs move into a new apartment)	District and sub-district will provide assistance on relocation <u>As APs will move to a new housing site before their original house demolition, the transition allowance will not be paid to APs.</u>
Property loss of enterprise	Walls affected by this sub-component	Legal owner of the establishment	Cash compensation to owners for building new walls	
Loss of structures	House/building related structures, indoor decoration facilities	Owners of house/building to be lost	Paid in cash based on HMG 195 document, averagely CNY5000 per household	Based on face-to-face measurement and negotiation
Loss of land attachments	Wells, tombs, roads, power lines affected	Owners of the attachments	Cash compensation relocation of power transmission poles by respective agency, tombs to be relocated or treated by owners, rebuilding roads if necessary	Announcement should be made for tomb relocation in the newspaper of <i>Hefei Evening Paper</i> at least one month age before land acquisition
Loss of standing Crops	Standing Crops to be destroyed within the blue line	Crop owners	Cash compensation for any standing crops based on HMG 138 document	Only those land with standing Crops will be paid
Loss of trees	Trees to be cut off within the blue line	Owners of trees	Cash compensation for mature trees at a compensation rate of CNY75/tree	Wood or trees will be treated by their owners

VI RESETTLEMENT AND INCOME REHABILITATION

6.1 Resettlement Targets and Options

83. The concrete resettlement targets for the Project are as follows:

- Optimize the project design, by avoiding dense population/high buildings and minimizing the scope of impacts on involuntary resettlers.
- The resettlement of APs will be considered as a component of the project and sufficient funds will be available to the resettlement process and APs will get benefits.
- Assistance will be provided to the resettlers during the process of removal and resettlement.
- Resettlers will merge into the new community socially and economically.
- APs will be encouraged to take part in the preparation and implementation of the RP. Their opinions should be fully respected in the RP.
- The productivity and living standards of the APs will be rehabilitated up to the level before resettlement or before the start of the project implementation.

84. The following three options are open in the urban area for resettlement:

- purchasing a new residential house/apartment at the real estate markets,
- purchasing an “economical and practical apartment”⁴ provided by the government, (or a second hand house/apartment)
- renting a subsidized (cheap rental) house/apartment provided by the government.

6.2 Household Relocation and Resettlement

85. Based on the currently available documentation, the Project IA has made the following options available:

- 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 demolition 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 demolition 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 compensation⁵. The poor AP households can use

⁴ *Jing Ji Shi Yong Fang* in Chinese, is a government funded program to provide housing for those with low income in China. The apartment usually is not as large as those sold in the real estate market, but it is most practical and affordable by low income households.

⁵ 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

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.

86. Cash compensation under the project in the urban area is set at a rate of CNY1000/m². In addition, fees related to removal, compensation for attached properties and temporary or transitional living are provided as a subsidy for up to 18 months after removal in accordance with the HMG 195 document. Concerned purchase taxes will be exempted when APs buy flats with the compensation funds and present the relevant compensation agreements.

87. Although the above options are open for all APs, based on the requirement of ADB that transitional allowance should be avoided wherever possible, IA has decided to resettle the APs using an existing resettlement building near the Anhui Academy of Agricultural Science and quite close to Sihe CRC, where is convenient to contact neighbors in their own community. Currently, all APs choose to remove to this building.

6.3 Formulation of Income Rehabilitation Strategy

88. Any income restoration strategy should respect, as far as possible, the preferences and desires of the APs. APs were interviewed during the socio economic survey and a total of 10 respondents answered the question on livelihood/income rehabilitation after land acquisition and resettlement. Results indicated that 4 of the respondents would continue to operate small-scale business themselves after getting cash compensation, 5 would buy insurances related to healthcare and social security, and the remaining one respondent would open a shop or store along with 3 of the 5 respondents who bought healthcare and social security . No respondents chose farming.

89. 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 five main elements; (i) Use of land compensation fund, (ii) investment by the community, primarily for the benefit of those who still live in the village. (iii) investment by individual APs, (iv) training and (v) employment on project-related activities. The specific plans for income restoration are presented below in section 6.4.

