

Resettlement Plan

November 2010

PRC: Xinjiang Altay Urban Infrastructure and Environment Improvement Project

Resettlement Plan for Habahe County Municipal Infrastructure and Environmental Improvement Project

Prepared by Habahe County Construction Bureau for the Asian Development Bank.

CURRENCY EQUIVALENTS

(as of 30 November 2010)

Currency unit	–	Yuan Renminbi (CNY)
CNY1.00	=	\$0.1501
\$1.00	=	CNY6.6606

ABBREVIATIONS

ADB	–	Asian Development Bank
CPC	–	Communist Party of China
EMDP	–	Ethnic Minority Development Plan
FS	–	Feasibility Study
M&E	–	Monitoring and evaluation
HCCB	–	Habahe County Construction Bureau
HCG	–	Habahe County Government
HCLRB	–	Habahe County Land and Resources Bureau
HDMO	–	House Demolition Management Office
PMO	–	Project Management Office
PRC	–	People's Republic of China
RP	–	Resettlement Plan
TA	–	Technical assistance
XUAG	–	Xinjiang Uygur Autonomous Region

WEIGHTS AND MEASURES

ha	–	hectare
km	–	kilometer
Km/h	–	Kilometer per hour
m	–	meter
m ²	–	square meter
mu	–	Chinese area measure for land
		1mu = 1/15 ha (1 ha = 15 mu)

NOTE

- (i) In this report, "\$" refers to US dollars.

This resettlement plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

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ADB-financed Xinjiang Altay Urban Infrastructure and Environment Improvement Project

Resettlement Plan for Habahe County Municipal Infrastructure and Environmental Improvement Project

Habahe County Construction Bureau

November 2010

Joint Signed letter of Resettlement plan

As implementation entity of the project, Construction Bureau of Habahe County and Xinjiang ecological geographical institute under Chinese Academy of Sciences together prepared a plan of resettlement of affected residents arising from the road construction, water supply, water drainage, heat supply, garbage treatment, birch forest scenic zone infrastructure engineering projects of Habahe County seat under Asian Development Bank Loan project for infrastructure and eco-environmental improvement of bordering counties and ports of Altay prefecture.

The resettlement plan is prepared in conformity with relevant laws and regulations specified in guarantee declaration of Asian Development Bank, the people's government of Habahe County, Altay prefecture, Xinjiang Uygur Autonomous Region, the People's Republic of China.

The resettlement plan can be compiled based on feasibility research report and results of social and economic survey. The People's government of Habahe County confirms the contents of the resettlement plan and ensure the payment for land acquisition and compensation to the affected residents will be carried out according to above-mentioned plan. The plan in both Chinese and Kazak Language version will be notified to the affected residents at the end of February of 2011.

After completion of all designs, the resettlement plan will be upgraded accordingly and the submitted to Asian Development Bank for examination and approval, then implementation can be started.

We are grateful to your support and assistance to Asian Development Bank project of Habahe County.

deputy county magistrate of Habahe County: Wang Minggui

Deputy head of the leading group of Asian Development Bank Loan project of
Habahe County



Letter of Commitment

The Habahe County Construction Bureau (“HCCB”) has applied for a loan from the Asian Development Bank (“ADB”) for the Habahe County Municipal Infrastructure and Environmental Improvement Project. Therefore, this project must be implemented in accordance with the Social Safeguard Policy. This resettlement plan (“RP”) represents a key requirement of ADB and becomes a basis of the land acquisition, house demolition and resettlement work of this project. This RP complies with the applicable laws and regulations of the People’s Republic of China (the “RPC”), Xinjiang Uygur Autonomous Region (“XUAG”) and Habahe County. In order to complete the resettlement work more effectively, this RP includes some additional measures, and implementation and monitoring arrangements.

The Habahe County ADB Project Management Office hereby acknowledges the contents of this RP and warrants that land acquisition, house demolition, resettlement, compensation and budgeting activities under the Project will be carried out according to this RP. This RP is based on data from the Feasibility Study (“FS”) Report and preliminary socioeconomic survey. If the final scope of works of the Project differs from that described in the FS Report and has any material impact on this RP, this RP will be revised accordingly. Such revised RP will be approved by ADB before implementation.

Habahe County ADB Project Management Office

_____ (Signature)
_____ (Date)

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TA	-	Technical assistance
XUAG	-	Xinjiang Uygur Autonomous Region

Units

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

EXECUTIVE SUMMARY

A. Overview of the Project

1. In order to improve the living environment of the Habahe County town and the urban image of the county, and adapt to socioeconomic development, the Habahe County Government (executing agency, "HCG") plans to use part of ADB lending to start the Habahe County Municipal Infrastructure and Environmental Improvement Project (the "Project") that includes road construction, water supply, drainage, refuse disposal, central heating and birch forest zone environmental improvement and infrastructure construction in the county town. The Project is a subproject of the ADB-financed Xinjiang Municipal Infrastructure and Environmental Improvement Project.

2. The implementing agency of the Project is HCCB. 5 roads will be built in the county town, with a total length of 5,600.26m, including a primary road of 618.32m and 4 secondary roads of 4,981.94m, which will be provided with lighting, landscaping and traffic marking facilities, and maintenance equipment. A new water supply network of 5,620m will be built. An 8,000m³/d sewage treatment plant and a drainage network of 15,660m will be built. A 60t/d refuse disposal plant and operating equipment, ashbins (420) and refuse collection points (60) will be built. 4 heating stations and a primary heating network of 2,461m (one-way) will be built. In the birch forest zone, a water distribution network of 8,470m, a 90m³/d water purifying plant; a 150 m³ regulating septic tank, a drainage network of 7.05km and 177 drainage manholes will be built.

B. Project impacts

3. Land acquisition for the road construction component involves one town, one state-owned farm, two villages and 4 communities of Habahe County. Permanent land acquisition and house demolition will affect 79 persons directly and temporary land occupation will affect 48 households with 210 persons temporarily. So totally 289 people will be affected. Land acquisition and house demolition will affect 170 minority persons, accounting for 59% of the total affected population (289).¹

4. The Project does not involve acquisition of collective land. 465.2 mu of state-owned land will be acquired, including 264.3 mu of desert and woodland, 5.44 mu of housing land and 195.46 mu of farmland. The acquisition of the state-owned farmland will affect 40 workers of a breeding farm and 7 rural tenants.

5. Urban residential houses of 1,741.81m² will be demolished, including 218m² in masonry-concrete structure, 1,137.9m² in masonry-timber structure and 385.91 m² in earth-timber structure, affecting 10 households with 34 persons, including one minority household with 4 persons.

6. The Project will occupy 19.53 mu of farmland in Kanmen'er Village, Laishe Village and Minzhu Road Central Community, Akeqi Town temporarily, affecting 48 households with 210 persons temporarily, including 35 minority households with 163 persons. The drainage network will be laid after crop harvesting, which will not have any physical impact on farmers. State-owned urban roads will be excavated for drainage network laying, and 42.48 mu of state-owned land will be occupied temporarily.

7. At the FS Report stage, the impacts of land acquisition have been minimized in close consultation with local officials and communities/villages. An optimum option has been selected through comparison of some options. The RP has been prepared in accordance with the relevant state, provincial and municipal land policies, and ADB's Policy on Involuntary Resettlement. The RP is based on the FS Report, and will be updated and improved based

¹ ADB's Safeguard Policy Statement (2009) trigger for involuntary resettlement changed the terminology of "affected persons" to "displaced persons" which are defined as persons who are physically and/or economically displaced as a result of involuntary acquisition of land or involuntary restrictions on land use or on access to legally designated parks and protected areas. In the PRC, although the resettlement plans maintain the original terminology of "affected persons", the definition is equivalent to ADB's definition of "displaced persons".

on the detailed design.

C. Policy framework and entitlement

8. According to the land laws and policies of the PRC and ADB Safeguard Policy Statement 2009, the resettlement principles of the Project are: (1) The affected persons are granted compensation and rights that can at least maintain or even improve their livelihoods in the absence of the project.; (2) The affected persons are given compensation and assistance in resettlement whether legal title is available or not; (3) If the land available to everyone is insufficient to maintain his/her livelihood, replacement in cash or in kind and other income-generating activities are provided for the lost land; (4) The affected persons fully understand their entitlements, the method and standard of compensation, the livelihood and income restoration plan, and the project schedule, and participate in the implementation of the Resettlement Plan; (5) No land should be acquired before the affected persons are satisfied with the compensation and resettlement (plan).; (6) The executing agency (HCG) and an independent agency / third party should monitor the compensation, relocation and resettlement operations; (7) The vulnerable groups (including women) are provided special assistance or treatment so that they lead a better life, and all affected persons should have an opportunity to benefit from the project; (8) The Resettlement Plan is consistent with the master plans of the affected counties and towns.; and (9) The resettlement expenses are sufficient to cover all affected aspects.

D. Compensation and resettlements

9. The workers of the state-owned farm affected by land acquisition will be resettled by land reallocation. The final compensation rate for house demolition will be appraised by a real estate appraisal and surveying company. The households affected by house demolition will receive a moving subsidy, a transition subsidy and a reward, etc. The affected households may select a resettlement house or cash compensation as they wish.

E. Organizational responsible

10. The implementing agency will be responsible for project implementation, land acquisition, house demolition and coordination. The land acquisition and house demolition management office will consist of officials from the land administration and urban construction authorities. All affected sub-district offices and village committees will supply one member to the house demolition management office to carry out house demolition, resettlement and income restoration activities, etc.

F. Public participation

11. In August and September 2009, a survey was made of the physical indicators of the affected population, houses, land and special facilities, as well as the affected residents and rural collective economic organizations. During May 16-20, 2010, the ADB resettlement TA experts, and the relevant staff of the RP preparation agency and PMO conducted a supplementary survey of the physical indicators of the affected population, houses, land and special facilities, as well as the affected residents and rural collective economic organizations, and a public opinion and advice survey of the people and entities affected by the Project. On different occasions, such as meeting, rural household survey and villager team focus group discussion (FGD), the affected persons have been involved in the preparation of the RP, and their concerns and opinions have been incorporated into the RP.

G. Appeal

12. The affected persons may file an appeal about any aspect of the Project, such as land acquisition, resettlement, income restoration and compensation. The RP defines the appeal procedures, which will be explained to the affected persons at public meetings convened by the implementing agency and communities before land acquisition and house demolition.

H. Costs

13. According to the FS Report and subsequent surveys, the resettlement costs for land acquisition and house demolition are about CNY10.7668 million, including contingencies of 8%. The resettlement costs will be subject to adjustment during project implementation. The

implementing agency will ensure that sufficient resettlement funds will be available to address all resettlement issues.

I. Schedule

14. Land acquisition and resettlement will begin in January 2011 and end in June 2013. Construction will not commence only when the affected persons have been compensated in full.

J. Monitoring and reporting

15. The implementation of the RP will be subject to internal and external monitoring. The implementing agency is responsible for internal supervision, and will prepare reports regularly for submission to ADB to reflect resettlement progress, with focus on compliance with the RP and compensation policies. The County PMO will employ an independent agency to conduct external monitoring and evaluation (M&E), and prepare an evaluation report on resettlement progress, compensation fees disbursement and other measures to ensure that the affected persons can maintain their standard of living without being affected adversely by the Project.

1 Overview of the Project

1.1 Background of the Project

16. The Project is a subproject of the ADB-financed Xinjiang Altay Urban Infrastructure and Environment Improvement Project. The ADB technical assistance (TA) mission made a field investigation of the affected areas in Altay, Xinjiang during June 10-17, 2009, and entered into the Memorandum of Understanding for Provision of Technical Assistance for the ADB-financed Xinjiang Altay Urban Infrastructure and Environment Improvement Project with the competent authorities of XUAG.

17. In recent years, with the rapid socioeconomic and tourist development, and population growth of Habahe County, domestic, productive and municipal water consumption has risen rapidly, along with heating area, municipal refuse and sewage discharge. This has not only affected the county's ecological environment, but also restricted its socioeconomic and tourist development. It is necessary to implement the Project as soon as possible. Therefore, the Project has been included in the Xinjiang Altay Urban Infrastructure and Environment Improvement Project as a subproject. The FS preparation agency was entrusted by HCCB to prepare the first draft FS Report in July 2010. The RP is based on this draft FS Report, field survey and relevant information collected.

18. The Project will:

- (i) Promote the economic cooperation between Habahe County and the neighboring countries, and trade and cultural communications between Habahe County and the Central Asian countries, and drive the economic development of Habahe County;
- (ii) Improve the urban living and ecological environment, and promote the ecological, sightseeing and holiday tourism of Habahe County;
- (iii) Improve the urban road traffic, ecological environment, economic level and people's standard of living of Habahe County by constructing water supply, drainage and refuse disposal facilities;
- (iv) Conserve energy, improve the environmental quality of Habahe County, and relieve the tight urban heat supply; and
- (v) Improve urban traffic conditions, and the throughput of the road network.

1.2 Overview of the Project

19. The Project consists of the road construction, water supply, drainage, refuse disposal, central heating, and birch forest zone environmental improvement and infrastructure construction components, as shown in Table 1-1.

Table 1-1: Summary of project components

Component	Brief description
Road construction	5 roads will be built in the county town, with a total length of 5,600.26m, including a primary road of 618.32m and 4 secondary roads of 4,981.94m, which will be provided with lighting, landscaping and traffic marking facilities, and maintenance equipment
Water supply	A new water supply network of 5,620m will be built, in which dn400 is 1,440m long, dn300 1,880m long and dn200 2,300m long.
Drainage	An 8,000m ³ /d sewage treatment plant (an access road of 0.8km and a 10KV power line of 3.0km) and a drainage network of 15,660m will be built, in which DN300 is 7,730m long, DN400 710m long, DN500 520m long, DN600 1,490m long and DN800 5210m long.

Component	Brief description
Refuse disposal	A 60t/d refuse disposal plant and operating equipment, ashbins (420) and refuse collection points (60) will be built; an access road of 1.0km improved; a 10KV power line of 4.0km built for the refuse disposal plant.
Central heating	4 heating stations and a primary heating network of 2,461m (one-way) will be built, in which DN250 is 1,827m long, DN300 134m long and DN400 500m long.
Birch forest zone environmental improvement and infrastructure construction	In the birch forest zone, a water distribution network of 8,470m (in which the dn100 PE pipeline is 3,490m long and the dn50 PE pipeline 4,980m long), a 90m ³ /d water purifying plant; a 150 m ³ regulating septic tank, a drainage network of 7.05km (with a uniform diameter of DN200) and 177 drainage manholes will be built.

20. **(1) Road construction:** 5 roads will be built in the county town, with a total length of 5,600.26m, including a primary road of 618.32m and 4 secondary roads of 4,981.94m, which will be provided with lighting, landscaping and traffic marking facilities, and maintenance equipment See Table 1-2 for details.

21. These 5 roads cover a section of new urban area The county government will ensure that the same standards of compensation and rehabilitation measures of this RP are also applied when acquiring land from households who will lose land for the new urban area but not affected by the ADB project. However there are no estimates of such impacts now. For the APs affected by ADB project, the rehabilitation plan is prepared considering that they will lose all of their land for future urban development in the area.,

Table 1-2: Size of proposed urban roads

No.	Road	Rating	Length	Nature	Width (m)	Driveway width (m)	Green belt width (m)	Sidewalk width (m)	Green belt width (m)	Boundary line setback
			(m)							
1	North Ring Road	Secondary	1877.42	New	25	16	2×4.5	—	—	—
2	Wenhua Road	Primary	618.32	New	36	12	—	2×3.0	2×6.0	2×3.0
3	Xingfu Road	Secondary	616.57	New	32	16	2×5.5	2×2.5	—	—
4	Tuanjie Road	Secondary	619.65	New	27	12	2×5.0	2×2.5	—	—
5	Planned Third Road	Secondary	1868.3	New	28	12	2×5.5	2×2.5	—	—
	Total		5600.26							

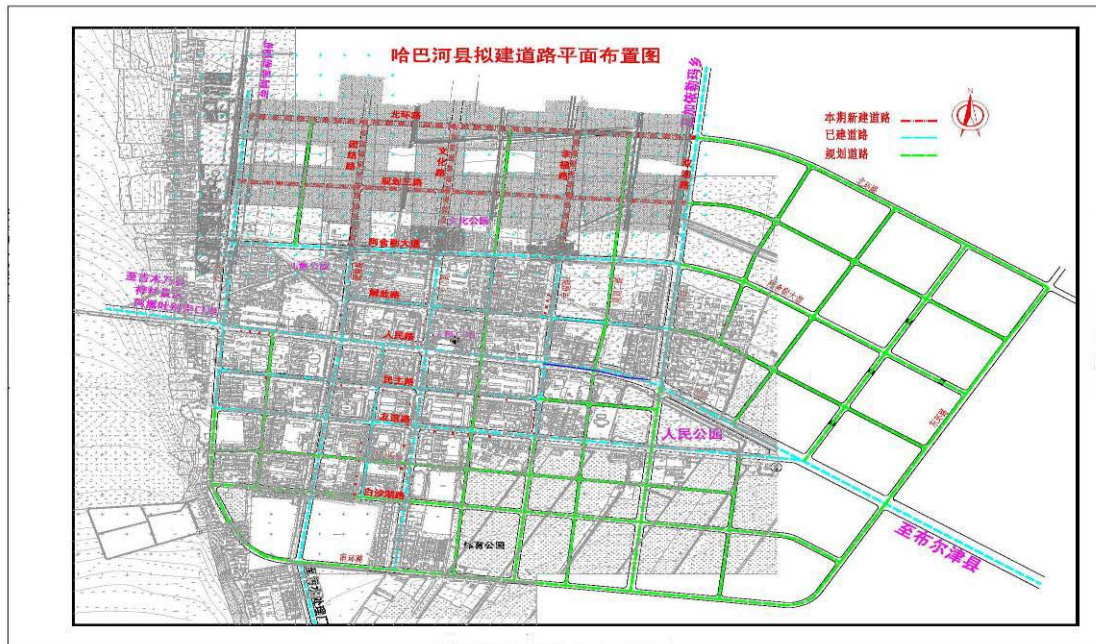


Figure 1-1: Plan of planned roads of Habahe County



Figure 1-2: Current map of proposed road (Wenhua Road)



Figure 1-3: Current map of proposed road (Xingfu Road)

22. **(2) Water supply:** A new water supply network of 5,620m will be built, in which dn400 is 1,440m long, dn300 1,880m long and dn200 2,300m long. The existing water source of the Habahe County town is the Shankou hydropower station reservoir about 13km northwest of the county town. Shankou reservoir was built from 1992 and start operation from 1996, and no people was affected..

23. **(3) Drainage:** An 8,000m³/d sewage treatment plant (an access road of 0.8km and a 10KV power line of 3.0km) and a drainage network of 15,660m will be built, in which DN300 is 7,730m long, DN400 710m long, DN500 520m long, DN600 1,490m long and DN800 5210m long.



Figure 1-4: Proposed site of sewage treatment plant

24. **(4) Refuse disposal:** A 60t/d refuse disposal plant and operating equipment, ashbins (420) and refuse collection points (60) will be built; an access road of 1.0km improved; a 10KV power line of 4.0km built for the refuse disposal plant.



Figure 1-5: Proposed site of refuse disposal plant

25. **(5) Central heating:** 4 heating stations and a primary heating network of 2,461m (one-way) will be built, in which DN250 is 1,827m long, DN300 134m long and DN400 500m long.

26. **(6) Birch forest zone environmental improvement and infrastructure construction:** In the birch forest zone, a water distribution network of 8,470m (in which the dn100 PE pipeline is 3,490m long and the dn50 PE pipeline 4,980m long), a 90m³/d water purifying plant; a 150 m³ regulating septic tank, a drainage network of 7.05km (with a uniform diameter of DN200) and 177 drainage manholes will be built.

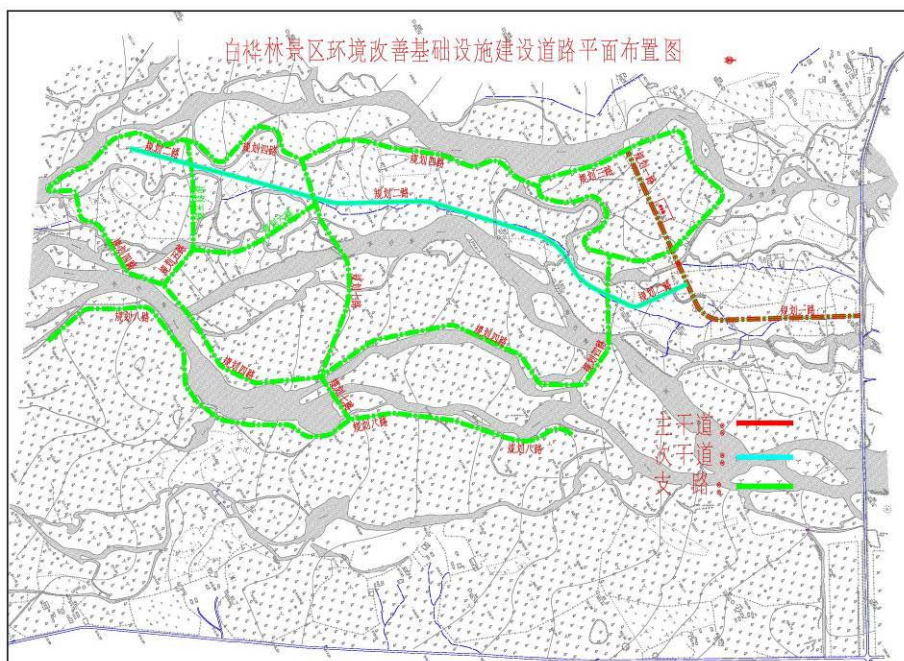


Figure 1-6: Schematic plan of birch forest zone

1.3 Socioeconomic benefits of the Project

27. The main components of the Project include road construction, water supply, drainage, central heating, birch forest zone and refuse disposal. With the progress of road construction and refuse disposal, and the improvement of the water supply and drainage networks, the urban road network and environment will be improved. The Project will improve the living environment for urban residents, drive the development of local tourist and commercial industries, improve the environmental hygiene of the urban area greatly, and generate great ecological and socioeconomic benefits after its completion.

28. Road construction: This component will relieve the traffic congestion of the county town, promote commerce and tourism, and increase nearby residents' income. It will help improve the road network of the north Habahe County town, and promote the county's economic and social development, and improve people's standard of living.

29. Drainage: The environment of the county town and surrounding areas will be improved greatly; the aged drainage network will be restored. At the outskirts, drainage facilities will dispose of domestic sewage timely, improve environmental hygiene, and be good to villagers' physical health. The drainage component will realize full treatment and utilization of sewage, and solve the sewage pollution problem radically.

30. Refuse disposal: After the refuse disposal plant is completed, the uncontrolled refuse discharge of the county will be changed thoroughly, and a refuse disposal system that integrates refuse collection, recovery and sanitary landfill will be created. In the urban area, the living environment will be cleaner and more favorable for residents, impact of urban refuse on the environment will be reduced significantly, and the infrastructure and environment of the county town will be improved greatly, which will play an important role in promoting the county town's economic and tourist development.

31. Central heating: Central heating and management will be practiced in order to save energy, and improve the environment and the lifestyle of the county town people. This component will further improve the quality of life of residents, reduce atmospheric pollution and improve atmospheric quality.

32. Birch forest zone: This component will drive the rapid socioeconomic development of the county positively, and generate significant economic, social and ecological benefits.

33. In general, the road construction, water supply, drainage, central heating, birch forest zone and refuse disposal components will drive Habahe County's economic and tourist development. Presently, the soft environment for investment introduction is attractive, including the relevant preferential policies, but the hard environment is unsound, especially the infrastructure. The Project will improve the traffic and environment of the urban area; the beautiful urban environment will increase the confidence of investors. The construction of the above components will improve the overall service functionality of the county's infrastructure, improve the production conditions and quality of life of urban residents, further strengthen environmental protection and improvement, promote the balanced development of human and nature, and the rapid economic development of the county town.

34. In the meantime, great importance is attached to public participation during project implementation. Whether at the preparatory stage or the future construction stage, numerous urban residents have been or will be involved in the environmental decision-making process of the Project, and have known the origin and significance of the Project. The Project will strengthen the environmental awareness of urban residents, and enable them to maintain environmental hygiene self-consciously.

35. The County PMO will ensure that a certain number of unskilled job opportunities be available to affected women during project implementation, and give priority to female labor in technical training, so that their economic status will not be reduced.

1.4 Measures to avoid or minimize land acquisition and house demolition

36. Resettlement impacts have been considered at the design stage to minimize such impacts. The main principles are as follows:

- (i) Avoiding or minimizing occupation of existing and planned residential areas (urban and rural)
- (ii) Avoiding or minimizing occupation of high-quality farmland and pasture lands
- (iii) Gaining access to the proposed construction sites through existing state and local roads
- (iv) Avoiding or minimizing occupation of environmentally sensitive areas
- (v) Selecting a resettlement community in line with the local development plan
- (vi) Laying drainage pipelines along highways or in barren land, avoiding exposed pipelines, and restoring the land surface after construction; and
- (vii) Building the sewage treatment plant and refuse disposal plant on barren land where possible according to topographic conditions

37. It was formerly planned to demolish houses on both sides to build Xingfu Road North and Wenhua Road North. Based on the recommendations of the TA experts and the preparation agency, houses on one side will be demolished where possible in order to reduce the quantity of house demolition. It was formerly planned to demolish houses of 1,812.6m² for Xingfu Road North, affecting 10 households with 42 persons, and the present demolition area is 970.9m², affecting 5 households with 17 persons; it was formerly planned to demolish houses of 1,230.8m² for Wenhua Road North, affecting 10 households with 36 persons, and the present demolition area is 770.91m², affecting 5 households with 17 persons.

38. In addition, the former design size of the refuse disposal and sewage treatment plants was large; the size has been reduced based on the demonstration and calculation of the TA experts.

