

# Social Monitoring Report

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Semi-Annual Report  
February 2019

## PRC: Multimodal Passenger Hub and Railway Maintenance Project

Prepared by Chengdu-Kunming Railway Corporation for the Ministry of Finance and the Asian Development Bank.

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亚洲开发银行东亚局可持续基础设施处主任交通专家

From: Chengdu-Kunming Railway Company (CKRC)  
发自: 成昆铁路有限责任公司 (CKRC)

日期: 2019 年 4 月 25 日

Dear Mr. Miller,  
尊敬的米勒先生

**Subject: PRC 42019-014: People's Republic of China: Multimodal Passenger Hub and Railway Maintenance Project**

**主题: PRC-42019-014: 中华人民共和国: 多式联运枢纽及铁路养护项目**

The China Railway Corporation has applied for a loan with the Asian Development Bank (ADB) for the Multimodal Passenger Hub and Railway Maintenance Project (the Project). It is understood that the Project must be implemented in accordance with ADB's safeguard policies. The Chengdu-Kunming Railway Company, Ltd. will be responsible for the implementation of the Project. According to the Minutes of Negotiation dated 24 October 2018, a Social Monitoring Report covering the status of land acquisition and resettlement activities related to the construction of the multimodal passenger hub in Xichang City has been prepared.

中国铁路总公司向亚洲开发银行申请贷款实施铁路多式联运枢纽和铁路养护项目。因此, 据悉本项目的实施必须满足亚洲开发银行的社会保障政策。本项目将由成昆铁路有限责任公司实施。根据 2018 年 10 月 24 日贷款谈判的纪要, 编制了一份关于西昌多式联运客运枢纽建设相关的征地拆迁活动的进展情况的社社会监测报告。

The Social Monitoring Report includes a table showing the Adjusted Further Action Schedule for further resettlement actions by Xichang City. Since the LAR activities are implemented by local government, we confirm that we will continue to coordinate with the local government to monitor regularly the progress of the corrective actions and to have them completed by the specified end date.

该社会监测报告包含一个表格, 由西昌市说明了移民安置未尽事宜调整后的后续行动日程和计划。由于征地拆迁工作属于地方政府负责, 我们确认将继续定期协调地方政府监测补充措施的实施进度, 并在指定的时间内完成所述补充行动。

Mr. Cheng Mu  
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### Units

Currency unit	=	Yuan (RMB)
1.00 yuan	=	\$0.15
1 hectare	=	15 mu

### ABBREVIATIONS

ADB	-	Asian Development Bank
AH	-	Affected Household
AP	-	Affected Person
DH		Displaced household
DP		Displace person
LAR		Land Acquisition and Resettlement
AAOV		Average Annual Output Value
DMS	-	Detailed Measurement Survey
FGD	-	Focus Group Discussion
LA	-	Land Acquisition
CKRC		Chengdu-Kunming Railway Corporation
PRC	-	People's Republic of China

### NOTE

In this report, "\$" refers to US dollars.

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# 1 Summary

## 1.1 Background

1. The Multimodal Passenger Hub and Asset Maintenance Project (hereinafter, the “Project”) aims to assist China Railway Corporation (CRC) in developing modern, energy efficient and sustainable transport solutions in South Western People’s Republic of China (PRC).<sup>1</sup> The government is developing a new railway line connecting the provincial capitals of Sichuan and Yunnan provinces. The Project will develop a demonstration multimodal hub<sup>2</sup> on this line in Xichang City, Liangshan Prefecture, improve maintenance systems by introducing modern maintenance equipment, and through institutional capacity building and training. In the Project, a multimodal passenger hub will be constructed in Xichang (Xichang West Station)<sup>3</sup>, which will involve land acquisition and resettlement (LAR). During loan negotiations, further actions regarding resettlement were agreed with the Xichang Municipal Government in accordance with ADB’s Safeguard Policy Statement (SPS). These actions should be implemented by the Xichang Municipal Government and the relevant departments, monitored by Chengdu-Kunming Railway Corporation (CKRC), and then reported to ADB. The actions can be summarized as follows by agency:

- (i) Township governments concerned - Willingness survey of the AHs: The program for the social security of land expropriated farmers (LEFs) is being piloted in Yuehua Town. The lessons and experiences will be integrated into the final program that will be implemented in Xichang City.
- (ii) Xichang Social Security Bureau - finalizing the program for the social security of LEFs.
- (iii) Xichang City Railway Construction Coordination and Service Center - Payment of the remaining compensation for LA: Land delimitation and the program for the social security of LEFs have not completed. The remaining compensation will be paid when they are completed.
- (iv) Yulong and Taihe Township Governments - Selection of resettlement sites
- (v) Xichang City Railway Construction Coordination and Service Center - Finalization of the due diligence report for the associated facilities (E'mei-Miyi main rail line) including outstanding issues and time-bound corrective actions.