6.4 Income Rehabilitation-Restoration Plan

6.4.1 Situation of Agricultural Status (*Hukou*) Transfer

90. Currently as many villages in the city fringe has been urbanized as urban communities, with the name change first, i.e., from a villager’s committee to a CRC, then population transfer takes time. The most obvious benefit from the transfer is that those transferred are included in the urban social security net, get government organized free training and assistance on employment. Now the agricultural status transfer is not a income rehabilitation measure, but it is an necessary procedural step for agricultural population accessing into the urban social services. As HMG has stipulated that (1) for scattered land acquisition, after land acquisition, if the farmer’s remaining per capita land

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: $(45-20) \times 1200 \times 40\% = \text{CNY } 12,000$.

area is less than 0.3 mu, they can apply for “from agricultural to non-agricultural” status transfer. (2) if the land acquisition is concentrated in a certain area, then the whole village group will need transfer and a resettlement site will be build by government. Now this sub-component belongs to the former situation.

91. The housing situation due to status transfer can be categorized as two categories: (i) if there is no project or no land to be acquired, or in other word if the urban development has not reached into a certain CRC, then the CRC resident can still live in their own houses. (ii) if land acquisition requires house demolition, usually a replaced apartment will be provided by land developer under the condition that APs must be well resettled, and all the housing certificate will be provided by the developers. In such situation, no residential land price is calculated for an individual household.

6.4.2 Use of Compensation Fund by Collectives

92. According to the HMG [2005] No.10 document, the land compensation fee will be used to assist farmers who have suffered land loss. Land reallocation is not feasible around the city fringe, and agricultural production in the affected CRCs/villages will therefore decrease in the short-term. Compensation funds accruing to the CRCs/villages (collectives) will therefore be based primarily around non-agricultural activities, or the development of agro-processing livelihoods.

93. Compensation funds for the 8 mu area of housing plots that belong to the affected communities/villages could be used for public utilities or infrastructure projects such as improved schools, access roads or better water supply networks.

94. Detailed plans are being developed by Sili CRC and will be further updated and will be finalized prior to disbursement of the compensation.

6.4.3 Use of Compensation Fund by Individuals

95. 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 to subsidize the individual to find a new job, and CNY18,000 will be used for basic livelihood safeguards included in the HMG social safeguard net⁶. It means that the CNY 12000 can be used under the supervision of CRCs/villages—viable for income generating or job seeking purpose. As currently many jobs introduced by CRC, e.g., permanent workers or safety guards in a factory, are not attractive for able-bodied or skilled labor. Under this situation, these labor will find a job by themselves and get the payment directly. Therefore, the money use has no restriction for the income rehabilitation, but will be carefully used by those unskilled labors, particularly women and those jobless.

96. The above arrangement has solved the problem of social security worries with the prospect of a pension once the individual reached pensionable age. But the payment of land compensation fee and resettlement subsidy to individuals will place a considerable responsibility for income restoration on APs themselves. Hence it is recommended that the CRC/villages will be there as a safety net to assist in that regard.

⁶ 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 offspring of the resettled person. On the other hand, the CNY 100 per month can last for the rest of their life span.

Training programs have also been included in the plan to further assist the individuals and are further described below.

97. APs who have engaged in business/shop operation clearly stated that they will continue their businesses, thus the compensation fund including land compensation fee and part of the resettlement subsidies will assist them in their livelihoods.

98. The individual fund use is flexible as long as they can rehabilitate their livelihood and living standard at least reaches the levels of that before the project. Given the living situation in the Project area of Hefei City, APs can use the money for investment or for children's higher education, which in China or elsewhere of the world is the essential far-sighted measure to improve people's living standards since a well educated person can find a well paid job easily. For those who can get a income from renting out houses, they can spend part of their compensation fund for house decoration in order to provide a better housing condition and get a good house rental.

6.4.4 Technical Training for APs

99. 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 100,000 has been allocated, will be available to all APs and will include some or all of the following subjects:

- (i) Training program to women on sewing and knitting skills or tourism crafts (a tourist area with forestry park is planned following the Sili River Treatment Sub-component),
- (ii) Skills on motorcycle, vehicle, tractor and farm machinery repair,
- (iii) Repair and maintenance of electrical goods,
- (iv) Product marketing, and
- (v) small business registration and operation.

100. Many of the laborers of affected households are regular workers or in jobs that do not need skills training. Hence, the focus for skills training will be towards agricultural labors particularly women. It is planned that a total of 150 APs will register as trainees, with at least 50% as women.

