

Resettlement Plan: Xinji City

November 2016

Proposed Loan People's Republic of China: Hebei Elderly Care Development Project

Prepared by the Hebei Project Management Office for the Asian Development Bank.

CURRENCY EQUIVALENTS

(as of 14 October 2016)

Currency unit – yuan (CNY)

CNY1.00 = \$0.1486
\$1.00 = CNY6.7280

ABBREVIATIONS

ADB	–	Asian Development Bank
CAB	–	civil affairs bureau
EC	–	elderly care
ECS	–	elderly care system
EMP	–	environmental management plan
GRM	–	grievance redress mechanism
HCBC	–	home- and community-based care
HDRC	–	Hebei Development Reform Commission
HECDP	–	Hebei Elderly Care Development Project
HPFD	–	Hebei Province Finance Department
HPLG	–	Hebei project leading group
HPMO	–	Hebei project management office
ICT	–	information and communications technology
IEE	–	initial environmental examination
LAR	–	land acquisition and resettlement
MOF	–	Ministry of Finance
<i>mu</i>	–	Chinese unit of measurement (1 <i>mu</i> = 666.67 square meters)
PAM	–	project administration manual
PRC	–	People's Republic of China
YSU	–	Yanshan University

NOTES

- (i) The fiscal year of the Government of the People's Republic of China and its agencies ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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**ADB-financed Hebei Elderly Care
Development Project**

**Hebei Elderly Care Development
Project
Xinji Elderly Care Service Center
(Parents' Paradise) Subproject
Resettlement Plan**

**Xinji PMO
October 2016**

Letter of Commitment

The Xinji Municipal Government (XMG) has applied for a loan with the Asian Development Bank (ADB) for the Xinji Elderly Care Service Center (Parents' Paradise) Subproject (hereinafter, the "Subproject") through the Ministry of Finance of the People's Republic of China (PRC). Therefore, the Subproject must be implemented in accordance with ADB's safeguard policies. This resettlement plan (RP) represents a key requirement of ADB, and becomes a basis of the LA, HD and resettlement work of the Subproject. This RP complies with the applicable laws of the PRC and the applicable local regulations. In order to complete resettlement more effectively, this RP includes some additional measures, and implementation and monitoring arrangements.

XMG hereby acknowledges the contents of this RP, and warrants that the budgetary funds under this RP will be included in the general budget of the Subproject and made available on time. XMG has discussed this RP with the agencies concerned through the Xinji PMO, and got their recognition. XMG authorizes the Xinji PMO to be generally responsible for the resettlement work of the Subproject.

This RP has been prepared based on the latest feasibility study, and reflects the latest subproject area, socioeconomic profile, resettlement policies, and implementation progress, and will be further updated based on the detailed design. Resettlement should not begin before this RP is approved formally by ADB.

Agency	Signature	Date
		2016.10

EXECUTIVE SUMMARY

1. Overview of the Subproject

1. The Subproject is located in Xinji City (county-level), Shijiazhuang City, and consists of: 1) Elderly Care Institution: floor area 39.75 mu, in which a building area of 30,223 m² (24,269 m² aboveground and 5,964 m² underground) is financed by ADB, with 378 additional beds, serving a population of 50,000; 2) Community Elderly Care Branches and Service Centers: floor area 136 mu, total building area 7,900 m², with 180 additional beds; 3) Home Elderly Care System: establishing the Xinji Parents' Paradise Service Call Center at the complex, providing in-home old people with handheld terminals, supporting SOS one-key calling and positioning, establishing online connections with them through the call center, and providing them with health consulting and housekeeping services; and 4) Elderly Care Service Skills Training Centers.

2. The Subproject will break ground in July 2017 and be completed in June 2019.

2. LA and HD

3. LA and resettlement under the Subproject are caused by the Elderly Care Institution component mainly.

4. The main types of resettlement impacts of the Subproject are permanent LA, HD and demolition for ground attachments.

5. 39.75 mu of collective land in Xinleitou Village, Xinleitou Town will be acquired for the Subproject. In 2005, Xinleitou Village transferred 115.6 mu of land to Dayu Group^① to repay debts, being collectively owned unused shrub land and hollow land, with no income and no affected population. After the transfer, Dayu Group has assigned two workers to level this plot and grow saplings thereon. The 39.75 mu of land to be acquired by Dayu Group is part of the transferred land. Therefore, LA will affect both the land owner (Xinleitou Village) and the land user (Dayu Group, which is also the owner of the Subproject) along with its two workers, but will not affect villagers in Xinleitou Village directly.

6. Public properties of 400 m² will be leased for the Community Elderly Care Branches and Service Centers component.

7. A non-residential property of 250 m² will be demolished for the Subproject, being a tool house of Dayu Group in masonry timber structure, affecting the owner Dayu Group but involving no directly affected population.

8. LA will also affect 34,000 saplings.

9. A due diligence investigation has been conducted on the land used for the Elderly Care Institution, and Community Elderly Care Branches and Service Centers components. See Appendixes 1 and 2.

3. Policy Framework and Entitlements

10. This RP is based mainly on the Land Administration Law of the PRC (2004), the Decision of the State Council on Deepening the Reform and Rigidly Enforcing

^① Dayu Group is a private enterprise, one of the top 10 down jacket producers of China, which is also the IA of this subproject. The boss of Dayu Group, Mr. Li Zhifeng, is also a farmer of Xinleitou village.

Land Administration (SC [2004] No.28), the applicable policies of Hebei Province, and ADB's Safeguard Policy Statement (2009). According to the above policies, and in consultation with local governments and affected persons (APs), the resettlement principles of the Project are: 1) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. 2) Carry out meaningful consultations with affected persons, host communities, and concerned nongovernmental organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. 3) Improve or at least restore, the livelihoods of all displaced persons through appropriate measures. 4) Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status. 5) Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule. 6) Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders. 7) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation. 8) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

4. Compensation and Restoration

11. LA compensation includes land compensation, resettlement subsidy and young crop compensation. The compensation rate for irrigated land, vegetable land, garden land, fishponds and woodland is 102,940 yuan/mu in Xinleitou Village.

12. The two affected workers will still work at Dayu Group. Since only 39.75 mu in the 115.6 mu of land transferred by Xinleitou Village in 2005 will be acquired for the Subproject, the two affected workers will be responsible for maintaining the remaining trees, and their income will be unchanged.

13. In addition, Dayu Group promises to offer pre-job training to villagers in Xinleitou Village and make jobs first available to them (60% of these jobs are for women) to promote the employment of local labor. Dayu Group will also offer 20 unskilled jobs (70% of these jobs are for women) to villagers in Xinleitou Village.

14. A non-residential property of 250 m² built and owned by Dayu Group will be demolished for the Subproject, being a tool house used also for forest attendance, affecting Dayu Group but without compensation and without restoration.

15. The affected saplings are owned by Dayu Group, and the land user (namely the subject of sapling compensation) is also Dayu Group, so no compensation will be incurred in practice. These saplings will be disposed of by Dayu Group before land use.

5. Vulnerable Groups and Women

16. The Subproject involves neither vulnerable group nor women.

6. Public Participation and Information Disclosure

17. All APs have been informed of the key points of this RP by various means and involved in the Subproject, such as meeting, interview, FGD, public participation meeting and community consultation, and their opinions have been well incorporated into this RP. The first draft of this RP will be published on ADB's website by the end of September 2016.

7. Grievance Redress

18. An appeal procedure has been established to settle disputes over compensation and resettlement. The aim is to respond to appeals of the APs timely and transparently. Grievances about the Subproject may be from LA, HD, etc. The Xinji Subproject Leading Group, Xinji PMO, and the affected town government and village committee will coordinate and handle grievances and appeals arising from resettlement. The APs may file appeals about any aspect of resettlement, including compensation rates. All agencies will accept grievances and appeals from the APs for free, and costs so reasonably incurred will be disbursed from contingencies.

8. Organizational Structure

19. XMG has established the Xinji Subproject Leading Group for overall leadership and coordination in subproject implementation.

20. The Xinji PMO has been established under the leading group to be responsible for routine management, coordination, progress reporting, communication, etc.

21. The Xinji PMO is the implementing agency of the Subproject. In addition, the Xinji PMO and other agencies concerned will also be responsible for the implementation of the RP.

22. This RP will be further updated based on the detailed design. Resettlement should not begin before this RP is approved formally by ADB.

9. M&E

23. In order to ensure the successful implementation of this RP, resettlement implementation will be subject to internal and external monitoring. An internal monitoring report will be submitted to ADB semiannually. The Xinji PMO will appoint an independent agency to conduct M&E semiannually. M&E costs will be included in the resettlement budget.

10. Resettlement Budget and Schedule

24. All costs related to resettlement will be included in the general budget of the Subproject. Based on prices in August 2016, the resettlement budget of the Subproject is 7.995 million yuan; including LA and HD compensation, land taxes, monitoring costs, contingencies, etc.

25. Resettlement will be implemented from March to June 2017.

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Abbreviations

ADB	-	Asian Development Bank
AH	-	Affected Household
AP	-	Affected Person
DMS	-	Detailed Measurement Survey
HD	-	House Demolition
IA	-	Implementing Agency
LA	-	Land Acquisition
M&E	-	Monitoring and Evaluation
PMO	-	Project Management Office
PRC	-	People's Republic of China
RIB	-	Resettlement Information Booklet
RP	-	Resettlement Plan
XMG	-	Xinji Municipal Government
XMLRB	-	Xinji Municipal Land and Resources Bureau

Units

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

1 Overview of the Subproject

1.1 Background and Description of the Subproject

1.1.1 Background of the Subproject

Xinji City is one of the cities with the highest levels of population aging in Hebei Province. Its elderly population (above 60 years, 129,000) accounts for 20.3% of its gross population. Currently, the city has 20 elderly care institutions only, including 12 public and 8 private ones, with 2,037 beds in total, serving 1.17% of the city's elderly population only. There is also a largely elderly population of nearly 500,000 in nearby areas, including Jinzhou, Ningjin, Shenzhe and Shenzhou Cities/Counties. In view of this, XMG has applied for an ADB loan for the Subproject.

1.1.2 Components and Resettlement Identification

According to the Feasibility Study Report of the Subproject in October 2016, the Subproject consists of the following: Component 1: Elderly Care Institution: (1) semi-self-care area: 1 building with 9 aboveground floors, a total building area of 7,963 m², among which, the semi-self-care area, 1 building plus 8 floors with the total area of 7,663 m² and 208 beds; daytime care center will be built on the 1st floor of semi-self-care building, with the area of 300 m² and 20 beds. (2) full-care building, hospital and rehabilitation center from 5 to 9 aboveground floors, a total building area of 6,986 m² and 150 beds; (3) restaurant, located on the ground floor, with a total building area of 950 m², offering dining and shopping services to old people; (4) other facilities, including duty room and equipment room, with a total building area of 150 m². (5) underground structure 5964 m², including 2204 m² for project operation management, and 3760 m² for offering underground garage, etc.

Component 2: Community Elderly Care Branches and Service Centers: Branches of Parents' Paradise will be established in 5 townships (Xinleitou, Jiucheng, Qianying, Zhiqu and Wangkou), with 150 beds; daycare centers will be established in Fanghua Community, Aolin Garden Community and Qinghe Bay Community in the urban area of Xinji City, with leased properties of 400 m² and 30 beds. This component aims to provide elderly care, daycare, housekeeping, recreational, consulting, medical and mental consolation services to urban and rural old people.

Component 3: Home Elderly Care System: establishing the Xinji Parents' Paradise Service Call Center at the complex in cooperation with the China Mobile Xinji Branch, with a service radius of 30km and a beneficiary population of about 50,000, providing in-home old people with handheld terminals, supporting SOS one-key calling and positioning, establishing online connections with them through the call center, and providing them with health consulting and housekeeping services.

Component 4: Elderly Care Service Skills Training Centers: providing pre-job, on-the-job and routine training to the management and nursing staff

Based on preliminary impact identification, the Subproject will involve LA, HD and attachments (saplings). See **Error! Reference source not found.** and Figure 1-1.

1.1.3 Summary of Resettlement Impacts

The main resettlement impacts of the Subproject are as follows:

1) 39.75 mu of collective land in Xinleitou Village, Xinleitou Town will be acquired for the Subproject. In 2005, 115.6 mu of land was transferred to Dayu Group, being collectively owned unused shrub land and hollow land. After the transfer, Dayu Group has assigned two workers to level this plot and grow saplings thereon. Therefore, LA will affect Xinleitou Village, the owner Dayu Group along with its two workers, but will not affect villagers in Xinleitou Village directly.

2) A non-residential property of 250 m² built and owned by Dayu Group will be demolished for the Subproject.