39. Table 1-3 sums up the land acquisition and house demolition impacts of the Project before and after optimization

Table 1-3: Measures to reduce resettlement impacts

Item		Unit	Before optimization	After optimization	Difference
Land acquisition	Collective land	Mu	0	0	0
	State-owned land	Mu	728.9	465.2	-263.7
	Subtotal	Mu	728.9	465.2	-263.7
Temporary land occupation		Mu	27.84	62.01	34.17
House demolition	Rural residents	m ²	0	0	0
	Urban residents	m ²	2567.7	1741.81	-825.89
	Enterprise / public institution	m ²	0	0	0
	Commercial store	m ²	0	0	0
	Subtotal	m ²	2567.7	1741.81	-825.89
Land acquisition	Affected population	/	65	47	-18
House / building demolition	Rural residents	Household	0	0	0
	Urban residents	Household	20	10	-10
	Commercial store	/	0	0	0
	Enterprise / public institution	/	0	0	0
	Subtotal	/	20	10	-10

2 Impacts of the Project

2.1 Types of impact

40. Based on the physical indicator surveys, the main types of impact of the Project include:

- (i) Land acquisition/occupation;
- (ii) Demolition of residential houses and attachments; and
- (iii) Demolition of ground attachments and infrastructure

2.2 Survey methodology and process

41. In order to learn the impacts of the Project, the County PMO, design agency and RP preparation task force investigated the range of land acquisition and house demolition of Habahe County as required by ADB.

42. During June 2-19, 2009, a field investigation of the Project was conducted.

43. On August 4, 2009, a training meeting of the staff involved in the Ethnic Minority Development Plan (EMDP) and the RP was held at HCCB, explaining the planning concept, policy framework, issues arising from land acquisition and house demolition, the relevant requirements in the EMDP and relevant ADB policies in detail; the questions raised by the attendees were answered in detail; training was given to the survey staff on the affected population, houses, land, pasture lands and special facilities, etc. in the affected areas, and a survey agenda was determined.

44. During August 5-15, 2009, a FGD was held at HCCB to further define the scope and range of the Project, and a field investigation was conducted; the County PMO and RP preparation agency organized relevant staff to conduct a detailed survey of the physical indicators of the affected population, houses, land and special facilities, as well as the affected residents and rural collective economic organizations.

45. During May 16-20, 2010, the ADB TA experts and RP preparation agency conducted a field investigation of the scope and range of the Project, a supplementary survey of the physical indicators of the affected population, houses, land and special facilities, as well as the affected residents and rural collective economic organizations, and interview and case study of affected residents.

46. The surveys were conducted in a combination of field investigation, data collection and inquiry, questionnaire survey and interview. The survey of house demolition included house ownership and attached facilities; the survey of land acquisition included nature and quantity of land, number of directly affected households, population, willingness of resettlement of affected households, and average output value of the past 3 years. Officials of the affected town government and villager teams participated in the physical indicator surveys of the Project.

47. To learn the impacts of the Project, the County PMO and design agency conducted a comprehensive survey of the physical indicators of the affected population, houses, land and special facilities within the affected areas in August 2009 as required by ADB, acquiring detailed information on project impacts. In May and June 2010, under the direction of the TA experts, the County PMO and design agency conducted a supplementary survey of the affected households and rural collective economic organizations.

48. The physical indicator surveys of the Project included the land acquisition survey,

affected population survey, house and attachment demolition survey, scattered tree survey, rural productive and living facility survey, and special facility survey, etc.

49. Land acquisition survey: The survey team surveyed the area of the acquired land by ownership and type after the design agency defined the range of land acquisition by field setting-out.

50. Socio-economic survey: A sampling survey of affected population, including ethnic group, age, educational level and employment status, etc.

51. House and attachment demolition survey: Demolished houses were measured on spot one by one, and registered by ownership and structure together with their attachments.

52. Scattered tree survey: Scattered trees within the affected areas were counted on spot to differentiate fruit trees and other trees, and registered by species.

53. Special facility survey: The affected water resources, electric power and telecommunication facilities were surveyed based on the existing information of the competent authorities, and verified and registered on spot.

2.3 Impact identification of the components

54. At the present stage, the impacts of land acquisition and house demolition of the Project are determined based on the recommended option selected at the FS stage. The impacts of the components are shown in Table 2-1.

55. **(1). Road construction.** The land acquisition and house demolition impacts of the Project are caused mainly by road construction. 195.46 mu of state-owned land of the breeding farm (state-owned) will be acquired, affecting 47 persons, in which 40 are workers of the breeding farm and the other 7 tenants, including 3 minority persons. Road construction will affect 10 households with 34 persons in 4 communities, including one minority household with 4 persons. Urban residential houses of 1,741.81m² will be demolished, including 218m² in masonry-concrete structure (12.52%), 1,137.9m² in masonry-timber structure (65.33%) and 385.91 m² in earth-timber structure (22.15%).

56. **(2). Drainage.** 90.3 mu of state-owned desert and woodland will be acquired for the plant area and access road of the sewage treatment plant, including 81.9 mu of state-owned desert and woodland (including administrative area) for the plant area and 8.4 mu of state-owned desert and woodland for the access road, without affected population.

57. The drainage network will occupy 19.53 mu of farmland in Kanmen'er Village, Laishe Village and Minzhu Road Central Community temporarily, without house demolition. The impacts on farmland are minor and temporary (not more than 3 months at most). Temporary land occupation will affect 48 households with 210 persons, including 35 minority households with 163 persons. State-owned urban roads will be excavated for drainage network laying, and 42.48 mu of state-owned land will be occupied temporarily. Such roads will be restored by the construction agency to the former size and standard after drainage network laying, and the relevant costs will be included in the engineering budget of the Project.

58. **(3). Water supply.** The water supply network will not involve temporary land occupation, and involves the north urban area only. This network will be laid along the new roads (all under the Project) in this area. According to the principle of "pipeline laying before road paving" in road construction, the water supply network will be built before the roads, for which no extra restoration effort is required.

59. The existing water purifying plant of the county town is located south of the water source at a distance of 3.5km, and was built in 1998. Its land acquisition and house demolition work was completed in 1997. It has been confirmed in the Environmental Impact Assessment Report of the Project that no one's livelihood is affected by water source protection during the water-source reserve.

60. **(4). Refuse disposal.** 174 mu of state-owned desert and woodland will be acquired for the refuse disposal plant and its access road, including 162 mu of state-owned desert and woodland (including administrative area) for the refuse disposal plant and 12 mu of state-owned desert and woodland for the access road, without affected population.

61. **(5). Central heating.** The heating source expansion will be funded by Chengbei Heat Supply Company, and the boiler house will be expanded on the existing state-owned land of the plant area.

62. The 4 new heating stations will occupy 150m² of urban state-owned land each (0.9 mu in total). The locations of the stations have not been determined, but will be selected on unused state-owned land, land for landscaping and basements in the preliminary design, involving no house demolition. After the preliminary design, if the stations result in the affected population, the RP will be updated.

63. The primary heating network is 2,461m (one-way) long, in which DN250 is 1,827m long, DN300 134m long and DN400 500m long. The heating network will be laid along the new roads (all under the Project) in the north urban area. According to the principle of “pipeline laying before road paving” in road construction, the heating network will be built before the roads, for which no extra restoration effort is required.

64. The heating source expansion will be funded by Chengbei Heat Supply Company, and the boiler house will be expanded on the existing state-owned land of the plant area.

65. In areas not covered by central heating, households heat by burning coal in a stove in winter, and there is no community or central heating. Therefore, after the service range of central heating is expanded, no one will be unemployed.

66. **(6.) Birch forest zone environmental improvement and infrastructure construction.** This scenic zone is administered by the County Tourist Bureau. This component will be built completely on state-owned land.

Table 2-1: Identification of impacts of components

Component	Permanent land acquisition					Temporary land occupation						Residential house demolition				
	State-owned land					Collective land					State-owned land	Demolition area	Affected households	Affected population	Minority households	Minority population
	Farmland	Desert and woodland	Housing land	Affected population	Minority households		Affected households	Affected population	Minority households	Minority population	mu					
	mu	mu	mu			(mu)										
Road construction	195.46		5.44	47	3							1741.81	10	34	1	4
Water supply		90.3				19.53	48	210	35	163	42.48					
Drainage																
Refuse disposal		174														
Central heating																
Birch forest zone																
Total	195.46	264.3	5.44	47	3	19.53	48	210	35	163	42.48	1741.81	10	34	1	4

2.4 Impacts of permanent land acquisition

67. 195.46 mu of state-owned land of the breeding farm (state-owned) will be acquired, affecting 47 persons, in which 40 are workers of the breeding farm and the other 7 tenants; of the 40 workers of the breeding farm, 11 will retire at the end of this year and 29 are in service, including 3 minority persons; the 47 affected persons include 31 men, accounting for 65.96%, and 16 women, accounting for 34.04%, as shown in Table 2-1. The land loss rate of these affected persons ranges from 1.97% to 86.67%, averaging 11.16%.

68. As a state-owned farm, all the land is state-owned. And the affected persons are workers. The land tenure system of this farm is introduced as below.

- (i) Because the county doesn't have financial ability to support the farm, so the workers of the breeding farm also farm on land allocated by the farm while at work. The income on farming is owned by individuals, and the in-service workers are not paid wage by the farm.
- (ii) When a worker attains retiring age, he/she will no longer have the right to use land. Under normal procedures, the allocated land will be withdrawn for reallocation. A retiree will be paid a retirement pension by the state according to the standard of the basic endowment insurance for urban workers in Habahe county.

Table 2-2: Impact analysis of land acquisition

No.	Worker	Sex	Ethnic group	Amount of land before acquisition	Farmland acquired	Land loss rate	In service	Tenant	Will retired At the end of this year
1	Liang Hu	Male	Han	27.8	2.6	9.35%	√		
2	Yang Xiuling	Female	Han	24	2.5	10.42%	√		
3	Li Hua	Male	Han	25	3.2	12.80%	√		
4	Zhao Penggang	Male	Han	29	2.7	9.31%		√	
5	Wang Xingwu	Male	Han	23.5	4.8	20.43%	√		
6	Liang Feng	Male	Han	25	4.2	16.80%		√	
7	Yang Fengping	Female	Han	15	1.9	12.67%	√		
8	Zhang Yulan	Female	Han	50	14.5	29.00%	√		
9	Wang Zhanhai	Male	Han	63	3.5	5.56%	√		
10	Tian Liangjun	Male	Han	49	3.5	7.14%	√		
11	Xu Fengying	Female	Han	40	4.3	10.75%	√		
12	Yang Huji	Male	Han	63	5.5	8.73%	√		
13	Xi Xiaomin	Male	Han	30	3.78	12.60%	√		
14	Zhang Xuelu	Male	Han	64	20	31.25%	√		
15	Dou Zenglin	Male	Han	40	3	7.50%	√		
16	Li Yong'an	Male	Han	30	26	86.67%	√		
17	Zhao Wenjun	Male	Han	30	1.62	5.40%	√		
18	Zha Jinlu	Male	Han	15	0.9	6.00%	√		
19	Liang Yun	Male	Han	40	2.6	6.50%	√		
20	Chen Chunhong	Female	Han	65	6.9	10.62%	√		
21	Xu Shuiqing	Female	Han	38	2.4	6.32%	√		√
22	Zhang Zhiying	Male	Han	150	2.95	1.97%	√		
23	Zhang Zhiming	Male	Han	130	3.4	2.62%	√		

No.	Worker	Sex	Ethnic group	Amount of land before acquisition	Farmland acquired	Land loss rate	In service	Tenant	Will retired At the end of this year
24	Yang Zhuji	Male	Han	50	5.8	11.60%	√		
25	Zhang Desheng	Male	Han	28	2.9	10.36%	√		
26	Xu Shuangcun	Male	Han	30	2.3	7.67%	√		
27	Xu Shuangxiong	Male	Han	40	2.32	5.80%	√		
28	Wu Tianli	Male	Han	102	2.8	2.75%		√	
29	Xu Shuanglin	Male	Han	45	13	28.89%	√		
30	Zhang Bairong	Male	Han	53.5	2	3.74%			√
31	Yin Xueping	Female	Han	18.4	2	10.87%	√		
32	Salik	Male	Kazakh	13	0.42	3.23%	√		
33	Hechuanxiang	Female	Han	14	0.85	6.07%	√		
34	Tabus	Male	Kazakh	33	1.5	4.55%	√		
35	Turuxhan	Male	Kazakh	24	1.62	6.75%		√	
36	Song Yueling	Male	Han	15	0.9	6.00%			√
37	Zhang Jun	Male	Han	59.5	2.5	4.20%	√		
38	Zhang Quanying	Female	Han	27	1.5	5.56%			√
39	Zhou Yueying	Female	Han	30	1.5	5.00%		√	
40	Li Guiqin	Female	Han	65	6	9.23%			√
41	Zhang Guilan	Female	Han	35	7	20.00%			√
42	Zhang Ying	Male	Han	20	1.2	6.00%			√
43	Li Guilian	Female	Han	35	5	14.29%		√	
44	Wang Shenggui	Male	Han	30	2	6.67%			√
45	Wang Mingying	Female	Han	22	1.2	5.45%			√
46	He Yufang	Female	Han	30.5	1.4	4.59%		√	
47	Wang Dezhen	Female	Han	20	1	5.00%			√
Subtotal				1906.2	195.46				

Source: Socioeconomic survey 2009-2010 of Habahe County

2.5 Temporary land occupation

69. Temporary land occupation is caused by drainage network of the Habahe County town mainly. Drainage network laying will affect 48 households with 210 persons in Kanmen'er Village, Laishe Village and Minzhu Road Central Community, including 35 minority households with 163 persons. The occupied land is 19.53 mu of collective farmland, involving no house demolition. According to public participation opinions, the County PMO plans to excavate land and lay the network after the autumn harvest, and restore the land to its original condition, so that farmers' income will not be affected.

70. Drainage network laying will involve excavation of urban state-owned roads, which will occupy 42.48 mu of land temporarily. Such roads will be restored by the construction agency to the former size and standard after drainage network laying, and the relevant costs will be included in the engineering budget of the Project. See Table 2-3.

Table 2-3: Temporarily occupied collective land

No.	Temporarily occupied collective land	Temporarily
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	Village or community	Temporarily occupied farmland (mu)	Farmland before occupation (mu)	Affected households	Affected population	occupied state-owned land (mu)
1	Kanmen'er Village, Akeqi Town	11.56	849	33	148	
2	Laishe Village, Akeqi Town	4.53	252	10	41	
3	Minzhu Road Central, Akeqi Town	3.44	97	5	21	
4						42.48
Total		19.53	1198	48	210	42.48

2.6 House demolition

71. The Project involves demolition of urban residential houses only, affecting 10 households with 34 persons. Urban residential houses of 1,741.81m² will be demolished, including 218m² in masonry-concrete structure (12.52%), 1,137.9m² in masonry-timber structure (65.33%) and 385.91 m² in earth-timber structure (22.15%). See Table 2-4. All houses of the 10 affected households will be demolished, and they will be displaced. Figure 2-1 shows the situation of the houses.

Table 2-4: Urban residential houses to be demolished

Village or community	Road	Urban house demolition						
		Affected persons		House demolition (m ²)				
		Affected households	Affected population	Subtotal	Masonry concrete	Masonry timber	Earth timber	Simple structure
Akeqi Town	Xingfu Road North	5	7	970.9	126	774.9	30	40
	Wenhua Road North	5	17	770.91	92	363	315.91	0
Total		10	34	1741.81	218	1137.9	345.91	40



Figure 2-1: Urban house to be demolished

2.7 Affected vulnerable groups

72. The vulnerable groups refer to those individuals and their families whose living standard is lower than the minimal living standard line of Habahe (for rural people in the

standard is CNY700 per year per person and for urban people the standard is CNY 1860 per year per person), including orphan, aged people, handicapped people, mentally disabled persons, impoverished people, and women headed households.

73. According to the survey, among the affected persons, one household with 3 persons on Wenhua Road North falls into vulnerable groups, whose householder is Li Lanying (female). Her daughter-in-law is Song Jianghong and her grandson Zhao Yan. Her son is already dead and her grandson is unemployed. The household lives on the old woman's minimum living security benefit and her daughter-in-law's retailing income. The household will be affected by house demolition, with a demolition area of 105m².

74. It was learned that they expect fair, reasonable and timely compensation for house demolition. The resettlement house would be preferably close to their former residence, because it would be more convenient to visit friends. As she is old, she wishes to select a lower floor and get some assistance in living. She supports road construction, because the existing road is muddy in rainy days, and when the road is complete, it would be much more convenient for them to travel and the environment would be improved.

2.8 Affected population

75. The Project will affect one town, one state-owned farm, two villages and 4 communities.

76. Permanent acquisition of state-owned farmland will affect 47 persons; residential house demolition will affect 10 households with 34 persons, in which 2 persons will be affected by both land acquisition and house demolition. The Project will affect 289 persons in total, including 79 directly affected persons and 210 persons affected by temporary land occupation, as shown in Table 2-5.

Table 2-5 Statistics of affected population

Item	Permanent land acquisition		Residential house demolition				Temporary land occupation	
	Affected population	Minority population	Affected households	Affected population	Minority households	Minority population	Affected population (affected HH)	Minority population
Road construction	47	3	10	34	1	4		
Water supply							210 (48)	163 (35 HH)
Drainage								
Refuse disposal								
Central heating								
Birch forest zone								
Subtotal	47	3	10	34	1	4		

2.9 Ethnic minorities

77. One minority (Uygur) household with 4 persons will be displaced for road construction, accounting for 12% of the total population affected by house demolition.

78. Acquisition of state-owned farmland will affect 3 minority (kazakh) persons, accounting for 6% of the total population affected by land acquisition.

79. Temporary land occupation will affect 48 households with 210 persons, including 35 minority households with 163 persons, accounting for 78% of the total population affected by temporary land occupation.

80. Land acquisition and house demolition will affect 170 minority persons, accounting for 59% of the affected population (289).

2.10 Affected attachments and infrastructure

81. The ground attachments and infrastructure affected by road construction are shown in Table 2-6.

Table 2-6: Affected attachments and infrastructure

Item	Unit	Total	Ownership
Tree (usable as timber)	/	9	Individual
Fruit tree (usable as timber)	/	64	Individual
Fruit tree (small sapling)	/	14	Individual
Grape	/	4	Individual
Pressure well	/	10	Individual
Toilet	/	10	Individual

3 Socioeconomic Profile of the Affected Areas

3.1 Socioeconomic background of the affected areas

82. Habahe County is located on the south range of the Altay Mountain, bordering Bu'erjin and Jimunai Counties on the east and south respectively, and connected to Kazakhstan on the west. The Aqimbek Port is a national Class 1 land port in the county; The county borders Russia on the north, where the west natural gas pipeline, a Chinese-Russian cooperative project, is expected to enter China. The county has a total area of 8,166km² and a population of over 80,000, composed of 21 ethnic groups, including Han, Kazakh, Hui, Mongolian, Dongxiang, Tartar and Uygur, in which Kazakhs account for 60% of total population. The county governs 6 Xiangs, 1 town and 112 administrative villages, including 5 border townships and 24 border villages. The border area has 18,050 households with 65,270 persons. Agricultural population is 57,826 and stockbreeding population 7,444.

83. In 2008, the county's GDP was 2.07 billion yuan; fiscal revenue 390 million yuan, up 10% year on year; local fiscal revenue 225 million yuan, up 17.9% year on year; local investment in fixed assets 670 million yuan, up 41.6% year on year; and per capita income of farmers and herdsmen rose 412 yuan to 4,778 yuan.

3.2 Socioeconomic profile of affected townships

84. Akeqi Town is the political, economic and cultural center of Habahe County, governing 6 communities and 2 agricultural villages, with over 4,400 households with nearly 20,000 persons, and 105 stationed entities. See Table 3-1 for the affected townships and villages/communities.

Table 3-1: Socioeconomic profile of affected towns/villages

Component	Affected community / village	Population					Land				Output value (10,000 yuan/year)	Per capita net income (yuan/year)	
		Total households	Total population	Men	Agricultural population	Minority population	Farmland	Grassland	Housing site	Land for construction and other land	Agriculture	Per capita net income of residents	Where: agricultural population (%)
	Akeqi Town	24278	84516	42914	53982	58327	22533	-	-	-	665	5273	100
Road construction	Jiefang Road Central Community	895	2395	1175	155	1084	2100	-	-	-	103	4020	-
	Wenhua Road Community	-	-	-	-	-	-	-	-	-	-	-	-
	Xingfu Road Community	-	-	-	-	-	-	-	-	-	-	-	-
	Jiefang Road East Community	703	2098	786	42	653		-	-	-	-	-	-
Water supply and drainage	Kanmen'er Village	124	465	235	365	453	2750	-	-	-	-	4600	70
	Laishe Village	-	-	-	-	-	-	-	-	-	-	-	-
	Minzhu Road Community	1452	4212	2200	148	860	200	-	-	-	-	-	-

3.3 Socioeconomic profile of affected persons

85. In May 2010, the ADB TA experts, RP preparation agency and County PMO conducted a supplementary survey of the affected households and rural collective economic organizations for the following purposes: (1) collecting socioeconomic information of the affected persons whose land or properties may be lost due to project construction; (2) disclosing project information to the affected persons and collecting their opinions about the Project; and (3) determining the RP and income restoration measures preliminarily.

86. This socioeconomic survey collected basic data on family, income, population, land and losses of the people affected by road construction. It was conducted in two forms: (1) interviewing farm leaders, workers and community officials by FGD; and (2) questionnaire survey (the questionnaire was provided by the ADB consultants).

87. The door-to-door socioeconomic questionnaire survey covered all the 10 households with 34 persons in Akeqi Town affected by house demolition; for the 47 affected persons of the breeding farm, since 40 of them are farm workers whose socioeconomic profile is different from that of ordinary affected residents, they were subject to a separate socioeconomic analysis.

3.4 Socioeconomic profile of people affected by house demolition

3.4.1 Profile of affected population

88. The demographic profile of the affected persons is shown in Table 3-2, covering different genders, ages, educational levels and occupations. House demolition for road construction will affect 10 households with 34 persons, including 18 men and 16 women; 30 Han people and 4 Uygur people.

Table 3-2: Demographic profile of surveyed households

Type	Men		Women		Total	
	Qty.	%	Qty.	%	Qty.	%
Households					10	
Average population					3.4	
Age						
≤6 years	0	0.00%	0	0.00%	0	0.00%
7-19 years	5	14.71%	3	8.82%	8	23.53%
20-35 years	1	2.94%	6	17.65%	7	20.59%
36-50 years	9	26.47%	4	11.76%	13	38.24%
51-60 years	0	0.00%	1	2.94%	1	2.94%
61-70 years	2	5.88%	1	2.94%	3	8.82%
≥71 years	1	2.94%	1	2.94%	2	5.88%
Total	18	52.94%	16	47.06%	34	100.00%
Ethnic group						
Han	16	47.06%	14	41.18%	30	88.24%
Uygur	2	5.88%	2	5.88%	4	11.76%
Total	18	52.94%	16	47.06%	34	100.00%
Educational level						

Type	Men		Women		Total	
	Qty.	%	Qty.	%	Qty.	%
Illiterate or semiliterate	0	0.00%	1	2.94%	1	2.94%
Preschool	1	2.94%	0	0.00%	1	2.94%
Primary school	5	14.71%	5	14.71%	10	29.41%
Junior high school	7	20.59%	5	14.71%	12	35.29%
Senior high school or technical secondary school	3	8.82%	3	8.82%	6	17.65%
Junior college or above	2	5.88%	2	5.88%	4	11.76%
Total	18	52.94%	16	47.06%	34	100.00%
Marital status						
Unmarried	8	23.53%	5	14.71%	13	38.24%
Married	9	26.47%	9	26.47%	18	52.94%
Divorced	0	0.00%	0	0.00%	0	0.00%
Bereaved of spouse	1	2.94%	2	5.88%	3	8.82%
Total	18	52.94%	16	47.06%	34	100.00%
Occupation						
Industry	1	2.94%	0	0.00%	1	2.94%
Commerce	5	14.71%	5	14.71%	10	29.41%
Service	1	2.94%	3	8.82%	4	11.76%
Teacher	0	0.00%	1	2.94%	1	2.94%
Official	2	5.88%	0	0.00%	2	5.88%
Student	5	14.71%	4	11.76%	9	26.47%
Retired	2	5.88%	1	2.94%	3	8.82%
Other	2	5.88%	2	5.88%	4	11.76%
Total	18	52.94%	16	47.06%	34	100.00%

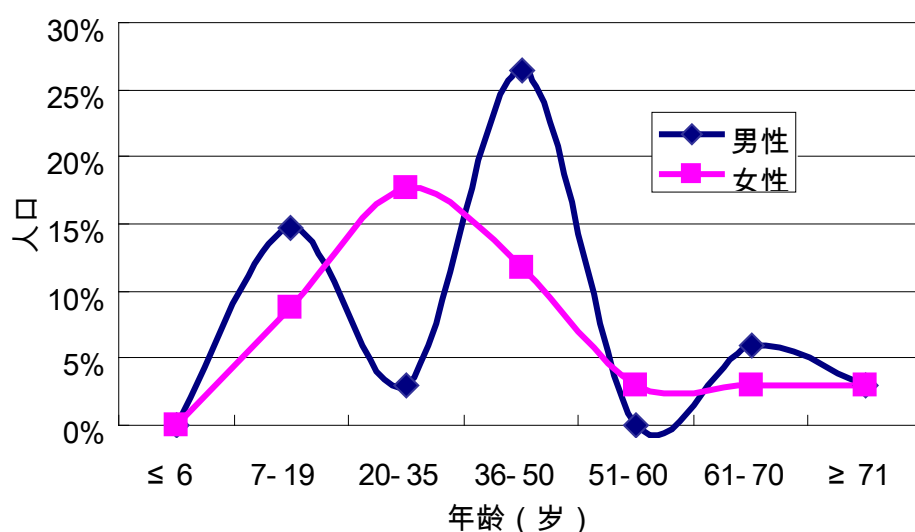
Note: (1) Retiring age refers to 65 years for men and 60 years for women, so labor includes people between 16 years and this age, excluding those at school; (2) "Other" in "Occupation" refers to occupations not covered in this table and old people without ability to work;

Source: Socioeconomic survey 2009-2010 under the RP

3.4.1.1 Age

89. The age distribution reveals that the female population is largely in a normal distribution (as shown in Figure 3-1), and the distribution of the male population fluctuates greatly. Most of the population is between 20-50 years, constituting the main part of labor and accounting for 58.82% of the sample size. The surveyed population is divided into different age groups. For example, students account for 26.47%, and those aged 7-19 years account for 23.53%. In labor identification, it was found that many family members (over 60 years for men and 55 years for women) are still laboring, so the actual labor force should be defined as men aged 16-65 years and women aged 16-60 years out of school education. According to this definition, labor force accounts for 63.76% of the sample size.