## 1.2 Purpose

2. As there is another report for “Action V” of the LAR due diligence for associated facilities of Xichang West Station which is E'mei-Miyi main rail line including 11 counties in the 3 cities/prefectures of Leshan City, Panzhihua City and Liangshan Prefecture, this due diligence report is only for “Action I” to “Action IV” in Xichang City.

3. The purpose of this progress report is to: (i) provide update of the further actions; (ii) evaluate whether the the actions comply with the relevant resettlement laws, regulations and policies of the PRC, Sichuan Province and Xichang City; (iii) ensure that the legal rights of the affected persons (APs) are protected; (iv) identify the reasons for the delay and determine if the schedule should be adjusted; and (v) determine whether there is any remaining LAR issue and confirm any action to be taken during project implementation in accordance with ADB’s Safeguard Policy Statement (SPS, 2009), Policy Requirement 2 “Involuntary Resettlement”.

## 1.3 Methodology

4. This due diligence was conducted with two methods mainly - desk research and

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<sup>1</sup> The Project is included in ADB’s country operations business plan for the PRC, 2017–2019 as a standby project for 2018.

<sup>2</sup> The term multimodal hub generally refers to any facility that caters to more than one mode of transport.

<sup>3</sup> Xichang City is the capital of Liangshan Prefecture in Sichuan Province, located in the middle of the Chengdu-Kunming Railway Line.



## 2 Implementation Progress of Further Actions

7. Based on the desk research and fieldwork of the consultants with CKRC, Xichang City Railway Construction Coordination and Service Center (Xichang RCCSC), related bureaus, township governments and affected villages, the implementation progress of the further actions and target completion dates were updated in Table 1:

**Table 1 Further Actions and Implementation Progress**

No.	Action	Responsible agency	Planned date	Progress	Remarks
1	Willingness survey of AHs for covering social security	Township governments concerned	By 2018	Completed	The survey was conducted in August 2018 in Yulong Township and in November 2018 in Taihe Township
2	Implementation of the social security of LEFs in piloted Yuehua Town	Xichang Social Security Bureau and Yuehua Township Government	By 2018	Completed	Started in April 2018 and completed in July 2018
3	Finalization of program on the social security of LEFs	Xichang Social Security Bureau	By 2018	Postponed	Not started yet in other townships except piloted Yuehua Township.
4	Implementation of program on the social security of LEFs	Xichang Social Security Bureau	In 2019	Postponed	The reason for the delay is that a provincial policy was issued by the Sichuan Provincial Government in August 2018, the implementation rules will be adjusted accordingly, and implementation is suspended pending the release of the provincial implementation rules. It is estimated to complete by 2019.

5	Payment of the remaining compensation for LA	Xichang City Railway Construction Coordination and Service Center	By 2018	Not completed	Land delimitation has been completed by the a third party. The reason is the implementation of social security of LEFs have not started. Will be distributed to the APs once Mayor approved the application.
6	Selection of resettlement site	Yulong and Taihe Township Governments	By 2018	Completed.	The site selection proposal has been approved by the planning and construction bureau in March 2018.
7	Construction of resettlement houses	Yulong and Taihe Township Governments	By 2020	Will be postponed	The main reason is that the LA of resettlement site has not completed. The estimated completion date is by 2022.
8	Relocation of displaced households	Yulong and Taihe Township Governments	By 2021	Will be postponed	

Source: CKRC, Xichang RCCSC and relevant bureaus of Xichang City

8. It can be seen from the above table that the willingness survey of AHs for purchasing social security and social security implementation in pilot Yuehua Township have been completed. The implementation of social security and the payment of the remaining compensation were suspended because of the new policy issued by the Sichuan Provincial Government in August 2018.