1.2 Social and Economic Benefits

Xinji City is one of the cities with the highest levels of population aging in Hebei Province. The Subproject will meet elderly care needs of Xinji City and solve medical

care problems for old people to some extent. The Subproject is located in the outskirts, with a service radius of about 30km, oriented to both urban and rural old people. After its completion, it will offer 568 additional beds and have a direct beneficiary population of nearly 50,000.

1.3 Estimated Resettlement Budget and Implementation Schedule

The planned gross investment in the Subproject will be 22.74045 million yuan, including a resettlement investment of 7.995 million yuan, accounting for 3.5% of gross investment. The Subproject will break ground in June 2017 and be completed in June 2019.

Table 1-1 Scope of the Subproject and Identification of Resettlement Impacts

No.	Component	Description	Location	Main resettlement impact																																												
1	Elderly Care Institution	(1) semi-self-care area: 2 buildings with 9 aboveground floors, a total building area of 16,215 m ² , among which, the semi-self-care area, 1 building plus 8 floors with the total area of 15,315 m ² and 208 beds; daytime care center will be built on the 1 st floor of semi-self-care building, with the area of 900m ² and 20 beds. (2) full-care building, hospital and rehabilitation center with 9 aboveground floors, a total building area of 13,926 m ² and 150 beds; (3) restaurant, located on the ground floor, with a total building area of 950 m ² , offering dining and shopping services to old people; (4) other facilities, including duty room and equipment room, with a total building area of 150 m ² . (5) underground structure 7060 m ² , including 2210m ² for project operation management, and 4850 m ² for offering underground garage, etc.	Xinleitou Village, Xinleitou Town	39.75 mu of collective land in Xinleitou Village, Xinleitou Town will be acquired. In 2005, 115.6 mu of land was transferred to Dayu Group, and the 39.75 mu of land to be acquired is part of the transferred land. See Appendix 1 for the relevant due diligence report. LA will affect two workers of Dayu Group directly, but will not affect villagers directly.																																												
2	Community Elderly Care Branches and Service Centers	<p>Branches of Parents' Paradise will be established in 5 townships (Xinleitou, Jiucheng, Qianying, Zhiqiu and Wangkou).</p> <table border="1"> <thead> <tr> <th></th><th>No.</th><th>Name</th><th>Location of service center</th><th>Floor area, m²</th></tr> </thead> <tbody> <tr> <td rowspan="5">Rural</td><td>1</td><td>Xinleitou</td><td>Dayu Group</td><td>600</td></tr> <tr> <td>2</td><td>Jiucheng</td><td>Dayu Group</td><td>600</td></tr> <tr> <td>3</td><td>Zhiqiu</td><td>Dayu Group</td><td>700</td></tr> <tr> <td>4</td><td>Wangkou</td><td>Dayu Group</td><td>600</td></tr> <tr> <td>5</td><td>Qianying Xiang</td><td>Dayu Group</td><td>500</td></tr> <tr> <td rowspan="3">Urban</td><td>1</td><td>Aolin Garden Community</td><td>Community</td><td>100</td></tr> <tr> <td>2</td><td>Fanghua Community</td><td>Community</td><td>100</td></tr> <tr> <td>3</td><td>Qinghe Bay Community</td><td>Community</td><td>200</td></tr> <tr> <td colspan="4">Total</td><td>3400</td></tr> </tbody> </table>		No.	Name	Location of service center	Floor area, m ²	Rural	1	Xinleitou	Dayu Group	600	2	Jiucheng	Dayu Group	600	3	Zhiqiu	Dayu Group	700	4	Wangkou	Dayu Group	600	5	Qianying Xiang	Dayu Group	500	Urban	1	Aolin Garden Community	Community	100	2	Fanghua Community	Community	100	3	Qinghe Bay Community	Community	200	Total				3400	Xinleitou, Jiucheng, Qianying, Zhiqiu and Wangkou, etc.	3,400 m ² (5.1 mu) of land will be occupied, in which 3,000 m ² is located in the factory of Dayu Group (owner of the Subproject), involving no resettlement; and the remaining 400 m ² is leased. See Appendix 2.
	No.	Name	Location of service center	Floor area, m ²																																												
Rural	1	Xinleitou	Dayu Group	600																																												
	2	Jiucheng	Dayu Group	600																																												
	3	Zhiqiu	Dayu Group	700																																												
	4	Wangkou	Dayu Group	600																																												
	5	Qianying Xiang	Dayu Group	500																																												
Urban	1	Aolin Garden Community	Community	100																																												
	2	Fanghua Community	Community	100																																												
	3	Qinghe Bay Community	Community	200																																												
Total				3400																																												
3	Home Elderly Care System	Establishing the Xinji Parents' Paradise Service Call Center at the complex	Xinleitou Village	Within the land acquired for the Elderly Care Institution component																																												
4	Elderly Care Service Skills Training Centers	Providing pre-job, on-the-job and routine training to the management and nursing staff	Xinleitou Village	Within the land acquired for the Elderly Care Institution component																																												

2 Impacts of the Subproject

2.1 Measures to Minimize Resettlement Impacts

2.1.1 Principles for Project Design and Site Selection

Resettlement impacts have been minimized at the design stage on the following principles:

- Avoiding or minimizing occupation of existing and planned residential areas, high-quality farmland, and environmentally sensitive areas;
- Utilizing already land without temporary land occupation; and
- Complying with the master development plan and special plans of Xinji City

City

2.1.2 Comparison and Selection of Options

At the design stage, through the field survey of the subproject area and the optimization of the subproject design, negative impacts of the Subproject have been minimized without affecting the design outputs. At the detailed design stage, the subproject design was further optimized, avoiding the acquisition of 59.25 mu of land and the demolition of non-residential properties of 250 m². See Table 2-1.

Table 2-1 Comparison of Resettlement Impacts before and after Optimization

Item	Collective land acquisition (mu)	Demolition of non-residential properties (m ²)	Affected enterprise	Affected workers
Recommended option	99	500	1	2
Optimized option	39.75	250	1	2
Reduced resettlement impact	59.25	250	0	0

2.2 Scope of Impact Survey of LA and HD

According to the recommended option, the Subproject will affect one town, one village, and two workers of Dayu Group directly. See **Error! Reference source not found..**

Table 2-2 Summary of the Affected Area

City	Town	Types of impact	Village	Affected	
				Enterprise	Workers
Xinji	Xinleitou	LA, HD	Xinleitou	1	2

2.3 Survey Methods and Process

In May 2016, Hebei Engineering Consulting and Research Institute prepared the Feasibility Study Report of the Subproject.

The resettlement consultants conducted the fieldwork with the assistance of the Xinji PMO in July 2016, and prepared the draft RP in August 2016.

2.4 Permanent LA

39.75 mu of collective land in Xinleitou Village, Xinleitou Town will be acquired for the Subproject. LA will affect both the land owner (Xinleitou Village) and the land user (Dayu Group, which is also the owner of the Subproject).

In order to raise money for the construction of public facilities for the villagers, through consultation at a village congress, Xinleitou village has transferred the land use right to Dayu Group in 2004. It is learned that the transferred land was unused shrub land and hollow land before the transfer, involving no directly affected population. Dayu has paid CNY 4,654,500 for the compensated use of 115.6 mu collective land in the village according the compensation rate of CNY 20,000 per mu for 21.6mu pit land and CNY 45,000 for the other collective land. But at that time Dayu

did not apply for land examination and approval procedures and the ownership of land has not changed which means they didn't have a legitimate right to use land to do non-agriculture construction. So far the land has been used as nursery land by Dayu. This is the history of this land. If Dayu want to construct a permanent structure on the land, they need permanently acquire the land. Within the land useright transfer agreement (see appendix 1), Xinleitou village has agreed to assist Dayu Group to do the land acquisition procedure. According to the agreement and through consultation, the Xinleitou Village Committee should refund the LA compensation paid by Dayu Group to Dayu Group and as Dayu has provided strong support to improve the infrastructure and employment of the villagers has no objection to the project. For this purpose, a village congress was held in July 2016, and all villager representatives agreed to refund the LA compensation to Dayu Group.

After the transfer, Dayu Group has assigned two workers to level this plot and grow saplings thereon. Therefore, LA will affect both the land owner (Xinleitou Village) and the land user (Dayu Group, which is also the owner of the Subproject) along with its two workers, but will not affect villagers in Xinleitou Village directly.

See Appendix 1 for the land transfer process and its coordination with LA for the Subproject.

See Table 2-3.

Table 2-3 Summary of Permanent LA Impacts

City	Town	Village	Acquired collective land (mu)	Affected	
			Woodland	Enterprise	Workers
Xinji	Xinleitou	Xinleitou	39.75	1	2



Figure 2-1 Current Situation of Land to be Acquired

2.5 Temporary Land Occupation

The land occupied temporarily for the Subproject is included in the permanently acquired land.

2.6 Demolition of Non-residential Property

A non-residential property of 250 m² built and owned by Dayu Group will be demolished for the Subproject, being a tool house used also for forest attendance, affecting Dayu Group but without compensation and without restoration.

2.7 Affected Infrastructure and Ground Attachments

The Subproject will affect 34,000 saplings. See Table 2-4.

Table 2-4 Affected Ground Attachments

Type		Total
Saplings	3-6cm	34000

2.8 Affected Population

2.8.1 Summary

The population directly affected by the Subproject is two workers of Dayu Group:

1) 39.75 mu of collective land will be acquired for the Subproject, affecting one enterprise with two workers.

2) A non-residential property of 250 m² will be demolished for the Subproject, affecting one enterprise, involving no directly affected population.

See Table 2-5.

Table 2-5 Summary of Resettlement Impacts

Item	Unit/type	Qty.
Acquisition of collective land	mu	39.75
Where: sparse woodland	mu	39.75
Demolition of non-residential properties	m ²	250
—LA	Enterprise	1
	Workers	2
—HD	Enterprise	1
	Workers	2
—Both LA and HD	Enterprise	1
	Workers	2
Total	Person	2

2.8.2 Affected Vulnerable Groups

The Subproject involves neither vulnerable group.

2.8.3 Affected Women and Ethnic Minorities

The Subproject involves neither ethnic minority nor women.

3 Socioeconomic Profile

3.1 Socioeconomic Profile of the Subproject Area

3.1.1 Shijiazhuang City

Shijiazhuang City is the capital of Hebei Province, located in southwestern Hebei, with a land area of 15,848 km² and an urban area of 2,206 km², governing 8 districts and 11 counties. The city is located in central southern Hebei and the Round-Bohai Economic Rim, 273km away from Beijing.

In 2015, the city's GDP was 544.06 billion yuan, up 7.5% year on year, in which the added value of primary industries was 49.44 billion yuan, up 2.3%; that of secondary industries 245.29 billion yuan, up 5.8%; and that of tertiary industries 249.33 billion yuan, up 10.6%. At the end of 2015, the city had a resident population of 10.7016 million, a year-on-year increase of 85,400.

In 2015, urban residents' per capita disposable income was 28,168 yuan, up 8.0%; rural residents' per capita net income 11,442 yuan, up 8.5%; urban residents' per capita nonproductive expenditure 13,432 yuan, up 7.4%; urban residents' per capita nonproductive expenditure 18,165 yuan, up 8.2%; and rural residents' per capita nonproductive expenditure 7,476 yuan, up 3.0%.

At the end of 2015, 182,100 residents were covered by minimum living security, including 27,600 urban residents and 154,500 rural residents.

3.1.2 Xinji City

Xinji City was the largest fur distributing center in Chinese history, and a central city in eastern Hebei, located 65km away from Shijiazhuang City and 250km away from Beijing, with a land area of 951 km² and a population of 616,000, including an urban population of 230,000 (2011).

In 2015, the city's GDP was 38.613 billion yuan, and per capita GDP 61,315 yuan, being 1.5 times the provincial average. The ratio of primary, secondary and tertiary industries was 13.07:58.83:28.1. Urban residents' per capita disposable income was 26,906 yuan, and rural residents' per capita net income 13,364 yuan.

3.1.3 Xinleitou Town

At the end of 2015, Xinleitou Town had 10,526 households with 30,913 persons, including a female population of 15,038 and an agricultural population of 26,680, a cultivated area of 23,205 mu, a sown area of 47,653 mu and a grain output of 25,317 tons. In 2015, the town's GDP was 360 million yuan, urban residents' per capita disposable income 15,620 yuan, and rural residents' per capita net income 13,549 yuan.

3.1.4 Xinleitou Village

At the end of 2015, Xinleitou Village had 1,330 households with 4,860 persons, including 2,477 females, all being Han people and agricultural population, a cultivated area of 8,153 mu, and a labor force of about 2,800, mostly working locally. In 2015, villagers' per capita net income was about 14,000 yuan.