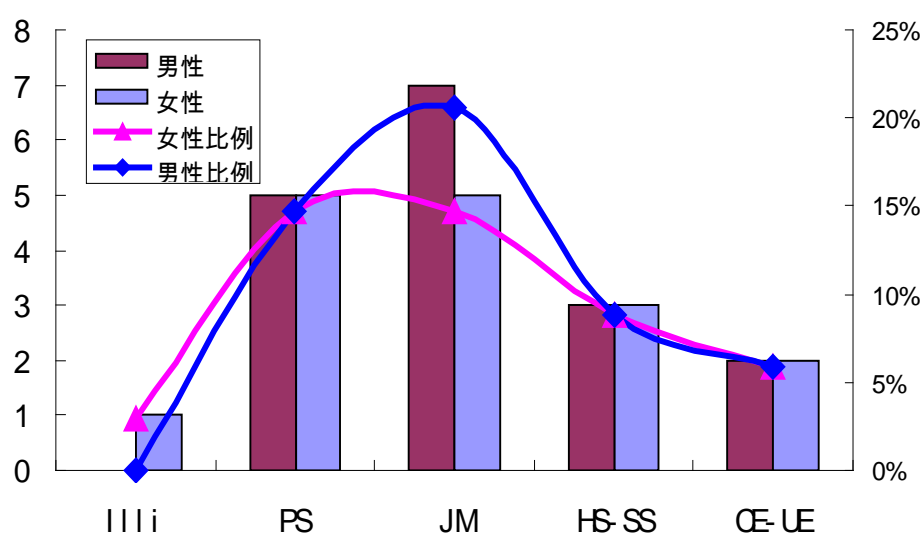
Figure 3-1: Age distribution of affected population



3.4.1.2 Education

90. As shown in Figure 3-2, 35.29% of the affected persons have received junior high school education, followed by primary school and senior high school/technical secondary school, accounting for 29.61% and 17.65% respectively. 24.41% of the respondents have completed or are receiving senior high school or higher education, and only one respondent is illiterate, showing a higher overall educational level of the affected persons, which is in a normal distribution, with lower (e.g., primary school) and higher (e.g., senior college or above) education levels account for a small proportion in the affected population, and moderate educational levels (e.g., junior high school) account for a greater proportion; it can also be seen that there is little difference between the two genders among those of medium or high educational levels, indicating high willingness of parents to have their daughters receive further education.

Figure 3-2: Educational level distribution of affected population



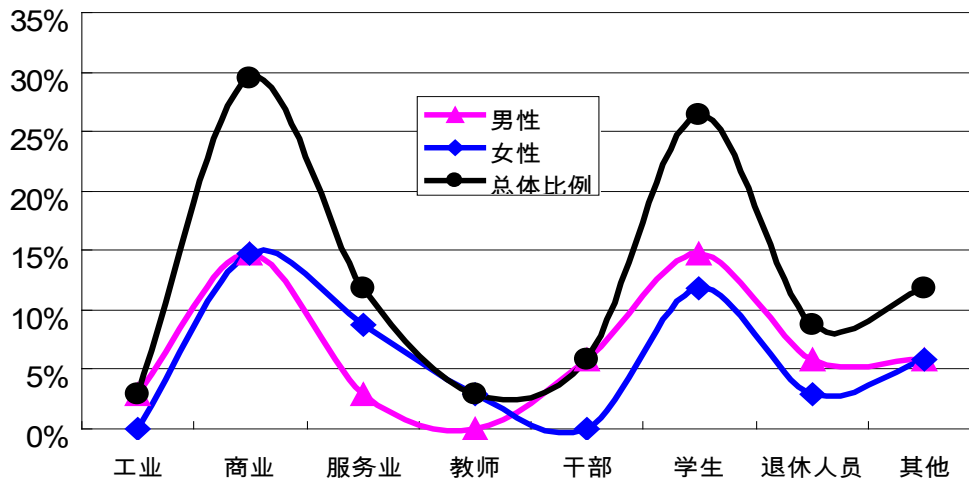
Note: Illi. = illiterate, PS = primary school, JM = junior high school, HS = senior high school, SS = technical secondary school, CE = junior college, UE = university

Source: education receiving data in Table 3-2 (except preschool children), sample size: N=34

3.4.1.3 Occupation

91. Occupation distribution is largely as follows: 2.94% of the affected persons deal with industry, commerce accounts for the highest proportion of 29.41%, those dealing with services account for 11.76%, those doing administrative work (officials) account for 5.88%, retirees account for 8.82%, other occupations account for 11.76%, and teachers account for 2.94%, as shown in Figure 3-3:

Figure 3-3: Occupation distribution of affected population



92. The educational levels of the affected population are highly relevant to occupations, i.e., those of lower educational levels mostly deal with less skilled types of work, such as farming, and a higher proportion of those engaging in occupations of higher technology and knowledge levels is associated with higher educational levels, such as officials and teachers. Therefore, special attention should be paid to the skills training of the affected persons during project implementation, and the educational level of the youth should be improved.

93. Except that men are more than women among industrial workers, retirees and officials (doing administrative work), and that women are more than men among service workers and teachers, the proportions of men and women are largely identical in other occupations, indicating a high status of women in economic life.

3.4.1.4 Ethnic minorities

94. House demolition for road construction will affect one minority (Uygur) household with 4 persons. The householder and his wife do business, and two children are attending school. The householder has received junior high school education, and the other family members have received primary school education. Annual household income is 30,000 yuan, of which the main source is business.

95. This family has been living here for a long time and shows no special socioeconomic profile as compared to the other displaced households except that its family population is slightly higher due to the birth policy for ethnic minorities.

3.4.2 Housing conditions

96. Among all the components, only road construction involves residential house demolition. The residential profile of the affected persons was evaluated in the socioeconomic survey. Table 3-3 shows that the average living space of these households is 174.18m², up to 208m². Among all houses to be demolished, there are masonry concrete houses of 218 m² (12.52%), masonry timber houses of 1,137.9m² (65.33%) and earth timber houses of 389.51m² (22.15%). Masonry timber is the main house structure of the affected residents.

Table 3-3: Housing conditions of surveyed households

Item	Households surveyed	Min.	Max.	Ave.	Std. deviation
Number of rooms	10	4	8	6	1.15
House area (m ²)		105	208	174.18	19.80

Source: Socioeconomic survey 2009-2010 under the RP

3.4.3 Income and expenditure

97. 10 households will be affected by house demolition, and their per capita economic indicators in 2009 are as follows: Per capita income ranged from 6,666.67 yuan to 26,400 yuan, averaging 13,388 yuan; per capita expenditure ranged from 4,381 yuan to 8,989.33 yuan, averaging 6,373.87 yuan; per capita deposits ranged from 1,272 yuan to 19,308 yuan, averaging 7,014.13 yuan. See Table 3-4.

Table 3-4: Per capita economic indicators of surveyed households in 2009

Unit: yuan/year/person

Households surveyed	Persons surveyed	Item	Min.	Max.	Ave.	Std. deviation
10	34	Per capita income	6,666.67	26,400	13,388	5,987.15
		Per capita expenditure	4,381	8,989.33	6,373.87	1,452.53
		Per capita deposits	1,272	19,308	7,014.13	5,423.74

Source: Socioeconomic survey 2009-2010 under the RP

98. In addition, it can be seen from Table 3-5 that the main sources of income of these 10 households are wages, business, rental and employment, which account for 99.73% of total income, in which wages account for the highest proportion of 54.13%, followed by business, which accounts for 17.15%.

Table 3-5: Income sources of surveyed households in 2009

Item	Income from Migrant workers	Business	Rental	Wages	Minimum living security benefit	Total
Amount	53,000	75,000	71,440	236,800	1,200	437,440
Proportion	12.12%	17.15%	16.33%	54.13%	0.27%	100.00%

Source: Socioeconomic survey 2009-2010 under the RP

99. It can be seen from Table 3-6 that living expenses account for the highest proportion of 33.53% in total expenditure in these 10 households, followed by heating charges (14.99%), operating expenses (11.51%), medical expenses (8.95%), education expenses (7.91%), communication expenses (7.84%), clothing expenses (7.81%), electricity charges (3.25%), traffic expenses (2.08%), LNG charges (0.92%) and water charges (0.68%).

Table 3-6: Expenditure pattern of surveyed households in 2009

Unit: %

Item	Water	Electricity	Heating	Refuse	Living	Clothing	Operating	Educational	Medical	Traffic	Communication	LNG	Total
Proportion	0.68	3.25	14.99	0.53	33.53	7.81	11.51	7.91	8.95	2.08	7.84	0.92	100

Source: Socioeconomic survey 2009-2010 under the RP

3.5 Socioeconomic profile of workers of the breeding farm

100. The Habahe Breeding Farm, founded in 1963, is a state-owned pilot farm dealing with agricultural development-oriented production, and a financially independent public institution under enterprise-style management. The breeding farm is located on Wenhua Road (outskirts), Habahe County, with a total arable area of 1,710 mu and a workforce of 48, falling into the 4 ethnic groups of Han, Uygur, Kazakh and Hui.

101. Regarding the 40 workers, the average land holding is 40 mu and averagely will lose 4.4 mu land. The family size of the workers is 3.5.

102. Over the several years, the county government uses the following management policies for this state-owned farm:

- (i) The workers of the breeding farm also farm on land allocated by the farm while at work. The income on farming is owned by individuals instead of wage, and the in-service workers are not paid wage by the farm. The workers can farm the land by himself and also he can lease the land to other people.
- (ii) The county government and the farm pay the fees of endowment insurance and medical insurance for the workers and **this is a significant characteristic compared with the farmer.**
- (iii) When a worker attains retiring age, he/she will no longer have the right to farm the land. Under normal procedures, the allocated land will be withdrawn for reallocation or leased to people outside. A retiree will be paid a retirement pension by the county government according to the standard of the basic endowment insurance for urban workers in Habahe county.

103. According to the survey, for the 40 workers, the net income from the land is ranging from 7500 yuan to 24,000 yuan per year, and the average net income from the land is 14500 yuan.

Table 3-7 Income indicators of surveyed households in 2009

Unit: yuan/year/person

Item	Min.	Max.	Ave.
Net Income from the land	7,500	24,000	14,500

Note: (1) This table does not include those renting land from the breeding farm

Source: Socioeconomic survey 2009-2010 under the RP

104. Three minority (Kazakh) workers of the breeding farm will be affected by land acquisition, and their main source of income is agriculture, in which Salik and Tabus are workers of the breeding farm, dealing mainly with farming at the breeding farm and showing no different socioeconomic profile from the other workers. Turuxhan is from a neighboring village, who rents land from the breeding farm and has land of his own.

105. It was learned that they support road construction very much, and don't worry about land occupation. After land occupation, the breeding farm will still have land. After a worker retires, his/her land would be returned to the farm, and the farm would reallocate land to them according to their lost land areas; road construction and infrastructure improvement will drive the economic development of the county town, and generate more job opportunities. They expect the Project to involve themselves and their family members. The land rented by Turuxhan from the farm is contracted annually; when the Project commences construction, the contract will expire, when he will return to his own village to farm on his own land or rent other land from nearby households. Therefore, he will not be affected by the Project.

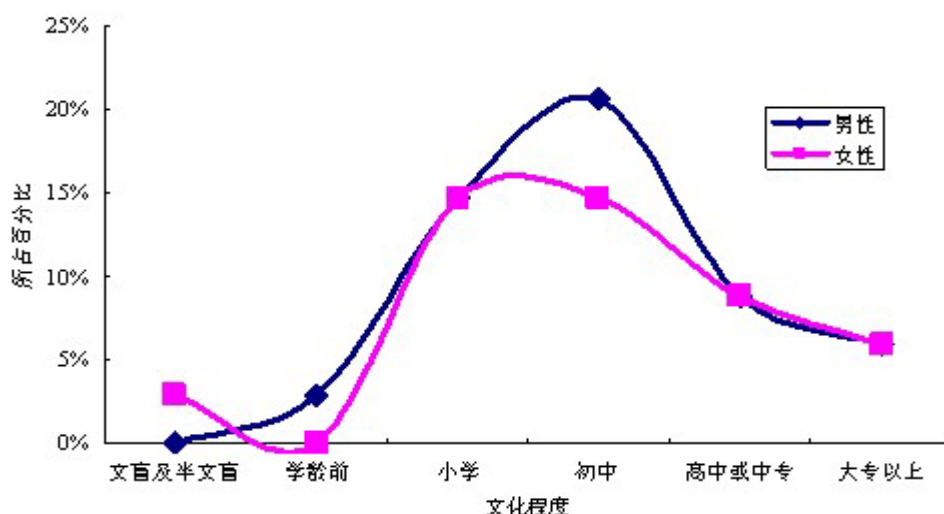
3.6 Gender analysis

106. This section provides a gender perspective of resettlement impacts, and includes 3 aspects: (1) gender differences in education; (2) gender differences in occupation; and (3) resettlement-related gender considerations.

3.6.1 Gender differences in education

107. The educational levels of the affected men and women have been analyzed as shown in Figure 3-4. Women's overall educational level is lower than men's. In particular, men and women have the same proportions of primary school education, senior high school/technical secondary school education and junior college or above education. It can also be seen that, the proportions of men and women tend to be identical among those of medium and high educational levels. There is only one illiterate, who is a female of over 60 years.

Figure 3-4 Gender difference in educational level



3.6.2 Gender differences in occupation and income

108. Similar to and associated with the educational background of the male and female groups, more women do farm work than men. Men usually work or do small business outside in the (agriculturally) slack season, and return home in the busy season.

109. In consideration of the gender differences in educational and occupational background of the potentially affected persons, the proportion of women's income in household income has been analyzed (see Table 3-8). There are 16 women laborers, some of them deal mainly with farming and some do administrative work at the breeding farm. The results show that their income accounts for 10%-100% of household income, averaging 49.34%.

Table 3-8 Share of women in household income in 2009

Item	Persons surveyed	Min.	Max.	Ave.	Std. deviation
Proportion of women's income	16	10%	100%	49.34%	0.64

Source: Socioeconomic survey 2009-2010 under the RP

3.6.3 Expectations for resettlement by gender

110. If houses/buildings are to be demolished, women's concerns about resettlement are identical with men's: (a) Compensation should be based on market appraisal; (b) The resettlement house should be close to the road for the convenience of farming/going to work, doing business and attending school; and (c) The living environment of the resettlement community should be better so that they can adapt to urban life more easily.

4 Legal Framework and Policies

4.1 Introduction to laws, regulations and policies on resettlement

111. The resettlement policies of Project are based mainly on the applicable regulations and policies of ADB and the PRC, including:

112. ADB policies

- (i) ADB Safeguard Policy Statement (2009), Safeguard Policy 2: Involuntary Resettlement
- (ii) ADB Safeguard Policy Statement (2009), Safeguard Policy 3: Indigenous Peoples
- (iii) *The RP has already described the resettlement impacts on ethnic minorities, but other social impacts will be described in a separate EMDP.*
- (iv) ADB Policy on Public Participation
- (v) Gender and Resettlement Analysis

113. Laws and regulations of the PRC

- (i) Land Administration Law of the PRC (effective from January 1, 1999, amended on August 28, 2004)
- (ii) Measures of the PRC for the Administration of Urban House Demolition
- (iii) Regulation on the Dismantlement of Urban Houses of the PRC (Decree No.305 of the State Council, effective from November 1, 2001)
- (iv) Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (Guo Fa [2004]28) (effective from October 21, 2004)
- (v) Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (MLR Fa [2004] No.238) (effective from November 3, 2004)
- (vi) Property Right Law of the PRC (Decree No.62 of the PRC, effective from October 1, 2007)
- (vii) Forest Law of the PRC (effective from January 1, 1985, amended on April 29, 1998)
- (viii) Grassland Law of the PRC (effective from October 1, 1985, amended on December 28, 2002)
- (ix) Administrative Measures for the Examination and Approval of Grassland Acquisition and Occupation (Decree No.58, Ministry of Agriculture of the PRC), effective from March 1, 2006
- (x) Administrative Measures for the Examination and Approval of Woodland Acquisition and Occupation (Decree No.2 of the State Forestry Administration), effective from February 4, 2001

114. Applicable policies of XUAG

- (i) Circular of the XUAG CPC Committee and People's Government on Carrying through the Requirements of the CPC Central Committee and the State Council on Further Strengthening Land Administration and Protecting Farmland Practically (XUAG CPC Fa [1997] No.13, effective from June 27, 1997)
- (ii) Measures of XUAG for the Implementation of the Land Administration Law of the PRC (XUAG PC [1999] No.9-13, effective from October 1, 1999)
- (iii) Detailed Rules of XUAG for the Implementation of the Regulation on the Dismantlement of Urban Houses of the PRC (XUAGG [2004] Decree No.127, effective from December 21, 2004)
- (iv) XUAG Development Planning Commission, Document DOF [XJJF (2001) No.500]

- (v) Detailed Rules of XUAG for the Implementation of the Grassland Law of the PRC (effective from September 1, 1989, amended on December 11, 1997)
- (vi) Measures of XUAG for the Implementation of the Forest Law of the PRC (effective from October 1, 2001)

115. Applicable policies of Habahe County

Implementing Regulations for Administration of Low-rent Housing for Urban Minimum-income Families in Habahe County

See Appendix 1 for the applicable provisions of some of the above regulations and policies.

4.2 Applicable provisions of PRC laws, regulations and policies

116. The Land Administration Law of the PRC is the main policy foundation of land acquisition under the Project. In addition, in order to further define the principles of compensation and resettlement for land acquisition, land acquisition procedures and supervisory mechanism, the State Council promulgated the Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (Guo Fa [2004]28) in October 2004. Correspondingly, the Ministry of Land and Resources promulgated the Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (MLR Fa [2004] No.238) in November 2004, as set out in Section 4.1 above. These policy documents provide important guidelines for the resettlement work of the Project.

117. The main policy applicable to house demolition on state-owned land in the urban planning area is Regulation on the Dismantlement of Urban Houses; correspondingly, the XUAG and Habahe County governments have formulated relevant policies.

4.3 Differences between ADB and PRC policies

118. In the comparison of the differences between ADB and PRC policies, Table 4-1 indicates the greatest difference is the lack of information disclosure or the delay in consultation timing. For some small-sized projects funded by the central government, the only budget available is for engineering, while resettlement costs are left to county or town governments. Fortunately, this situation is changing. In the Project, since Habahe County has prepared adequate measures for land acquisition and resettlement, there is no radical difference between ADB and PRC policies.

Table 4-1: Comparison between ADB and PRC policies

No.	ADB policy on involuntary resettlement	Comparison	Remarks
1	Involuntary resettlement should be avoided where feasible.	No difference	
2	Where population displacement is unavoidable, it should be minimized by providing viable livelihood options.	No difference See Article 18 of Document No.28	
3	Replacing what is lost	No difference Compensation and subsidization	
4	Each involuntary resettlement is conceived and executed as part of a development project or program.	Little difference See Article 10	Already consistent with the ADB procedures to be implemented

No.	ADB policy on involuntary resettlement	Comparison	Remarks
5	The affected persons are to be fully informed and closely consulted.	Difference Understanding and negotiation Usually no consultation is performed; information disclosure after approval by the PRC government	ADB procedures already / to be implemented
6	Social and cultural institutions.	No difference China is experienced in this respect through comprehensive analysis	
7	No formal title.	No difference Consultation on approved compensation rates in China	
8	Identification	No difference ADB's statement of "ASAP" is ambiguous	
9	The poorest	No difference, assistance provided	
10	The full resettlement costs are to be included in the presentation of project costs and benefits.	Little difference. See Article 12 of Document No.28. all land acquisition costs for key national development projects	ADB procedures already / to be implemented

119. Although there are little differences in the provisions, the greatest differences lie in the procedures. ADB requires that resettlement planning is made at the time of project preparation, but not until the land approval stage without detailed socioeconomic survey or consultation with affected persons. During project preparation, no person is responsible specifically for the RP. It is impossible to implement resettlement work successfully without a proper RP. In sum, resettlement implementation requires strong enforcement of the modified regulations and policies. Such differences are addressed by training and guiding the County PMO staff. The senior resettlement experts and preparatory TA consultants from ADB have managed to make the County PMO fully understand ADB's requirements and the PRC's policies on involuntary resettlement. This is just the beginning. Further measures will be taken during preparatory TA and before RP implementation.

4.4 Principles of and entitlement to compensation of the Project

4.4.1 Principles of compensation

120. The principles for compensation and entitlement of the Project have been formulated in accordance with the laws, regulations and policies of the Chinese government and ADB, with the aim of ensuring that displaced persons can obtain sufficient compensation and assistance measures so that their production and livelihoods are at least restored to pre-displacement levels. The resettlement principles are shown in Table 4-2.

Table 4-2: Resettlement principles

Principles	
1	Involuntary resettlement should be avoided where feasible.
2	The affected persons are granted compensation and rights that can at least maintain or even improve their livelihoods in the absence of the project.
3	The affected persons are given compensation and assistance in resettlement whether legal title is available or not.

Principles	
4	If the land available to everyone is insufficient to maintain his/her livelihood, replacement in cash or in kind and other income-generating activities are provided for the lost land.
5	The affected persons fully understand their entitlements, the method and standard of compensation, the livelihood and income restoration plan, and the project schedule, and participate in the implementation of the Resettlement Plan.
6	No land should be acquired before the affected persons are satisfied with the compensation and resettlement (plan).
7	The executing agency and an independent agency / third party should monitor the compensation, relocation and resettlement operations.
8	The vulnerable groups (including women) are provided special assistance or treatment so that they lead a better life, and all affected persons should have an opportunity to benefit from the project.
9	The Resettlement Plan is consistent with the master plans of the affected counties and towns.
10	The resettlement expenses are sufficient to cover all affected aspects.

4.4.2 Eligibility for compensation and beneficiaries

121. The cut-off date for definition of the eligibility for compensation is the date on which HCG confirms the RP. Affected persons who are resettled in the affected areas, newly reclaimed farmland, newly built houses and other trees planted and facilities added purely for extra compensation after the cut-off date will not be entitled to compensation or subsidization.

4.5 Compensation rates

4.5.1 Compensation rates for state-owned land

122. The state-owned farmland land will be transferred to the construction bureau freely. And the IA will need to pay the fee of using state-owned land at a rate of 15 yuan/m². This equals to only CNY10,005 per mu. For workers in service, land for land resettlement will be applied, thus there is no budget for land loss workers.

123. For occupied state-owned desert and woodland, forest vegetation restoration fees will be paid to the forestry authority of the county-level or above government, and woodland and forest compensation fees, and a resettlement subsidy paid to the owner or operator of the occupied woodland. See in Tables 4-4.

Table 4-3: Compensation rates for forests

Species	Unit	Tree specification (breast diameter, cm)	Compensation rate (yuan)
Broad-leaf forest	/	<5cm	10-15
	/	5-15cm	15-25
	/	13-30cm	25-35
	/	>30cm	45
Coniferous forest	/	<5cm	20-30
	/	5-15cm	30-50
	/	13-30cm	50-70
	/	>30cm	90
Fruit tree	/	<5cm	20-40
	/	5-15cm	40-60
	/	13-30cm	60-100
	/	>30cm	120
Grape	/	Not bearing fruit below 3 years	30-70
	/	Bearing fruit above 3 years	70-110

124. The PMO discussed with the county forest bureau and finalized the Compensation rates for forests is 100 yuan/mu for primary budgeting.

Table 4-4: Compensation for the acquiring state owned desert and woodland

Forest type	Compensation	Unit	
Shrub land (Coverage 20%-40%)	Compensation rates for woodland	Yuan/mu	3000
	Resettlement subsidy for woodland	Yuan/mu	1800
	Forest vegetation restoration fees	Yuan/M ²	3
	Compensation rates for forests	Yuan/mu	100

4.5.2 Compensation rates for house demolition

125. The compensation rates for house demolition have been fixed by reference to the replacement costs of similar local housing in 2009; the final rates will be agreed between the demolisher and displaced persons on this basis after a field appraisal by a real estate appraisal and surveying company.

126. The compensation for urban house demolition includes that for state-owned land, as shown in Table 4-5.

Table 4-5: Compensation rates for urban residential houses

Category	Item	Unit	Rate	Remarks
Residential house	House compensation			
	Masonry concrete	yuan/m ²	880	
	Masonry timber	yuan/m ²	650	
	Earth timber	yuan/m ²	600	
	Simple structure	yuan/m ²	300	
	Land compensation			
	Land compensation	yuan/m ²	Tier-1 areas: 265 yuan Tier-2 areas: 142 yuan	
The following subsidies are provided for the affected households all of whose houses are demolished:				
Other compensation	Moving subsidy	yuan/household	1200	
	Transition subsidy (storied buildings)	yuan/month/household	550	The transition period will be calculated from the date of displacement to the date of move-back; a reasonable transition period is 10 months; compensation will continue beyond 10 months.
	TV displacement fee	yuan/household	108	

127. See Table 4-6 for the detailed grading of state-owned land.

Table 4-6: Benchmark land prices of compensation rates for urban residential houses

Grade of state-owned housing land occupied by the Project		
Road	Grade	Category
Tuanjie Road	II	Housing land
Xingfu Road	II	Housing land
Wenhua Road	II	Housing land
Benchmark land price		
265 yuan/m ²	I	Housing land
142 yuan/m ²	II	Housing land
-	III	Housing land

4.5.3 Compensation for temporary land occupation

128. Since the construction agency will occupy farmland temporarily after the autumn harvest, farmers' agricultural production will not be affected. However, if temporary land occupation occurs due to any change to the construction schedule, such farmland will be compensated for at the following rates in table 4-7:

Table 4-7: Compensation rates for temporary land occupation

Type of land occupation	Unit	Compensation for annual output value (yuan/mu/year)
Farmland	yuan/mu-year	1200

4.5.4 Compensation rates for attachments

129. See Table 4-8 for the compensation rates for affected attachments and special facilities.

Table 4-8: Compensation rates for affected attachments and special facilities

Item	Unit	Total	Rate
Tree (usable as timber)	/	9	80
Fruit tree (usable as timber)	/	64	120
Fruit tree (small sapling)	/	14	60
Grape	/	7	110
Telegraph pole	/	30	1200
Pressure well	/	10	660
Toilet	/	10	1200

4.5.5 Other costs and taxes

130. The rates of other costs of land acquisition and house demolition are shown in Table 4-9.

Table 4-9: Rates of other costs

No.	Item	Rate
1	Land acquisition management fees	4% of land acquisition and resettlement compensation fees
2	Survey, design and scientific research fees	3% of land acquisition and resettlement compensation fees
3	Implementation management fees	3% of land acquisition and resettlement compensation fees
4	Technical training fees	1% of land acquisition and resettlement compensation fees
5	M&E fees	1.5% of land acquisition and resettlement compensation fees
6	Contingencies	8% of land acquisition and resettlement compensation fees

4.5.6 Vulnerable groups

131. The one vulnerable group household affected by house demolition is entitled not only to the above compensation and the policy of Habahe County for urban minimum living security, but also to some other preferential policies:

132. (1) During project construction, labor from vulnerable group households will be recruited to do unskilled jobs first; and

133. (2) If necessary, such households may apply for low-rent housing with governmental assistance.