9. Resettlement site selection has been completed, but construction and the relocation of the APs will be postponed because the resettlement site has become part of the urban planning area and needs to be combined with resettlement building construction for the resettlement of persons affected by HD for another project. In that case, the transition period of the APs will also be extended.

10. In the remainder of this report, we will evaluate the completed actions, and identify the reasons for the uncompleted and delayed actions and determine if it is necessary to adjust the schedule and subdivide these actions for further tracking during project implementation in accordance with ADB's Safeguard Policy Statement (SPS, 2009).



### 3 Implementation Evaluation of the Social Security of LEFs

#### 3.1 Related Policies

##### State

- Notice of the General Office of the State Council on Forwarding the Guidelines of the Ministry of Labor and Social Security on Doing a Good Job in the Employment Training and Social Security of Land-expropriated Farmers (SCGO [2006] No.29), 10 April, 2006

##### Sichuan Province

- Notice of the Sichuan Provincial Government on Publishing and Implementing Uniform AAOV Rates for Land Acquisition (Sichuan Provincial Land and Resources Department [2014] No.1170), 1 January, 2015

##### Xichang City

- Notice of the Xichang Municipal Government on Compensation Rates for Acquired Collective Land of Xichang City (XCG (2016) No.187) 17 June, 2016
- Notice on Issuing the Implementation Rules for Land Acquisition, House Demolition and Resettlement for the Xichang Section of the Chengdu-Kunming Railway (XCG (2016) No.298), 19 September, 2016
- Implementation Opinion on the Social Security of Land-expropriated Farmers of Xichang City (XCG(2016) No.270), 1 September, 2016
- Implementation Rules for the Social Security of Land Expropriated Farmers in Xichang City (XCG (2018) No. 47), 12 March, 2018

##### Resettlement policy

11. According to Document XCG (2016) No.270, there are three types of social insurance for the resettlement of persons affected by LA:

- Endowment insurance. An AP who is over 16 years old may choose to cover this type of insurance and receive the pension at the retiring age (over 60 years for men and over 50 years for women). The pension is from 900 yuan to 1,503 yuan per month in 2017 as calculated by the social security bureau.
- Medical insurance: An AP who has reached the retiring age at the time of LA may cover this type of insurance for free.
- Employment insurance: An AP who is over 16 years old but having not reached the retiring age may cover employment insurance, which is a form of transition subsidy with a period of two years.
- An AP who is under 16 years old and willing to transfer from rural status to urban status will be given 30,000 yuan in a lump-sum subsidy.

#### 3.2 Organization

12. In order to facilitate social security resettlement under the Project, and protect the lawful rights of the APs, the Xichang Municipal Government issued the *Implementation Rules for the Social Security of Land Expropriated Farmers in Xichang City* (XCG (2018) No. 47) on 12 March, 2018. According to the rules, the main agency responsible for implementation is the municipal government and the main agencies related to LAR implementation include:

- **Xichang Municipal Social Security Coordination Office for Land Expropriated Farmers** (the “Coordination Office”) was established to coordinate relevant agencies such as bureaus and township governments to carry out policy propaganda, mobilization, basic

data collection, household survey, auditing and registration, resettlement fund raising, insurance contribution summary and file management. The Coordination Office is established at the social security bureau.

- **Social security working groups** are responsible for specific tasks assigned by the Coordination Office. The working groups consist of dedicated staff from related agencies such as the social security bureau (lead bureau), land and resources bureau, public security bureau, agriculture bureau, civil affair bureau (identifying and safeguarding vulnerable groups), finance bureau, etc.
- **Township governments** are responsible for specific tasks inside the township assigned by the Coordination Office, including participating in the household survey, organizing public participation, communicating policies, disbursing and managing land compensation fees, reporting to the Coordination Office, coordinating and handling conflicts and issues arising from its work.
- **The Xichang City Railway Construction Coordination and Service Center** is responsible for the allocation of compensation funds, supervision of the use of funds, receive grievances and complaints, and giving feedback to relevant agencies for solutions, etc.