The village is close to Shijiazhuang City, and has a developed collective economy. There are over 10 enterprises in the village, which are absorb nearly 1,000 laborers.

3.2 Basic Information of the Affected Enterprise

The enterprise affected by LA for the Subproject is Hebei Dayu Apparel Group Co., Ltd. (Dayu Group for short), which is also the owner of the Subproject and the user of the land acquired for the Subproject.

Dayu Group was incorporated in Xinleitou Village on March 16, 2000, with a registered capital of 30 million yuan and a workforce of over 2,000, 60% of which are local or nearby villagers, and 70% are females, with an average annual pay of about 35,000 yuan. The legal representative is Li Zhifeng. Dayu Group is one of the top 100 apparel manufacturers of China, specializing in down coat and apparel production.

In 2005, the Xinleitou Village Committee needed to build some collective facilities, so it transferred 115.6 mu of collective flexible land to Dayu Group permanently. Although the LA formalities have not been completed to date (see Appendix 1 for details), this plot has been used by Dayu Group. The land to be acquired for the Subproject is part of the transferred land.

3.3 Socioeconomic Profile of the Affected Workers

After Dayu Group obtained the right to use this plot in 2005, this plot has not been developed to date. In order that this plot is not left unused, Dayu Group has assigned two workers to level this plot and grow saplings thereon. The two affected workers will still work at Dayu Group. Since only 39.75 mu in the 115.6 mu of land transferred by Xinleitou Village in 2005 will be acquired for the

Subproject, the two affected workers will responsible for maintaining the remaining trees, and their income will be unchanged.

Both workers are males, regular workers of Dayu Group and also villagers in Xinleitou Village. See Table 3-1.

Table 3-1 Socioeconomic Profile of the Affected Workers

Name	Gender	Age	Family size	Cultivated area (m)	House (masonry concrete, m ²)	Household net income in 2015 (yuan)	Per capita net income in 2015 (yuan)
Li Jigen	Male	50	3	2.2	80	45000	15000
Liang Xiaoguang	Male	51	2	3.2	73	39000	19500
Total			5	5.4	153	84000	17250 (average)

4 Legal Framework and Policies

4.1 Laws, Regulations and Policies Applicable to Resettlement

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

1) ADB policies

- Safeguard Policy Statement, June 2009
- Accountability Mechanism Policy, February 2012
- Public Information Communication Policy, 2011

2) PRC laws, regulations and policies

- Land Administration Law of the PRC (January 1, 1999, amended on August 28, 2004)
- Methods for Announcement of LA (Decree No.10 of the Ministry of Land Resources, effective from January 1, 2002)
- Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28) (October 21, 2004)
- Guidelines on Improving Compensation and Resettlement Systems for LA (MLR [2004] No.238) (November 3, 2004)
- Measures for the Administration of the Preliminary Examination of the Land Used for Construction Projects (Decree No.27 of the Ministry of Land Resources, effective from December 1, 2004)
- Notice of the State Council on Issues Concerning the Strengthening of Land Control and Adjustment (SC [2006] No.31) (August 31, 2006)
- Notice of the Ministry of Land and Resources on Doing a Better Job in Land Acquisition Management (June 26, 2010)

3) Provincial and local policies

- Land Administration Regulations of Hebei Province (2002)
- Notice of the Hebei Provincial Government on Amending Location-based Land Prices for Land Acquisition (HPG [2015] No.28)

4.2 Abstract of ADB Policies

ADB's policy on involuntary resettlement has three key elements: (1) compensation for lost properties, livelihoods and income; (2) assistance in resettlement, including the provision of a resettlement site, and appropriate facilities and services; and (3) assistance for restoration, as a minimum, to the standard of living in the absence of the project, taking into account the following basic principles:

1. Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.

2. Carry out meaningful consultations with affected persons, host communities, and concerned nongovernmental organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.

3. Improve or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.

4. Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at

resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.

5. Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.

6. Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.

7. Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of nonland assets.

8. Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.

9. Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.

10. Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.

11. Pay compensation and provide other resettlement entitlements before physical or economic relocation. Implement the resettlement plan under close supervision throughout project implementation.

12. Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

4.3 Provisions of PRC Laws, Regulations and Policies

The Land Administration Law of the PRC is the main policy basis of the Subproject. The Ministry of Land and Resources and the Hebei Provincial Government have promulgated policies and regulations on this basis.

The Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28) promulgated in October 2004 defines the principles and rates of compensation and resettlement for LA, and LA procedures and monitoring system. These legal documents constitute the legal basis for resettlement in the Subproject together with the Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (MLR [2004] No.238). See **Error! Reference source not found.**

Table 4-1 Key Provisions of Provincial Regulations

Item	Key provisions	Index
Administrative agencies	Governments at all levels must utilize land rationally and protect farmland practically, strengthen land resources management, and make comprehensive planning. Article 5 Administrative departments for land of governments at or above the county level shall be responsible for land administration and supervision within their administrative divisions.	Land Administration Regulations of Hebei Province (2002)
Fixation of compensation rates	Article 39 Land compensation shall be 6-10 times the average output value of such land in the 3 years before acquisition for cultivated land, 5-8 times for other farmland and construction land, and 3-5 times for unused land. Article 40 Resettlement subsidy shall be 4-6 times the average output value of such land in the 3 years before acquisition for cultivated land, 4-6 times	Land Administration Regulations of Hebei Province (2002)

Item	Key provisions	Index
	for other farmland and construction land, and none for unused land.	
LA compensation fees and management	<p>New LA compensation rates shall consist of land compensation and a resettlement subsidy, and exclude young crop compensation, ground attachment compensation, and social security costs.</p> <p>20% of land compensation fees shall belong to the collective economic organization, and 80% of holders of land use rights or households that contract such land; if the acquired land has no holder of land use right, or has not been contracted by the collective economic organization, all land compensation fees shall belong to the collective economic organization for allocation or use according to law. Land compensation fees shall be paid timely and fully, and shall not be withheld or embezzled by any organization or individual.</p> <p>For attachments and young crops on the acquired land, their proprietors shall be otherwise compensated. Compensation rates for ground attachments shall be fixed by cities, and compensation fees for young crops shall be based on output values of such crops in the current season.</p>	<p>Notice of the Hebei Provincial Government on Amending Location-based Land Prices for Land Acquisition (HPG [2015] No.28)</p> <p>Notice of the Hebei Provincial Government on Implementing Location-based Rates for LA (HPG [2008] No.132)</p>

4.4 Main Differences between ADB Policies and PRC Laws

Compensation for land

- Difference: ADB policies require that compensation should be sufficient to offset any income loss, and restore long-term income-generating potential. Chinese standards are based on AAOV.
- Solution: An early-stage solution is to provide replacement land, which is hardly practical. Cash compensation is the preference of most people, though they cannot ensure the rational use of such compensation. Therefore, further technical support is needed to monitor the income of seriously affected households, especially those in vulnerable groups, and local governments should provide assistance to those in need.

Consultation and disclosure

- Difference: ADB policies require APs are fully informed and consulted as soon as possible. Chinese provisions have improved the transparency of disclosure and compensation. However, APs still play a weak role in project decision-making, and the disclosure period is usually too short.
- Solution: Consultation has begun at the early stage (before and during the technical assistance). The Xinji PMO agrees to disclose the RP to APs as required by ADB.

Resettlement monitoring, evaluation and reporting

- Difference: ADB requires that internal and external resettlement monitoring be conducted. However, there is no such requirement in Chinese laws, except for reservoir projects.
- Solution: Internal and external resettlement monitoring systems have been established for all ADB financed projects, and this has been included in the RP. The requirements for internal and external monitoring reporting are specified in the RP.

4.5 Compensation Principles of the Subproject

The principles for compensation and entitlement of the Subproject have been developed in accordance with the regulations and policies of the PRC and ADB, with the aim of ensuring that APs obtain sufficient compensation and assistance measures so that their production and livelihoods are at least restored to pre-project levels. See **Error! Reference source not found.**

Table 4-2 Principles for Resettlement

Principles	
(i)	Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks.
(ii)	Carry out meaningful consultations with affected persons, host communities, and concerned nongovernmental organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation.
(iii)	Improve or at least restore, the livelihoods of all displaced persons through appropriate measures.
(iv)	Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the

	same or better income and livelihood status.
(v)	Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
(vi)	Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
(vii)	Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
(xiii)	Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

4.6 Cut-off Date of Compensation

The cut-off date for the eligibility for compensation is September 30, 2016, which will be disclosed in the subproject area. Any newly claimed land, newly built house or settlement in the subproject area by the APs after this date will not be entitled to compensation or subsidization. Any building constructed or tree planted purely for extra compensation will not be counted in.

4.7 Fixation of Compensation Rates for Resettlement Impacts of the Subproject

4.7.1 LA

According to the Land Administration Law of the PRC, the Guidelines on Improving Compensation and Resettlement Systems for LA, the Land Administration Regulations of Hebei Province (2002), and the Notice of the Hebei Provincial Government on Amending Location-based Land Prices for Land Acquisition (HPG [2015] No.28), the LA compensation rates of Xinji City are set out in **Error! Reference source not found.** Xinleitou Village, Xinleitou Town affected by the Subproject is a Tier-1 area, where the LA compensation rate is 102,940 yuan/mu.

Table 4-3 Compensation Rates for LA

City	Average rate	Tier-1 areas	Tier-2 areas	Tier-3 areas
Xinji	82035	102940	80880	78680

4.7.2 Demolition of Non-residential Property

A non-residential property of 250 m² built and owned by Dayu Group will be demolished for the Subproject, being a tool house used also for forest attendance, affecting Dayu Group but without compensation and without restoration since Dayu Group is the IA of this subproject. However, the compensation for this property has been included in the resettlement budget of the Subproject for easy understanding of project impacts. See Table 4-4.

Table 4-4 Compensation Rates for Demolition of Non-residential Property^①

Type	Unit	Rate (yuan/unit)	Remarks
Masonry timber structure	m ²	630	

4.7.3 Compensation for Ground Attachments

According to the policy, the compensation for the saplings affected by the Subproject will be fixed through appraisal. The affected saplings are owned by Dayu Group, and the land user (namely the subject of sapling compensation) is also Dayu Group, so no compensation will be incurred in practice. These saplings will be disposed of by Dayu Group before land use.

It is estimated that each sapling will be compensated for at 30 yuan.

4.7.4 Rates of Other Costs

Table 4-5 Tax and Fee Rates on LA

^① This rate is used for resettlement cost estimation mainly.

No.	Item	Rate	Basis
1	Compensation fees for using additional construction land	18667 yuan/mu	Notice on Adjusting the Policy on Fees for Compensated Use of New Construction Land (CZ [2006] No.48)
2	Land reclamation costs	6667 yuan/mu	Land Administration Regulations of Hebei Province
3	Farmland occupation tax	20000 yuan/mu	SC [1987] No.27 Measures of Hebei Province for the Implementation of Farmland Occupation Tax (2011)
4	LA management costs	3% of LA costs	JJJFZ [2001] No.32
5	Contingencies	10% of LA costs	

4.8 Entitlement Matrix

The entitlement matrix has been established in accordance with the applicable policies in this chapter, as shown in Table 4-6.

Table 4-6 Entitlement Matrix

Type of impact	Degree of impact	APs	Compensation and resettlement policy	Compensation rates
Permanent LA	39.75 mu in Xinleitou Village, Xinleitou Town	Xinleitou Village	1) The acquired land will be compensated for at the application location-based land prices for collective farmland, collective construction land and collective unused land of Hebei Province. 2) The LA compensation rate will be based on the Notice of the Hebei Provincial Government on Amending Location-based Land Prices for Land Acquisition (HPG [2015] No.28). 3) The LA compensation will be disbursed by the Xinji PMO directly to the Xinleitou Village Committee, to be returned to Dayu Group according to the land transfer agreement entered into in 2005.	Compensation rate: 102,940 yuan/mu for irrigated land, vegetable land, garden land and fishponds
Demolition of non-residential property	Tool house of 250 m ²	Dayu Group	Owned by Dayu Group, without compensation and without restoration	Reference rate: 630 yuan/m ² for masonry timber structure
Ground attachments	Saplings	Dayu Group	The compensation for the saplings affected by the Subproject will be fixed through appraisal. The affected saplings are owned by Dayu Group, and the land user (namely the subject of sapling compensation) is also Dayu Group, so no compensation will be incurred in practice. These saplings will be disposed of by Dayu Group before land use.	30 yuan each
Grievance redress	/	All APs	Free; all costs so reasonably incurred will be disbursed from the contingencies	/

5 Resettlement and Income Restoration

5.1 Resettlement Objective

The objective of resettlement of the Subproject is to develop an action plan for restoration and restoration for those affected by the Subproject so that they benefit from the Subproject, and their living standard is improved or at least restored to the pre-project level.