101. The skill training courses will be offered both on site and at the training centers in the County/District and township centers. Payments will be made and directly disbursed to the training institution, e.g. the technical vocational school and the women's federation. Allowances will be paid for trainees attending courses away from their own CRCs/villages

6.4.5 Project Related Income-generating Opportunities

102. During the project construction stage, APs living nearby the river alignment work 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.

103. Additionally, after the project completion, full time workers will be required to undertake operation and maintenance of the newly constructed facilities such as cleaning

up 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.

6.5 Gender Issue during Resettlement and Income Restoration

104. Women have equal entitlement with men in receiving compensation, employment and training. However, older women particularly those over 35 years old are in the weak position, local CRCs and sub-district have decided to incorporate the training for women into local government training scheme which is called “4050” scheme, on the purpose to help those labor (both man and woman) over 40 or 50 years old to find a job through training.

105. Now the domestic helpers are of great potential for these women. Currently the minimum wage for a domestic helper is CNY6/hour, and if a trained women labor can work 8 hours per day and 20 days per month, then she will get CNY960 per month, which is almost one year net income from farming. Therefore, the key concern should be employment of women labor through training after land acquisition and resettlement. With a well organized re-employment program, the AP's livelihood and living standard can be rehabilitated in 1-2 years.

VII. BUDGET FOR COMPENSATION AND RESETTLEMENT

106. The total investment of the project subcomponent is CNY 251.4 million, and the total cost of land requisition and resettlement is about CNY 32.2 million, which represents 12.82% of the budget. Details are listed in Table 7-1.

Table 7-1 Resettlement Budget

Cost Items		Quantity	Unit	Unit Cost (CNY)	Total Costs (CNY10,000)
A	Basic Costs				2244.94
I	Land acquisition/ resettlement				808.21
1	Land Compensation Fee	181	mu	21000	380.10
2	Resettled under 16 yrs. Old	20	person	10000	20.00
3	Resettled ≥16 yrs.old	132	person	30000	396.00
4	Standing Crops	173	mu	700	12.11
II	Land Attachments				172.00
1	--Mature tree	3440	tree	75	25.80
2	--Tombs	650	tree	300	19.50
3	--Power poles	80	tree	200	1.60
4	-Fencing wall	5000	m	50	25.00
5	Concrete roads	8360	m2	100	83.60
6	Gravel roads	3300	m2	50	16.50
III	Demolition and Resettlement				1264.73
1	Residential house	11328	m ²	1000	1132.80
2	Moving allowance-individual	22	HH.	400	0.88
3	House attachment	22	HH.	5000	11.00
4	Moving allowance--enterprises	2376	m2	144	34.21
5	Temporary housing—individual	8952	HH.	72	64.45
6	Temporary resettlement—firms	2376		90	21.38
B.	Taxes and Duties				753.56
1	1.Monitoring and Evaluation		2%	of A	44.90
2	2.Management fee for RP implementation		4%	of A	89.80
3	3.Skill training for APs				10.00
4	4.Land mapping fee	181		300	5.43
5	Land reclamation fee	173		5000	86.50
6	Fee for using new construction land	181		21300	385.53
7	Tax for acquiring cultivated land	173		5000	86.50
8	Management cost land acquisition and resettlement	181	2%	of A	44.90
	Sub-total(A+B)				2998.50
C.	Contingency		10%	of A	224.49
	Total(A+B+C)				3222.99

7.1 Calculation of Resettlement Budget

7.1.1 Land Requisition and Resettlement Costs

107. **Permanent land requisition and temporary land occupation:** The Project will permanently requisition 181 mu of land and total compensation will be CNY8.1 million. This includes a resettlement subsidy, land compensation fee and compensation for standing crops. No temporary land requisition will be required.

108. **Compensation for land attachments:** Altogether 5 types of ground attachments are affected, including 3,440 mature trees, 650 tombs, 80 wire poles, 837 wells, 3,300m² of graveled roads, and 8,370 m² of concrete road, with total compensation to be paid of CNY1.72 million.

109. **Demolition Cost:** The project will affect 11,328m² of house area and the demolition cost will amount to CNY12.65 million.

7.1.2 Taxes and Fees

110. Monitoring and evaluating fees are calculated at 2% of the basic costs for land requisition (including green crops compensation), demolition compensation and resettlement, and infrastructure; administration cost account for 4% and land mapping fees are calculated at 1% of the basic costs. Cost for AP's skill training is about CNY100,000 which is calculated based on two training course sessions, taxes and duties for permanent land acquisition are also included. The calculated taxes and fees are CNY7.5million in total.