134. (3) 500 yuan additional transition subsidy will be provided.

4.6 Entitlement matrix

Table 4-10: Entitlement matrix

Type of impact	Degree of impact	Affected persons	Rights	Compensation policies and rates
Permanent state-owned land acquisition	195.46 mu state-owned land	40 workers of the state-owned breeding farm, 7 tenant farmers	Among the 40 workers, (1) 29 workers will get the replacement land with the same quality and quantity; (2) 11 workers will retired at the end of this year, and get the pension based on the local urban basic endowment system regulations; For the 7 tenant farmers, their contract will be terminated after the harvest time and they can easily rent land in nearby villages.	
Demolition of urban residential houses	Total demolition area 1,741.81m ² , masonry concrete structure 218 m ² (12.52%), masonry timber structure 1137.9m ² (65.33%), earth timber structure 385.91m ² (22.15%).	10 households with 34 persons	(1) Receiving house compensation at replacement cost; (2) Selecting a resettlement mode voluntarily, including cash compensation, self-purchase of housing or purchase of housing in the resettlement community; (3) Applying for low-rent housing for low-income households; (3) Being granted transition and moving subsidies	Masonry concrete structure: 880 yuan/m ² ; Masonry timber structure: 650 yuan/m ² ; Earth timber structure: 600 yuan/m ² ; Simple structure: 300 yuan/m ² . Compensation for courtyard land: 260 yuan/m ² Moving subsidy: 1,200 yuan/household; Transition subsidy: 550 yuan/household/month, with a basic period of 10 months; if the basic period is exceeded, the transition subsidy will be based on the actual length; TV displacement fee: 108 yuan/household; Reward: 2,000 yuan/household
Vulnerable groups		One household with 3 persons	(1) During project construction, labor from vulnerable group households will be recruited to do unskilled jobs first; (2) If necessary, such households may apply for low-rent housing with governmental assistance. (3) Additional 500 yuan transition subsidy.	Refer to the compensation rates for demolition of residential houses.
Ethnic minorities		7 minority persons, including 4 affected by house demolition and 3 workers of the breeding farm affected by land acquisition	(1) The same resettlement policies as other displaced households (2) Priority in employment	The compensation rates for land acquisition and house demolition are the same as above.
Women		16 persons affected	(1) Having priority in receiving unskilled job	The compensation rates for land acquisition and

Type of impact	Degree of impact	Affected persons	Rights	Compensation policies and rates
		by house demolition and 13 workers of the breeding farm affected by land acquisition	opportunities arising from the Project (2) Giving priority to female labor in labor training, so that their economic status will not be reduced. (3) Ensuring that they receive relevant information during resettlement and are able to participate in resettlement consultation	house demolition are the same as above.
Ground attachments and public facilities	Including public toilets, trees, enclosures, etc.	Proprietors	The compensation for ground structures or attachments is paid to proprietors. Compensation will be paid at replacement cost or such facilities restored by the demolisher to the original size and standard.	Tree (usable as timber): 80 yuan each Fruit tree (usable as timber): 120 yuan each Fruit tree (small sapling): 60 yuan each Grape: 110 yuan each Telegraph pole: 1,200 yuan each Pressure well: 660 yuan each Toilet: 1200 yuan each

5 Resettlement Measures

5.1 Objectives of resettlement

135. The objectives of resettlement have been determined as follows based on the actual standard of living of the displaced persons in 2009, and the 11th five-year national economic and social development plan and 2015 long-term goals of Habahe County:

- (i) The annual per capita net income of the displaced households is restored to the pre-displacement level, and further improved in step with regional economic growth rate;
- (ii) The living environment of the displaced households is at least restored to the pre-displacement level or improved;
- (iii) The utilities, infrastructure, cultural, educational and sanitary facilities, and natural environment available to the displaced persons are equivalent or better than pre-displacement conditions; and
- (iv) All affected land attachments are compensated for at replacement cost; public buildings and special facilities are compensated for at replacement cost and restored to the original standard.

5.2 Principles of resettlement restoration

136. According to the applicable laws and regulations of the PRC and ADB's Policy on Involuntary Resettlement, the following basic principles will apply to the resettlement work of the Project:

- (i) Since the Project is constructed in a linear form, the design route may be modified appropriately to minimize the affected areas and resettlement;
- (ii) Implement resettlement and the applicable compensation policies properly to improve or at least restore the production level and standard of living of the affected residents;
- (iii) The RP shall be prepared based on physical indicators and compensation rates for land acquisition and house demolition. Resettlement works shall be constructed according to the original size and standard according to the requirements of quota planning, so that there is no investment gap;
- (iv) The affected persons shall be fully consulted for resettlement programs;
- (v) The planning layout shall be determined on the principle of "facilitating production and life"; and
- (vi) Resettlement shall be combined with the local urban development, resources development, economic development and environmental protection programs. Feasible measures shall be designed to restore and improve the displaced persons' production level and standard of living, and create necessary conditions for their self-development.

5.3 Summary resettlement program for affected workers of the breeding farm

137. 195.46 mu of farmland (state-owned) of the breeding farm will be acquired for the Project, affecting 47 persons (29 in service and 11 will retired at the end of this year), in which 40 are workers of the breeding farm and the other 7 tenants, including 3 minority persons. Since the land acquisition impacts of the Project are caused mainly by road construction in a linear form, most of the people affected by land acquisition will lose part of their land only. Therefore, land acquisition will have little impact on the rural households' agricultural production and income (see Section 2.5.1 for the impact analysis of land acquisition of the Project).

138. The Habahe Breeding Farm, founded in 1963, is a state-owned pilot farm dealing with agricultural development-oriented production, and a financially independent public institution under enterprise-style management. The breeding farm is located on Wenhua Road (outskirts), Habahe County, with a total arable area of 1,710 mu and a workforce of 48, falling into the 4 ethnic groups of Han, Uygur, Kazakh and Hui. The workers of the breeding farm also farm on land allocated by the farm while at work. The income on farming is owned by individuals, and the in-service workers are not otherwise paid by the farm. When a worker attains retiring age, he/she will no longer have the right to use land. Under normal procedures, the allocated land will be withdrawn for reallocation.

139. According to the resettlement willingness survey of the 47 persons affected by land acquisition, the 29 in-service workers expect land reallocation; the 11 retirees have to return their land to the farm and will be paid a retirement pension by the state according to the wage standard for retirees; for the 7 tenants who are nearby villagers and have their own land, the land rented by them from the farm is contracted annually, when the contract of 2010 expires, the contract will be dissolved automatically and they will return to farm on their own land.

140. The following 3 measures are available for livelihood restoration of the displaced persons:

- (i) Land reallocation for the in-service workers: The 29 affected in-service workers will lose 147.54 mu of land. The land of the retirees and tenants will be recovered (664 mu) for reallocation on the principle of compensating for the lost land area. Among the 664 mu land, 275.5 mu are from the tenants and 388.5 mu are from the retirees. The soil quality of the reallocated land will be the same as that of the acquired land. Such reallocation will take place after the DMS and before the spring ploughing. For retirees, their status is state-owned workers and can benefit from the endowment insurance system and the average pension is 1,700 yuan per month. As indicated in section 3.5, the annual net income is 14500 yuan, so this means **the pension will higher than the income from the land before retirement**. After retirement, if the retirees want to rent some land, they can apply and sign the contract with the farm, same as other tenants.
- (ii) Wage payment for retirees: When a worker attains retiring age, he/she will no longer have the right to use land. Under normal procedures, the allocated land will be withdrawn for reallocation. A retiree will be paid a retirement pension by the state according to the wage standard for retirees.
- (iii) Tenants of the farm. For the 7 tenants who are nearby villagers and have their own land, the land rented by them from the farm is contracted annually, when the contract of 2010 expires, the contract will be dissolved automatically and they will return to farm on their own land or rent other land from nearby households. For the 7 tenants, they averagely have 35 mu land in their own villages.

5.4 Residential house rebuilding program

141. 10 households with 34 persons in the Habahe County town will be affected by house demolition. The resettlement modes offered include cash compensation and purchase of resettlement housing. After receiving the compensation for house demolition, the displaced persons may select either resettlement mode based on their affordability or personal needs, i.e., buying commercial housing at market price or exchanging for resettlement housing.

5.4.1 Introduction to resettlement community

142. Resettlement community: The Spring Garden community under planning has been approved by the construction authority of Habahe County. It is located east of Xingfu Road North and south of Ashele Avenue in the county town, being the future center of development of the county town. It is 200 meters away from the nearest kindergarten and 900 meters away from the nearest hospital, and the resettlement housing is just 100-500 meters away from the existing houses of the displaced households. 7 buildings will be built in the community to accommodate 504 households, at a floor area ratio and a building density that conform to the Urban and Rural Planning Law. The construction period will be 2 years (from 2011 to 2013). It is expected that it will be ready for move-in by 2012-2013. HCCB is responsible for planning and design. The layouts of the resettlement housing include 2 or 3 bedrooms and one living room of 70-90 m², and 3 bedrooms and 2 living rooms of 90 m² or more, with an average area of 86m². There are power, communication, broadcast, TV, water supply and sewerage, central heating facilities, and roads in the resettlement community, which will be built in a unified manner. There are also cultural and entertainment places, and fitness apparatus. In sum, the living environment and quality of the resettlement community is much higher than that of the existing area.

143. The resettlement community will collect property management fees. Its heating rate is 25.4 yuan/m², water rate 1 yuan/m³, sewage disposal rate 0.8 yuan/m³ and refuse disposal rate 3 yuan/person-month. The sewage and refuse disposal rates will be adjusted based on a public hearing and with the approval of the prices authority.

5.4.2 Resettlement measures

144. Based on a preliminary cost estimate of the resettlement housing, the price will be about 1,600 yuan/m². Due to the involuntariness of house demolition, the resettlement agreement will be negotiated between both parties, the final compensation for house demolition and state-owned land occupation available to the displaced households will be equal to the selling price of the resettlement housing, including replacement cost plus compensation for attachments and moving subsidy, etc., so that they can afford resettlement housing of the same area. Before house demolition, urban residential houses are in earth timber and masonry timber structures mainly, out of repair, without central heating, water supply and drainage systems, with a poor surrounding environment and bad road conditions. Therefore, the Project will be an opportunity for housing condition improvement. 100% of the affected residents elect to use most of the compensation for house demolition to buy housing in the resettlement community.

145. The average area of the demolished houses is 174.81m² (masonry concrete structure: 21.8m², masonry timber structure 113.7m², earth timber structure 35.89 m², simple structure 4 m²). According to the compensation rates, moving subsidy and compensation fees for state-owned housing land, it is expected that one household will receive about 200,000 yuan in total, which can buy a 120m² resettlement house with 3 bedrooms, 2 living rooms and one toilet. Since the average population of the displaced households is 3.4, this area is by far sufficient. Any displaced household that needs area in excess of the appraised area will make up the price difference based on the prevailing average market price.

5.4.3 Application procedure

146. After the compensation agreement is entered into, a household that selects cash compensation will receive full cash compensation directly; a household that elects to buy

resettlement housing will select a house of desired floor, area and orientation, and enter into a contract, specifying the floor, area and orientation of the selected house. If there is any price difference, such difference shall be paid up upon house delivery according to the government-fixed price, and the relevant formalities gone through.

5.4.4 Vulnerable groups

147. For one vulnerable group household that has been identified and additional ones that may be entered during project implementation, the following resettlement program has been developed:

- (i) Resettlement housing shall be offered “one per household” in principle. In practice, a household with a large population and difficult housing conditions that meets the criteria for low-rent housing may apply for low-rent housing. The low-rent housing of Habahe County is located south of Minzhu Road West and north of Guojing Road West in the county town, with a total building area of 2,800 m², 48 m² per unit, with a layout of one living room, one kitchen and one toilet, and 60 units in total. The construction funds were raised by the government. The low-rent housing will be rented at 0.74 yuan/m²/month.
- (ii) If a displaced person is in a minimum living security household, he/she will be entitled to low-rent housing.
- (iii) A household with one house only whose appraised price is insufficient to buy a resettlement of 70m² is entitled to a suite with a building area of 70m² offered by the government.
- (iv) Households with special difficulties, such as old and disabled people, may select lower-floor houses first for living conveniences.

148. The one vulnerable group household affected by the Project has a female householder, and may apply for low-rent housing or buy resettlement housing. Based on consultation, this household expects to buy resettlement housing. If its appraised price is insufficient to buy a resettlement house, a 70m² unit in a storied building with arbitrary floor and orientation will be offered.

5.5 Training and protection of women’s rights and interests

5.5.1 Resettlement training

149. In addition to cash compensation, the workers of the breeding farm and displaced households affected by land acquisition will be offered opportunities of skills training. 300 men-times will be trained in total under the Project. For each affected household, at least 2 person times of training will be provided and 40% will be targeted to the female people.

- (i) Scope of training. According to the industry structure and market demand of Habahe County and the surrounding areas, vocational skills training will be given with focus on planting, stockbreeding and services. The types of work suitable for training include domestic animal raising, livestock and poultry breeding, motorcycle repair, masonry, building painter, electric welding and clothes cutting, etc. In addition to farming, the affected women may also do handicrafts or piecework at home, so that they can farm and take care of children while earning more income.
- (ii) Modes of training. The main modes of training are vocational skills training, single skill training and job training. Vocational skills training is governed by the administrative authority of labor and social security, and given by education and training institutions, industrial organizations and employers, with focus on agricultural techniques, stockbreeding and forest planting; single skill training is a highly pertinent and practical mode of training, where trainees may attend up to 3 sessions of single skill training within 3 years, with focus on

services; job training is aimed mainly at skilled and demanding industries and types of work that are concerned with product quality, consumer health and living safety.

- (iii) Organization. HCG has established the Habahe County Leading Group of Surplus Rural Labor Transfer, Employment and Training and the Habahe County ADB Project Skills Training Workgroup for Land-expropriated Farmers/People Affected by House Demolition. The office is at the Habahe County Personnel, Labor and Social Security Bureau.
- (iv) Availability of funds. The total training costs of the Project are 70,700 yuan, in which the costs dedicated to ethnic minorities and vulnerable groups are 30,700 yuan, while the remaining 40,000 yuan will be used for other land-expropriated farmers/displaced households for a period of 5 years. The training costs include organizational funds, teaching material, printed material, evaluation and practice costs, and trainer remuneration, and will be paid by the Habahe County ADB Project Skills Training Workgroup for Land-expropriated Farmers/People Affected by House Demolition in a unified manner.

5.5.2 Protection of women's rights and interests

150. Women will participate in resettlement activities through information disclosure and village meeting; they will enjoy the same rights in compensation, employment and training under the Project as men. In addition, the following measures will help women restore income.

- (i) During project construction, a certain number of women will receive unskilled job opportunities. In addition, they will receive equal pay for equal work; According to draft estimation, 30% of the total 370 temporary employment opportunities will be provided to APs, and 50% and 40% will be provide to minorities and women respectively. .
- (ii) Skills training will be offered to the affected female labor first, including hour labor, hairdressing and beauty care, so that their economic status will not be reduced;
- (iii) During project operation, cleaning and landscaping jobs will be provided to the affected women to ensure their income restoration; According to estimation, 20 jobs can be provide to APs. Among these, 30% and 40% will be provided women and minorities respectively.
- (iv) The affected women will receive relevant information during resettlement and participate in public consultation and resettlement. The compensation agreement must be signed by a couple.

5.6 Ethnic minority development

151. The affected local ethnic minorities enjoy the same social and economic status as the Han people, and have maintained their own ethnic living and religious characteristics.

152. In terms of land acquisition, house demolition and resettlement, ethnic minorities will enjoy the same rights as the Han people, and have priority in employment and skills training. A special EMDP has been developed to promote the development of ethnic minorities.

5.7 Restoration of infrastructure and ground attachments

153. The affected infrastructure and ground attachments will be compensated for the County PMO to their proprietors for restoration and rebuilding. Restoration measures must be planned in advance, and suited to practical conditions, so as to be safe, efficient, timely and

accurate, with minimum adverse impact on nearby residents.

154. The affected municipal facilities will be demolished by the demolisher according to the construction drawings of the Project so as not to affect project construction and minimize displacement.

155. The affected infrastructure includes canals, small bridges and water supply pipelines, etc., which will be restored with the construction of the new roads. New bridges, culverts and water supply pipelines have been designed in the Project FS Report to replace the functions of the existing special facilities, and the corresponding investment has been included in the general budget of the Project and will no longer be included in the RP. For affected trees, the affected persons or collectives will be compensated in cash directly.

6 Public Participation and Grievance Redress

156. According to the state, provincial (autonomous region), municipal and county policies and regulations on resettlement, the policies and implementation rules of land acquisition, house demolition and resettlement of the Project, and the RP have been further improved, and the organizing work for resettlement done properly in order to maintain the lawful rights and interests of the displaced persons and entities, reduce grievances and disputes, and realize the goal of proper resettlement. Great attention will be paid to the participation of and consultation with the displaced persons at the resettlement policy-making, RP preparation and implementation stages of the Project.

6.1 Consultation during project preparation

6.1.1 Completed public participation activities

157. In August and September 2009, the RP preparation agency and County PMO organized staff to conduct a preliminary housing and socioeconomic survey within the range of land acquisition and house demolition. During May 16-20, 2010, the RP preparation agency, resettlement TA experts and County PMO conducted a supplementary survey and interview of the persons and entities affected by the Project; and a series of socioeconomic survey and public consultation activities (with at least 35% being women). Heads and displaced person representatives of the one town, one state-owned farm, two villages and 4 communities of Habahe County affected by the Project participated in the survey and consultation. For ethnic minority households, interpreters were employed for smooth communication. See Appendix 2 for the detailed interview and public participation records.

158. Representatives of the affected persons participated in many consultation meetings, and gave opinions on the project design, and compensation and resettlement for land acquisition and house demolition. A socioeconomic survey, a public opinion survey and a mentality survey were conducted. The socioeconomic survey addressed the displaced persons' willingness for resettlement and attitude toward the Project. These opinions have been well incorporated into the project design and the RP.

159. These meetings and surveys have played an important role in fixing reasonable compensation rates, and discussing income restoration programs and training programs. It was found through the public participation meetings and socioeconomic survey that the affected households are concerned about the following:

- (i) For the breeding farm affected by land acquisition, the in-service workers are concerned about the income after land acquisition and expect land reallocation; those about to retire are not concerned about this, because they will receive a retirement pension soon;
- (ii) In terms of house demolition, the affected households are first concerned about the compensation rates, then the resettlement site, and finally livelihoods during the transition period;
- (iii) The displaced households can accept moving from single-story buildings to storied buildings, and regard this as an opportunity for housing condition improvement;
- (iv) Women think that after they move into storied buildings, the winter heating problem will be solved, which will reduce their labor intensity and heating costs.

160. Based on the above discussion, the County PMO will:

- (i) Discuss the feasibility of improving the road design with the FS preparation agency based on the concerns of the affected households, avoiding substantial land acquisition and house demolition;
- (ii) Discuss resettlement programs that meet the displaced persons' willingness

with the county government to cover the resettlement of the displaced households, and the training for them together with the labor and social security authority;

- (iii) Discuss resettlement programs that meet the displaced persons' willingness with the house demolition management authority and resettlement housing construction agency, where the house demolition management authority will further explain the policies and compensation rates for house demolition to the affected households, and the resettlement housing construction agency will disclose the construction progress of the resettlement housing to the affected households periodically. For the concerns of the affected households during the transition period, the County PMO will ensure that the resettlement housing is completed as soon as possible, pay a transition subsidy to the affected households, and grant material and monetary subsidies to vulnerable groups to help them get through the transition period. Some important consultation activities/meetings at the preparatory stage are outlined in Table 6-1.

Table 6-1: Key public participation activities during project preparation

Organizer	Date	Participant	Number of persons	Purpose	Key opinions/details
County PMO FS design agency RP preparation agency	May-Jun. 2009	Affected persons, village officials, engineering technicians	120	Project resettlement, field investigation, preliminary project impact survey	<ul style="list-style-type: none"> ● Introducing the background and purpose of the Project ● Minimizing farmland occupation
Task force of County PMO	Aug.-Sep. 2009	Community, village, Akeqi Town	60	RP preparation, socioeconomic survey	<ul style="list-style-type: none"> ● Assisting in the project impact survey ● Villagers expressed strong support for the Project ● Socioeconomic survey and displaced household survey
TA consultants, County PMO, RP preparation agency	May 16-20, 2010	Community, village, Akeqi Town	40	Preparing an income restoration plan	<ul style="list-style-type: none"> ● The workers of the breeding farm expected land reallocation ● The displaced households accepted market appraisal
County PMO	July 15-20, 2010	Workers' representatives of the breeding farm; displaced households	40	Further defining the compensation rates and scope of the RP	<ul style="list-style-type: none"> ● The affected households largely accepted the RP ● The affected households suggested that extensive consultation be conducted at the implementation stage

6.1.2 Completed public opinion survey

161. During May 16-20, 2010, the ADB resettlement TA experts, and the relevant staff of the RP preparation agency and PMO conducted a supplementary survey of the physical indicators of the affected population, houses, land and special facilities, as well as the affected residents and rural collective economic organizations, and a public opinion and advice survey of the people and entities affected by the Project (see Table 4-1), Key public participation activities during project preparation (see Table 4-2).

162. The respondents included 47 persons affected by land acquisition, 10 households with 34 persons affected by house demolition, and 48 households with 210 persons affected by temporary land occupation. These surveys were designed to make the implementing and design agencies clear about the local conditions and the concerns of the affected persons. The survey results reveal that of the 391 respondents, 87.53% know that the Project is about to be constructed, 12.47% are not quite clear or don't know; 88.98% approve of the Project, and 7.88% don't care; 38.56% think unsound infrastructure makes their work and life inconvenient, 30.34% think this affects quality of life, 15.58% think this affects investment environment and 15.52% think this affects urban image; 86.40% think unsound infrastructure affects life and work seriously, and 10.76% don't think so; 18.27% think the Project will improve their living environment, 17.69% think it will improve their working environment, 57.41% think it will increase job opportunities, and 6.63% think it will promote physical and mental health; 59.08% know or partly know the policies for land acquisition, house demolition compensation and resettlement, and 88.46% know the means of appeal when your lawful rights and interests are infringed on during land acquisition and house demolition. See Table 6-2.

Table 6-2: Public opinion and mentality questionnaire

No.	Question	Answer 1		Answer 2		Answer 3		Answer 4		Answer 5	
		Answer 1	Result (%)	Answer 2	Result (%)	Answer 3	Result (%)	Answer 4	Result (%)	Answer 5	Result (%)
1	Are you clear that the Project will be built?	Yes	87.53	Not clear	10.65	No	1.82	—	—	—	—
2	Do you approve of the construction of the Project?	Yes	88.98	No	3.14	Don't care	7.88	—	—	—	—
3	Your expected possible impact of unsound infrastructure	Inconvenience of life and work	38.56	Reducing quality of life	30.34	Affecting investment environment	15.58	Affecting urban image	15.52	—	—
4	To what extent unsound infrastructure will affect your life and work?	No	2.94	Slight	10.76	Serious	83.56	Very serious	2.84	—	—
5	Possible benefits of the Project for you	Improving living environment	18.27	Improving working environment	17.69	Increasing job opportunities	57.41	Promoting physical and mental health	6.63	—	—
6	Adverse impacts of the Project on you	No adverse impact	2.26	Affecting traffic	20.39	House demolition may cause economic losses.	39.68	Land acquisition may reduce income.	33.94	Other	3.73
7	Do you know the compensation and resettlement policies for land acquisition and house demolition?	Yes	32.14	Somewhat	26.94	No	40.92	—	—	—	—
8	Do you know the means of appeal when your lawful rights and interests are infringed on during land acquisition and house demolition?	Yes	88.46	No	11.54	—	—	—	—	—	—
9	Do you know that the Project will cause temporary land occupation?	Yes	35.59	Not clear	32.75	Not clear	31.66	—	—	—	—
10	Will temporary land occupation have any adverse impact on your life and production?	Yes	15.86	No	31.27	Not clear	52.87	—	—	—	—

6.2 Public participation and consultation plan

163. With the progress of project preparation and implementation, the County PMO, communities, breeding farm and village collectives will conduct further public participation, including discussion of resettlement housing construction, area and layout; scope of training for the affected persons; issues arising from construction and solutions; listening to the affected persons's opinions and expectations during implementation; disclosure of compensation rates and means of appeal; understanding the implementation of the RP and the livelihood restoration of the affected persons. The public participation plan is shown in Table 6-3.