5.2 Resettlement Principles

The resettlement principles of the Subproject can be summarized as follows:

- 1) The willingness of the APs should be respected, and their existing production and living traditions maintained;
- 2) The production level and living standard of the APs should be improved or at least restored to the pre-project levels.

5.3 LA Impacts and Restoration Program

39.75 mu of collective land in Xinleitou Village, Xinleitou Town will be acquired for the Subproject, and saplings thereon are grown and owned by Dayu Group.

LA will affect both the land owner (Xinleitou Village) and the land user (Dayu Group, which is also the owner of the Subproject).

This plot was transferred to Dayu Group in 2005^①, being collectively owned unused shrub land and hollow land. After the transfer, Dayu Group has assigned two workers to level this plot and grow saplings thereon. Therefore, LA will affect Xinleitou Village, the owner Dayu Group (which is also the land user) along with its two workers, but will not affect villagers in Xinleitou Village directly.

The two affected workers will still work at Dayu Group. Since only 39.75 mu in the 115.6 mu of land transferred by Xinleitou Village in 2005 will be acquired for the Subproject, the two affected workers will be responsible for maintaining the remaining trees, and their income will be unchanged.

In addition, Dayu Group promises to offer pre-job training to villagers in Xinleitou Village and make jobs first available to them (60% of these jobs are for women) to promote the employment of local labor. Dayu Group will also offer 20 unskilled jobs (70% of these jobs are for women) to villagers in Xinleitou Village.

5.4 Resettlement Program for Demolition of Non-residential Property

A non-residential property of 250 m² built and owned by Dayu Group will be demolished for the Subproject, being a tool house used also for forest attendance, affecting Dayu Group but without compensation and without restoration.

5.5 Restoration Program for Ground Attachments

The affected saplings are owned by Dayu Group, and the land user (namely the subject of sapling compensation) is also Dayu Group, so no compensation will be incurred in practice. These saplings will be disposed of by Dayu Group before land use.

^① See Appendix 1 for the relevant due diligence report.

6 Organizational Structure for Resettlement

6.1.1 Organizational Setup

Although the Subproject has minor resettlement impacts, an organizational structure has still been established to ensure successful resettlement. Since January 2016, the resettlement agencies of the Subproject have been established successively, and their responsibilities defined.

See **Error! Reference source not found..**

- Xinji Subproject Leading Group
- Xinji PMO
- Xinleitou Town Government
- Xinleitou Village
- Affected enterprise and workers
- Design agency
- External M&E agency

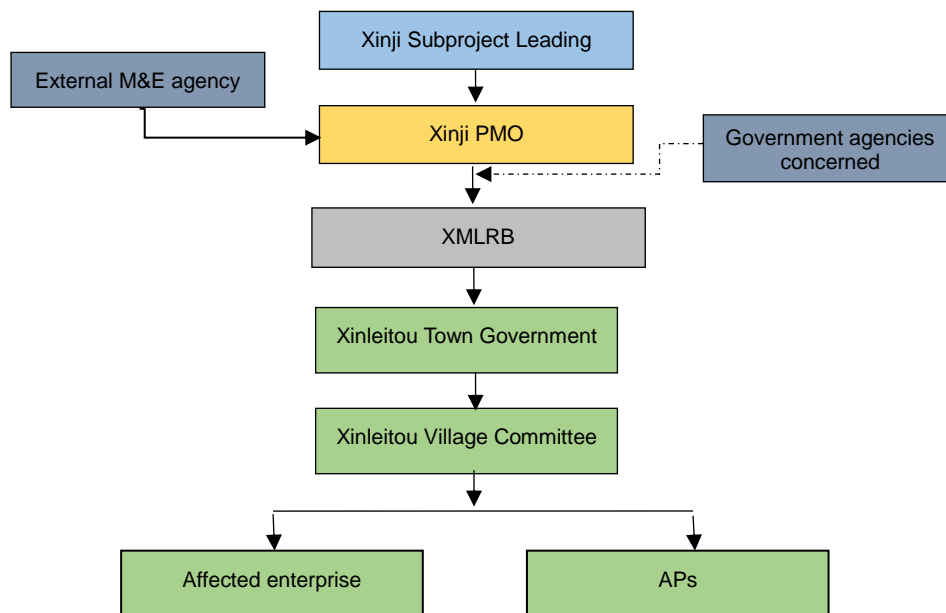


Figure 6-1 Organizational Chart

6.1.2 Organizational Responsibilities

➤ **Xinji Subproject Leading Group**

Leading the decision-making and construction of the Subproject

➤ **Xinji PMO**

- 1) Appointing a resettlement consulting agency to prepare for resettlement;
- 2) Coordinating the consulting agency with other agencies at the preparation stage;
- 3) Coordinating the implementation progress of the Subproject and the RP;
- 4) Reporting the resettlement fund disbursement plan and supervising the disbursement of funds

funds

- 5) Coordinating the work of the resettlement agencies
- 6) Raising resettlement funds
- 7) Disbursing resettlement funds
- 8) Responsible specifically for resettlement implementation
- 9) Tracking and supervising the disbursement of resettlement funds
- 10) Handling grievances and appeals of APs arising from resettlement
- 11) Supporting the work of the external M&E agency
- 12) Collecting and compiling information required for internal monitoring reporting; managing resettlement archives

- 13) Training persons responsible for resettlement

➤ **Xinji Municipal Land and Resources Bureau (XMLRB)**

- 1) Developing resettlement policies in coordination with authorities concerned
- 2) Conducting LA

- 3) Participating in the DMS
- 4) Supervising the implementation of resettlement activities
- **Xinleitou Village**
 - 1) Participating in the DMS
 - 2) Participating in the calculation of compensation fees
 - 3) Participating in the disbursement of compensation fees to APs (see Appendix 1)
 - 4) Handling grievances and appeals arising from resettlement
- **Design agency**
 - 1) Reducing resettlement impacts through design optimization
 - 2) Determining the range affected by LA and HD
- **External M&E agency**

The Xinji PMO will appoint a qualified M&E agency as the external M&E agency. Its main responsibilities are:

- 1) Observing all aspects of resettlement planning and implementation as an independent M&E agency, monitoring and evaluating the resettlement results and the social adaptability of the APs, and submitting resettlement M&E reports to ADB through the Xinji PMO; and
- 2) Providing technical advice to the Xinji PMO in data collection and processing.

6.2 Staffing and Equipment

6.2.1 Staffing

In order to ensure the successful implementation of the resettlement work, all resettlement agencies of the Subproject have been provided with full-time staff in charge of resettlement, and a smooth channel of communication has been established. The staff of the Xinji PMO has strong organizing and coordinating capabilities, and rich experience in resettlement, and is competent for the resettlement work. These staff are in charge of resettlement and also the Grievance Redress. See table 7-4 for details.

6.2.2 Equipment

The resettlement agencies at all levels of the Subproject have been provided basic office, transport and communication equipment, including desks and chairs, PCs, printers, telephones, facsimile machines and vehicles.

6.2.3 Training Program

In order to ensure the successful implementation of the resettlement work, the resettlement staff must be trained under the leadership of the Hebei PMO. Staff training will be conducted in such forms as expert workshop, skills training course, visiting tour and on-site training, including:

- ADB's resettlement policy and principles
- Differences between ADB and PRC policies
- Resettlement implementation planning and management
- Points requiring attention during resettlement implementation
- Resettlement M&E

Table 6-1 Resettlement Training Program

Time	Location	Mode of training	Trainees	Scope of training	Budget (0,000 yuan)
Sep. 2016	Shijiazhuang	Workshop	Resettlement staff	Resettlement operations	N/A

The following measures will be taken to strengthen institutional capacity:

- 1) Define the responsibilities and scope of duty all resettlement agencies, and strengthen supervision and management;
- 2) 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;
- 3) Strengthen the reporting system and internal monitoring, and solve issues timely; and
- 4) Establish an external M&E mechanism and an early warning system.

7 Public Participation and Grievance Redress

7.1 Public Participation

Great importance was and will be paid to public participation and consultation at the preparation and implementation stages of the Subproject.

7.1.1 Public Participation at the Preparation Stage

Since April 2016, the Xinji PMO, design agency and task force have conducted a series of socioeconomic survey and public consultation activities under the direction of technical assistance experts. At the preparation stage, the implementing agency and design agency conducted extensive consultation on LA and resettlement. See **Error! Reference source not found..** According to the agreement and through consultation, the Xinleitou Village Committee should refund the LA compensation paid by Dayu Group to Dayu Group. For this purpose, a village congress was held in July 2016 with 113 households in the village, and all villager representatives agreed to refund the LA compensation to Dayu Group.

Table 7-1 Key Information Disclosure and Consultation Activities

No.	Time	Activity	Participants	# of persons	Suggestion	Organizer	status
1	Apr. – Jun. 2016	Optimization of project design	Xinji PMO, XMG, agencies concerned, affected enterprise, APs	6	Minimizing land occupation	Xinji PMO	Conducted
2	July to August. 2016	DMS	Xinji PMO, XMG, agencies concerned, village committee, APs	5	/	Xinji PMO	Conducted
3	July 22, 2016	the Fund Disbursement Agreement between Dayu Group Dayu Group and Xinleitou Village	Xinji PMO, XMG, agencies concerned, village committee, APs	40		Xinji PMO	Conducted
3	November. 2016	Disclosure of resettlement policies and compensation rates	Affected enterprise, village committee, APs	/	/		
4	Sep. 2016	Online RP disclosure	ADB	/	/	Xinji PMO	

7.1.2 Participation Plan at the Implementation Stage

With the progress of project preparation and implementation, the implementing agency will conduct further public participation. See **Error! Reference source not found..**

Table 7-2 Public Participation Plan

Purpose	Mode	Time	Agencies	Participants	Topics
LA announcement	Village bulletin board, village meeting	Mar. 2017	Xinji PMO, XMLRB, town government, village committee	All APs	Disclosing LA area, compensation rates and resettlement modes, etc.
Announcement of compensation and resettlement options for LA	Village bulletin board, village meeting	Mar. 2017	Xinji PMO, XMLRB, town government, village committee	All APs	Compensation fees and mode of payment
Verification of DMS results	Field survey	Apr. 2017	Xinji PMO, XMLRB, town government, enterprise	All APs	Finding out anything omitted to determine the final impacts; list of lost land and assets of APs; preparing basic compensation agreements
Determination of income restoration programs	Village meeting	Before implement – tation	Xinji PMO, XMLRB, town government, enterprise	All APs	Discussing final income restoration program and the program for use of compensation fees
Monitoring	Villager participation	Jun. 2017 – Dec. 2019	Xinji PMO, XMLRB, town government,	All APs	1) Resettlement progress and impacts

Purpose	Mode	Time	Agencies	Participants	Topics
			enterprise, village committee		2) Payment of compensation 3) Information disclosure 4) Livelihood restoration and house reconstruction

7.2 Grievance Redress

7.2.1 Procedure

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. The basic grievance redress system is as follows:

Stage 1 If any right of any AP is infringed on in any aspect of LA and resettlement, he/she may report this to village committee/Dayu Group, which shall record such appeal and solve it together with the village committee or the AP within two weeks.

Stage 2 If the appellant is dissatisfied with the disposition of Stage 1, he/she may file an appeal to the Xinji PMO after receiving such disposition, which shall make a disposition within two weeks.

Stage 3 If the appellant is still dissatisfied with the disposition of Stage 2, he/she may file an appeal to the Hebei PMO after receiving such disposition, which shall make a disposition within two weeks.

Stage 4 If the AP is still dissatisfied with the disposition of Stage 3, he/she may file a suit in a people's court in accordance with the Civil Procedure Law of the PRC.

At any stage, an AP may bring a suit in a civil court directly without going through the above procedure.

If any AP may also file an appeal with the Office of the Special Facilitator or Compliance Review Panel of ADB in accordance with ADB's accountability mechanism ^①.

All grievances, oral or written, will be reported to ADB in internal and external resettlement monitoring reports.

All agencies will accept grievances and appeals from the APs for free, and costs so reasonably incurred will be disbursed from the contingencies. At the whole construction stage, the above procedure will remain effective so that the APs can use it to solve relevant issues. The above appeal channel will be disclosed to the APs via the RIB and mass media.

7.2.2 Recording and Feedback of Grievances and Appeals

During the implementation of the RP, the resettlement agencies should register and manage appeal and handling information, and submit such information to the Hebei PMO in writing on a monthly basis. The Hebei PMO will inspect the registration of appeal and handling information regularly, and will prepare a registration form for this purpose. See **Error! Reference source not found..**

Table 7-3 Registration Form of Grievances and Appeals

Accepting agency:		Time:		Location:	
Appellant	Appeal	Expected solution	Proposed solution	Actual handling	
Appellant (signature)			Recorder (signature)		
Notes: 1. The recorder should record the appeal and request of the appellant factually. 2. The appeal process should not be interfered with or hindered whatsoever. 3. The proposed solution should be notified to the appellant within the specified time.					