7.1.3 Contingency Costs

111. The unforeseen expenses are calculated at 10% of the basic costs totaling CNY2.25 million.

7.2 Budget Funding and Disbursement Plan

112. The budget for land acquisition and resettlement of Sili River Rehabilitation and Flood Control Improvement Works Sub-component will be financed by Hefei Municipal Finance Bureau. According to the progress of the project, 50% of the resettlement budget will be used in 2007, 30% in 2008 and the remaining 20% will be used in 2009 (see Table 7-2)

Table 7-2 RP Fund Disbursing Plan

Year	2007	2008	2009	Total
Fund(CNY10000)	1612	967	644	3223
%	50%	30%	20%	100%

VIII INSTITUTIONAL FRAMEWORK

8.1 Organizational Set-up

113. The project leading group has been set up in the HMG and the PMO has been established.. HUCIC is the project Implementation Agency (IA).

114. Under IA, there are many projects to be managed. However, there is a section called Office for Construction of ADB funded project, specially established for the project implementation, and within which there is a department responsible for resettlement. The organizational structure for the implementation of the RP is shown in Figure 3.

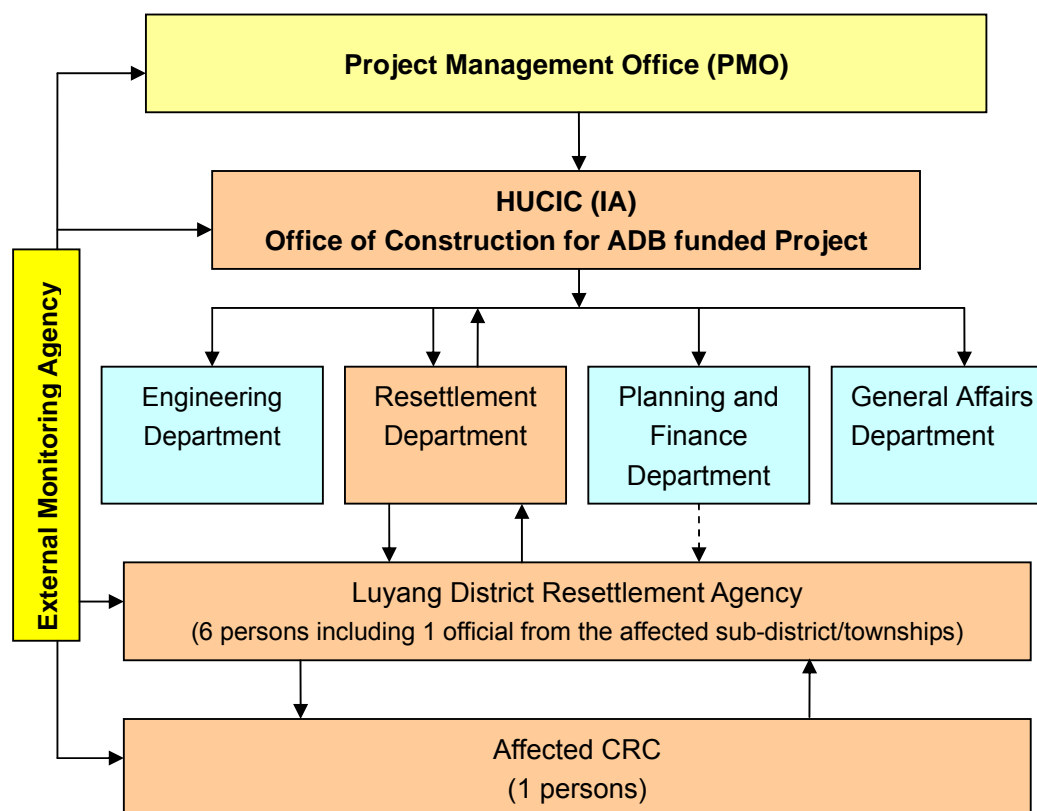


Figure 3 Resettlement Organization Structure

115. The IA will play a key role during the resettlement process; however, there are other institutions who will be 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
Hefei Municipal Spatial Planning Bureau	1
HUCIC	1

Institutions	Staffing
Luyang District Resettlement Agency	6
CRCs/villages	1
Legal consulting agency	1
Hefei Municipal Design Institute (DI)	1
External Monitoring Agency	1

8.2 Responsibilities

116. 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
HUCIC	Engaging a consulting institution to assess 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
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
	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 Right of River alignment of land acquired (blue line)
	Issuing the permission of land use based on spatial planning
Hefei Municipal Demolition	Reviewing and approving the compensation plan for displacement and resettlement and making announcement of issuance of House Demolition Permission

Agencies	Responsibilities
Resettlement Administration Office	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 information dissemination 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 independent monitoring agency, supervising the implementation of the RP, and reporting to the EA and the ADB

8.3 Institutional Capacity Strengthening

117. 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).