Table 6-3: Public participation plan

Purpose	Mode	Time	Agency	Participant	Topic
Disclosure of the RP or RIB	Distribution of RIB	Oct. 2010	County PMO	Affected persons	Publication of compensation rates and means of appeal
Disclosure of the RP	ADB website	Oct. 2010			
Land acquisition announcement	Bulletin board of villages and breeding farm, meetings of villagers and farm workers	Mar. 2011	County PMO	All affected persons	Disclosure of land acquisition area, compensation rates and resettlement modes, etc.
Announcement of compensation and resettlement program for land acquisition	Village bulletin board and village meeting	Mar.-Oct. 2011	County PMO, sub-district office, village officials, breeding farm leaders	All affected persons	Compensation fees and mode of payment
result of DMS and updated RP	Field survey	Mar.-Apr. 2011	County PMO, sub-district office, village officials	All affected persons	Finding out anything omitted to determine the final impacts List of occupied land and lost properties of displaced persons Preparing the basic compensation contract
Determination of income restoration plan	Villager meeting	May 2011	County PMO, sub-district office, village officials, breeding farm leaders	All affected persons	Discussing the final income restoration plan and the plan for use of compensation fees
Disclosure of compensation fees and date of payment	Villager meeting	Mar. 2011	County PMO, sub-district office, village officials, breeding farm workers	All affected persons	Disclosure of compensation fees and date of payment
Monitoring of the affected persons	Door-to-door interview	Oct. 2011	County PMO, sub-district office, village officials, breeding farm workers	Random sampling	Understanding the implementation of the RP and the livelihood restoration of the affected persons

6.3 Appeal procedures

164. Since public participation is encouraged during the preparation and implementation of the RP, no substantial dispute will arise. However, unforeseeable circumstances may arise during this process. In order to address issues effectively, and ensure the successful implementation of project construction and land acquisition, a transparent and effective grievance redress mechanism has been established, as shown in Figure 6-1. The basic means of appeal is as follows:

165. Stage 1: If any displaced person is dissatisfied with the RP, he/she can report this to village/community committee orally or in writing. In case of an oral appeal, the village/community committee shall make a disposition and keep written records. Such appeal should be solved within 2 weeks;

166. Stage 2: If the displaced person is dissatisfied with the disposition of Stage 1, he/she may file an appeal to the township government/urban district office after receiving such disposition, which shall make a disposition within 2 weeks;

167. Stage 3: If the displaced person is dissatisfied with the disposition of Stage 2, he/she may file an appeal to the Habahe County Land and Resources Bureau (HCLRB) / House Demolition Management Office (HDMO) after receiving such disposition, which shall make a disposition within 30 days;

168. Stage 4: If the displaced person is still dissatisfied with the disposition of Stage 3, he/she may apply for administrative reconsideration with the County PMO or file an administrative action in the county people's court in accordance with the Civil Procedure Law of the PRC after receiving such disposition.

169. Displaced persons may file an appeal on any aspect of resettlement, including compensation rates, etc. The above means of appeal, and the names, locations, persons responsible and telephone numbers of the appeal accepting agencies will be communicated to the displaced persons at a meeting, through an announcement or the RIB, so that the displaced persons know their right of appeal. Mass media will be used to strengthen publicity and reportage, and comments and suggestions on resettlement from all parties concerned will be compiled into messages for disposition by the resettlement organization at all levels.

170. All agencies will accept grievances and appeals from the affected persons for free, and costs so reasonably incurred will be disbursed from the contingency costs. During the whole construction period of the Project, these appeal procedures will remain effective to ensure that the affected persons can use them to address relevant issues.

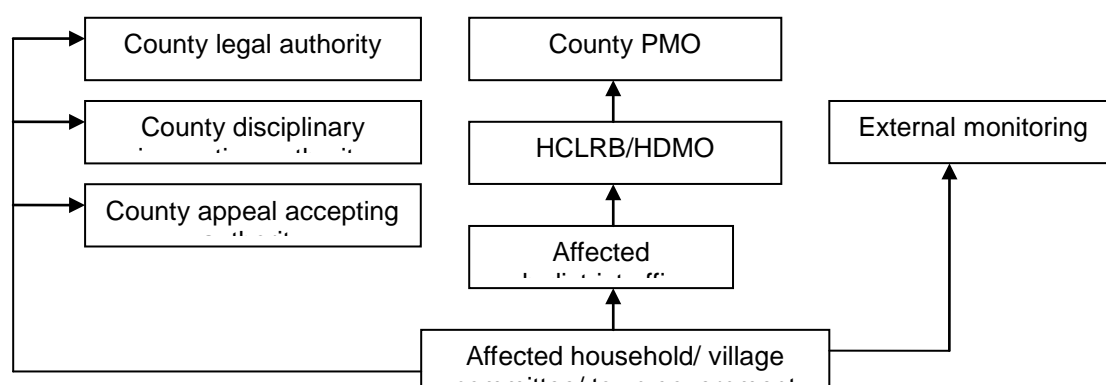


Figure 6-1 **Appeal procedures**

6.4 Appeal contact information

171. In order that the affected persons can feed back their grievances timely, contacts have been appointed for different appeal accepting agencies and their contact information disclosed.

County PMO (HCCB)
Address: Minzhu Road West, Akeqi Town
Contact: Wang Tao
Tel: 0906-6627028

HDMO
Address: Minzhu Road West, Akeqi Town
Contact: Zhang Yonggang
Tel: 0906-6622778

Akeqi Town Government:
Address: Minzhu Road East, Habahe County
Contact: Zhu Yin
Tel: 0906-6626756

External resettlement monitoring agency (TBD)
After the external resettlement monitoring agency is determined, its contact and information will be disclosed to the affected persons during the baseline survey.

7 Resettlement Budget

7.1 Resettlement Budget

172. All costs incurred in land acquisition and resettlement will be included in the general budget of the Project. All resettlement funds are from domestic sources. Based on prices of the first half of 2010, the total resettlement costs of Project are 10.7668 million yuan.

173. State-owned land occupation: totaling 5.7663 million yuan (53.56% of total expenses), including leasing fees of and compensation of state-owned land;

174. House demolition: The total compensation for house demolition is 1.2191 million yuan (11.32% of total expenses), including house compensation fees, moving subsidy, transition subsidy, etc.;

175. Temporary land occupation²: Temporary land occupation costs total 23,400 yuan (0.22% of total expenses);

176. Attachments and infrastructure: The total compensation for ground attachments is 64,600 yuan (0.6% of total expenses);

177. Other costs: including survey and design fees, implementation management fees, skills training costs and contingencies, totaling 1.1671 million yuan (10.84% of total expenses);

178. Stipulated fees for land acquisition: totaling 2.5264 million yuan (23.46% of total expenses).

² Although the County PMO plans to occupy farmland temporarily after the autumn harvest, this is still included in the budget in preparation for any change.

Table 7-1: Resettlement investment estimates

No.	Item	Unit	Compensation rate	Qty.	Cost (10,000 yuan)	Proportion	Remarks
			(yuan/Unit)				
1	State-owned land acquisition				576.63	53.56%	
	Leasing fees of state-owned land	m ²	15	130372(farmland)	201.80		Within built-up area
		m ²	8	3628	140.96		Out of built-up area
Housing land	Class 1	m ²	265				
	Class 2	m ²	142	3626.67	51.50		
State-owned desert and woodland	Forest compensation fees	mu	100	264.3	2.64		
	Woodland compensation fees	mu	3000	264.3	79.29		
	Resettlement subsidy	mu	1800	264.3	47.57		
	Forest vegetation restoration fees	m ²	3	176200	52.86		
2	Residential house demolition				121.91	11.32%	
	House compensation				115.10		
	Masonry concrete	m ²	880	218	19.18		
	Masonry timber	m ²	650	1137.9	73.96		
	Earth timber	m ²	600	345.9	20.75		
	Temporary house	m ²	300	40	1.20		
	Other subsidies				6.81		
	Moving subsidy	Household/yuan	1,200	10	1.20		
	Transition subsidy	Household/month	550	10	5.50		10 months
	TV displacement	Household/yuan	108	10	0.11		
3	Temporary land occupation						
	Farmland	Mu/yuan	1200	19.53	2.34	0.22%	1 year

No.	Item	Unit	Compensation rate	Qty.	Cost (10,000 yuan)	Proportion	Remarks
			(yuan/Unit)				
4	Ground attachments						
	Total of attachments				6.46	0.60%	
5	Subtotal of Items 1-4				707.34	65.70%	
6	Other costs				116.71	10.84%	
	Survey, design and scientific research fees	A percentage of land acquisition and resettlement compensation fees	3		21.22		
	Implementation management fees	A percentage of land acquisition and resettlement compensation fees	3		21.22		
	Technical training fees	A percentage of land acquisition and resettlement compensation fees	1		7.07		
	Transition subsidy to 1 vulnerable HH				0.05		
	Supervision and M&E fees	A percentage of land acquisition and resettlement compensation fees	1.5		10.61		
	Contingencies	A percentage of land acquisition and resettlement compensation fees	8		56.59		
7	Stipulated fees of land acquisition				252.64	23.46%	
	Leasing fees of new land for construction	yuan/m ²	8	176200	140.96		
	Land acquisition management fees	4% of land acquisition and resettlement compensation fees	4%		23.07		
	Farmland reclamation fees	yuan/mu	3000	195.46	58.64		
	Farmland occupation tax	yuan/m ²	2.3	130306.67	29.97		
Total					1076.68	100.00%	

7.2 Investment plan by year

179. All resettlement funds of the Project are from local counterpart funds. Before project construction or during project implementation, the investment plan will be implemented in stages in order not to affect the production and lives of the affected households, as shown in Table 7-2.

Table 7-2: Resettlement investment plan

Year	2011	2012	2013	2014	2015
Investment (10,000 yuan)	107.67	323.00	323.00	215.34	107.67
Proportion (%)	10%	30%	30%	20%	10%

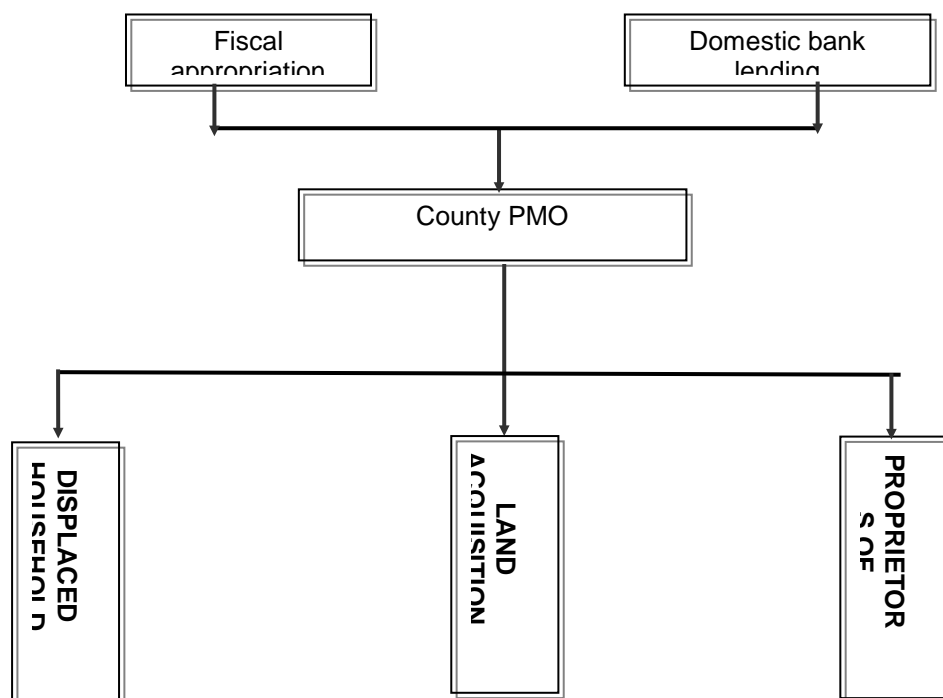
7.3 Disbursement flow and plan of resettlement funds

7.3.1 Fund flow

180. During project implementation, the County PMO will pay compensation fees to the affected entities and individuals according to the compensation policies and compensation rates specified in the RP.

181. The fund flow is as shown below:

Figure 7-1: Flowchart of resettlement funds



7.3.2 Disbursement plan

182. Land acquisition compensation fees, pre-acquisition management fees and compensation fees for temporary land occupation will be collected by HCLRB; grassland compensation fees and resettlement subsidy, forest compensation fees, woodland

compensation fees and resettlement subsidy and forest vegetation restoration fees will be collected by the County Forestry Bureau; forest compensation fees, woodland compensation fees and resettlement subsidy will be paid to the County Forestry Bureau and individuals for forestation; forest vegetation restoration fees will be paid to the State Forestry Administration; house demolition compensation fees, and compensation fees for infrastructure and attachments will be paid to the affected entities and individuals.

183. To ensure that resettlement funds are available timely and in full for the production, livelihood and income restoration of the affected households, the County PMO will take the following measures:

- All costs related to house demolition and resettlement will be included in the general budget of the Project;
- Land compensation fees and resettlement subsidy will be paid up before land acquisition so that all affected persons are resettled properly; and
- To ensure the successful implementation of land acquisition and resettlement, financial and supervisory agencies will be established at all levels to ensure that all funds are disbursed on timely and in full.

184. The budget is a cost estimate of resettlement. Depending on practical changes within the affected areas, and due to the practical impacts of detailed measurement survey (DMS), modifications to compensation and inflation, etc., resettlement costs may be increased, but the County PMO will ensure the payment of compensation fees. The budget incorporates contingencies, and will be applied and revised as necessary.

8 Organization and Responsibilities

8.1 Resettlement action agencies

185. During project implementation, the agencies that plan, manage, implement and monitor resettlement activities of the Project include:

- (i) Habahe County Leading Group for the Promotion of the ADB-financed Road Reconstruction and Expansion Project (County Leading Group for short)
- (ii) Habahe County ADB-financed Project Management Office (executing agency, County PMO for short)
- (iii) HCCB (implementing agency)
- (iv) HCLRB
- (v) HDMO
- (vi) Habahe County Forestry Bureau
- (vii) Habahe Breeding Farm
- (viii) Design institute

186. County Leading Group: leading, organizing and coordinating land acquisition, house demolition and resettlement activities, approving the RP and implementing internal supervision and inspection.

187. County PMO: directing the formulation of resettlement policies, the preparation of the RP, and the implementation of land acquisition and house demolition

188. HCCB: being the implementing agency, responsible for socioeconomic and physical indicator surveys, assisting in preparing the RP, contacting HCLRB, the township governments and affected village committees in carrying out practical resettlement work

189. HCLRB: going through, examining and approving land acquisition formalities, and carrying out coordination, management, supervision and arbitration of land acquisition

190. HDMO: going through, examining and approving house demolition formalities, issuing permits, and carrying out coordination, management, supervision and arbitration of house demolition and resettlement

191. Habahe County Forestry Bureau: going through, examining and approving woodland acquisition formalities, and carrying out coordination, management, supervision and arbitration

192. Habahe Breeding Farm: reallocating land to the affected workers, and assisting HCLRB in implementing land acquisition

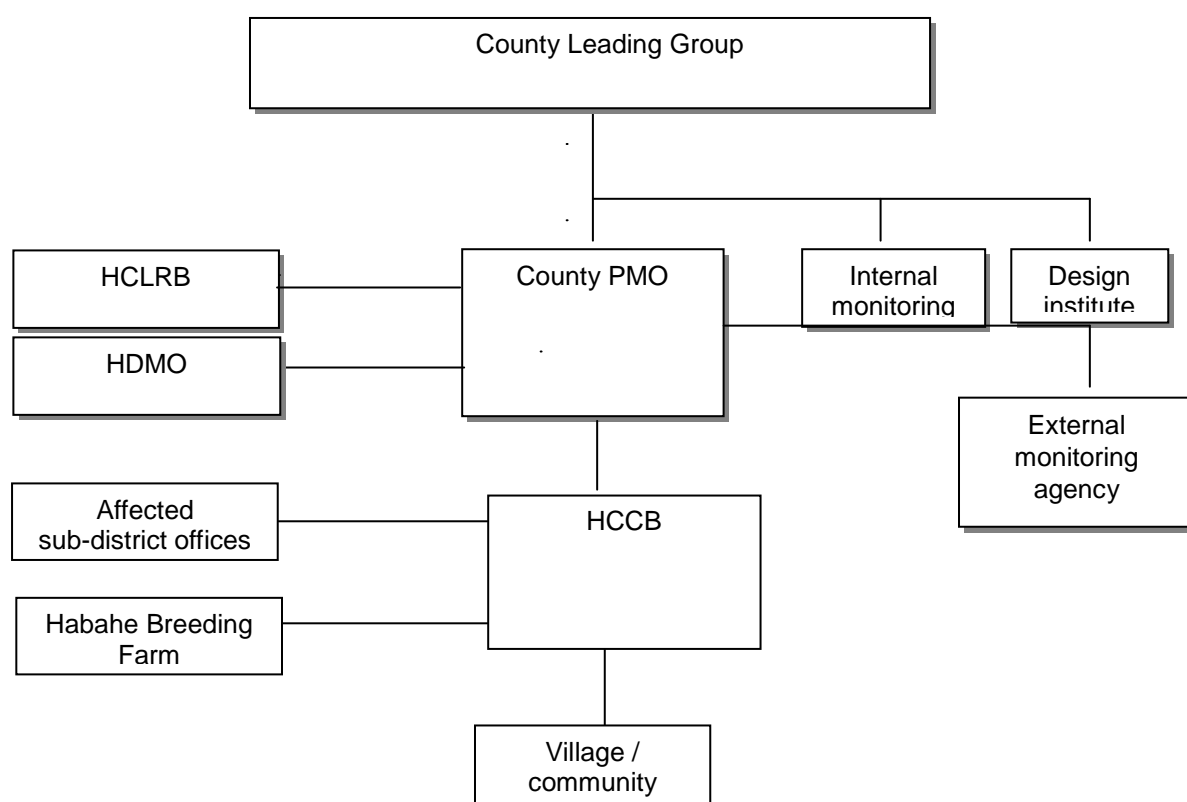
193. Township governments: assisting in the County PMO's survey, entering into a land acquisition and house demolition agreement with HCLRB, and assisting HCLRB in implementing land acquisition, house demolition and resettlement

194. Affected village/community committees: providing land contracting information, assisting in the surveys, reallocate housing sites and contracted land after land acquisition and house demolition, providing information on affected vulnerable groups, carrying out community mobilization and publicity, assisting technicians in measurement, valuation, and signing and negotiating the resettlement agreement

195. Design institute: preparing the project design and defining the range of land acquisition and house demolition

8.2 Organizational chart

Figure 8-1: Resettlement organizational chart



8.3 Institutional qualifications and staffing

196. The staff of the Leading Group is comes from different functional departments of HCG, and is experienced in municipal construction works, and land acquisition, house demolition and resettlement. Since the members are from different levels and functions of government, it will play a good organizing and coordinating role in land acquisition, house demolition and resettlement. Other agencies involved in resettlement implementation are composed of staff experienced in urban construction project management. The Leading Group has 13 members, including one female (7.69%). The members are directors-general or deputy directors-general of relevant bureaus and offices.

197. The following members responsible for specific land acquisition and house demolition tasks work under the direction of the Leading Group and its office.

Leader: Wang Minggui (member of the standing county CPC committee, executive deputy county head)

Deputy leader: Hu Pingyuan (deputy county head in charge of science and technology)

Members: Shi Daquan (Secretary of CPC Group, County Development and Reform Commission)

Zhuo Yue (Director, County Development and Reform Commission)

Zhu Zhanguang (Director-general, HCCB)

Ren Qingrui (Director-general, County Finance Bureau)

Zhang Heping (Director-general, County Agriculture Bureau)

Zhang Xuehai (Director-general, County Forestry Bureau)

Xie Lixin (Director-general, County Water Resources Bureau)

Li Hua (Director-general, County Tourist Bureau)
Wang Cheng'an (Secretary, CPC Group, County Environmental Protection Bureau)
Wu Xinsheng (Director-general, County Communications Bureau)
Ma Guowei (Director-general, County Finance Bureau)
Lu Xianglin (Deputy Director-general, HCLRB)
Li Xiaoqin (Deputy Director-general, County Audit Bureau)
Zhang Licheng (Deputy Director-general, County Forestry Bureau)
Nuerman (Deputy Director, County Development and Reform Commission)
Liu Hongbo (Deputy Director, County PMO)
Wang Tao (member, HCCB CPC Group; Head, Real Estate Administration Office)

The office of the Leading Group is at HCCB, responsible for handling day-to-day affairs.

8.4 Division of labor

8.4.1 County Leading Group

198. Responsible for project leadership, organizing, coordination and decision-making, examining the RP, implementing internal supervision and inspection, and making decisions on major issues arising from resettlement

8.4.2 County PMO

- (i) Appointing a design agency to define the affected areas
- (ii) Organizing socioeconomic survey
- (iii) Organizing and coordinating the reparation of the RP
- (iv) Executing the policies in the RP
- (v) Coordinating the implementation of the RP according to the project construction schedule
- (vi) Disbursing funds and supervising the use thereof
- (vii) Directing, coordinating and supervising resettlement activities and progress
- (viii) Organizing and implementing internal monitoring, appointing an independent monitoring agency, and assisting in external monitoring activities
- (ix) Reviewing monitoring reports
- (x) Coordinating and handling conflicts and issues arising from implementation
- (xi) Coordinating and handling appeals arising from implementation
- (xii) Reporting the progress of land acquisition and house demolition, fund use and implementation quality to ADB periodically

8.4.3 HCCB

- (i) Organizing socioeconomic survey
- (ii) Registering physical indicators of land acquisition and house demolition, and conducting surveys
- (iii) Organizing public participation activities
- (iv) Negotiating resettlement programs, and organizing the preparation of the RP
- (v) Applying for a land use planning permit and a permit to use land with HCLRB
- (vi) Implementing the relevant measures of house demolition
- (vii) Implementing the state policies and regulations on the administration of land for project construction
- (viii) Developing resettlement programs and compensation rates for land acquisition according to the established policies, and submitting to the competent authorities for approval
- (ix) Going through the land use approval formalities
- (x) Applying for a land use planning permit and a permit to use land
- (xi) Implementing the RP
- (xii) Signing a compensation and resettlement agreement for land acquisition with the affected rural collective economic organizations together with the township

- governments
- (xiii) Signing a compensation agreement for temporary land occupation with the affected entities
- (xiv) Signing a compensation and resettlement agreement for land acquisition and house demolition with the displaced households and entities together with HDMO
- (xv) Inspecting resettlement implementation
- (xvi) Managing information on land acquisition, house demolition and resettlement activities
- (xvii) Training the staff
- (xviii) Coordinating and handling conflicts and issues arising from implementation
- (xix) Coordinating and handling appeals arising from implementation
- (xx) Reporting land acquisition, house demolition and resettlement progress to the County PMO

8.4.4 Affected sub-district offices

199. These offices are led by leaders in charge and composed of officials of CPC and government offices, land administration offices and villages, with the following responsibilities:

- (i) Participating in the surveys and assisting in preparing the RP;
- (ii) Organizing public participation, and publicizing the resettlement policies;
- (iii) Implementing, inspecting, monitoring and recording all resettlement activities;
- (iv) Going through house demolition formalities;
- (v) Paying and managing land compensation fees;
- (vi) Supervising land acquisition, house and attachment demolition, house rebuilding and relocation;
- (vii) Reporting land acquisition, house demolition and resettlement progress to HCLRB and HDMO;
- (viii) Coordinating and handling issues arising in their work

8.4.5 Village/community committees

200. Composed of village/community officials, with the following responsibilities:

- (i) Participating in the socioeconomic and project impact surveys;
- (ii) Organizing public consultation, publicizing the land acquisition and house demolition policies;
- (iii) Paying and managing relevant funds;
- (iv) Reporting displaced persons' opinions and suggestions to the competent authorities;
- (v) Reporting the progress of resettlement implementation;
- (vi) Providing assistance to difficult households affected by land acquisition;
- (vii) Performing other land acquisition and house demolition tasks assigned by superior agencies

8.4.6 Design institute

- (i) Reducing project impacts by design optimization;
- (ii) Defining the range of land acquisition and house demolition

8.5 Measures to strengthen institutional capacity

201. In order to implement resettlement successfully, the displaced persons and resettlement staff must be trained under a program developed by the County PMO.

8.5.1 Training program for resettlement management staff

202. A staff training and human resources development system will be developed for the county, township and village resettlement agencies. The resettlement project and process management training under this system will be given in such forms as workshop, training course, visit of similar projects and field training, and will cover:

- (i) Principles and policies of resettlement

- (ii) Resettlement project planning management training
- (iii) Resettlement implementation planning and design
- (iv) Resettlement implementation progress control
- (v) Resettlement financial management
- (vi) Resettlement quality control
- (vii) Management information system
- (viii) Resettlement M&E
- (ix) Resettlement project management

8.5.2 Measures to improve the resettlement organization

203. (1) Define the responsibilities and scope of duty all resettlement agencies, and strengthen supervision and management;
204. (2) Improve the strength of all resettlement agencies gradually, especially technical strength; all staff must attain a certain level of professional proficiency and management level; improve their technical equipment, such as PC, monitoring equipment and means of transportation, etc.;
205. (3) Select staff strictly, and strengthen operations and skills training for management and technical staff of all resettlement agencies to improve their professional proficiency and management level;
206. (4) Appoint women officials appropriately, and give play to women's role in resettlement implementation;
207. (5) Establish a database and strengthen information feedback to ensure a smooth information flow, and leave major issues to the Leading Group;
208. (6) Strengthen the reporting system and internal monitoring, and solve issues timely; and
209. (7) Establish an external M&E mechanism and an early warning system.

9 Resettlement Implementation Plan

210. According to the project implementation schedule, the Project will be constructed from 2011 to 2015, and have a preparation period of 2 years, in which the preparatory work will be completed; the implementation period will be 5 years (2011-2015). The land acquisition, house demolition and resettlement schedule links up the construction schedules of the components, and will span from January 2011 to June 2013. The resettlement schedule is developed based on the following principles:

- (i) The land acquisition work will be completed at least one month prior to project construction so that the affected villages have sufficient time to prepare production resettlement and income restoration programs;
- (ii) During resettlement, the affected persons shall have an opportunity to participate in the Project. Before project construction commences, the range of land acquisition will be disclosed, the RIB distributed and public participation activities conducted properly;
- (iii) All compensation fees will be paid to the affected proprietors directly and in full within 3 months of approval of the compensation and resettlement program for land acquisition. No agency or individual should use such compensation fees on their behalf, nor should such compensation fees be discounted for any reason.

9.1 Pre-implementation work

Defining the range of land acquisition and house demolition

211. The range of land acquisition will be defined according to the project design and layout. The resettlement work will be announced to the affected sub-district offices at a meeting, which will disclose the land acquisition notice in the affected villages. The County PMO will survey and register land, houses and attachments, and their ownership within the define range.