^① For more information, see <http://www.adb.org/Accountability-Mechanism/default.asp>.

7.2.3 Contact Information for Grievance Redress

The resettlement agencies will appoint persons chiefly responsible to accept and handle grievances and appeals. See **Error! Reference source not found..**

Table 7-4 Grievance Redress Agencies and Staff

Agency	Contact	Address	Tel
Hebei PMO	Mr. Wu	Shijiazhuang	0311-66651598
Xinji PMO	Mr. Li Zhiyong	Xinji PMO	15128111119
Dayu Group	Mr. Nie Jingzhang	Dayu Group	15833911955
Xinleitou Village	Mr. Zhao Xiaopu	Xinleitou Village	0311-3271001

8 Resettlement Budget

8.1 Resettlement Budget

All costs related to resettlement will be included in the general budget of the Subproject. Based on prices in August 2016, the resettlement budget of the Subproject is 7.995 million yuan; including LA costs of 5.2694 million yuan, accounting for 72.26%; compensation for demolished non-residential property 157,500 yuan, accounting for 2.16%; and compensation for ground attachments of 1.02 million yuan, accounting for 13.99%. The money for rentals/lease will be budgeted separately in the overall project cost, not included here. See Table 8-1.

Table 8-1 Resettlement Budget

Unit: yuan

No.	Item	Unit	Compensation rate	Qty.	Total	Percent
1	Basic resettlement costs				5269365	72.26%
1.1	LA compensation	yuan/mu	102940	39.75	4091865	56.11%
1.2	Compensation for demolished non-residential property	yuan/m ²	630	250	157500	2.16%
1.3	Compensation for attachments	yuan each	30	34000	1020000	13.99%
2	Taxes and management cost ^①					
2.1	LA management costs	3%			30600	0.42%
2.3	Compensation fees for the use of additional construction land	yuan/mu	18667	39.75	742013.25	10.18%
2.4	Land reclamation costs		6667	39.75	265013.25	3.63%
3	Farmland occupation tax		20000	39.75	795000	10.90%
4	Survey and design costs				40000	0.55%
5	M&E costs				150000	2.06%
6	Contingencies				702697.83	9.64%
	Total				7994689.33	100.00%

8.2 Resettlement Investment Plan and Funding Sources

All resettlement funds of the Subproject 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 livelihoods of the AHs. See **Error! Reference source not found..**

Table 8-2 Resettlement Investment Plan

Year	2017	2018	2019	Total
Investment (0,000 yuan)	719.52	39.97	39.97	799.47
Percent	90%	5%	5%	100%

8.3 Disbursement and Management of Resettlement Funds

8.3.1 Disbursement of Resettlement Funds

The LA compensation will be disbursed by the Xinji PMO directly to the Xinleitou Village Committee, to be returned to Dayu Group according to the land transfer agreement entered into in 2005.

8.3.2 Management of Resettlement Funds

In order that resettlement funds are available timely and fully to the APs in strict accordance with the policies and compensation rates specified in this RP, the following measures will be taken:

- 1) All costs related to resettlement will be included in the general budget of the Subproject.
- 2) Land compensation and resettlement subsidy will paid before LA.
- 3) Financial and supervisory agencies will be established at different levels to ensure that all

^① Paid by the construction agency and received by the government.

funds are fully and timely available.

4) The external M&E agency will perform follow-up monitoring on the availability of compensation fees for the APs during external monitoring.

9 Resettlement Implementation Plan

9.1 Principles for Resettlement Implementation

According to the project implementation schedule, the Subproject will be constructed from June 2017 to June 2019. In order that the resettlement schedule links up the construction schedule of the Subproject, LA will be implemented from March to June 2017. The basic principles for resettlement implementation are as follows:

- LA should be completed at least one month prior to the commencement of construction, and the starting time will be determined as necessary for LA and resettlement.
- During resettlement, the APs shall have opportunities to participate in the Subproject. Before the commencement of construction, the range of LA will be disclosed, and public participation activities conducted properly.
- All compensation fees will be paid to the affected proprietors directly and fully within 3 months of approval of the compensation and resettlement program for LA. No entity or individual should use such compensation fees on their behalf, nor should such compensation fees be discounted for any reason.

9.2 Resettlement Implementation Schedule

The general resettlement schedule of the Subproject has been drafted based on the progress of project construction, LA and implementation. The exact implementation schedule may be adjusted due to deviations in overall project progress. See **Error! Reference source not found..**

Table 9-1 Resettlement Implementation Schedule

No.	Task	Target	Agencies in charge	Time	Remarks
1	Information disclosure				
1.1	RP	Xinleitou Village, Dayu Group	IA	Mid Sep. 2016	
1.2	Disclosure of the RP on ADB's website		IA, PMO, ADB	End of Sep. 2016	
2	RP and resettlement budget				
2.1	RP and budget approval (compensation rates)	7.995 million yuan	XMG, PMO	Aug. 2016	
3	DMS				
3.1	DMS	Xinleitou Village	IA, XMLRB	July. 2016	
4	Compensation agreement				
4.1	Village-level agreement	Xinleitou Village	IA, XMLRB	Mar. 2017	
4.2	Agreement for non-residential property	Dayu Group		Mar. 2017	
5	Livelihood restoration measures				
5.1	Livelihood restoration	2 workers	Dayu Group	Mar. – Jun. 2017	
5.2	Hiring APs under the Subproject	Local villagers	PMO, labor and social security bureau, contractor	Jul. 2017 – Dec. 2019	
6	Capacity building of resettlement agencies				
6.1	Training staff of the Xinji PMO, IA, XMLRB, etc.	2 persons	ADB, TA experts	May 2016	Completed
6.2	Training staff of the Hebei PMO on ADB policies	60 persons	Xinji PMO, IA	Sep. 2016	
7	M&E				
7.1	Baseline survey	As per the RP	External M&E agency	Jun. 2017	
7.2	Establishing an internal monitoring mechanism	As per the RP	Xinji PMO, IA	Aug. 2017	
7.3	Appointing an external M&E agency	One	Xinji PMO	Sep. 2016	
7.4	Internal monitoring reporting	Semiannual	Xinji PMO, IA	From Sep. 2017	
7.5	External monitoring reporting	Semiannual	External M&E	Dec. 2017	1 st report

No.	Task	Target	Agencies in charge	Time	Remarks
			agency	Jun. 2018	2 nd report
7.6	External evaluation reporting	Annual	External M&E agency	Dec. 2018	1 st report
				Dec. 2019	2 nd report
7.7	Completion report	One	Xinji PMO	Dec. 2019	
8	Public consultation		IA	Ongoing	
9	Grievance redress		IA	Ongoing	
10	Disbursement of compensation fees				
10.1	- To IA	Initial funds	XMG, PMO	Feb. 2017	
10.2	- To village	Most funds	IA	Mar. – Jun. 2017	
11	Commencement of civil construction				
	The Subproject		IA	Jul. 2017	

10 M&E

In order to ensure the successful implementation of the RP and realize the objectives of resettlement properly, LA, HD and resettlement activities of the Subproject will be subject to periodic M&E according to ADB's resettlement policy, including internal and external monitoring.

10.1 Internal Monitoring

10.1.1 Scope

Internal monitoring will cover the following:

- 1) Organizational structure: setup, division of labor, staffing and capacity building of resettlement implementation and related agencies;
- 2) Resettlement policies and compensation rates: development and implementation of resettlement policies; actual implementation of compensation rates for different types of impacts (permanent LA, temporary land occupation, HD, relocation of entities and special facilities), with particular focus on compliance with the rates in the RP and reasons for deviations;
- 3) LA, HD and resettlement progress: overall and annual schedules, resettlement agencies and staffing, LA and HD progress, construction progress of resettlement housing and special facilities, progress of relocation and other resettlement activities (see Table 10-1)
- 4) Resettlement budget and implementation thereof: level-by-level disbursement of resettlement funds, fund use and management, disbursement of compensation fees to proprietors, holders of land use rights and land users, village-level use and management of compensation fees, supervision and auditing of fund use (see)
- 5) Employment and resettlement of APs: main modes of resettlement, etc.;
- 6) Grievance redress, public participation and consultation, information disclosure, and external monitoring: appeal channel, procedure and agencies; key points of appeal and handling thereof, key activities and progress of public participation and consultation, information disclosure, external M&E agency, activities and effectiveness;
- 9) Handling of relevant issues in the Memorandum of the ADB Mission; and
- 10) Existing issues and solutions.

Table 10-1 Sample Schedule of LA and HD

Agency: _____

Reporting date: _____ (MM/DD/YY)

Item	Unit	Planned	Actual	Total	Percent
Permanent LA	mu				
Non-residential property demolition	m ²				
Compensation for attachments	0,000 yuan				

Prepared by: _____ Signature of person responsible: _____ Official seal: _____

Table 10-2 Sample Schedule of Fund Utilization

_____ Town, _____ County/district

Cut-off date: _____ (MM/DD/YY)

Reporting date: _____ (MM/DD/YY)

Affected entity	Description	Unit/ qty.	Rate	Compensation paid (yuan)
Village				
Enterprise				

Prepared by: _____ Signature of person responsible: _____ Official seal: _____

10.1.2 Method

For internal monitoring, a normative, smooth top-down resettlement information management system should be established among the Xinji PMO, IA and resettlement agencies concerned to track and reflect the progress of resettlement, including the progress, quality and funding of resettlement, and collate and analyze such information.

The following measures have been taken in the Project to implement internal monitoring:

- 1) Normative statistical reporting system

The Xinji PMO and IA will develop uniform report forms to reflect the progress of disbursement of resettlement funds, LA and HD. Such forms will be submitted monthly.

Table 10-3 Sample Monitoring Form

No.	Item		RP	Updated RP	Actual	Completed to date	Completed in total	Total percentage
			#	#	#	#	#	%
1	Acquisition of collective land	Area (mu)						
		AHs						
		APs						
2	Non-residential property demolition	Area (mu)						
		AHs						
		APs						
4	Resettlement funds (yuan)							

2) Regular or irregular reporting

Information on issues arising from resettlement will be exchanged in various forms between the resettlement agencies and the external M&E agency.

3) Regular meeting

During resettlement implementation, the Xinji PMO will hold resettlement coordination meetings regularly to discuss and handle issues arising from project and resettlement implementation, exchange experience and study solutions.

4) Inspection

The Xinji PMO will conduct routine and non-routine inspection on the resettlement work of the IA and the resettlement agencies, handle resettlement issues on site, and verify the progress of resettlement and the implementation of resettlement policies.

5) Exchange of information with the external M&E agency

The Xinji PMO and IA will keep routine contact with the IA and the external M&E agency, and take findings and opinions of the external M&E agency as a reference for internal monitoring.

10.1.3 Interval and Reporting

Internal monitoring is a continuous process, in which comprehensive monitoring activities will be conducted at least semiannually; more frequent monitoring is required at key times.

Internal monitoring reports will be submitted by the resettlement agencies to the IA and Xinji PMO. The Xinji PMO will compile relevant data and information, and submit an internal monitoring report to ADB semiannually.

10.2 External Monitoring

According to ADB's policy, the Xinji PMO will appoint a qualified, independent agency experienced in ADB-financed projects as the external M&E agency. The external M&E staff should: 1) have participated in similar tasks, have rich experience in socioeconomic survey, and understand ADB's policy on involuntary resettlement, and the state and local regulations and policies on resettlement; 2) be able to conduct socioeconomic survey independently, have good communication skills, and be tough; and 3) include a certain percentage of females.

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

10.2.1 Scope and Method

1) Baseline survey

The external M&E agency will conduct a baseline survey of the affected villages and village groups affected by LA to obtain baseline data on the monitored APs' production level and living standard. The production level and living standard survey will be conducted semiannually to track variations. This survey will be conducted using such methods as panel survey (sample size: 100% of households affected by LA; 100% of affected entities), interview and field observation to acquire necessary information. A statistical analysis and an evaluation will be made on this basis.

2) Periodic M&E

During the implementation of the RP, the external M&E agency will conduct periodic follow-up resettlement monitoring semiannually of the following activities by means of field observation, panel survey and random interview:

- Payment and amount of compensation fees;
- Training;
- Production resettlement and restoration;
- Compensation for lost properties;
- Timetables of the above activities (applicable at any time);
- Resettlement organization;
- Disbursement of LA compensation; and
- If APs have benefited from the Subproject

3) Public consultation

The external M&E agency will attend public consultation meetings held during resettlement implementation to evaluate the effectiveness of public participation.