118. 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 with computers to guarantee the smooth information delivery between the authority and the lower levels;
- Vertical linking agencies will set up a reporting system, to report once a month;
- Horizontal linking agencies will hold coordinating meetings once a quarter 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 rewarded.

IX IMPLEMENTATION SCHEDULE

9.1 Activities Prior to Resettlement

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

119. 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 will be displayed in the CRCs/villages. The IA 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.

120. The Hefei LAB and Demolition and Resettlement Administration Office (DRO) 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.

121. According to findings of investigation, the LAB and DRO and IA 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

122. Under the coordination and guidance of the PMO, IA will sign the land requisition contract agreement with relative District LAB and DRO, further agreement with APs will be signed based on the project compensation standards with respect to the detailed loss items after DMS. The agreements (on land loss, structure loss, trees, ect.) are of a formality and reliable documentation for compensation paid to APs before land or properties are displaced.

9.2. Activities during Resettlement

123. The concerned LAB will disburse the land compensation fees to the communities/villagers according to the signed agreement. Villages provide land, through the readjustment of village land distribution. 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 DRO will provide houses for those affected by dismantled households, or allocate the displacement compensation fees to the affected people.

1) Land usage permission

124. 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.

2) Facilities displacement and reconstruction

125. The dismantling of facilities and utilities affected by the project will be supervised by the EA. IA will disburse compensation fees to the proprietor and the proprietor arranges displacement, restoration and reconstruction of these facilities and utilities.

3) Resettlement

126. The APs will be resettled by the government nearby. Improvement has been achieved recently in communication, medical treatment, culture, education, business, telecommunication, public utilities and residential environment, comparing to previous years.

4) Internal and external monitoring and evaluation

127. Internal monitoring will be responsibility of the local IA and they will prepare and submit a monitoring report to the EA every 6 months. External monitoring will be the responsibility of the EA, who will contract this work to an independent consultant and will submit monitoring reports every year to the ADB. The external monitoring targets will be focused on the AP's income rehabilitation and maintenance of their livelihood after land acquisition and demolition. In case the targets are not achieved, constraints will be identified.

9.3 Activities after Resettlement

1) Continue Internal and external monitoring and evaluation

2) Filing and Documentation

128. When resettlement work is completed, the responsible persons will write a resettlement completion report. IA will review and file it.

129. The resettlement implementation schedule is shown in Table 10-1.

Table 10-1: Resettlement Implement Schedule (Supervision Milestone)

No.	Resettlement Tasks	Target	Responsible Agency	Completion Deadline	Status and Additional Deadlines
1.	Disclosure				
1.1	Information booklet	70 copies	IA	Oct. 2006	completed
1.2	Resettlement plan distribution to resettlement offices/villages/APs	10 copies	Luyang District	Nov. 2006	
1.3	RP placed on ADB website		ADB	Dec.2006	
2.	Detailed Measurement Survey (DMS)				
2.1	Detailed Measurement Survey		IA	May 2007	
2.2	Updated RP based on DMS and distribution to resettlement offices/villages/APs	10 copies	IA	June 2007	
3.	Training				
3.1	Technical training plan for APs	152 APs	Luyang District	Dec.2007	
4.	Resettlement Plan and Budget				
4.1	Complete redline survey (map)		IA	Dec. 2006	
4.2	Approval of RP & budget		HMG	Nov. 2006	
4.3	Approval of compensation rates		HMG	Nov. 2006	
4.4	Staking survey		IA/LRB/RO	Apr. 2007	
5.	Signing Compensation Agreements				
5.1	Sign CRC/Village agreements	1 village	Luyang District	June 2007	
5.2	Sign Enterprise/shop agreements	3 businesses	Luyang District	June 2007	
5.3	Sign Household agreements	37 HHs	Luyang District	June 2007	
6.	Implementation Capacity				
6.1	district resettlement staff	8 staff	Luyang District	Jan. 2007	
6.2	Designate village representatives	5 staff	Luyang District	Jan. 2007	
6.3	Training of staff	20 of staff	Luyang District and ADB	Apr. 2007	
6.4	Setting up grievance redress committees	3 of staff	IA	Apr. 2007	
7.	Monitoring and Evaluation				