Investigating the range of land acquisition and house demolition

212. The County PMO will organize relevant staff of the sub-district offices, HDMO and HCLRB to visit the affected areas, investigate and register land, houses, attachments, facilities and equipment, etc., judge the nature and ownership of infrastructure, and keep detailed records.

Drafting the RP and preparing the budget

213. Before the beginning of land acquisition, house demolition and civil works, the RP will be updated based on the detailed design and detailed measurement survey (DMS), and submitted to ADB for approval. According to the survey findings, the County PMO will prepare the RP and budget according to the applicable policies and regulations, and then submit them to HCCB for approval.

Contract signing

214. Under the coordination and direction of the County PMO, HCCB will enter into land acquisition and house demolition agreements with HCLRB and HDMO, and pay the contract price.

215. The compensation agreement for land acquisition will be signed based on the compensation rates specified in the RP, and in accordance with the state, provincial and municipal laws and regulations on resettlement. HCLRB and HDMO will negotiate with the affected village committees and residents about compensation and resettlement respectively. The township governments and village committees then negotiate with the affected households. After consensus, HCLRB and HDMO will sign the compensation agreement for land acquisition immediately. A copy of such agreement should be submitted. HCLRB will

supervise and witness the whole process.

9.2 Implementation work

Permit to use land

216. The executing agency should endeavor to obtain a permit to use land timely by applying for it with the land and resources authorities level by level.

Facility relocation and rebuilding

217. The facilities affected by the Project will be relocated under the supervision of the executing agency. HCCB will pay compensation fees to proprietors, who will arrange the relocation, restoration and rebuilding of such facilities.

Resettlement

218. The affected villagers may elect to receive cash compensation, buy housing themselves or buy resettlement housing. In the latter two options, their housing conditions will improve greatly.

Internal and external M&E

219. Internal supervision is a responsibility of the implementing agency, which will submit a monitoring report to the executing agency semiannually. External monitoring is a responsibility of the executing agency, which will commission this task to an independent consulting agency and submit a monitoring report to ADB annually. The purpose of external monitoring is that the income and standard of living of the affected persons should be maintained after land acquisition and house demolition. Compulsory measures should be taken if this purpose is not fulfilled.

9.3 Post-implementation work

Continuing with internal and external M&E

Filing and documentation

220. After the resettlement work is completed, the person responsible will write a supplementary resettlement report, which will be reviewed and filed by HCCB.

221. The general resettlement schedule of the Project has been drafted based on the progress of project construction, land acquisition and house demolition, resettlement preparation and implementation. The exact implementation times may be adjusted due to deviations in overall project progress. See Table 9-1.

Table 9-1: Resettlement implementation schedule

No.	Resettlement activity	Target	Agency responsible	Deadline
1.	Disclosure			
1.1	Disclosure of the RP on the ADB website		ADB	Oct. 2010
1.2	Distribution of the RP to HDMO/ sub-district office/ village/ affected persons	8 copies	HCCB	Oct. 2010
1.2	Distribution of RIB	100 copies	HCCB	Nov. 2010
2.	Detailed measurement survey (DMS)			
2.1	Updating the RP based on the DMS, and appraising land and income losses			Apr. 2011

No.	Resettlement activity	Target	Agency responsible	Deadline
2.2	Updating the RP based on detailed measurement, and distributing it to HDMO/ sub-district office/ village/ affected persons	12 copies		Apr. 2011
3.	Detailed restoration plan			
3.1	Assistance for vulnerable groups	1 household	County Personnel, Labor and Social Security Bureau / Civil Affairs Bureau	Jun. 2011- Jun. 2013
3.2	Skills training for affected persons	300 men-times	County PMO	Jun. 2011- Jun. 2013
4.	RP and budget			
4.1	Boundary line survey (map)		HCCB	Dec. 2010
4.2	Approval of the RP and budget		HCG	Oct. 2010
4.3	Approval of compensation rates		HCG	Oct. 2010
4.4	Staking out the boundary line		HCCB	Dec. 2010
5.	Compensation agreement			
5.1	Household agreement	10 households	HCCB	Mar. 2011
6.	Implementation capacity			
6.1	Resettlement staff of sub-district office	10 persons	HCCB	Feb. 2011
6.2	Appointment of village/community office representatives	9 persons	HCCB	Feb. 2011
6.3	Staff training	10 persons	Sub-district office	Feb. 2011
6.4	Establishing a grievance redress committee	5 persons	HCCB	Dec. 2010
7.	M&E			
7.1	Baseline survey	10% of APs	External monitoring	Mar. 2011
7.2	Establishment of internal supervision	According to the RP	HCCB	Dec. 2010
7.3	Appointment of external monitoring agency	According to the RP	HCCB	Mar. 2011
8.	Resettlement			
8.1	Land acquisition	195.46 mu of farmland (state-owned), 47 persons	HCCB	Mar.-Jul. 2011
8.2	Land reallocation		Habahe Breeding Farm	Jul. 2011
8.3	Residential house demolition	1,741.81m ² , 34 persons	HCCB	Mar. 2011
8.4	Moving to new housing			Jun. 2012

10 Monitoring and Evaluation

222. To ensure the successful implementation of the RP and realize the objectives of resettlement properly, land acquisition, house demolition and resettlement activities of the Project will be subject to periodic M&E according to ADB's resettlement policies, including internal and external monitoring.

10.1 Internal monitoring

10.1.1 Purpose

223. The purpose of internal monitoring is to enable all resettlement agencies to function properly during project implementation, conduct internal supervision and inspection on the whole process of resettlement preparation and implementation, learn resettlement progress, and ensure that the land acquisition, house demolition and resettlement work can be completed on schedule according to the RP, and promote successful project construction.

10.1.2 Organization and staff

224. The internal resettlement monitoring agencies of the Project are the XUAG PMO, County PMO and other relevant authorities (e.g., HCLRB). These agencies will have a leader who is responsible specifically for the resettlement work. Such leaders should have rich resettlement experience and authority, and be able to coordinate all departments involved in the resettlement work. The members of such agencies should have knowledge on resettlement and social issues so as to perform their duties.

10.1.3 Scope of internal monitoring

225. The XUAG PMO and County PMO will develop a detailed internal monitoring plan for land acquisition and resettlement, including:

- (i) Relocation of displaced persons, allocation of housing sites and housing rebuilding, etc.;
- (ii) Payment, use and availability of compensation fees for land acquisition, and implementation progress and quality of production and development programs of displaced persons;
- (iii) Investigation, coordination of and suggestion on key issues of the resettlement and implementing agencies during land acquisition, house demolition and resettlement;
- (iv) Restoration of the household income of displaced persons;
- (v) Restoration of vulnerable groups;
- (vi) Payment, use and availability of compensation fees for resettlement;
- (vii) Level of public participation and consultation during land acquisition, house demolition and resettlement;
- (viii) Resettlement training and its effectiveness; and
- (ix) Working mechanism, training, working hours and efficiency of local resettlement offices

10.1.4 Reporting of internal monitoring

226. The XUAG PMO will submit an internal monitoring report to ADB semiannually. Such report should indicate the statistics of the past 6 months in tables, and reflect the progress of land acquisition, resettlement and use of compensation fees through comparison. Tables 10-1 and 10-2 provide some formats.

Table 10-1: Progress report of resettlement for land acquisition and house demolition

_____, _____ Township, _____ District (County)

Cut-off date: MM/DD/YY

Date of completion: MM/DD/YY

Item	Unit	Planned	Actually completed	Accumulated	Proportion of completion
Permanent land acquisition	mu				
Temporary land occupation	mu				
Payment of land compensation fees	10,000 yuan				
Training	Person				
Employment arrangement	Person				
Land reallocation	mu				

Reported by: _____ Signature (person responsible): _____ Official seal:

Table 10-2: Fund use progress

_____, _____ Township, _____ District (County)

Cut-off date: MM/DD/YY

Date of completion: MM/DD/YY

Affected entity	Description ³	Unit/qty.	Required investment (yuan)	Compensation received (yuan)	Adjusted compensation	Proportion of compensation
Village 1						
Village 2						
Collective						
Displaced household						
Entity						

Reported by: _____ Signature (person responsible): _____ Official seal:

10.2 External monitoring

227. According to ADB's policies, the XUAG PMO will employ a qualified, independent and experienced resettlement agency as the independent resettlement monitoring agency.

228. The external monitoring agency will conduct follow-up M&E of resettlement activities periodically, monitor resettlement progress, quality and funding, and give advice. It shall also conduct follow-up monitoring of the displaced persons' production level and standard of living, and submit M&E reports to the XUAG PMO and ADB.

10.2.1 Scope and methodology of external monitoring

229. (1) Baseline survey. The external monitoring agency will conduct a baseline survey of the affected villages and villager teams affected by land acquisition to obtain baseline data on the monitored displaced households' production level and standard of living. The production level and standard of living survey will be conducted semiannually to track variations of the displaced persons' production level and standard of living. This survey will be conducted using such methods as panel survey (sample size: 20% of the households affected by land acquisition and house demolition, and 50% of the affected villages, which will be sampled randomly), random interview and field observation to acquire necessary information. A statistical analysis and an evaluation will be made on this basis.

230. (2) Periodic M&E. During the implementation of the RP, the external monitoring

³ Fill in labor training, employment, vulnerable group subsidy, etc. in "Description".

agency will conduct periodic follow-up resettlement monitoring semiannually of the following activities by means of field observation, panel survey and random interview:

- (i) Payment and amount of compensation funds;
- (ii) Preparation and adequacy of the resettlement site;
- (iii) House rebuilding;
- (iv) Relocation of the affected persons;
- (v) Training;
- (vi) Support for vulnerable groups;
- (vii) Restoration and rebuilding of infrastructure and special facilities;
- (viii) Production resettlement and restoration;
- (ix) Compensation for lost properties;
- (x) Compensation for lost working hours;
- (xi) Transition subsidy;
- (xii) Timetables of the above activities (applicable at any time);
- (xiii) Resettlement organization;
- (xiv) Use of compensation fees for collective land and income of displaced persons; and
- (xv) Income growth of labor through employment

231. (3) Public consultation. The external monitoring agency will attend public consultation meetings held during resettlement implementation to evaluate the effectiveness of public participation.

232. (4) Grievance redress. The external monitoring agency will visit the affected villages periodically and inquire the County PMO, township governments, village committees and resettlement agencies that accept grievances about how grievances have been handled. It will also meet complainants and propose corrective measures and advice for existing issues so as to make the resettlement process more effectively.

10.2.2 Reporting of external monitoring

233. The external monitoring agency will submit a monitoring or evaluation report to ADB and the XUAG PMO semiannually, as indicated in table 10-3.

Table 10-3: Resettlement M&E agenda

Item	Resettlement report	Date
1	Socioeconomic Baseline Survey	Mar. 2011
2	Monitoring Report No.1	Apr. 2011
3	Monitoring Report No.2	Oct. 2011
4	Monitoring Report No.3	Apr. 2012
5	Evaluation Report No.4	Oct. 2012
6	Evaluation Report No.5	Oct. 2013
7	Final Report	Sep. 2014

10.3 Resettlement post-evaluation

234. After project implementation, the theory and methodology of post-evaluation will be applied to evaluate the Project's resettlement activities on the basis of M&E to obtain successful experience and lessons in land acquisition and house demotion as a reference for future work. The post-evaluation agency will prepare terms of reference for post-evaluation, establish a system of evaluation indicators, conduct socioeconomic analysis and survey, and prepare the Resettlement Post-evaluation Report of the Project for submission to the XUAG PMO and ADB.

Appendix 1 Applicable Laws and Policies

Applicable provisions of the Land Administration Law of the PRC

Ownership and right of use of land

Article 8 Land in urban districts shall be owned by the State.

Land in the rural areas and suburban areas, except otherwise provided for by the State, shall be collectively owned by peasants including land for building houses, land and hills allowed to be retained by peasants.

Article 22 The amount of land used for urban construction shall conform to the standards prescribed by the State so as to make full use of the existing land for construction purposes, not to occupy or occupy as less agricultural land as possible.

Urban general planning and the planning of villages and market towns should be in line with the general plans for land use. The amount of land for construction use in the urban general planning and the planning of villages and market towns shall not exceed the amount of land used for construction purposes in cities, villages and market towns fixed in the general plans for the utilization of land.

The land for construction purposes in cities, villages and market towns within the planned areas of cities, villages and market towns shall conform to the city planning and the planning of villages and market towns.

Article 24 People's governments at all levels shall strengthen the administration of plans for land use and exercise control of the aggregate land for construction purposes.

Article 26 Revision of the general plans for land use shall be approved by the original organ of approval. Without approval, the usages of land defined in the general plans for the utilization of land shall not be changed.

Whereas the purpose of land use defined in the general plans for the utilization of land needs to be changed due to the construction of large energy, communications, water conservancy and other infrastructure projects approved by the State Council, it shall be changed according to the document of approval issued by the State Council.

If the purpose of land defined in the general plans for the utilization of land needs to be changed due to the construction of large energy, communications, water conservancy and other infrastructure projects approved by provinces, autonomous regions and municipalities, it shall be changed according to the document of approval issued by the provincial level people's governments if it falls into their terms of reference.

Protection of cultivated land

Article 31 The State protects the cultivated land and strictly controls the conversion of cultivated land into non-cultivated land.

The State fosters the system of compensations to cultivated land to be occupied. In the cases of occupying cultivated land for non-agricultural construction, the units occupying the cultivated land should be responsible for reclaiming the same amount of land in the same quality as that occupied according to the principle of "reclaiming the same amount of land occupied. Whereas units which occupy the cultivated land are not available with conditions of reclamation of land or the land reclaimed is not up to requirements, the units concerned should pay land reclamation fees prescribed by provinces, autonomous regions and municipalities for reclaiming land for cultivation the land reclaimed.

Article 32 The local people's governments at and above the county level may demand units which occupy cultivated land to use the topsoil of the land occupied for use in the newly reclaimed land, poor land or other cultivated land for soil amelioration.

Article 33 People's governments of all provinces, autonomous regions and municipalities shall strictly implement the general plans for the utilization of land and annual plan for the use of land, adopt measures to ensure not to reduce the total amount of cultivated land within their jurisdictions. Whereas reductions occur, the State Council shall order it to organize land reclamation within the prescribed time limit to make up for the reduced land in the same quantity and quality and the land administrative department of the

State Council shall, together with agricultural administrative department, examine and accept it.

Article 36 Land shall be used sparingly for non-agricultural construction purposes. Whereas wasteland can be used, no cultivated land should be occupied; whereas poor land can be used, no good land should be occupied.

Article 41 The State encourages land consolidation. People's governments of counties and townships (towns) shall organize rural collective economic organizations to carry out comprehensive consolidation of fields, water surface, roads, woods and villages according to the general plans for the utilization of land to raise the quality of cultivated land and increase areas for effective cultivation and improve the agricultural production conditions and ecological environment.

Local people's governments at all levels shall adopt measures to ameliorate medium-and low-yielding land and consolidate idle and scattered and abandoned land.

Article 42 Whereas land is damaged due to digging, cave-in and occupation, the units or individuals occupying the land should be responsible for reclamation according to the applicable provisions of the State; for lack of ability of reclamation or for failure to meet the required reclamation, land reclamation fees shall be paid, for use in land reclamation. Land reclaimed shall be first used for agricultural purposes.

Land for construction purposes

Article 43 Any unit or individual that need land for construction purposes should apply for the use of land owned by the State according to law, except land owned by peasant collectives used by collective economic organizations for building township enterprises or building houses for villagers or land owned by peasant collectives approved according to law for use in building public facilities or public welfare facilities of townships (towns).

The term "apply for the use of land owned by the State according to law " used in the preceding paragraph refers to land owned by the State and also land originally owned by peasant collectives but having been acquired by the State.

Article 44 Whereas occupation of land for construction purposes involves the conversion of agricultural land into land for construction purposes, the examination and approval procedures in this regard shall be required.

For projects of roads, pipelines and large infrastructure approved by the people's governments of provinces, autonomous regions and municipalities, land for construction has to be approved by the State Council whereas conversion of agricultural land is involved.

Whereas agricultural land is converted into construction purposes as part of the efforts to implement the general plans for the utilization of land within the amount of land used for construction purposes as defined in the general plans for cities, villages and market towns, it shall be approved batch by batch according to the annual plan for the use of land by the organs that approved the original general plans for the utilization of land. The specific projects within the scope of land approved for conversion shall be approved by the people's governments of cities or counties.

Land to be occupied for construction purposes other than those provided for in the second and third paragraphs of this article shall be approved by the people's governments of provinces, autonomous region and municipalities whereas conversion of agricultural land into construction land is involved.

Article 45 The acquisition of the following land shall be approved by the State Council:

1. Basic farmland;
2. Land exceeding 35 hectares outside the basic farmland;

Acquisition of land other than prescribed in the preceding paragraph shall be approved by the people's governments of provinces, autonomous regions and municipalities and submitted to the State Council for the record.

Acquisition of agricultural land should first of all go through the examination and approval procedure for converting agricultural land into land for construction purposes according to the provisions of Article 44 of this law. Whereas conversion of land is approved by the State Council, the land acquisition examination and approval procedures should be completed concurrently with the procedures for converting agricultural land to construction

uses and no separate procedures are required. Whereas the conversion of land is approved by people's governments of provinces, autonomous regions and municipalities within their terms of reference, land acquisition examination and approval procedures should be completed at the same time and no separate procedures are required. Whereas the terms of reference has been exceeded, separate land acquisition examination and approval procedures should be completed according to the provisions of the first paragraph of this article.

Article 46 For acquisition of land by the State the local people's governments at and above the county level shall make an announcement and organize the implementation after the approval according to the legal procedures.

Owners or users of the land acquired should, within the time limit specified in the announcement, go through the compensation registration for acquired land with the land administrative departments of the local people's governments on the strength of the land certificate.

Article 47 In acquiring land, compensation should be made according to the original purposes of the land acquired.

Compensation fees for land acquired include land compensation fees, resettlement fees and compensation for attachments to or green crops on the land. The land compensation fees shall be 6-10 times the average output value of the three years preceding the acquisition of the cultivated land. The resettlement fee shall be calculated according to the number of agricultural population to be resettled. The number of agricultural population to be resettled shall be calculated by dividing the amount of cultivated land acquired by the per capital land occupied of the unit whose land is acquired. The resettlement fees for each agricultural person to be resettled shall be 4-6 times the average annual output value of the three years preceding the acquisition of the cultivated land. But the maximum resettlement fee per hectare of land acquired shall not exceed 15 times of the average annual output value of the three years prior to the acquisition.

The standards for land compensation and resettlement fees for land acquired shall be determined by various provinces, autonomous regions and municipalities in reference to the land compensation fees and resettlement fees for cultivated land acquired.

The standards for compensating for ground attachments and green crops on the land acquired shall be determined by various provinces, autonomous regions and municipalities.

In acquiring vegetable fields in suburban areas, the units using the land should pay new vegetable field development and construction fund.

Whereas the land compensation fees and resettlement fees paid according to the provisions of the second paragraph of this article are not enough to maintain the original level of living, the resettlement fees may be increased with the approval of the people's governments of provinces, autonomous regions and municipalities. But the combined total of land compensation fees and resettlement fees shall not exceed 30 times the average output value of the three years prior to the acquisition.

In special circumstances, the State Council may raise the standards for land compensation and resettlement fees for land acquired according to the social and economic development level.

Article 48 After the plan for land compensation and resettlement fees is finalized, related local people's governments shall make an announcement and hear the opinions of the rural collective economic organizations and peasants whose land has been acquired.

Article 49 Rural collective economic organizations shall make public to its members the receipts and expenditures of the land compensation fees for land acquired and accept their supervision.

It is forbidden to embezzle or divert the land compensation fees and other related expenses.

Article 50 Local people's governments at all levels shall support rural collective economic organizations and peasants in their efforts toward development and operations or in starting up enterprises.

Article 52 In the process of the feasibility study for construction projects, land

administrative departments may examine the related matters concerning the land for construction purposes and put forward their proposals according to the general plans for the utilization of land, the annual plan for the use of land and standards for land used for construction purposes.

Article 53 Whereas a construction project approved needs land owned by the State for construction purposes, the construction unit should file an application with land administrative department of the people's government at and above the county level with the power of approval on the strength of related documents required by law and administrative decrees. The land administrative department shall examine the application and submit it to the people's government at the same level for approval.

Article 54 A paid leasing should be go through in use of land owned by the State by a construction unit. But the following land may be obtained through government allocation with the approval of the people's governments at and above the county level according to law:

1. Land for use by government organs and for military use;
2. Land for building urban infrastructure and for public welfare undertakings;
3. Land for building energy, communications and water conservancy and other infrastructure projects supported by the State;
4. Other land as provided for by the law and administrative decrees.

Article 55 Construction units that have obtained State-owned land by paid leasing can use the land only after paying the land use right leasing fees and other fees and expenses according to the standards and ways prescribed by the State Council.

Starting from the date when this law comes into effect, 30% of the land compensation fees for new construction land shall be handed over to the central finance, with the rest 70% to be retained by related local people's governments, for the development of land for cultivation.

Article 56 In using State-owned land, construction units should use the land according to the provisions of the contract for compensated use of leased land use right or according to the provisions of the documents of approval concerning the allocation of land use right. The change of the land to construction purposes should get the consent from the land administrative departments of the related people's governments and be submitted to the people's governments that originally give the approval for the use of land. In changing the purpose of land within the urban planned areas, the consent should be obtained from the related urban planning administrative departments before submission for approval.

Article 57 In the case of temporary using State-owned land or land owned by peasant collectives by construction projects or geological survey teams, approval should be obtained from the land administrative departments of local people's governments at and above the county level. Whereas the land to be temporarily used is within the urban planned areas, the consent of the urban planning departments should be obtained before being submitted for approval. Land users should sign contracts for temporary use of land with related land administrative departments or rural collective organizations or villagers committees depending on the ownership of the land and pay land compensation fees for the temporary use of the land according to the standard specified in the contracts.

Users who use the land temporarily should use the land according to the purposes agreed upon in the contract for the temporary use of land and should not build permanent structures.

The term for the temporary use of land shall not usually exceed two years.

Article 58 In one of the following cases, the land administrative departments of related people's governments shall recover the land use right of State-owned land with the approval of the people's governments that originally gives the approval or the people's governments with the power of approval:

1. Use land for the sake of public interests;
2. Use land for adjustment in re-building old city districts in order to implement urban construction plans;
3. When the term for the land use right expires according to what is agreed upon in the contract for compensated use of land, the land user has failed to apply for extension or

failed to get approval for extension;

4. The use of land originally allocated has been stopped due to cancellation or removal of units;

5. Roads, railways, airports and mining sites that have been approved to be abandoned.

Proper compensation should be given to land use right users whereas the use right of State-owned land is recovered according to the provisions of 1 and 2 of the preceding paragraph.

Article 62 One rural household can own one piece of land for building house, with the area not exceeding the standards provided for by provinces, autonomous regions and municipalities.

Construction of rural houses should conform to the general plans for the utilization of land of townships (towns) and the original land occupied by houses and open spaces of villages should be used as much as possible for building houses.

The use of land for building houses should be examined by the township (town) people's governments and approved by the county people's governments. Whereas occupation of agricultural land is involved the examination and approval procedure provided for in Article 44 of this law is required.

The application for housing land after selling or leasing houses shall not be approved.

Article 63 The land use right of peasant collectives shall not be leased, transferred or rented for non-agricultural construction, except in the case of legal transfer of the land that conforms to the general plan for the utilization of land and legally obtained by enterprises due to bankruptcy or acquisition.

Article 64 Buildings or structures put up before the general plan for the utilization of land and unconformable to the general plans are not allowed to be rebuilt or expanded.

Article 65 In one of the following cases, the rural collective economic organizations may recover the land use right with the approval of the people's government that gives the approval for the use of land:

1. Land needed for building public facilities and public welfare undertakings of townships (towns) and villages;

2. Land not used according to the purposes approved;

3. Land not used any more due to cancellation or removal of the original units.

Proper compensation shall be given to land users in the case of recovering the land owned by peasant collectives provided for in item 1 of the preceding paragraph.

Applicable provisions of the Regulation on the Dismantlement of Urban Houses

Article 6 Only if the agency about to demolish houses has obtained a permit for house demolition can demolition be implemented.

Article 8 When issuing the permit for house demolition, the administrative department for house demolition shall disclose the demolisher, scope and period of demolition specified in the permit for house demolition in the form of a house demolition announcement. The administrative department for house demolition and the demolisher shall make proper and timely publicity and explanation to displaced persons.

Article 22 The demolisher shall compensate displaced persons hereunder.

Article 23 Displaced persons may be compensated in cash or by property swap.

Article 24 The amount of cash compensation shall be determined based on the demolished house's geographic location, purpose and building area, and the appraised price on the real estate market. Specific measures shall be formulated by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

Article 25 In case of property swap, the demolisher and the displaced person shall calculate the amount of compensation of the demolished house and the price of the replacement house pursuant to Article 24 above, and settle the price difference of property swap.

In case of demolition of an attachment to a non-public-welfare institution's premises, no

property swap shall be made and the demolisher shall offer cash compensation.

Article 26 In case of demolition of a public welfare institution's premises, the demolisher shall rebuild such premises in accordance with the applicable laws, regulations and urban plan, or provide cash compensation.

Article 27 In case of demolition of a leased house, and the displaced person and the lessee dissolves the leasehold relation or the displaced person resettles the lessee, the demolisher shall compensate the displaced person accordingly.

If the displaced person and the lessee fail to agree on the dissolution of the leasehold relation, the demolisher shall grant property swap to the displaced person. If the replacement house is leased by the former lessee, the displaced person shall enter into a new house lease contract with the former lessee.

Article 28 The demolisher shall provide housing that meets the national quality and safety standards for relocation and resettlement.

Article 29 For a house whose property right is unclear, the demolisher shall submit a compensation and resettlement proposal to the administrative department for house demolition for approval before demolition. Before demolition, the demolisher shall go through the conservation of evidence formalities with a notary organ for the demolished house.

Article 30 A mortgaged house shall be demolished in accordance with the state laws on guarantee.