4) Grievance redress

The external M&E agency will visit the affected villages and groups periodically, and inquire the township resettlement offices and implementing 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

The external M&E agency will prepare external monitoring reports based on observations and survey data in order to: 1) reflect the progress of resettlement and existing issues to ADB and the subproject owner objectively; and 2) evaluate the socioeconomic benefits of resettlement, and propose constructive opinions and suggestions to improve the resettlement work.

A routine monitoring report should at least include the following: 1) subjects of monitoring; 2) progress of resettlement; 3) key monitoring findings; 4) key existing issues; and 5) basic opinions and suggestions.

The external M&E agency will submit a monitoring or evaluation report to ADB and the Xinji PMO semiannually. See **Error! Reference source not found..**

Table 10-4 Resettlement M&E Schedule

No.	Resettlement report	Date
1	Baseline socioeconomic survey report	June 2017
2	Monitoring report (No.1)	December 2017
3	Monitoring report (No.2)	June 2018
4	Evaluation report (No.1)	December 2018
5	Evaluation report (No.2)	December 2019
6	Completion report	December 2019

Appendix 1 Resettlement Due Diligence Report on Transferred Land to be Acquired for Elderly Care Institution

a. Background

39.75 mu of collective land in Xinleitou Village, Xinleitou Town will be acquired permanently for the Elderly Care Institution component. In 2005, 115.6 mu of land was transferred to Dayu Group, and the 39.75 mu of land to be acquired is part of the transferred land.

The Xinji PMO conducted a due diligence investigation on the transfer of this plot in July 2016.

b. Methods

The information used in this report is from two sources:

A. Literature review: collecting and compiling information

➤ Collected literatures: land transfer agreement;

➤ Public participation and information disclosure: land transfer announcement, fund use, etc.

B. Information and data have been further verified through fieldwork and direct communication with stakeholders.

c. Scope

➤ Background of land transfer

➤ Process of land transfer

➤ Refund of LA compensation

➤ Public participation and consultation

➤ Grievance redress

d. Land transfer process and agreement

In 2005, the Xinleitou Village Committee needed to build some collective facilities, so it transferred 115.6 mu of collective flexible land to Dayu Group permanently. The key provisions of the land transfer agreement are as follows (see Attached Figure 1-1):

1. The plot transferred by Party A (Xinleitou Village) is east of Chaoyang Road and south of Changqingting Central Road, with an area of 115.6 mu (actually used by Party B), including 21.9 mu of hollow land. This plot will be transferred to Party B permanently with compensation.

2. The transfer price for the hollow land is 20,000 yuan/mu, while that for the remaining land 45,000 yuan/mu. The total transfer price for the hollow land is 438,000 yuan, while that for the remaining land 4.2165 million yuan, totaling 4.6545 million yuan (including all ground attachments). Both parties will settle the land transfer price and the debt on the date of execution.

In addition, the Xinleitou Village Committee will assist Dayu Group in applying for a state-owned land use permit at the expense of Dayu Group.

e. Land transfer impacts and use of transfer fees

It is learned that the transferred land was unused shrub land and hollow land before the transfer, involving no directly affected population.

After the transfer, this plot has been attended by two workers of Dayu Group.

Through consultation at a village congress, the land transfer fee of 4.6545 million yuan plus other funds raised in the village has been used to construct the following collective facilities. See Attached Table 1-1.

Attached Table 1-1 Use of Land Transfer Fee

No.	Facility	Spec.	Investment (0,000 yuan)	Period of construction
1	Cement road	3500m*4m	133	2005
2	Access road	7000m*2m	49	2005
3	Drain ditch	2400m	216	2006
4	Street sewer	3500m	73.5	2006
5	Street landscaping	480 locust trees	7.68	2005-2007
6	Drinking wells	2	18	2006
Total			497.18	

The construction scope and progress of these facilities, and their fund use have been determined through group discussion at a village congress, and disclosed to villagers via the bulletin board.

土地使用权有偿转让协议书

甲方：新垒头村民委员会 法定代表人：赵小普
乙方：河北大羽羽绒制衣有限公司 法定代表人：李志峰

甲方搞村内建设和公益设施急需资金，于2004年6月借大羽公司现金500万元，甲方因资金紧张无力偿还，乙方因需要扩大场地，经甲乙双方友好协商，甲方以新垒头村南果园林地计115.6亩，有偿转让土地永久使用权给乙方抵顶借款，双方协商具体条文如下：

一、甲方有偿转让的土地范围，在市政规划中的朝阳路以东，常青藤中路以南的墙头界桩为准（南至安古城地边，北至现有围墙外侧，东至林地和基本农田交界处，西至市政规划中的朝阳路东侧规划线），其中，含有21.9亩的坑凹地，总面积115.6亩（乙方实际使用亩数），有偿转让给乙方永久使用。

二、坑凹地的有偿转让地价为每亩2万元，其余土地的可有偿转让地价为每亩4.5万元。其中坑凹地总转让价为43.8万元；其余土地总转让价为421.65万元，合计总转让价为465.45万元（含所有地上附着物）。本协议签字之日甲乙双方相互结清地价款及借款。

三、以有偿转让土地的东北白灰界桩为基点，以规划中的常青藤中路的向西走向为延长线，该延长线以北至目前现有的墙头外侧以南的部分，规划中的常青藤中路施工之前，无偿归乙方使用。

四、双方确保该有偿转让土地的北界紧临规划中的常青藤中路，有偿转让土地的东北界桩和西北界桩之间的连线（北边界）以外至规划中的常青藤中路南界之间的土地，在常青藤中路修建时，参照新垒头村当时的土地有偿转让价格，在同等价格下，由乙方优先购买。

五、甲方协助乙方办理国有土地使用证，费用由乙方承担，如果上述地块被市政府规划征用（由乙方与征用部门协商征收费用及补偿事宜），甲方负责调整地块并补偿乙方一定利息及其它损失，最后由乙方认可。

本协议一式两份，自双方签字盖章之日起生效。

甲方：新垒头村民委员会

法定代表人：



乙方：河北大羽羽绒制衣有限公司

法定代表人：



2005年4月15日

Attached Figure 1-1 Land Transfer Agreement

The content of land transfer agreement is as follow.

Agreement on the Compensated Transfer of Land Use Right

Party A: Xinleitou Village Committee Legal representative: Zhao Xiaopu

Party B: Hebei Dayu Apparel Group Co., Ltd. Legal representative: Li Zhifeng

Party A had an urgent need for funds for the construction of village public facilities and borrowed 5 million in cash from Party B in June 2004, but is unable to repay the loan due to financial difficulty, while Party B needs to expand its factory. Through friendly negotiation between both Parties, Party A plans to transfer the right to use 115.6 mu of orchard and woodland south of Xinleitou Village with compensation. Both Parties have agreed as follows:

1. The plot transferred by Party A is located east of Chaoyang Road and south of Changqingting Central Road, including 21.9 mu of hollow land, with an area of 115.6 mu (actually used by Party B). This plot will be transferred to Party B permanently with compensation.
2. The transfer price for the hollow land is 20,000 yuan/mu, while that for the remaining land 45,000 yuan/mu. The total transfer price for the hollow land is 438,000 yuan, while that for the remaining land 4.2165 million yuan, totaling 4.6545 million yuan (including all ground attachments). Both parties will settle the land transfer price and the debt on the date of execution.
3. With the northeast white-gray boundary marker of the transferred plot being the reference point, the land north of the west extension of Changqingting Central Road and south of the existing enclosing wall shall be used by Party B without compensation before the commencement of

construction of Changqingting Central Road.

4. Both Parties shall ensure that the north boundary of the plot is next to Changqingting Central Road. The land from the connecting line (north boundary) between the northeast and northwest boundary markers, and the south boundary of Changqingting Central Road shall be purchased by Party B with priority at the same price when Changqingting Central Road is built by reference to the prevailing land transfer price of Xinleitou Village.
5. Party A shall assist Party B in applying for the certificate of the right to use state-owned land at Party B's expense. If the above plot is acquired by the municipal government (cost and compensation to be negotiated between Party B and the acquiring agency), Party A shall adjust the plot, and compensate Party B for interests and other losses as finally accepted by Party B.

This Agreement is made in duplicate, and shall come into effect upon execution by both Parties.

Party A: Xinleitou Village Committee

Legal representative: Zhao Xiaopu

Party B: Hebei Dayu Apparel Group Co., Ltd.

Legal representative: Li Zhifeng

April 15, 2005

Attached Figure 1-2 Land Transfer Agreement

f. Coordination between transferred land and acquired land

39.75 mu of collective land in Xinleitou Village, Xinleitou Town will be acquired for the Elderly Care Institution component, and is part of the transferred land. The land transfer agreement is valid.

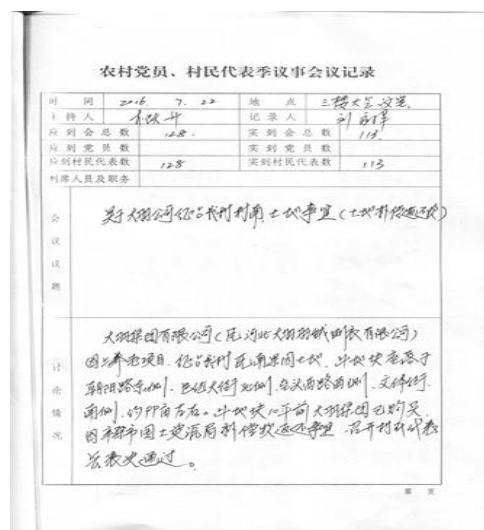
The remaining part of the transferred land (75.85 mu) will still be owned by Dayu Group after the transfer. In addition, the Xinleitou Village Committee will assist Dayu Group in applying for a state-owned land use permit at the expense of Dayu Group.

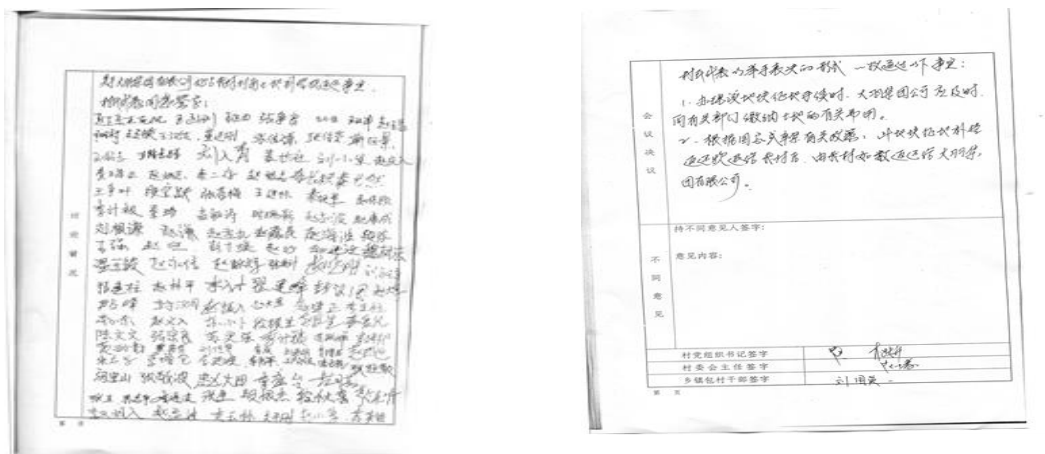
According to the agreement and through consultation, the Xinleitou Village Committee should refund the LA compensation paid by Dayu Group to Dayu Group. For this purpose, a village congress was held in July 2016, and all villager representatives agreed to refund the LA compensation to Dayu Group. See Attached Figures 1-2 and 1-3.

g. Conclusion

The land transfer is valid, involves no resettlement, and has no outstanding issue. Since the land transfer, no appeal has been received.

The whole land transfer process was conducted in consultation with villagers, and complies with the applicable policies of the PRC and ADB.





Attached Figure 1-2 Minutes of Village Congress

协议书

甲方：辛集市新垒头村

乙方：大羽集团有限公司

根据村民代表大会决议同意，现就大羽集团有限公司（原河北大羽羽绒制衣有限公司）购买坐落于朝阳路东侧、世纪大街北侧、垒头西路西侧、文体街南侧的用地，辛集市国土资源局补偿款返还事宜达成如下协议：

一、办理该地块征地手续时乙方应及时向有关部门缴纳土地的有关费用。

二、根据国家或辛集有关政策，此地块征地补偿款返还给辛集市新垒头村之后，由该村委会如数返还给乙方。

此协议一式两份，签字生效。

甲方：(盖章)  
 乙方：(盖章)  

2016年7月22日

The content of the Fund Disbursement Agreement between Dayu Group and Xinleitou Village is as follow:

Party A: Xinleitou Village, Xinji City

Party B: Dayu Group Co., Ltd.