No.	Resettlement Tasks	Target	Responsible Agency	Completion Deadline	Status and Additional Deadlines
7.1	Baseline survey	10% of APs	External Monitor	May. 2007	
7.2	Set-up internal supervision	As per RP	Luyang District	Apr.. 2007	
7.3	Contract external monitor	As per RP	Luyang District	Apr. 2007	
7.4	Internal monitoring reports	Quarterly	IA	Dec. 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/ IA	Dec. 2009	
8.	Documentation of Consultation	As per RP	Luyang District	Dec. 2009	
9.	Documentation of Grievances	As required	Luyang District	Dec. 2009	
10.	Flow of Funds / Compensation		Luyang District		
10.1	Executing or Implementing Agency		Luyang District	Aug. 2008	
10.2	Project Management Office – Resettlement Unit or NGO Resettlement Implementer		Luyang District	Aug. 2008	
10.3	To affected households	152 APs		Dec.2007	
11.	Commence Resettlement				
11.1	Land acquisition	12 hectares	Luyang District	Dec 2007	
11.2	House removal	11300 m ² 90 APs	Luyang District	Dec 2007	

X MONITORING, EVALUATION AND REPORTING

130. 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 the APs. The monitoring will comprise two components: internal monitoring and external monitoring. Internal monitoring will be mainly conducted 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 RP.

131. 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 regularly on the activities of land acquisition, demolition and resettlement.

132. Usually monitoring on resettlement is conducted by covering data collection, analysis, reporting, physical target and financial target, entitlement of APs.

133. Resettlement monitoring will focus on the following two aspects: (i) The progress of disbursement and provision of entitlements to APs and (ii) 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

134. Internal monitoring and evaluation will be undertaken by the PMO, Hefei Land Affairs Bureau (HLAB) and HUCIC, to assure the concerned departments abide by the RP. The objectives of internal monitoring are: (i) To inspect the progress of demolition, displacement and land acquisition, (ii) To ensure the smooth communication channel between project managerial staff and affected people, (iii) To ensure timely full disbursement of compensation, (iv) to ensure timely settlement of appeals by affected people, and (v) to ensure that the compensation disbursed is legally appropriate and that corruption is prevented.

135. The EA will take major responsibility for (i) Internal monitoring, covering the activities of APs, entitlement, advice, grievance, problems, efficiency, timing, and budget, (ii) Disbursement of entitlements to AP: compensation, housing, cultivated land, and employment as specified in the RP, (iii) 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, (iv) 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, (v) Rehabilitation of community facilities and services: timely rehabilitation of community facilities and services and ensuring that mitigation measures to minimize impacts are implemented, (vi) 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, and (vii) Assistance to vulnerable groups.

136. 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.

10.2 External Monitoring and Evaluation

137. 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 a good reputation, be well experienced and fully understand the ADB's policy and requirements on resettlement. The PMO will sign a contract with this agency. The terms of reference for the external monitor are contained in Annex 2.

138. The external monitor will ensure that the AP household for this subcomponent will not be dispossessed of their land and assets before full compensation for lost assets is provided. Any shortfall will be covered by the HMG.

139. The objectives of external monitoring and evaluation are as follows: (i) Certify the level of rehabilitation of APs after land acquisition and resettlement, (ii) Identify the causes of any problems with the policies or implementation in case rehabilitation is not fully made, (iii) Assess the performance, effect, affection including the response of APs, resettlement policies, and sustainability, and (iv) Evaluate whether AP's living conditions, livelihoods and incomes have been fully restored.

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

- The Independent agency will conduct a baseline survey on the affected area and acquire the baseline data of the APs. The investigation about production and AP's living conditions will be made every year to measure the change. A sample trace investigation 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 APs.
- Interview with key persons such as local CRC leaders and village heads regarding resettlement implementation.
- Community public meetings to collect further information about resettlement.
- Purposeful direct observations regarding progress of demolition and replacement and visits to the individuals or groups.
- Informal investigation or interview by non-sampling means such as with the APs, villagers and staff engaged with resettlement.