### 3.3 Willingness survey in Taihe and Yulong townships

13. According to the interview with Mr. Chen, Deputy Head of Yulong Township, the willingness survey on the social security of the APs in Xingfu Village began on 20 Nov 2018 and lasted about one week. The household willingness survey was carried out by 3 survey teams consisting of 12 persons from the township government and village and group officials. They interviewed AHs door to door or just talked with APs while they were working in the farmland. The survey teams only asked the respondents very simple questions after explaining the social security policies without a questionnaire, and learned the socioeconomic profile of the AHs. According to the survey, the total number of interviewed APs was about 450, accounting for 80% of all APs. About 70% of the respondents were male. Among the respondents, about 30% were over 60 years old, the largest age group was from 40-60 years, and the proportion of respondents under 40 years was about 10%. About 80% of the respondents said they wanted to cover the social security of LEFs, and the other 20% preferred cash compensation, where most of them were under 40 years. The willingness survey results differ greatly in age but little in gender.

14. The willingness survey was conducted in Taihe Township in August 2018, according to the interview with Mr. Ouyang, Head of Taihe Township. About 500 APs were interviewed, accounting for 81.7% of all APs. The survey results are almost the same with those of Yulong Township. Most of the APs are willing to cover social security, especially the elderly ones. During the survey, most of the APs expressed their desire to start social security resettlement as soon as possible. Some of them asked if the remaining compensation kept for social security could be paid to them as soon as possible.

### 3.4 Pilot Township implementation

15. The pilot in Yuehua Township was conducted under the policy of XCG (2018) No. 47, and the Final Program for the Social Security of Land Expropriated Farmers in Yuehua Township was prepared by the township government and promulgated on 20 March, 2018. Before that, the working groups had prepared some booklets of the policies for the APs and distributed to them for a better understanding of their rights, relevant procedures, standards, etc. See the figure below:

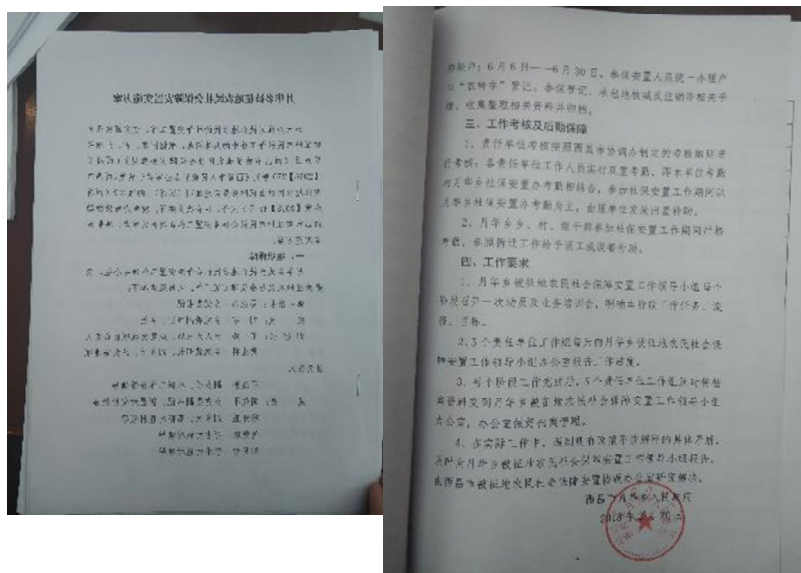


Figure 3-1 Final Program of Endowment Insurance for LEFs in Yuehua Township



Figure 3-2 Booklet of the social security policies (left) and the special service window for the social security of LEFs inside the Civic Service Center (right)

16. The implementation of the social security of APs in Yuehua Township began in April 2018 and was completed in July 2018. The implementation process and schedule are as follows:

- From 28 March to 2 April 2018, public participation for the social security policies was organized by the working groups and the Yuehua Township Government. In order to make sure that every AP understood the policies, they conducted door-to-door policy publicity for the elderly or other APs who were not aware of these policies.
- From 2 April to 1 May 2018, a household survey (including information collection of household members and LA area confirmation) and a survey on the willingness to cover social security were conducted.

- From 2 May to 21 May 2018, the list of APs covering social security was publicly posted and confirmed.
- From 22 May to 20 June 2018, the remaining LA resettlement which was about 31,000 yuan/mu and deposited in the special bank account of Xichang RCCSC was paid to the finance bureau and the social security bureau, and the eligibility for social security of the APs was identified.

17. After calculation and household survey by the working groups and the township government, there were totally 559 APs, among them 424 (accounting for 75.9%) finally chose to cover endowment and employment insurance, 11 APs under 16 years old received the subsidy and the other 124 APs (accounting for 22.2%) chose cash compensation. All of the APs who chose social security resettlement have completed the procedure.