Article 31 The demolisher shall pay a moving subsidy to the displaced person or the lessee. During the transition period, if the displaced person or lessee of the house finds a residence itself, the demolisher shall pay a temporary resettlement subsidy; if the displaced person or lessee uses a turnover house provided by the demolisher, such temporary resettlement subsidy shall not be paid. The rates of the moving subsidy and temporary resettlement subsidy shall be stipulated by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

Article 32 The demolisher shall not extend the transition period without authorization; the user of the turnover house shall make it available on time.

If the transition period is extended for the demolisher's sake, the displaced person or lessee who finds a residence itself shall be paid an additional temporary resettlement subsidy from the month of extension, or the user of the turnover house shall pay a temporary resettlement subsidy from the month of extension.

Article 33 If demolition of any non-residential house results in suspension of production or business, the demolisher shall offer appropriate compensation.

Regulations of XUAG for the Implementation of the Land Administration Law of the PRC

Chapter V Land for Construction

Article 31 The examination and approval procedures for converting agricultural land to construction uses shall be gone through in accordance with the following provisions in case land is occupied by state construction.

(1) In the range of the land for village and town construction defined in the overall planning of township land utilization, the use of the land collectively owned by farmers and herdsmen for construction of township and village enterprises, rural common facilities, public utilities, rural roads, water conservancy projects and other facilities is subject to the approval of autonomous prefecture or municipal people's government or administrative office according to the control quotas defined by the yearly plan for land use.

(2) In the range of the land for village and town construction defined in the overall planning of land utilization, the use of the land for implementation of the planning is subject to the approval of the People's Government of the autonomous region or shall comply with the provisions of the laws and regulations approved by the State Council.

Article 35 Land expropriated for state construction shall be compensated according to the following standards:

(1) 8 to 10 times the annual output value of local cultivated land shall be compensated for expropriated basic farmland;

(2) 7 to 9 times the annual output value of local cultivated land shall be compensated for expropriated irrigable land and fish pond other than basic farmland;

(3) 7 to 8 times the annual output value of local cultivated land shall be compensated for expropriated dry cultivated land other than basic farmland;

(4) 6 to 7 times the annual output value of local cultivated land shall be compensated for expropriated forest land, artificial grassland, house site, rural road, threshing floor and other lands;

(5) 6 times the annual output value of local grassland shall be compensated for expropriated natural grassland;

The land as sated in Point (1), (2), (3) and (4) expropriated for construction of major transport, water conservancy and other projects approved by the state or the autonomous region shall be compensated 6 times the annual output value of local cultivated land.

The output values of all types of cultivated lands and grasslands shall be determined to the average annual production value of the three years before requisition.

Article 36 The young crops and their attachments on expropriated land shall be compensated to the following standards:

(1) Common young crops shall be compensated to their average output value of in the last three years. Young root crops shall be compensated to 2 to 3 times their average output value of in the last three years.

(2) The buildings, structures, other facilities and forest trees on expropriated land shall be compensated according to the actual losses under the relevant stipulations.

(3) For the relocation of the tombs on expropriated land, the local people's government makes an announcement on and time limit of and reimbursement for reburial in pursuance of the relevant prescriptions. Unclaimed tombs and those having not been relocated within the time limit will be removed by the associated department as organized by the local people's government.

Article 37 The relocation subsidy for expropriated arable land shall be paid under the Land Administration Law of the PRC, Article 47, Clause 2. The relocation subsidy may be appropriately increased provided that the per capita arable land is less than 0.1 hectare before land requisition. However, the total sum of the land compensation and relocation subsidy for expropriated land shall not exceed 30 times its average annual output value before land requisition.

The relocation subsidy for expropriated fish pond shall be paid with reference to that for adjacent cultivated land.

The relocation subsidy for expropriated forest and grass lands shall be determined with reference to that for cultivated land requisitioned. No relocation subsidy shall be paid for the requisition of house sites, rural roads and threshing floor.

Article 39 The compensation for expropriated rural land of collective economic organization is owned by the rural collective economic organization. The compensation for the attachments and young crops on the land is owned by their respective owners.

The collective economic organization expropriated of land shall make the incomings and outgoings of the compensation for land requisition to its members and subject itself to supervision. Misappropriation and peculation of the compensation for the land requisition and other related funds are prohibited.

Article 40 When the people expropriated of land are to be resettled by a rural economic organization, the resettlement subsidy shall be paid to the organization, which manages and uses the money according to laws. If they are to be resettled by other organization, the resettlement subsidy shall be paid to the corresponding resettling organization. In case no unified resettlement is required, the resettlement subsidy shall be paid to the individuals to be resettled or used for pay their insurance expense with their approval. The resettlement subsidy shall be earmarked its specified purposes only without peculation.

Municipal, county and township governments shall enhance the supervision of the use of resettlement subsidy.

Article 46 The areas of the house sites of rural villagers shall follow the following

standards (by county for per capita cultivated land).

(1) The area of the house site of each household shall not be greater than 200m² if the per capita cultivated land is less than 0.04 hectare.

(2) The area of the house site of each household shall not be greater than 300m² if the per capita cultivated land is 0.04 to 0.07 hectare.

(3) The area of the house site of each household shall not be greater than 400m² if the per capita cultivated land is 0.07 to 0.1 hectare.

(4) The area of the house site of each household shall not be greater than 500m² if the per capita cultivated land is 0.1 to 0.14 hectare.

(5) The area of the house site of each household shall not be greater than 600m² if the per capita cultivated land is 0.14 to 0.34 hectare.

(6) The area of the house site of each household shall not be greater than 800m² if the per capita cultivated land is over 0.34 hectare.

The above standards for the areas of house sites may be appropriately raised up to twice if unused lands are used for building houses.

Applicable provisions of the Forest Law of the PRC

Article 3 The forest resources shall belong to the state, unless the law stipulates they belong to the collective.

For the forests, trees and woodlands owned by the state and the collective and the trees and woodlands owned by private individuals, the people's government above the county level shall register and record them, issue certificates and confirm the ownership and the right to use. The State Council may authorize the competent forestry authorities under the State Council to register and record the forests, trees and woodlands in key forest districts determined by the State Council to be owned by the state, issue certificates and inform relevant local people's governments.

The legitimate rights and interests of the owners and the users of the forests, trees and woodlands shall be protected by the law; no organization and private individual shall such rights and interests.

Article 10 The competent forestry authorities under the State Council shall be responsible for the forestry work nationwide. The competent forestry authorities under the people's government above the county level shall be responsible for the forestry work in their jurisdiction. The people's government at the township level shall set up full-time or part-time posts responsible for the forestry work.

Article 18 Prospecting, mining and various construction projects shall not occupy or occupy as little as possible woodlands; in case of necessary occupancy or expropriation of woodlands, upon examination and approval of the competent forestry authorities under the people's government above the county level, the examination and approval formalities for land needed for construction shall be gone through in line with relevant land administration laws and administrative regulations; and the land-use organization shall pay forest vegetation recovery expenses in line with the applicable provisions of the State Council. The forest vegetation recovery payments shall be used for designated purposes; the competent forestry authorities shall use them, according to relevant stipulations, for forestation, recovery of forest vegetation; the area of forestation shall not be smaller than the area of forest vegetation reduced as a result of woodlands occupied or expropriated. The competent forestry authorities at a higher level shall periodically urge and inspect the competent forestry authorities at a lower level in the organization of forestation and recovery of forest vegetation.

No organization and private individual shall divert the forest vegetation recovery payments. The competent auditing authorities of the people's government above the county level shall strengthen their supervision of the situation in connection with the use of the forest vegetation recovery payments.

Regulations of XUAG for the Implementation of the Forest Law of the PRC

Article 15 The occupation or requisition of forest land for mineral exploration and mining and other construction projects is subject to the approval of the competent forestry

authority of the people's government above county level. For occupation or expropriation of the forest land directly administered by the competent forestry authority of prefecture (city), county (city) or autonomous region, an application form shall be submitted to the authority and the relevant formalities gone through in compliance with the laws and regulations on forest and land administration.

Article 16 The organization approved to occupy or expropriate forest land shall pay forest cover recovery charges to the competent forestry authority of the people's government above county level and forest land compensation, forest compensation and resettlement subsidy to the owners of the land.

The standards for forest cover recovery charges shall be developed by the competent forestry authority of the autonomous region together with competent pricing authority in pursuance of the concerned regulations of the state and submitted to the people's government of the autonomous region for approval before execution. Forest land compensation, forest compensation and resettlement subsidy shall comply with the Regulations of XUAG for the Implementation of the Land Administration Law of the PRC. It is required to go through examination and approval procedures as per Article 15 for conversion of forest land to non-forestry construction uses by a forest operator within the range of its forest land except the facilities directly used for forestry production.

Article 17 The organization approved to occupy or expropriate forest land shall pay forest cover recovery charges to the competent forestry authority of the people's government above county level and forest land compensation, forest compensation and resettlement subsidy to the owners of the land.

The erection and arrangement of power transmission line, communication line and tourist cableway, laying of pipeline and construction (expansion) of road shall avoid forest. When it is unavoidable and required to fell an entire forest belt or forest, the construction unit shall present an application to the competent forestry authority of prefecture (city) in advance. For felling of odd woods, an application shall be submitted to the competent forestry authority of county (city) and associated procedures handled according to laws and the owner of the woods compensated economically.

For temporary occupation of forest land, the organization or individual occupying the forest land temporarily shall sign an agreement on temporary use of land with the organization or individual having the right to use the forest land, apply for examination and approval of the competent forestry authority above county level and pay vegetation recovery charge to the authority. If it is required to cut woods, the operator or owner of the forest shall be compensated for the woods.

Applicable provisions of Grassland Law of the PRC

Chapter II Ownership of Grasslands

Article 9 The grasslands are owned by the State, with the exception of the grasslands owned by collectives as provided for by law. With respect to the State-owned grasslands, the State Council shall exercise the right of such ownership on behalf of the State.

No unit or individual may take illegal possession of, trade in or illegally transfer in other forms the grasslands.

Article 10 The State-owned grasslands may, in accordance with law, be allocated for use to the units under the ownership by the whole people and to collective economic organizations.

All units that use the grasslands shall fulfill the protecting, developing and rationally using the grasslands.

Article 11 With respect to the State-owned grasslands which, in accordance with law, are allocated for use to units under the ownership by the whole people and to collective economic organizations, the people's governments at or above the county level shall register such grasslands, issue certificates for the right of use to the said units and organizations after verification and thus establish their right to use such grasslands.

With respect to the State-owned grasslands, for which the right of use is not allocated, the people's governments at or above the county level shall register such grasslands and

shall be responsible for their protection and control.

With respect to the grasslands owned by collectives, the people's governments at or above the county level shall register such grasslands, issue to the collectives the certificates of ownership after verification to and establish their right of ownership of such grasslands.

Where the ownership of grasslands is changed in accordance with law, the formalities for registration of shall be completed.

Article 12 The right of ownership and the right of use of the grasslands registered in accordance with law shall be protected by law, and no unit or individual may infringe upon such ownership or right.

Article 13 The grasslands owned by collectives or the State-owned grasslands which have been allocated for use to collective economic organizations may be contracted for management by households individually or jointly within the said collective economic organizations.

No adjustment may be made to the grasslands used by the contractors within the term of contractual management of the grasslands; where appropriate adjustments need be made to a few pieces of grasslands, the matter shall be subject to agreement by two-thirds or more members of the villagers (herdsmen) assembly, or two-thirds or more villagers' (herdsmen's) representatives, of the collective economic organization concerned and shall be reported for approval to the township (town) people's government and the competent administrative department for grasslands under the people's government at the county level.

Where grasslands owned by a collective or the State-owned grasslands which are allocated for use to a collective economic organization in accordance with law are contracted to units or individuals other than the ones of the said organization, the matter shall be subject to agreement by two-thirds or more members of the villagers (herdsmen) assembly, or two-thirds or more villagers' (herdsmen's) representatives, of the collective economic organization concerned and shall be reported for approval to the township (town) people's government.

Article 14 For contractual management of a piece of grasslands, the party contracting out the grasslands and the contracting party shall sign a written contract. The contents of the grassland contract shall include the rights and obligations of both parties, the four boundaries, area and grade of the contracted grasslands, the term of the contract and the starting and expiration dates, the purpose of use of the grasslands and the liabilities for breach of the contract, etc. At the expiration of the term of the contract, the original contractor shall, under equal conditions, have the priority of the right to contract.

The units and individuals for contractual management of grasslands shall fulfill the obligations of protecting, developing, and rationally using the grasslands in adherence to the purpose of use as agreed upon in the contract.

Article 15 The right to contractual management of grasslands is protected by law, and it may be transferred in accordance with law and on the principles of voluntariness and compensation.

The transferee of the right to contractual management of grasslands shall have the capability of pursuits in animal husbandry and shall fulfill the obligations of protecting, developing, and rationally using the grasslands in adherence to the purpose of use as agreed upon in the contract.

The transfer of the right to contractual management of grasslands shall be subject to agreement by the party contracting out the grasslands. The term of transfer agreed upon in the transfer contract by the contractor and the transferee may not exceed the remaining period of the original contract.

Article 16 Disputes over the ownership or the right of use of grasslands shall be settled by the parties through consultation; and where consultation fails, the disputes shall be handled by the people's government concerned. Disputes between units shall be handled by the people's government at or above the county level; disputes between individuals or between individuals and units shall be handled by the township (town) people's government or the people's government at or above the county level.

Pending the settlement of a dispute over ownership of grasslands, none of the parties

may change the status quo in which the grasslands is being used, or damage the grasslands in question or the facilities thereon.

Chapter V Use

Article 33 Contractors for grassland management shall make rational use of the grasslands, and they may not exceed the stock-carrying capacity verified by the competent administrative department for grasslands; and they shall take such measures as growing and reserving forage grass and fodder, increasing the supplies of forage grass and fodder, readjusting their disposition of livestock, optimizing the mix of livestock and increasing the number of heads of livestock for sale, in order to keep the balance between grass yield and the number of livestock raised.

The standard for grassland stock-carrying capacity and the measures for control of the balance between the grass yield and the number of livestock raised shall be formulated by the competent administrative department for grasslands under the State Council.

Article 34 Contractors for grassland management in pastoral regions shall practice regional rotation grazing, rational distribution of herds and balanced use of grasslands.

Article 35 The State encourages rearing livestock in pens in rural areas, in semi-rural and semi-pastoral areas and in the pastoral areas where conditions permit. Contractors for grassland management shall, according to the kinds and number of livestock they raise, readjust and reserve forage grass and fodder and employ new techniques such as forage grass and fodder ensiling and processing, in order to gradually change the mode of production in which grazing depends solely on natural grasslands.

In areas where grazing is prohibited or closed grazing or rotation grazing is practiced, the State gives grain or funds as subsidies to people who raise livestock in pens, and the specific measures in this respect shall be formulated by the State Council or the relevant department authorized by it.

Article 36 For people working on haying grounds or bases for breeding wild grass seeds, shoots or tissues, the competent administrative departments for grasslands under the people's governments at or above the county level shall specify a rational period of time for grass mowing and variety collecting as well as the height for the stubble left and intensity for cutting and collecting, in order to practice rotation mowing and collecting.

Article 37 Where, under special circumstances such as natural disaster, it is necessary to temporarily readjust the use of grasslands, the matter shall, on the principles of voluntariness and mutual benefit, be resolved through consultation by the two parties concerned. Where it is necessary to temporarily readjust the use of grasslands between counties, the matter shall be resolved through consultation arranged by the relevant people's governments at the county level, or by the people's government at a higher level to which the people's governments at the county level are both subordinated.

Article 38 No grasslands, or as little grasslands as possible, may be occupied for exploiting mineral resources and engineering. Where it is necessary to acquisition or use grasslands, the matter shall be subject to examination and approval by the competent administrative department for grasslands under the people's government at or above the provincial level, and, the examination and approval formalities for the use of land for construction shall be completed in accordance with the laws and administrative regulations on land administration.

Article 39 Where grasslands owned by collectives are to be acquired for construction, compensation shall be made to the said collectives in accordance with the Land Administration Law of the People's Republic of China; and where State-owned grasslands are to be used for construction, compensation shall be made to the contractors for grassland management in accordance with the relevant regulations of the State Council.

Where grasslands are to be acquired or used for construction, fees for restoration of grassland vegetation shall be paid. Such special fees shall be used for special purposes, that is, to be used in accordance with relevant regulations by the competent administrative department for grasslands to restore grassland vegetation, and no unit or individual may withhold or misappropriate them. The measures for collection, use and management of the

fees for restoration of grassland vegetation shall be formulated by the competent administrative department for pricing and the financial department under the State Council jointly with the competent administrative department for grasslands under it.

Article 40 Where it is necessary to occupy a piece of grasslands temporarily, the matter shall be subject to examination and approval by the competent administrative department for grasslands under the people's government at or above the county level.

The time limit for temporary occupation of grasslands shall not exceed two years and no permanent building or structure may be put up on the grasslands that are temporarily occupied; and at the expiration of the time limit, the unit using the grasslands shall restore the vegetation and return the grassland without delay.

Regulations of XUAG for the Implementation of the Grassland Law of the PRC

Article 17 The requisition of collectively owned grassland for state construction shall comply with the Land Administration Law of the PRC and the Regulations of XUAG for the Implementation of the Land Administration Law of the PRC. The use of the grassland owned by the whole people for state construction shall be allocated with the approval in accordance with the procedure and approving authority of land expropriation for state construction. The construction unit shall properly compensate the original use unit for losses thus incurred and appropriately resettle the living and production of herdsman, provide them with grassland or arrange the employment of conforming herdsmen. The construction unit shall be responsible for relocation of the original use unit if required.

The examination and approval of the expropriation or use of grassland for state construction shall ask for the advices from the concerned department in charge of animal husbandry in advance. Grassland compensation shall be used only for grassland construction other than other purposes. The appropriation or use of grassland in an autonomous prefecture or county for state construction shall give consideration of its interests and make arrangements in favor of its economic construction.

Article 19 The temporary use of grassland for geological prospecting, erection of lines above ground, laying of underground pipeline, military exercise, etc is subject to the approval of the quantity, location and time limit from the local county people's government by presenting the approval document or prospecting certificate issued by the higher competent authority. Consideration shall be given to the advices of the concerned department in charge of animal husbandry on approval of land use. For temporary use of grassland, the grassland shall be compensated year by year according to its average annual output value in the last three years, grassland vegetation recovered and the grassland returned as scheduled.

The grassland shall be compensated 2 to 4 times its average annual output value of in the last three years in case of serious damage (irrecoverable within three years) of grassland vegetation and 4 to 5 times in case of fundamental damage (irrecoverable naturally).

Implementing Regulations for Administration of Low-rent Housing for Urban Minimum-income Families in Habahe County

Chapter I General

Article 1 In order to improve the urban low-rent housing administration system and satisfy the basic housing requirements of the urban minimum-income families in Habahe, these detailed regulations are formulated based on the actual conditions in this county in accordance with the Measures for the Administration of Urban Subsidized Housing for Families with the Lowest Income (No.120 Decree of the Ministry of Construction) and A.D.J.Z.92004) No.43 Document.

Article 2 The low-income housing for urban minimum-income families is guaranteed by issuing house rent subsidies as the primary means and renting in kind and reducing rent as the secondary means.

The "house rent subsidy" mentioned herein refers to that the county government issues a certain amount of cash allowance to qualified applicants in certain time so that they can rent houses on the market.

The "renting in kind" refers to that the county government directly provides houses to

qualified applicants at low rent within certain time.

The “rent reduction” mentioned herein refers to that the owners of public houses reduce or remit the rent of urban low-income families within certain time.

Article 3 The competent authority of the county takes charge of the administration of the low-rent housing for the urban minimum-income families in this county.

The finance, civil administration, land and resources and other departments shall give assistance to the administration of low-rent housing for urban minimum-income families.

Chapter II Sources of Funds and Housing

Article 4 The funds for low-rent housing for urban minimum-income families are mainly arranged by financial budget and financed through several channels as follows:

- (1) Special-purpose funds arranged by financial budget;
- (2) Additional low-rent housing funds extracted from the value-added returns of housing accumulation funds in accordance with the relevant regulations;
- (3) Funds extracted by 30 percent from the sales income of public housing;
- (4) Funds donated by the society;
- (5) Rental income from renting in kind;
- (6) Funds financed through other channels

Article 5 The funds for low-rent housing for urban minimum-income families are deposited and managed in the specially designated account of the county finance and used to grant house rent subsidy, build, repair and manage low-rent housing, and pay the wages, benefits and office expenses for managerial staff as well as the expenditures of low-rent housing administration rather than other purposes.

The finance, audit, supervision and other departments of the county supervise the raising, use and management of the funds for low-rent housing for urban minimum-income families.

Article 6 The sources of the low-rent housing for renting in kind mainly include:

- (1) Low-rent houses purchased by the government;
- (2) Low-rent houses built by the government;
- (3) Public houses emptied;
- (4) Houses donated by the society;
- (5) Houses raised through other channels

Article 7 The land for new building of low-rent houses is provided by means of administrative allocation. In principle, the administrative and institutional fees involved in the government's purchase and construction of low-rent housing are collected by one half. Tax preferences shall be given to the rental income from low-rent housing.

Article 8 Annual plans shall be properly made by the Construction Bureau along with the Finance Bureau of the county depending on its financial capability and the quantity of the families in urgent need of renting of houses and put into effect with the approval of the county government. The sources of low-rent housing are mainly common houses purchased and economically affordable housing and centralized building of low-rent housing is limited.

Chapter III Application and Approval

Article 9 To apply for house rent subsidy or reduction, a minimum-income family shall meet the following requirements:

(1) All the members (including unmarried people) of the family shall have registered permanent non-agricultural residence and really live in the county. At least one member of the family has obtained registered permanent residence for more than three years (inclusive) and other members more than one year. If there is more one member in a family, they must bearing legal relationship of maintenance, supporting or alimentation.

(2) The per capita income of the family conforms to the minimum living standard of urban residents and the family has acquired minimum living allowance from civil administration department for more than 12 months.

(3) The members of the family have not gone in for one of the following circumstances:

- a. One of the members of the family violates family planning policies;
- b. One of the members of the family acts illegally such as gambling and drug abuse.

Article 10 A minimum-income families meeting the above requirements and one of the following conditions may apply for renting public housing:

(1) The family has no legal provider or its legal provider is a teenager without ability to work and support the family as well as means to make a living.

(2) The family has no legal provider or its legal provider is an elderly person without ability to work and support the family as well as means to make a living.

(3) The family is a key special-care recipient enjoying regular pensions and subsidies.

(4) The family is low-income family whose main laborer has a certificate of disability and has no working ability.

Article 11 The issue of house rent subsidy and renting of low-rent houses are subject to application, examination, approval, publication and registration by following the procedure below:

(1) Application

Each April and October is the time for centralized acceptance of application for low-rent houses. An applicant shall submit a written application at the neighborhood committee where his/her residence is registered by presenting his/her I.D. card, household register, certificate of marriage and birth, certificate of housing conditions issued by local neighborhood committee or his/her organization, Certificate of Minimum Living Allowance for Urban Residents and the Approval Form for Issuance of the Minimum Living Allowance to Urban Residents (certificates of widowed senior citizen, family members of a revolutionary martyr, unemployment and disability). The neighborhood committee takes charge of household survey and preliminary examination. The applicant and associated organization or individual shall accept the survey and furnish real information. The neighborhood committee shall complete the household survey and preliminary examination within 10 workdays after expiration date of the application reception.

(2) Examination and Approval

The Bureau of Civil Affairs of the country checks and verifies the survey and preliminary examination within three workdays and the competent authority of construction approves the application within two workdays.

(3) Publication and Registration

The qualified families approved shall be made public on the local media or governmental website for 15 days. Those having no objection or tenable objection after publication are registered with their result of registration publicly reviewed.

Article 12 The minimum-income families renting public houses shall apply for rent reduction at the Low-rent Housing Review Office. The applications examined by neighborhood committee and publicly reviewed without objection or tenable objection may be submitted to the competent construction authority for filing.

Article 13 The minimum-income families enjoying rent reduction and renting in kind is exempted from house rent guarantee.

Chapter IV Administration and Punishment

Article 14 Dynamic administration and annual examination are practiced for the minimum-income families enjoying low-rent housing. The annual examination is performed in the first quarter each year.

Article 15 The minimum-income families enjoying low-rent housing shall accurately report their household income, number of members and change in housing to neighborhood committee before the 20th day of each January. The neighborhood committee investigates and verifies their declaration and submits the verification to the competent construction authority for recheck. The latter adjusts house rent subsidy and low-rent housing depending on the result of the recheck. The families exceeding the specified income standard for one year successively shall be deprived of the qualification of low-rent housing and house rent subsidy. Such tenants renting in kind shall withdraw from low-rent houses within three months.

Rent reduction shall be terminated for the families exceeding the specified income standard. Those quitting from low-rent housing shall be charged rent to the rent standard of the common housing of the county in the quitting period. Those failed to quit their low-rent houses without justified reason will be given an order of house withdrawal and charged two to five times standard rent of common housing.

Article 16 The qualification for application of minimum-income family shall be canceled provided that it violates the stipulations herein and fails to accurately report its household income, number of members and housing conditions while applying a low-rent house. In case a family has gained low-rent housing allowance by cheating, it shall be ordered to return the collected house rent subsidy, withdraw from low-rent house and pay the difference between the average market rent and the rent of the house or the reduced rent. In serious cases, such family may be fined up to 1000 yuan and deprived for the qualification for applying low-rent housing.

Article 17 In the event a tenant of low-rent house commits one of the following acts, the Construction Bureau of the county calls back the low-rent house rented by him/her or stops issuing rent subsidy to him/her or reducing rent, and cancels his/her qualification for applying low-rent housing within five years.

- (1) Lend or sublet the low-rent house rented to others;
- (2) Change the tenant of the low-rent house to a third party without authorization;
- (3) Change of the purposes of the house without authorization;
- (4) Have not lived in the low-rent house for six months in succession (except hospitalization for illness).

Article 18 An applicant of low-rent house may lodge an appeal to the county people's government or the competent construction authority of the autonomous region provided he/she has complaints against the examination and verification by the Low-rent Housing Review Office, issue of rent subsidy or house renting.