141. The independent monitoring agency will monitor and evaluate the resettlement relative to the project and consolidate their findings and assessment into a report to ADB, EA and other concerned departments. These reports can be helpful in policy-making by these concerned departments. The APs and NGO's and communities will participate in the activities of assessment.

142. Monitoring and assessment will cover the following: (i) Progress of land acquisition and house demolition; (ii) Progress of old house and facilities demolition; (iii) Progress of reconstruction of resettlement houses; (iv) Progress of resettlement of APs; (v) Progress of reconstruction of facilities; (vi) The compensation fee being settled and allocated; (vii) The house demolition and resettlement of APs; (viii) Analysis and evaluation on the situation of house and living environment pre and post resettlement; bear in mind with a gender perspective, (ix) Livelihood restoration of APs; and (x) The operation and efficiency of the resettlement institutions.

10.3 Reporting Requirements

143. Internal monitoring and assessment reports will be submitted quarterly by the project IA to the EA while the external monitoring and evaluation reports will be submitted every six months by the independent evaluator. The external monitoring and evaluation (M&E) reports will be continued once every year after the completion of the resettlement until the construction works completed or the APs livelihood fully rehabilitated whichever the latter.

ANNEXES

Annex 1 Resettlement Information Booklet

Residents of Sihe CRC

(Name of APs)

The construction of __Sili River Rehabilitation and Flood Control Improvement Works Subcomponent , 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 one of the national key cities in terms of flood-control. And Sili River, starting from the Hefei Power Plant, crossing He-Jiu Railway and joining into Nanfei River, is the main discharge channel of Dafangying Reservoir, with a total length of 5.18km. Along the river, the river rehabilitation and flood control works in the section from the reservoir dam up to Dangshan Road have been completed during the stage of the reservoir construction. The construction of this sub-component will involve the section from Dangshan Road to the confluence of Nanfei River (about 10 meters already completed during Nanfei River improvement), with a total length of 3.88 km, and after realigning of the river course, it will be only 3.18km. The major construction works include river dredging, reinforcement of river banks, flood control walls in the urban area, interception of wastewater, construction of access roads and bridges, and landscaping/greening. The total investment cost for this sub-component is CNY249.77 million, of which US\$13 million (CNY104 million) will be financed through ADB loan.

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 __Sili River Rehabilitation and Flood Control Improvement Works Subcomponent __are tabulated in Table A1-1.

Table A1-1 Compensation Rates for Land Acquisition and Resettlement

Category	Compensation Rates	Remark
1. Permanent Land Acquisition	Compensation fee: CNY21,000/mu Resettlement subsidy: CNY3,000/person for those at and above 16 years old; CNY 10,000/person for those younger than 16 years old	Those younger than 16 years old is not an adult, should be supported by their parents.
2. Temporary Land Use	-	No temporary land acquisition
3. Compensation for Standing Crops	CNY700/mu	
4. Compensation for trees	CNY75/tree	Mature tree
5. Houses	CNY1000/m ²	Replacement cost

6. land attachments	CNY1.72 million lump-sum	Tree, road, wall, etc.
7. House attached structures	CNY 5000/household	
8. Moving allowance	CNY 400/household	
9. Transferring subsidy	CNY 72/m ²	CNY4/m ² for 18 months
10. Housing plot preparation	-	Using replaced apartment
11. Enterprises/shops	CNY90/m ²	Based on 18 months transition period, if any relocation involved. But only walls involved for three enterprise.

2. Impacts on Your Household (unit)

Table A1-2 Impacts of a Specific Household or Unit

Impacts	Quantity	Compensation rate	Compensation deserved	Remark
Enterprise enclosure wall	5000 meters	CNY50/m	CNY250,000	Rebuild a new wall for each enterprise
.....				

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	RIB distribution completed. And sequential information will be publicized
Compensation payment	2007.8-2006.12	Compensation for individual APs will be fully paid in one month before land acquisition commence.
Land acquisition and relocation	2007.10-2007.12	
Move into new house	2009.6	
Preparation for the project	2007.11—2007.12	
Implementation of the project	2008.1-2009.12	

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 the scope of the resettlement survey, otherwise the 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 of HMG,	231330	0551-2843995
Hefei New Municipal Administrative Building		

Project Resettlement Office (RO) within IA

Address:	Postal code:	Tel:
No. 17, Rongshida Street, Hefei	231300	0551-2669523

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.2007	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;