18. Among the remaining LA compensation of 31,000 yuan/mu, about 27,000 yuan/mu will be used to cover endowment insurance, and 4,000 yuan/mu used to cover employment insurance, both subject to one-time payment. The APs having reached the retiring age have received pensions from 966 yuan/month to 1,050 yuan/month since September 2018. The elderly APs can receive stable pension income after LA. The APs who cover employment insurance can receive 1,104 yuan/ month in two years which is almost 7 times of their one-time payment.

### **3.5 Payment of the remaining compensation for LA**

19. According to the DDR in June 2018, only part of the LA compensation (21,000 yuan/mu out of 51,000 yuan/mu for cultivated land) has been paid to the APs, the remainder is deposited in a special bank account. During the fieldwork of this due diligence, among the gross compensation of 51,000 yuan/mu, 20,000 yuan/mu has been paid to the APs and the remaining 31,000 yuan/mu has not. The total remaining compensation is about 15.73 million yuan.

20. As per the actions, the program for the social security of LEFs should be finalized after pilot implementation in Yuehua Township and the remaining resettlement funds should be paid to the APs directly or paid to the social security bureau to cover social security for APs in 2018.

21. The reason for the delay is that a provincial policy was issued by the Sichuan Provincial Government in August 2018, namely the Notice of the General Office of the Sichuan Provincial Government on Strengthening the Management of Income and Expenditure of the Basic Pension Insurance Fund for Enterprise Employees (SCG (2018) No.59), the implementation rules will be adjusted accordingly, and implementation is suspended pending the release of the provincial implementation rules. But at the formal meeting in Xichang on 18 Dec 2018, Mr. Wu from the social security bureau and responsible for the Coordination Office said that they had drafted an application for the payment of remaining resettlement funds to the APs by the end of 2018, and submitted it to the mayor, pending approval. He said as there was no timetable for the release of the implementation rules (SCG (2018) No.59), according to the willingness of the APs, the remaining resettlement funds could be paid to the APs first, and the social security of LEFs can be implemented based on the experience and practice of Yuehua Township once the implementation rules are released. During the interview with related APs and those who were in the transition accompanied with the staffs from County PMO, township government and social security bureau, all of the APs have noticed about the delay of the payment and understand about the policy. As the new policy has no change in the entitlements of the APs (including those who are in transition) and the pension levels, the main adjustment will be on the mode of payment and the name of insurance, which will have no economic loss impact on of the APs and according to the experience of Yuehua Township, this can be implemented in Taihe and Yuhua Townships through the same procedure accepted by the APs.

### 3.6 Evaluation

22. The social security of LEFs in pilot Yuehua Township has been well prepared for, organized and implemented successfully according to the laws and regulations of the PRC, Sichuan Province and Xichang City.

23. During implementation, the Xichang Municipal Government promulgated implementation rules including the establishment of agencies. The Yuehua Township Government also prepared a program for implementation. The agencies are well staffed and equipped with clear responsibilities. Their staff members are familiar with the social security practices and policies, have rich experience in communicating with villagers, and are able to perform their duties properly.

24. The social security resettlement policies provide for different types of security for the APs, the policies and standards have been accepted by the APs, and the APs know their entitlements;

25. If it hadn't been for this policy, the implementation of social security in affected Yulong and Taihe Townships could almost be completed and the remaining resettlement funds could also be paid to the APs or directly paid to their social security accounts. For this matter, the local government including social security bureau and township government have informed the APs and consulted the social security policies and standards with them. The grievance redress mechanism is in place and the APs have been properly informed. The main complaints are focused on the unpaid compensation. After received these complaints, social security bureau had drafted an application for the payment of remaining resettlement funds to the APs and submitted it to the mayor. Up to now, the compensation fee distribution implementation program is still in the process of researching and soliciting sectoral opinions by the Xichang Municipal Government. The compensation fee will be paid in accordance with the finalized program officially released by the Xichang Municipal Government.

26. On the basis of the willingness survey in the affected townships and the pilot implementation experience in Yuehua Township, the implementation of social security can be easier. But further public participation and consultation on the new implementation rules need to be conducted with the APs.