As resolved at a village congress, both Parties have agreed as follows on the return of the compensation by the Xinji Municipal Land and Resources Bureau for the plot located east of Chaoyang Road, north of Shiji Street, west of Leitou West Road and south of Wenti Street purchased by Dayu Group Co., Ltd. (formerly Hebei Dayu Apparel Group Co., Ltd.):

1. When going through the acquisition formalities of this plot, Party B shall pay relevant charges to competent authorities timely.
2. According to the applicable state or local policies, after the acquisition compensation for this plot is returned to Xinleitou Village, it shall be fully returned by the Xinleitou Village Committee to Party B.

This Agreement is made in duplicate, and shall come into effect upon execution by both Parties.

Party A: Xinleitou Village, Xinji City (seal) (Zhao Xiaopu)

Party B: Dayu Group Co., Ltd. (seal) (Li Zhifeng)

July 22, 2016

Attached Figure 1-3 Fund Disbursement Agreement between Dayu Group and Xinleitou Village

Appendix 2 Resettlement Due Diligence Report on Land Used for Community Elderly Care Branches and Service Centers

a. Background

According to the Feasibility Study Report, branches of Parents' Paradise will be established in 5 townships (Xinleitou, Jiucheng, Qianying, Zhiqiu and Wangkou), with 150 beds; daycare centers will be established in Fanghua Community, Aolin Garden Community and Qinghe Bay Community in the urban area of Xinji City, with leased properties of 400 m² and 30 beds. This component aims to provide elderly care, daycare, housekeeping, recreational, consulting, medical and mental consolation services to urban and rural old people. See Attached Table 2-1. This due diligence investigation was conducted to learn the land used for this component.

Attached Table 2-1 Summary of Community Elderly Care Branches and Service Centers

	No.	Name	Location of service center	Floor area	Area served	Population served	Elderly population served	Beds available for daycare
Rural	1	Xinleitou Village	Dayu Group	600 m ²	61 km ²	43625	5671	30
	2	Jiucheng Village	Dayu Group	600 m ²	57 km ²	44115	5293	30
	3	Zhiqiu Village	Dayu Group	700 m ²	77 km ²	35852	4122	30
	4	Wangkou Village	Dayu Group	600 m ²	106 km ²	40903	4785	30
	5	Qianying Xiang Village	Dayu Group	500 m ²	59 km ²	35420	4604	30
Urban	1	Aolin Garden Community	Community	100 m ²	6480 m ²	4325	562	10
	2	Fanghua Community	Community	100 m ²	23460 m ²	5318	584	10
	3	Qinghe Bay Community	Community	200 m ²	29738 m ²	6417	770	10

b. Methods

The information used in this report is from two sources:

A. Literature review: collecting and compiling information

- Collected literatures: state-owned land use permit, land lease contracts, payment vouchers;
- Public participation and information disclosure

B. Information and data have been further verified through fieldwork and direct communication with stakeholders.

c. Scope

- Land nature
- Land lease
- LA process
- Acquisition of rural collective land
- Public participation and consultation
- Grievance redress

d. Land use

See Attached Table 2-2.

e. Conclusion

The rural branches and service centers will be built in Dayu Group's own plants. Dayu Group has 5 plants in total, where a state-owned land use permit has been obtained for the plant in Xinleitou Village (16 mu), while 136 mu (including leased properties of 11,250 m²) are leased for the other 4 plants with terms of 30-50 years. These plants have no problem in land use. According to the lease contracts, Dayu Group has the right to deal with elderly care on the leased land/properties, where some properties will be reconstructed, and will be restored by Dayu Group to the original condition after expiry.

The urban branches and service centers will be built in Aolin Garden Community, Fanghua Community and Qinghe Bay Community, where Dayu Group will lease existing properties of 400 m² in these communities for the Subproject. According to Some Opinions of the State Council on Accelerating the Development of the Elderly Care Industry (SC [2013] No.35), such lease behavior is encouraged by the state, but should be conducted on an equal, voluntary and compensated basis. Such behavior will also be monitored at the implementation stage to ensure that it complies with the ADB policy.

Attached Table 2-2 Land use

	No.	Name	Location of service center	Floor area	Land use	Compliance
Rural	1	Xinleitou Village	Dayu Group	600 m ²	Owned (see Attached Figure 2-1), state-owned land property, transferred to Dayu Group in December 2004 until December 2054, without outstanding issue	Own land, no problem
	2	Jiucheng Village	Dayu Group	600 m ²	Has been leased (see Attached Figure 2-2), lessor: Jiucheng Town Government; lessee: Dayu Group, leased area: 24.42 mu; land type: township flexible land, non-contracted; compensation for ground attachments of 92,000 paid; term of lease: 2009.4.10-2059.4.10	Formalities conforming, no problem
	3	Zhiqiu Village	Dayu Group	700 m ²	Has been leased (see Attached Figure 2-3), lessor: Nanzhiqiu Town Government ; lessee: Dayu Group, leased area: 36.3 mu; land type: town flexible land, non-contracted; term of lease: 2007.2.1-2057.1.31	Formalities conforming, no problem
	4	Wangkou Village	Dayu Group	600 m ²	Has been leased (see Attached Figure 2-4), lessor: Wangkou Village Committee; lessee: Dayu Group, leased area: 50 mu (formerly fireworks factory, which was closed down in 2010 for safety reasons, with its workers dismissed); term of lease: 2011.11.22-2041.11.22	Formalities conforming, no problem
	5	Qianying Xiang	Dayu Group	500 m ²	Has been leased (see Appendix 2-5), lessor: Qianying Xiang Government, lessee: Dayu Group, leased area: 6,327.3 m ² ; land type: unused land, involving no livelihood impact; term of lease: 2010.01.01-2059.12.31	Formalities conforming, no problem
Urban	1	Aolin Garden Community	Community	100 m ²	To be leased According to Some Opinions of the State Council on Accelerating the Development of the Elderly Care Industry (SC [2013] No.35), such lease behavior is encouraged by the state, but should be conducted on an equal, voluntary and compensated basis. In the Subproject, land and properties available for elderly care will be leased with priority.	
	2	Fanghua Community	Community	100 m ²		
	3	Qinghe Bay Community	Community	200 m ²		

辛 国用 (2004) 第 0101670 号

土地使用权人	河北大羽羽绒制衣有限公司		
座 落	迎宾路北段路西		
地 号	/	图 号	/
地类 (用途)	工业	取得价格	/
使用权类型	出让	终止日期	至2054年12月7日止
使用权面积	10728.24 M ²	其 独用面积	10728.24 M ²
		中 分摊面积	/ M ²

根据《中华人民共和国宪法》、《中华人民共和国土地管理法》和《中华人民共和国城市房地产管理法》等法律法规，为保护土地使用权人的合法权益，对土地使用权人申请登记的本证所列土地权利，经审查核实，准予登记，颁发此证。

辛集市 人民政府 (章)

2004 年 12 月 20 日

Xin Guo Yong [2004] No.0101670

Holder of land use right Hebei Dayu Apparel Corporation Co., Ltd.

Location West of Yingbin Road North

Plot No./ Drawing No. /

Land type (use) Industrial Purchase price /

Type of land use right Transfer Expiry date December 7, 2054

Area 10,727.24 m2 Where Exclusively owned area 10,727.24 m2

Shared area /

The land use right set out herein as applied for registration by its holder has been reviewed, verified and approved for registration, and this certificate is hereby issued in order to protect the lawful rights and interests of its holder in accordance with the Constitution of the People's Republic of China, the Land Administration Law of the People's Republic of China, and the Law on Urban Real Estate Administration of the People's Republic of China.

Xinji Municipal Government (seal)

December 20, 2004

Attached Figure 2-1 State-owned Land Use Permit of Dayu Group in Xinleitou Village



Agreement

Party A: Jiucheng Town Government

Party B: Hebei Dayu Apparel Corporation Co., Ltd.

Party B is to use a plot of Party A, located south of National Highway 307 and east of Tianwang Road South for construction purposes. Both parties have agreed as follows:

1. Party A shall approve Party B to use the above plot (bordered by Tianwang Road South on the west, a field road on the east, the land of Wei Jianxun and Zhao Jixue on the south, and the land of Cai Jinliang and Zheng Xiaoxue on the north, 206m from east to west, 79m from north to south, with an area of 24.42 mu). The period of use shall be from April 10, 2009 to April 10, 2059.
2. During the period of use, Party B shall pay 600 kg of wheat to Party A as compensation by June 30 of each year at a time. This compensation rate shall be adjusted with the market price of wheat, as identified by the price control authority on June 25 of that year.
3. Party B shall pay compensation for aboveground and underground attachments of 92,110 yuan at a time to Party A. Party A shall remove all attachments to this plot by April 10, 2009 (all peach and apricot trees on this plot shall be owned by Party B) so that Party B can conduct construction on schedule. All taxes and fees on this plot shall be borne by Party B (the compensation for temporary land occupation borne by Party A).
4. The construction period of Party A shall be from April 10 to October 1, 2009.
5. During the period of use, Party A must waive any right to use this plot (if Party B has any land use dispute with any affected household, Party A shall settle such dispute and assume fully liability).
6. Neither Party shall terminate this Agreement unilaterally, otherwise it shall assume all liabilities and losses.
7. For anything unstated herein, both Parties shall enter into a supplementary agreement, which shall have the same legal validity as this Agreement.

This Agreement is made in duplicate and shall come into effect upon execution.

Party A: Jiucheng Town Government Legal representative:

Party B: Hebei Dayu Apparel Corporation Co., Ltd. Legal representative:

March 19, 2009

Attached Figure 2-2 Land Lease Contract of Jiucheng Town

闲置房屋场地租赁合同

出租方（甲方）：南智邱镇人民政府
承租方（乙方）：河北大羽羽绒制衣有限公司

经甲、乙双方充分协商，为使南智邱镇人民政府所属的原玛钢厂闲置场所得到有效利用，甲方以租赁形式将该地块场地及范围内的房屋租给乙方使用，具体条款如下：

一、甲方同意将座落在南智邱村南玛钢厂院内南侧部分场地、房屋（东至安新公路；西至北侧大工房西面公路西边；南至围墙；北至距南围墙壹佰壹拾米（110米）处），租给乙方使用，东西长贰佰贰拾米（220米），南北长壹佰壹拾米（110米），面积三十六点三亩（36.3亩）。

二、租赁期限：自二零零七年二月一日起至二零五七年一月三十一日止。

三、该块场地及其范围内的房屋的租赁费为每年贰万壹仟元整。租赁费的交纳方式为：二零零七年二月一日一次性交清自二零零七年二月一日起至二零二七年一月三十一日的租金总计肆拾贰万元整；自二零二七年二月一日起，乙方必须以现金形式在每年的二月一日前缴清当年租赁费贰万壹仟元整。

四、甲、乙双方责任、权利和义务

- 1、甲方对乙方的依法正当经营不加任何干涉，乙方必须依法生产、经营、管理和销售。
- 2、乙方在现有的条件及能力范围内给乙方提供良好的生产经营环境。
- 3、租赁期间，乙方对所租场地、房屋，具有使用权。严禁乙方用甲方资产做贷款抵押和任何形式担保，甲方若发现乙方有上述违约现象，甲方有权终止合同，同时将追究乙方的法律责任。
- 4、租赁期间，乙方所发生的一切债权、债务等一切经济纠纷以及税费事故损失，均由乙方全部承担，甲方不负任何连带责任。
- 5、租赁期间甲方不向乙方做任何资金、资产投入。乙方承租期间所新增资产、设备，租赁期满后归乙方所有。乙方自合同中止或到期之日起，六个月内将自有资产搬迁走，逾期视为自动放弃所有权，甲方有权予以处置。
- 6、租赁期间，甲方许可乙方在所租场地范围内进行必要的基础设施建设，包括新建厂房、宿舍、库房、围墙等。

五、违约责任

合同签订后，甲、乙双方要共同履行上述条款，如遇中途任何一方未能履行，视其违约，如甲方违约，甲方赔偿乙方贰佰万元整（200万元）；如乙方违约，乙方赔偿甲方贰佰万元整（200万元）作为违约金。

六、未尽事宜甲乙双方协商，双方同意并最终以补充协议，与本合同具有相同法律效力。

本合同一式两份，甲、乙双方各执一份，自签字之日起生效。

甲方：南智邱镇人民政府 法定代表人：_____

乙方：河北大羽羽绒制衣有限公司 法定代表人：_____

二零零七年一月十七日

Lease Contract of Unused Plot

Lessor (Party A): Nanzhiqiu Town Government

Lessee (Party B): Hebei Dayu Apparel Corporation Co., Ltd.