Article 19 Should the personnel of the Low-rent Housing Review Office or other competent authorities accept money, property or other benefits by taking advantage of their office in the administration of low-rent housing, or fail to fulfill their supervising duties for approved low-rent houses or investigate and prosecute illegal acts found, they shall be given administrative punishment. Criminal responsibility shall be affixed if the case is serious enough to constitute a crime

Chapter V Supplementary Provisions

Article 20 These Regulations are put into effect upon April 1, 2006. The Implementation Plan for Low-rent Housing of Habahe County (H.Z.B.[2002] No.38 is abolished from the same day.

Table Notes to Document [XJJF (2001) No.500] of the XUAG Development Planning Commission and Department of Finance

Table Note 1:

Table 1.1 Calculation bases of farmland compensation

Unit: yuan/mu

Grade	I (High-yield)	II (High-yield)	III (High-yield)
Level	1200	640	480
Notes	1. These rates apply to farmland on which cereal crops are grown; 2. For farmland on which special crops are grown, vegetable plots and orchards, annual output values shall be higher than that of Grade I farmland; that of cotton land may be up to 105 times, that of orchards up to 3 times, that of grape land up to 4 times, and that of other cash crops measured at actual annual output value.		

Table Note 2:

Table 1.2 Calculation bases of pasture land compensation

Unit: yuan/mu

Grade Base amount Level	I Excellent/good	II Medium	III Inferior
1	328	262	120
2	262	148	88
3	136	96	63
4	80	69	50

Table Note 3:

Table 1.3 Standard of resettlement subsidy

Per capita arable area (mu)	Multiple of average annual output value of the past 3 years
>3.5 mu	4—5
3.0—3.5	6—7
2.5—3.0	8—9
2.0—2.5	10—12
1.5—2.0	13—15
1.0—1.5	16—18
0.5—1.0	19—20
<0.5 mu	30 times of the sum of land compensation fees and resettlement subsidy

Table Note 4:**Table 1.4 Standard of compensation fees for urban state-owned land****Unit: yuan/m²**

Entity	Within built-up area	Out of built-up area
Urumqi Municipality	30	20
Karamay, Shihezi, Kuytun, Changji, Bole, Yining, Tacheng, Korla, Altay, Turpan, Hami, Aksu, Artux and Hetian Municipalities	20	10
Other counties (cities)	15	8
Other townships	6	2

Table Note 5:**Table 1.5 Compensation rates for timber and commercial forests**

Item / species	Unit	Tree specification (breast diameter, cm)	Compensation rate (yuan)
Broad-leaf forest	/	<5cm	10-15.
	/	5-15cm	15-25
	/	13-30cm	25-35
	/	>30cm	45
Coniferous forest	/	<5cm	20-30
	/	5-15cm	30-50
	/	13-30cm	50-70
	/	>30cm	90
Fruit tree	/	<5cm	20-40
	/	5-15cm	40-60
	/	13-30cm	60-100
	/	>30cm	120
Grape	/	Not bearing fruit below 3 years	30-70
	/	Bearing fruit above 3 years	70-110
Note: The forest compensation fees of Zhengbo Reserve are higher by 50%.			

Table Note 6:**Table 1.6 Compensation rates for scrub forests**

Close canopy (%)	Rate (yuan/mu)
20—40	300
40—60	500
>60	600

Table Note 7:**Table 1.7 Rates of management fees for temporary land uses**

Nature of land	Land type and area	Rate	Remarks
Land for infrastructure construction projects, such as energy, traffic, water resources, communication and investigation		20 yuan/year*mu	Any period less than one year shall be counted as one year, and more than one year but less than two years as two years.
Operating temporary land uses	Within built-up area	1-2 yuan/month*m ²	
	Out of built-up area	0.1-0.5 yuan/month*m ²	
Other temporary land uses	Within built-up area	0.3-0.5 yuan/month*m ²	
	Out of built-up area	0.1-0.3 yuan/month*m ²	

Appendix 2 Minutes of Public Participation and Interview

Minutes 1	
Time	Aug 04, 2009
Venue	Meeting room of HCLRB
Attendees	HCLRB, Planning Bureau, HCCB, HDMO, FS and RP preparation agencies, and resident representatives of affect communities and villages
Main contents of meeting	<p>The meeting was mainly intended to introduce the contents of the Project, the locations of roads, refuse dump and wastewater treatment plant, the routing of pipeline network and the potential emigration influences as follows:</p> <ol style="list-style-type: none"> 1. The County PMO introduced the locations of roads, refuse dump, heating pipeline and wastewater treatment plant and which roads were to be built, expanded and reconstructed, and asked the resident representatives to identify and express their opinions on whether it was necessary to build or repair the roads, refuse dump, pipeline and wastewater treatment plant and what needed to be improved. 2. The Planning Bureau described the conditions of the roads in the urban plan and answered the questions of the resident representatives. 3. The measures to avoid the possible emigration were discussed. <p>HDMO suggested avoiding relocation or influence upon the living of the surrounding villagers as far as possible in selecting the sits of the roads, refuse dump, heating pipeline and wastewater treatment plant.</p> <p>HCLRB suggested avoiding or minimizing the occupation of farmland in selecting the sits of the roads, refuse dump, heating pipeline and wastewater treatment plant, such as the integrated pipe network project of the county town.</p> <p>The RP preparation agency gave the following advices after field exploration: Lay most part of the drainage pipe lines along highways or in wasteland, avoid laying of exposed pipes as much as possible while considering the recovery of the ground surface after pipeline construction as this may fulfill the requirements of project design, avoid permanent expropriation of farmland of native villagers and minimize the damage of crops; use wasteland in the valley as the site of the landfill as much as possible depending on its topographic conditions; and arrange the garbage treatment center at the existing urban vacant lands.</p> <p>The Design Institute advised: Highlight environmental protection, keep away from water head sites, schools, hospitals, cultural relics, historic sites, scenic spots and other environmentally sensitive areas; prevent the construction site from polluting the surrounding environment or keep its pollution of the surrounding environment in the range approved by the laws, regulations and current standards of the state; and give consideration to the certain safety distance from the site to residential areas leeward the dominant wind in site selection.</p> <p>The residents suggested: Give full consideration to the possible inconvenience that project construction may bring to the production and living of the local residents. For example, build walkways in the sectors with relatively centralized residents to facilitate their passage.</p> <p>The residents suggested: optimize construction design, shorten construction period, minimize large-scale landfill and excavation, and reasonably arrange special time of rebuilding and construction so as to reduce the impact of project construction on local residents. For example, houses demolition and rebuilding shall be generally arranged in slack farming seasons, land acquisition after harvesting of crops and construction of bridges and culverts before spring ploughing for purpose of drainage, irrigation and flood control of farmland.</p>

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Interview Records 2	
Time	May 18, 2010
Venue	Kanmener Village, Akeqi Town
Attendees	County PMO: Ma Fei 9 villager representatives including 4 men, 5 women, 3 Han people, 2 Hui people, 2 Uygur people and 2 Kazakh people Resettlement experts of TA Team and RP preparation agency
Main contents of meeting	<p>Planting was the main income source of the villagers. A part of the villagers went out to work in transportation, taxi, services and other trades. Ma Tianxiang (male, householder, Hui, 54 years old, education: middle school, main income source of his family: planting) had two children at school with heavy expenses. He hoped that he and his family members could work for the Project in order to increase their income.</p> <p>Jiaerheng (male, householder, Kazakh, 41 years old, education: middle school) was mainly engaged in planting. His family has five members. He and his wife employed themselves in planting. His eldest daughter Lina was 20 years old, graduated from senior high school and went to the outside for working. His youngest daughter was 14 years old and in junior middle school. She hoped that she could receive training from the Project and thereby increasing her job opportunities.</p> <p>Musilatihan (female, householder, Uygur, 59 years old, widowed, education: elementary school) was mainly engaged in planting. Her family consists of 6 members including one living on subsistence allowances, two sons, one daughter and two grandsons who were in school. The family earned a living on planting. For the implementation of the Project, she hoped that her two sons could receive PC skill training and her daughter be trained for handicraft and other skills. She also hoped that all of her children could be involved in the Project so that her grandsons could choose better schools and receive better education.</p> <p>Villagers' attitudes toward the Project:</p> <p>All the affected residents support the construction of the Project.</p> <p>Employment training shall be pertinent. Young people do not need basic training for technical professions but skill trainings in tune with the times such as PC, cooking and vehicle repair. Women hope to receive training of cooking, handicraft and other aspects. Elderly people hope to be trained for agricultural techniques and some job and post.</p> <p>The villagers hope that they may take part in the construction of the Project. Enterprises' recruitment of employees frees villagers from worries provided that they can offer all required benefits.</p> <p>Consideration shall be given to the protection of farmland infrastructure in case of temporary occupation of land because the farmland may lose fertility gradually and finally become untellable as a result of damage caused to the infrastructure by the Project. In this case, it is recommended to at first protect the infrastructure. If it is unavoidable, the infrastructure must be repaired; otherwise it may exert great influence on the income of</p>

	planting. The villagers hope to learn employment information through TV programs.
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Interview Records 3	
Time	May 20, 2010
Venue	Jiefang Road C., Akeqi Town
Attendees	HCLRB: Ma Fei Owner of demolished house: Zhang Caigui (householder) and his families RP preparation agency
Main contents of meeting	<p>Members of the family: four members; Zhang Caigui, 68 aged, education: junior middle school, widowed and retired; daughter: Zhang Fang, migrant worker; son-in-law: Lu Fuliang, 45 aged, education: junior middle school, doing small business; one grandson: 7 years old at school</p> <p>Sources of economic incomes: The family lives on wages and earnings on part-time job with an income of 35,000 yuan each year. In addition, the family earns some money from small business and house rental.</p> <p>The construction of road in the Project will influence the house of the owner as it will be demolished. The owner believes that their transport conditions will be improved when the road is built and that the construction of the refuse dump and wastewater treatment plant may improve the hygienic conditions of the county town.</p> <p>The owner hoped to be timely resettled and compensated for the demolished house with a suit of apartment.</p>
	

Interview Records 4	
Time	May 20, 2010
Venue	Jiefang Road C., Akeqi Town
Attendees	HCLRB: Ma Fei Owner: Xu Dianzhi and his family members RP preparation agency

Main contents of meeting	<p>Members of the family: three members; two sons; Xu Dianzhi, 73 aged, education: elementary school, widowed and retired from seed breeding farm; elder son: Xu Shuanglin, 45 aged, unmarried, education: junior middle school, handicapped; younger son: Xu Hulin, 35 years old, unmarried, education: junior middle school</p> <p>Sources of economic incomes: The family earns 11,250 yuan annually from the rental of their land. In addition, Xu Dianzhi is a retired worker and enjoys monthly retirement pensions of 1,500 yuan.</p> <p>The family has 45 mou of cultivated land. The family supports the highway very much though the highway project will occupy 13 mou of their land. They do not worry about the use of the land because they know it is the inevitable trend of the development of the county town. They possess land in the breeding farm besides the appropriated land. The workers of the breeding farm will return their land to the farm after retirement and the farm allocate land according to the area of the expropriated land. They believe the construction of the highway and improvement of infrastructure will promote the economic growth of the county town and increase job opportunities. The family hopes to participate in the Project.</p> <p>They plan to do some small business or retail business in order to improve the living level of the family using the earnings from the Project.</p>
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Interview Records 5	
Time	May 20, 2010
Venue	Jiefang Road C., Akeqi Town
Attendees	HCLRB: Ma Fei Interviewees: Salik, Tabus and Turuxhan RP preparation agency
Main contents of meeting	<p>The breeding farm has three minority people affected by land occupation. All of them are Kazakh people who get a main income from agriculture. Both Salik and Tabus are workers of the breeding farm engaged in planting and working in the farm. They do not reveal any social economic characteristics different from other workers. Turuxhan is from an adjacent village and also makes a living on planting on his own land and that of the breeding farm. According to the interview, they support the construction of the highway very much. They do not worry about the use of the land because they know it is the inevitable trend of the development of the county town. They possess land in the breeding farm besides the appropriated land. The workers of the breeding farm will</p>

	return their land to the farm after retirement and the farm allocate land according to the area of the expropriated land. They believe the construction of the highway and improvement of infrastructure will promote the economic growth of the county town and increase job opportunities. The family hopes to participate in the Project. Turuxhan needs to sign contract yearly for renting the land of the breeding farm. The contract will become due when the Project commences. So he will return to his village and continue planting on his own land or the land rented from adjacent households. Therefore the construction of the Project has not influence upon him.
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Interview Records 6	
Time	May 20, 2010
Venue	Jiefang Road C. Community, Akeqi Town
Attendees	HCLRB: Ma Fei Owner: Xi Xiaomin (worker of the breeding farm) RP preparation agency
Main contents of meeting	Xi Xiaomin (male, Han, 48 aged, graduated from junior middle school, worker of the breeding farm) is mainly engaged in farming. His wife (Yang Caixia, 47 years old, graduated from junior middle school) is also mainly engaged in agriculture. They have one son who is studying in a senior high school. The family possesses 30 mou of land. Planting is the main source of income of the family. The annual income of the family is about 12,000 yuan. The construction of the highway has certain influence upon the income of the family as it mainly comes from agriculture. The expenses of the family are heavy because the son is studying in senior high school. They hope that they can be involved in the implementation of the Project. The construction of the Project will improve the surrounding transport conditions while providing advantages for doing other business. The owner is ready to earn some money from the implementation of the Project to buy a truck for long-distance freight service and to increase the income of the family.
	

Additional interview information:



Respondent Xu Shuangcun and family



Zhang Juying, wife of respondent Xu Dianxin



Respondent Tang Tianhua House to be demolished of respondent Tang Tianhua's family



Family of respondent Zhang Zhiyu House to be demolished of respondent Zhang Zhiyu's family



Appendix 3 Resettlement Information Booklet (RIB)

_____ **(Name of affected person)**

In order to relieve traffic congestion, and improve road safety and the county town's ecological environment and overall image, HCG (executing agency) plans to use part of an ADB loan to implement a municipal infrastructure and environmental improvement project in Habahe County, which is a subproject of the ADB-financed Xinjiang Municipal Infrastructure and Environmental Improvement Project.

The Project will affect your family (entity) to some extent. This booklet is provided to you so that you understand the basic information of the Project, state policies on land acquisition, house demolition and resettlement, and possible impacts on you.

I. Introduction to the Project

The implementing agency of the Project is HCCB. The Project involves:

1. Road construction: 5 roads will be built in the county town, with a total length of 5,600.26m, including a primary road of 618.32m and 4 secondary roads of 4,981.94m, which will be provided with lighting, landscaping and traffic marking facilities, and maintenance equipment.
2. Water supply: A new water supply network of 5,620m will be built, in which dn400 is 1,440m long, dn300 1,880m long and dn200 2,300m long.
3. Drainage: An 8,000m³/d sewage treatment plant (an access road of 0.8km and a 10KV power line of 3.0km) and a drainage network of 15,660m will be built, in which DN300 is 7,730m long, DN400 710m long, DN500 520m long, DN600 1,490m long and DN800 5210m long.
4. Refuse disposal: A 60t/d refuse disposal plant and operating equipment, ashbins (420) and refuse collection points (60) will be built; an access road of 1.0km improved; a 10KV power line of 4.0km built for the refuse disposal plant.
5. Central heating: 4 heating stations and a primary heating network of 2,461m (one-way) will be built, in which DN250 is 1,827m long, DN300 134m long and DN400 500m long. The heating source expansion will be funded by Chengbei Heat Supply Company, and the boiler house will be expanded on the existing state-owned land of the plant area.
6. Birch forest zone environmental improvement and infrastructure construction: In the birch forest zone, a water distribution network of 8,470m (in which the dn100 PE pipeline is 3,490m long and the dn50 PE pipeline 4,980m long), a 90m³/d water purifying plant; a 150 m³ regulating septic tank, a drainage network of 7.05km (with a uniform diameter of DN200) and 177 drainage manholes will be built.

II. Impacts of the Project

Road construction will involve land acquisition and house demolition in one town, 2 villages and 4 communities (Minzhu Road Central, Jiefang Road Central, Wenhua Road and Xingfu Road) in Habahe County, and affect 10 households with 34 persons, including one minority household with 4 persons. 47 persons of the breeding farm will be affected by land acquisition, where 195.46 mu of farmland (state-owned) will be acquired. Urban residential houses of 1,741.81m² will be demolished, including 218m² in masonry-concrete structure, 1,137.9m² in masonry-timber structure and 385.91 m² in earth-timber structure. The sewage treatment plant and its access road in the drainage component will occupy 90.3 mu of state-owned desert and woodland, and 19.53 mu of farmland in Kanmen'er Village, Laishe Village and Minzhu Road Central Community, Akeqi Town temporarily, affecting 48 households with 210 persons temporarily, including 35 minority households with 163 persons; drainage network laying will involve excavation of urban state-owned roads, which will occupy 42.48 mu of land temporarily; 174 mu of state-owned desert and woodland will be acquired for the refuse disposal plant. The central heating component will be expanded on the former site, involving no land acquisition or house demolition. The birch forest zone environmental improvement and infrastructure construction component will occupy state-owned land,

involving no land acquisition or relocation.

III. Compensation rates

The Project is a public program, where land use rights of urban state-owned land within and out of the built-up area of Habahe County will be acquired by allocation. Temporary land occupation will involve state-owned desert and woodland in Habahe County. The prevailing benchmark land prices of Habahe County are shown in Table 3.1.

Table 3.1: Benchmark land prices of Habahe County
Unit: yuan/m²

Grade	I	II	III
Housing land	265	142	

A correction factor of 0.3 applies to the housing land involved in the Project. The benchmark land price levels of the roads involved in the Project are shown in Table 3.2.

Table 3.2: Benchmark land prices of the affected areas

No.	Road	Level of benchmark land price	Land type
1	Jiefang road Central	II	Housing
2	Xingfu Road North	II	Housing
3	Wenhua Road North	II	Housing

State-owned desert and woodland in Habahe County will be involved in land acquisition. According to the Regulations on the Implementation of the Forest Law of the PRC, Document (XUAG GO Fa [2008] No.39) of the General Office of the XUAG Government and the Administrative Measures for the Examination and Approval of Woodland Acquisition and Occupation of XUAG, any entity approved to occupy or acquire woodland shall pay forest vegetation restoration fees to the administrative authority for forestry of the county level or above government, and woodland compensation fees, forest compensation fees and resettlement subsidy to the owner or operator of the occupied woodland. The rates of forest vegetation restoration fees shall be fixed by the administrative authority for forestry of XUAG together with the administrative authority for prices in light of the applicable state provisions, and submitted to the XUAG government for approval. Woodland compensation fees, forest compensation fees and resettlement subsidy shall comply with the applicable provisions of the Measures of XUAG for the Implementation of the Land Administration Law of the PRC.

Table 3.3: Compensation rates for urban residential houses

Category	Item	Unit	Rate	Remarks
Residential house	House compensation			
	Masonry concrete	yuan/m ²	880	
	Masonry timber	yuan/m ²	650	
	Earth timber	yuan/m ²	600	
	Simple structure	yuan/m ²	300	
	Land compensation			
	Land compensation	yuan/m ²	Tier-1 areas: 265 yuan Tier-2 areas: 142 yuan	
The following subsidies are provided for the affected households all of whose houses are demolished:				
Other compensati	Moving subsidy	yuan/household	1200	

Category	Item	Unit	Rate	Remarks
on	Transition subsidy (storied buildings)	yuan/month/household	550	The transition period will be calculated from the date of displacement to the date of move-back; a reasonable transition period is 10 months; compensation will continue beyond 10 months.
	TV displacement fee	yuan/household	108	

Compensation for house demolition includes compensation for both house structure and state-owned land. See Table 3.4 for the detailed grading of state-owned land.

Table 3.4: Benchmark land prices of compensation rates for urban residential houses

Grade of state-owned housing land occupied by the Project		
Road	Grade	Category
Tuanjie Road	II	Housing land
Xingfu Road	II	Housing land
Wenhua Road	II	Housing land
Benchmark land price		
265 yuan/m ²	I	Housing land
142 yuan/m ²	II	Housing land
-	III	Housing land

Table 3.5: Compensation rates for affected attachments and special facilities

Item	Unit	Total	Rate (yuan)
Tree (usable as timber)	/	9	80
Fruit tree (usable as timber)	/	64	120
Fruit tree (small sapling)	/	14	60
Grape	/	7	110
Telegraph pole	/	30	1200
Pressure well	/	10	660
Toilet	/	10	1200

Table 3.6: Compensation rates for temporary land occupation

Type of land occupation	Unit	Compensation for annual output value (yuan/mu/year)
Farmland	yuan/mu-year	1200

IV. Resettlement

1. Land acquisition

The following 3 measures are available for livelihood restoration of the displaced persons:

- Land reallocation for the in-service workers: The 29 affected in-service

workers will lose 147.54 mu of land. The land of the retirees and tenants will be recovered (664 mu) for reallocation on the principle of compensating for the lost land area. The soil quality of the reallocated land will be the same as that of the acquired land.

b) Wage payment for retirees: When a worker attains retiring age, he/she will no longer have the right to use land. Under normal procedures, the allocated land will be withdrawn for reallocation. A retiree will be paid a retirement pension by the state according to the wage standard for retirees.

c) Tenants of the farm

When the land contract expires, the contract will be dissolved automatically and they will return to farm on their own land or rent other land from nearby households.

2. Resettlement of the displaced households

The resettlement modes offered include cash compensation and purchase of resettlement housing. After receiving the compensation for house demolition, the displaced persons may select either resettlement mode based on their affordability or personal needs, i.e., buying commercial housing at market price or exchanging for resettlement housing.

Resettlement community: The Spring Garden community under planning has been approved by the construction authority of Habahe County. It is located east of Xingfu Road North and south of Ashele Avenue in the county town, being the future center of development of the county town. It is 200 meters away from the nearest kindergarten and 900 meters away from the nearest hospital, and the resettlement housing is just 100-500 meters away from the existing houses of the displaced households. 7 buildings will be built in the community to accommodate 504 households, at a floor area ratio and a building density that conform to the Urban and Rural Planning Law. The construction period will be 2 years (from 2011 to 2013). It is expected that it will be ready for move-in by 2012-2013. HCCB is responsible for planning and design. The layouts of the resettlement housing include 2 or 3 bedrooms and one living room of 70-90 m², and 3 bedrooms and 2 living rooms of 90 m² or more, with an average area of 86m². There are power, communication, broadcast, TV, water supply and sewerage, central heating facilities, and roads in the resettlement community, which will be built in a unified manner. Based on a preliminary cost estimate of the resettlement housing, the price will be about 1,600 yuan/m².

V. Rights and obligations of the affected persons

(1) Rights of the affected persons

You will receive compensation according to the above compensation rates. You may express your opinions and suggestions to the county government, your township government, community/village committee, HDMO or PMO about compensation amount, compensation rates, time of payment and selection of rebuilding site, etc. The HDMO must respond to any received appeal or inquiry within 7 days.

There are 5 options of appeal in Habahe County:

1. Village/community committee;
2. Township government/urban district office;
3. HCLRB/HDMO;
4. County PMO/county government; and
5. Legal proceedings

In order that the affected persons can feed back their grievances timely, contacts have been appointed for different appeal accepting agencies and their contact information disclosed.

County PMO (HCCB)

Address: Minzhu Road West, Akeqi Town

Contact: Wang Tao

Tel: 0906-6627028

HDMO

Address: Minzhu Road West, Akeqi Town

Contact: Zhang Yonggang

Tel: 0906-6622778

Akeqi Town Government:

Address: Minzhu Road East, Habahe County

Contact: Zhu Yin

Tel: 0906-6626756

External resettlement monitoring agency (TBD)

After the external resettlement monitoring agency is determined, its contact and information will be disclosed to the affected persons during the baseline survey.

(2) Obligations of the affected persons:

1. A new storied building shall not be built within the defined range of house demolition, otherwise compensation fees will be withheld.
2. All buildings within the boundary line (red or blue line) will be demolished.

Appendix 4 Terms of Reference of External Monitoring and Evaluation

1. Objective

The objective of external M&D is:

To analyze variations of the standard of living of the affected persons, and submit reports to ADB, the executing agency and competent authorities by conducting independent M&E of resettlement activities, and monitoring and tracking resettlement progress, funding and management according to ADB's Resettlement Handbook and Social Analysis Guidelines, so that they can learn the progress of resettlement and ensure that existing issues and suggestions are addressed consistently

2. M&E tasks

The M&E tasks are as follows:

Progress of Land acquisition and house demolition:

- Progress of land acquisition;
- Progress of temporary land occupation;
- Progress of project impact

Progress of resettlement:

- Progress of and compensation for house demolition;
- Progress of house construction of displaced persons;
- Progress of relocation

Progress of fund availability and payment:

- Payment of funds;
- Expenditure (budgetary vs. actual);

Standard of living of the affected persons, including: standards of living before and after resettlement;

- Employment before and after resettlement

Compensation for, restoration and rebuilding of public facilities

The affected persons's participation in resettlement (RP) preparation, land acquisition, house demolition, resettlement and income restoration

Grievance redress mechanism and efficiency

Collection of monitoring data and establishment of database

Comparative analysis

Submission of report

3. Technical procedures

Preparing terms of reference, questionnaires, random sampling plan, baseline survey, establishing information management system, supervision and inspection, establishing data files, comparative analysis, conducting evaluation, preparing evaluation report, final inspection and making a conclusion

4. Independent monitoring agency

An independent monitoring agency will be employed to monitor the resettlement work conducted by the County PMO or implementing agency.

The County PMO will provide assistance to the external monitoring agency, especially in field investigation, resettlement and logistic services.

5. M&E methods

The field observation, analysis and overall evaluation methods will be combined.

Comprehensive field investigation and random sampling inspection of progress, funding, organization and management

Sampling 20% of the households affected by house demolition for follow-up

Comprehensive interview, and meeting and document review

Collecting photos, tapes and real objects in addition to written documents

6. M&E arrangements

Table 6.1: M&E arrangements

Mar. 2011	Preparing a monitoring plan, including terms of reference, tables, monitoring system and sample selection
Apr. 2011	Baseline survey, 1 st visit, submission of Monitoring Report No.1
Oct. 2011	2 nd visit, submission of Monitoring Report No.2
Apr. 2012	3 rd visit, submission of Monitoring Report No.3
Oct. 2012	4 th visit, submission of Monitoring Report No.4
Oct. 2013	5 th visit, submission of Monitoring Report No.5
Sep. 2014	Submission of final report