## 4 Implementation Evaluation of Resettlement Sits Selection and Construction

### 4.1 Relevant policies

- Notice on Issuing the Implementation Rules for Land Acquisition, House Demolition and Resettlement for the Xichang Section of the Chengdu-Kunming Railway (XCG (2016) No.298), 19 September, 2016
- Notice of the Xichang Municipal Government on Adjusting Transition Subsidy Rates for Housing Demolition and Relocation on Acquired Collective Land (XCG (2017) No.125), 4 May 2017

27. Except the compensation rates for LA and HD, the transition subsidy, moving subsidy, etc., a reward specified in the policy of XCG (2016) No.298 at 5%~15% of the total compensation for HD and young crops for signing an agreement within the specified period will be granted to the APs. According to the practical situation, almost all of the APs have received the reward. Some sample receipts of the reward are shown below:

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## 4.2 Transition for relocation

28. According to XCG (2016) No.298, the transition subsidy is 260 yuan per capita per month. In May 2017, XCG (2017) No.125 was issued by the Xichang Municipal Government, and the transition subsidy rose to 300 yuan per capita per month from the second month and lasted 11 months, then increased to 600 yuan per capita per month for the remainder of the transition period.

29. Township officials have told us that about 90% of the AHs rent houses inside or near the village during the transition period, 5% stay in their relatives' houses, and the other 5% live in their own houses already or newly bought. The transition subsidy was paid to the AHs 21 months before HD. For example, in Xingfu Village, Yulong Township, the transition subsidy was paid to the AHs from April 2017 to the end of 2018, totaling 8,960 yuan per capita. The transition subsidy for the next year is 600 yuan per capita per month and will be paid to the AHs at the beginning of 2019. Rents are from 500 yuan to 1,000 yuan per month. The transition subsidy is enough for the AHs to rent houses before moving into new houses. For vulnerable groups who were affected by LA and HD for the Project, such as lonely old people and children, the township government and the village committee will provide transition houses to them for free.

### **A household interview record, 17 Dec 2018, Xingfu village**

*Ms Yang, 48 years old, lives in Group 10 of Xingfu Village, Yulong Township. There are totally 6 persons in her family. She has 2 sons and lives with her parents. One of her son is studying at senior high school and the other son is working in Chengdu City. They had 3 mu of farmland before LA, and all of the land has been acquired for the Project. The house affected by the Project is about 300 m2 and was built 10 years ago.*

**Employment situation:** *Before LA and HD, she did farm work and housework at home, and her husband was a bricklayer and worked on a nearby construction site. After LA, they have lost almost all of their land. Because her young son is studying at school now, she has to stay at home to support the elderly and take care of her son. There isn't any change in the employment situation of his husband after LA. She attended some agricultural skill training last year for free organized by the township government and expect housework service training after moving to the new house. Some of the APs have got jobs as cleaners after LA.*

**Public participation:** *She knows very well about the LA and HD compensation and resettlement policies because the LA and HD working group has often came to their home or organized meetings in the village for consultation and participation since Feb 2016. "We signed the LA compensation agreement in Jan 2017 and received the compensation soon. And the compensation rate for young crop increased by 15% per mu from 2,430 yuan/mu to 2,795 yuan/mu, and the compensation was paid to our bank card directly."*

**Compensation distribution and livelihood planning:** *They signed the LA compensation agreement in Jan 2017 and the HD compensation agreement in April 2017, and received the compensation soon. "We received the transition subsidy 21 months ago which is more than*



50,000 yuan. We moved to this house in April 2017 and the rent is 700 yuan/month. Another household also lives here through renting for transition,” She said. Her mother cares very much about the payment of the remaining compensation and the implementation of social security, because her mother is already 76 years old and wants to get the pension as soon as possible. She cares about the construction progress of the resettlement house. The family has received about 300,000 yuan in HD compensation in total. According to the resettlement policy, they could buy resettlement houses of 300 m<sup>2</sup> (50 m<sup>2</sup> per capita) at the base price of about 820 yuan/m<sup>2</sup> for about 246,000 yuan. They have heard that the main sizes of the apartment are 50 m<sup>2</sup>, 100m<sup>2</sup> and 150 m<sup>2</sup>. She plans to buy two 100 m<sup>2</sup> houses and two 50 m<sup>2</sup> houses, and use the remaining money to decorate one or two of the houses and rent the remaining ones. She is willing to move to the new house and plans to find a job two years later.