In order to utilize an unused plot owned by the Nanzhiqiu Town Government effectively, Party A is to lease this plot and all premises thereon to Party B on the following terms and conditions:

1. Party A agrees to lease this plot (bordered by the Anxin Highway on the east, highway west of Dagongfang on the west, the enclosing wall on the south, and the point 110m away from the south enclosing wall on the north) to Party B, 220m from east to west, 110m from north to south, with an area of 36.3 mu.
 2. The term of lease shall be from February 1, 2007 to January 31, 2057.
 3. The rental rate for this plot and all premises thereon shall be 21,000 yuan. Party B shall pay the rental for the period from February 1, 2007 to January 31, 2027, being 420,000 yuan, on February 1, 2007 at a time, and the rental of each year, being 21,000 yuan by February 1 of that year in cash from February 1, 2027.
 4. Rights and obligations of both Parties
 - a) Party A shall not interfere with Party B's lawful operations, and Party B must operate according to law.
 - b) Party A shall provide a favorable operating environment to Party B where possible.
 - c) During the term of lease, Party B shall have the right to use this plot and all premises thereon only, and shall not use it for mortgage or any other form of guarantee, otherwise Party A shall have the right to terminate this Contract and hold Party B legally liable.
 - d) During the term of lease, all debts, financial claims and other financial disputes incurred by Party B shall be borne solely by Party B, and Party A shall not assume any joint and several liability therefor.
 - e) During the term of lease, Party A shall not make any investment in cash or kind in Party B. All assets and equipment newly added by Party B during the term of lease shall be owned by Party B upon expiry of the term of lease. Party B shall remove all owned assets from the date of termination or expiry hereof, otherwise Party A shall have the right to dispose of the same.
 - f) During the term of lease, Party A shall allow Party B to construct necessary infrastructure on this plot, including workshops, dormitories, warehouses, enclosing walls, etc.
 5. Liability for breach
- If either Party breaches this Contract, it shall pay 2 million yuan to the other Party in compensation.
6. For anything unstated herein, both Parties shall enter into a supplementary agreement, which shall have the same legal validity as this Agreement.

This Agreement is made in duplicate and shall come into effect upon execution.

Lessor (Party A): Nanzhiqiu Town Government Legal representative:

Lessee (Party B): Hebei Dayu Apparel Corporation Co., Ltd. Legal representative:

January 17, 2007

Attached Figure 2-3 Land Lease Contract of Nanzhiqiu Town

闲置房屋场地租赁合同

出租方(甲方): 王口村民委员会

法定代表人:

中刁印楚

承租方(乙方): 河北大羽制衣集团有限公司

法定代表人: 李志峰

经甲、乙双方充分协商,为使王口村民委员会所属的原烟花老厂闲置场所得到有效利用,甲方以租赁形式将该地块场地及范围内的所有房屋、厂房及设施租给乙方使用,具体条款如下:

一、甲方同意乙方自 2011 年 11 月 22 日起租赁甲方座落于王口村的原烟花老厂 50 亩院落及该地块内的全部房屋、厂房及设施。四至为:东至东墙头加滩头,西至西墙头加滩头,南至厂房加滩头,北至 (东西长 米,南北长 米)。

二、租赁期限 30 年,自 2011 年 11 月 22 日至 2041 年 11 月 22 日止。

三、租金及其交纳方式:2011 年 11 月 22 日至 2021 年 11 月 21 日按每年年租金伍万元整交纳,2021 年 11 月 22 日至 2041 年 11 月 22 日按每年年租金柒万伍仟元整交纳。乙方于本租赁协议生效之日向甲方交纳第一年度年租金伍万元整,租金交纳方式为每年 11 月 22 日交纳下一年度租金,乙方如未按期交纳年度租金,甲方向乙方收滞纳金,每拖欠一日增交租金总数的 1% 累计计算。

四、甲方承诺本协议有效期内不提前解除合同或转租他人,否则甲方承担由此给乙方造成的全部损失。

五、租赁期间,甲方提供 561 线 50 千瓦变压器一台,563 线 200 千瓦变压器一台供乙方使用,并外携三户,电费各自按实际用电度数缴纳。甲方提供 200 米铁接头机井及提水工具一套,乙方负责维修、管理使用,合同期满完好归还,损毁作价赔偿。

六、乙方承租甲方场地内的现有厂房、宿舍、仓库不准随意拆除,如需部分拆除提前通知甲方共同协商处理,承租期内乙方亦可整体转租或部分转租。

Lease Contract of Unused Plot

Lessor (Party A): Wangkou Village Committee
Legal representative: Diao Jianzhong

Lessee (Party B): Hebei Dayu Apparel Corporation Co., Ltd.
Legal representative: Li Zhifeng

In order to utilize a 50 mu unused plot of the former firework factory owned by the Wangkou Village Committee effectively, Party A is to lease this plot, and all premises and facilities thereon to Party B on the following terms and conditions:

1. Party A agrees to lease this plot (bordered by the east wall on the east, the west wall on the west and the workshop on the south) to Party B from November 22, 2011.
2. The term of lease shall be 30 years, from November 22, 2011 to November 22, 2041.
3. Rental and mode of payment: Party B shall pay a rental of 50,000 yuan per annum from November 22, 2011 to November 22, 2021, and 75,000 yuan per annum from November 22, 2021 to November 22, 2041. Party B shall pay the Year 1 rental of 50,000 yuan to Party A on the effective date hereof, and pay the rental for the next year on November 22 of each year. If Party B fails to pay any annual rental, Party A shall impose a penalty on Party B at 1% of the amount due for each day so delayed.
4. Party A undertakes not to dissolve this Contract or sublease it to anyone else during the term hereof, otherwise it shall assume all losses so caused to Party B.
5. During the term of lease, Party A shall provide a 561-line 50kW transformer and a 563-line 220kW transformer to Party B, and Party B shall pay electricity costs based on actual power consumption. Party A shall also provide a 200m pumped well and a set of water lifting tools, and Party B shall assume their maintenance and management costs, and return them intact upon expiry hereof.
6. Party B shall not dismantle any facility on this plot without the consent of Party A. Party B may also sublease this plot wholly or partly during the term hereof.

Attached Figure 2-4 Land Lease Contract of Wangkou Village

土地租赁暨房屋买卖协议书

甲方：河北大羽制衣集团有限公司

法定代表人：李志峰 任董事长

乙方：辛集市前营乡人民政府

法定代表人：张 慈，任镇长职务

丙方：辛集市前营乡西泽北村村民委员会

法定代表人：王中标，任村委会主任

为使本乡及周边村民方便就业，促进经济发展，带动其它产业及利于企业引进，上列三方经充分协商，就甲方购买乙方房屋及租赁丙方土地一事达成以下协议，共同遵守执行。

- 一、乙方将拥有所有权的座落于西泽北村西，东至中国移动、村中闲散土地、种占维宅基、村中水坑，西至村中林地，北至村中林地，南至道路，该地块上的全部房屋，房屋总面积约 2757.9 平方米（含院落及房屋其它全部附属设施），做价拾万元卖与甲方。甲方应一次性支付该处房屋的全部房屋及附属设施做价款，该处房屋的所有权自乙方收到甲方支付的全部房屋及附属设施做价款之日起，无条件转移给甲方。
- 二、甲方同时向丙方租赁该处房屋及院落所占用的全部土地，租赁土地范围（见附件）为：东至中国移动、村中闲散土地、种占维宅基、村中水坑，西至村中林地，北至村中林地，南至道路。北边东西长为 43.8 米，南边东西长为 47.9 米，南北长为 138 米，土地总面积约 6327.3 平方米（包括该地块上的变压器），租赁期限为五十年。自 2010 年 01 月 01 日至 2059 年 12 月 31 日的全部租金共计拾万元整由甲方一次性付给丙方。另外，该地块现有围墙以外的部分土地上的树木，所有权归丙方，甲方可随时占用该土地，甲方占用时丙方一星期内无偿将该地块上的树木清走，否则视为丙方放弃所有权，由甲方自由处置。甲方付给丙方租赁费之后，甲方不再承担上述土地租赁期内的任何租赁费用。由此租赁产生的任何土地临占费及租赁该土地所发生的任何罚款、耕地占用税、土地使用税等与此土地租赁有关所产生的任何税费全部由丙方承担，并由乙方承担连带责任。甲方生产经营过程中所发生的债权、债务均由甲方负责。
- 三、租赁土地期间，甲方可随意拆建厂房和进行其它投资基础设施建设，乙、丙方不得在任何时间以任何理由干涉，否则除赔偿甲方全部直接损失外，另支付给甲方违约金叁拾万元。
- 四、租赁期满，甲方自有资产及设备房屋由甲方自行处置并于租赁期满六个月内搬迁走，否则乙、丙方有权处置。
- 五、乙、丙两方均向甲方承诺：该处场地及地上房屋均无违法占地及违法建设问题，并承诺若有违法问题，乙、丙两方各自承担违约责任。该场地及房屋自本协议签订之前所发生的任何债权债务均由乙、丙两方各自承担，乙、丙两方在甲方租赁该场地期间，应尽最大努力给予甲方协助，并创造良好的生产环境，确保甲方各项工作正常进行。
- 六、本协议一式三份，三方各执一份，本协议自各方签字盖章之日起生效。

甲方：河北大羽制衣集团有限公司

法定代表人：

乙方：辛集市前营乡人民政府

法定代表人：

丙方：辛集市前营乡西泽北村村民委员会

法定代表人：

2009 年 12 月 28 日

Land Lease and Property Purchase Agreement

Party A: Hebei Dayu Apparel Corporation Co., Ltd.
Legal representative: Li Zhifeng, Board Chairman

Party B: Qianying Xiang Government, Xinji City
Legal representative: Zhang Ci, township head

Party C: Xizebei Village Committee, Qianying Xiang, Xinji City
Legal representative: Wang Zhongbiao, village head

In order to promote local employment and economic development, the Parties hereto have agreed as follows through adequate consultation:

1. Party B shall sell all premises (total area 2,757.9 m², hereinafter referred to as the "Premises") on the plot located in the west of Xizebei Village, bordered by the China Telecom branch on the east, a piece of woodland in the village on the west and north each, and a road on the south to Party A for a price of 100,000 yuan. Party A shall pay such price at a time, and the title to the Premises shall be transferred to Party A upon payment.
2. Party A shall also lease all land occupied by the Premises from Party C, bordered by the China Telecom branch on the east, a piece of woodland in the village on the west and north each, and a road on the south, 43.8m from east to west, 138m from north to south, with an area of 6,327.3 m² (including the transformer on this plot), for a period of 50 years, from January 1, 2010 to December 31, 2059, for a total rental of 100,000 yuan, to be paid by Party A to Party C at a time. In addition, the trees on the part of this plot out of the existing enclosing walls shall be owned by Party C. Party A may take possession of this plot at any time, and Party C shall remove all trees thereon within one week of occupation without compensation, otherwise Party C shall be deemed to waive the title thereto, and such trees shall be disposed of by Party A freely. After Party A pays the rental to Party C, Party A shall no longer pay any additional lease expense of this plot during the term hereof, and any temporary land occupation fee, any penalty, farmland occupation tax, land use tax, and other taxes in connection with the lease of this plot shall be fully borne by Party C, and Party B shall assume joint and several liability therefor. All debts and financial claims incurred by Party A during its operations shall be borne solely by Party A.
3. During the term hereof, Party A may dismantle the Premises and conduct any capital construction thereon, and Parties B and C shall not interfere therewith at any time or for any reason, otherwise they shall

not only compensate Party A for all direct losses, but also pay a penalty of 3 million yuan to Party A.

4. Upon expiry hereof, Party A's own assets and facilities shall be disposed of by Party A and removed within 6 months after the expiry hereof, otherwise Parties B and C shall have the right to dispose of the same.

5. Parties B and C warrant to Party A that this plot and the Premises are free from any illegal land occupation or construction, and that they shall assume their respective liabilities for any violation of law. All debts and financial claims of this plot and the Premises incurred before the date hereof shall be borne by Parties B and C respectively. Parties B and C shall do their best to assist Party A, and create a favorable production environment to ensure Party A's proper operations during the term hereof.

6. This Agreement is made in triplicate and shall come into effect upon execution.

Party A: Hebei Dayu Apparel Corporation Co., Ltd.

Legal representative: Li Zhifeng

Party B: Qianying Xiang Government, Xinji City

Legal representative: Zhang Ci

Party C: Xizebei Village Committee, Qianying Xiang, Xinji City

Legal representative: Wang Zhongbiao

December 28, 2009

Attached Figure 2-5 Land Lease Contract of Qianying Xiang