Figure 4-1 Sample roster of receipts for the transition subsidy of the AHs (left) and the transition house of an AH (Ms Yang) in Group 10 of Xingfu Village

### 4.3 Resettlement sit selection

30. According to the DDR in June 2018, the resettlement site was revised several times due to the revision of the Master Plan of the Xichang Railway Station Zone. At the formal meeting in Xichang, Mr. Wang from the planning and construction bureau said that the Master Plan had been finalized, and the affected area and resettlement site were included in the urban planning area. The resettlement houses will be built by Guozi Company uniformly. The finalized resettlement site is near the Xichang West Station at the junction of Yuhua and Yulong Townships, also close to the demolished houses. See the figure below.

31. The APs of the Project have been notified of the location of the resettlement site and the resettlement program by the township government. The planning and construction bureau will conduct public participation and collect the APs' opinions extensively with the assistance of the township government once the draft resettlement building design is completed and incorporate their comments into the design. The officer from the land and resources bureau said that some commercial houses would be constructed inside the resettlement buildings and operated by Guozi Company. The benefits and proceeds from the commercial houses will be distributed to the APs and the detailed program will be finalized through further consultation with the APs and the township government. The location of the resettlement site is very good, and the APs will not only enjoy a better living environment and public facilities, but also share the development benefits and opportunities after the completion of the Project.



*Figure 4-2 Resettlement site for the APs of the Project*

#### **4.4 LAR of resettlement site and construction schedule**

32. The total area of the resettlement site is about 70 mu with a floor area of about 235,900 m<sup>2</sup>, located in Xingfu Village in Yulong Township, and Zhongxin and Lijiakan Villages in Taihe Township. It is not only used for the resettlement under the Project, but also for a nearby municipal facility construction project. The Notice of Land Acquisition and House Demolition for the Resettlement Site, and the Notice of the Compensation and Resettlement Program were issued by the Xichang Municipal Government in Nov 2018 together, and have been posted in the affected area. According to the policies, the LA compensation rates and the resettlement program will be the same as those of the Project.

33. The kick-off meeting on LAR was held on 27 Nov 2018, and the participants included the mayor, deputy mayor, officials from the Xichang Municipal Government, relevant bureaus, relevant township governments, village committees and groups, and villager representatives. The meeting covered the following: 1) organizational structure; 2) compensation policies and rates; 3) resettlement program; and 4) grievance redress mechanism. As the detailed measurement survey (DMS) of the site has not been conducted, the information of the persons affected by the resettlement site is not clear now. However, it can be seen from the site that there will be no HD impact but only LA impacts. The resettlement policies and compensation rates for the persons affected by the LAR for the resettlement site will be the same as those of the Project. The APs of the resettlement site will be also included in the social security of LEFs.

34. It is estimated by the land and resources bureau that the LAR for the resettlement site will be completed after the Spring Festival in 2019 and construction will begin once the construction land procedure is completed. The normal construction period is about 3 years and construction will be completed in 2022.

#### **4.5 Evaluation**

35. The compensation policies and rates of the Project comply with the ADB's principle of replacement cost. The APs can buy similar houses using the compensation. All of the HD compensation and reward have been paid to the APs soon after the HD agreements were signed and the APs were relocated. The transition subsidy was paid to the APs 21 months before HD, and is enough for the APs to rent houses for transition.

36. The final resettlement site is consistent with the city planning, has good public facilities and is very close to the demolished houses. The LA procedure of the resettlement site has been started and is expected to be completed in Feb 2019, and the APs will receive



compensation and be resettled in the same manner as in the Project.

However, it is also found that:

- i) LA for the resettlement site has not been completed and has caused a delay in the construction of the resettlement buildings and the relocation of some households affected by the Project. Furthermore, this will result in a resettlement cost increase due to the increase of the transition subsidy.
- ii) The APs have already rent houses for transition for one and a half years, and need to continue with transition for at least 2 years. The construction of the resettlement buildings should be completed as soon as possible.
- iii) Except the transition subsidy, transition support such as training or employment opportunities should be provided to the APs in order to keep their income and livelihood sources stable. The socioeconomic profile may be changed during the transition period and it is advised to conduct regular monitoring on the living conditions of the APs and the construction process of the resettlement buildings.
- iv) Strengthen public participation and consultation at the resettlement building design stage with the APs, incorporate their opinions into the design, and prepare an allocation program of resettlement houses. For example, APs from the same township should live together where possible. The number and types of the houses should be based on the actual demand of the APs.

## **5 Conclusions and Suggestions**

### **5.1 Conclusions**

37. Through field investigation, interviews, FGDs and literature review, it is thought that the APs have been informed of and consulted on the social security policies and standards and the social security of LEFs in pilot Yuehua Township has been well prepared for, organized and implemented successfully according to the laws and regulations of the PRC, Sichuan Province and Xichang City. If it hadn't been for this policy, the implementation of social security in affected Yulong and Taihe Townships could almost be completed and the remaining resettlement funds could also be paid to the APs or directly paid to their social security accounts.

38. All of the HD compensation and reward have been paid to the APs soon after the HD agreements were signed and the APs were relocated. The transition subsidy was paid to the APs 21 months before HD, and is enough for the APs to rent houses for transition. The final resettlement site is consistent with the city planning, has good public facilities and is very close to the demolished houses. The LA procedure of the resettlement site has been started and is expected to be completed in Feb 2019, and the APs will receive compensation and be resettled in the same manner as in the Project.

39. The grievance redress mechanism is in place and the APs have been properly informed. The main complaints are focused on the unpaid compensation and the application for the payment of the remaining resettlement to the APs prepared by the Coordination Office has been approved by the government orally, pending the official approval from the mayor. Once it is approved, the township government should pay the resettlement funds immediately.

### **5.2 Adjusted further actions and schedule**

40. Based on FGDs, key informant interviews and formal meetings, the consultant and CKRC made several discussions with the relevant agencies of the Xichang Municipal

Government. The further action schedule has been adjusted and approved by the Xichang Municipal Government. The further actions include:

- Conducting further public participation and consultation on the new implementation rules with the APs after the new implementation rules completed.
- The construction of the resettlement buildings will be completed as soon as possible.
- Conduct regular monitoring on the living conditions of the APs, especially the vulnerable HHs and the construction process of the resettlement buildings. Transition support such as training or employment opportunities will continue to be provided to the APs in order to keep their income and livelihood sources stable.
- Strengthen public participation and consultation at the resettlement building design stage with the APs, incorporate their opinions into the design, and prepare an allocation program of resettlement houses.

41. Progress of the corrective actions will be regularly monitored. CKRC will submit the next progress report to ADB in August 2019 which will include the progress of each action; any other support, training, and employment opportunities provided; and assessment on the living conditions of the APs. The summary of adjusted action schedule will be as follows:

**Table 2 Adjusted Further Action Schedule**

No.	Corrective actions	Responsible agency	Estimated end date	Detailed actions
1	Finalization of the program for endowment insurance for LEFs	Xichang Municipal Government, Xichang Social Security Bureau	June 2019	Will be completed once the finalized program of the new policy is published
2	Implementation of the program for endowment insurance for LEFs	Xichang Municipal Government, Xichang Social Security Bureau	In 2019	Will be implemented in Taihe and Yuhua Townships through the same procedure according to the experience of Yuehua Township
3	Payment of the remaining compensation for LA	Xichang Municipal Government, Xichang City Railway Construction Coordination and Service Center and Xichang Social Security Bureau	To be determined	The compensation fee distribution implementation program is still in the process of researching and soliciting sectoral opinions by the Xichang Municipal Government. The compensation fee will be paid in accordance with the finalized program officially released by the Xichang Municipal Government.
4	Construction of resettlement houses	Xichang Municipal Government, Land and Resources Bureau, township governments and Guozi Company	By 2022	<ol style="list-style-type: none"> <li>1. The LAR for the resettlement site which is part of the approved Master Plan of the Xichang Railway Station Zone is being implemented, and will be completed by the end of Feb 2019.</li> <li>2. The draft resettlement building design will be completed by the end of</li> </ol>

				<p>Feb 2019, and participation and consultation with APs will be conducted during March 2019.</p> <p>3. The resettlement buildings will break ground in April 2019.</p> <p>4. Construction will be completed by April 2022.</p>
5	Relocation of displaced households	Xichang Municipal Government and Guozi Company	By 2022	The transition subsidy will be paid until relocation complete.