

RESETTLEMENT PLAN

**LINZHOU WASTEWATER TREATMENT SUBPROJECT
UNDER
HENAN WASTEWATER MANAGEMENT AND WATER SUPPLY SECTOR
PROJECT**

IN THE

PEOPLE'S REPUBLIC OF CHINA

**Linzhou City Planning and Construction Commission
April 2005**

THIS IS NOT AN ADB BOARD APPROVED DOCUMENT

Endorsement of the Resettlement Plan

Linzhou City Planning and Construction Commission has prepared the resettlement plan for Asian Development Bank (ADB) financed wastewater treatment project in our city. This resettlement plan fully complies with requirements of the relevant laws, regulations and policies of People's Republic of China and Henan Province as well as complies with ADB's policy on involuntary resettlement.

Linzhou City Government hereby confirms the content of this resettlement plan and will guarantee the land acquisition, compensation and relocation budget being provided according to the provisions of this resettlement plan. This resettlement plan is based on the feasibility study report and the initial surveys. If the final implemented engineering works are different from what have been described in the feasibility study report and that will cause the substantial impact on the resettlement plan, this resettlement plan should be future modified and approved by ADB before its implementation.

Linzhou City People's Government
March 28, 2005

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ABBREVIATIONS

RP	Resettlement Plan
APs	Affected Persons
ADB	Asian Development Bank
PMO	Project management Office
WWTP	Wastewater Treatment Plant
CNY	Chinese Yuan
PRC	People's Republic of China
LAR	Land Acquisition and Resettlement
HMMWSP	Henan Wastewater Management and Water Supply Project

Executive Summary

A. Background and Impacts Assessment

1. Linzhou wastewater treatment subproject includes a Treatment Plant (WWTP) with capacity of treating 50,000 m³ wastewater per day and the designing capacity in first phase of construction is 25,000 m³ per day, and 48.65 km wastewater pipeline network, including 23.274 km trunk sewer. The proposed location is on the north third ring road of Linzhou City, occupying 63 mu land. Total investment has been calculated as CNY93.03 million, including CNY 50 million which was funded by ADB. The total land acquisition and resettlement related cost is CNY8.03 million.

2. The project will affect the area under the administration of 4 neighborhood offices and 2 village towns. Permanent land acquisition includes 63 mu land in Nanxinzhuang Village, Lingyang Town (5.7% of total town area) which will affect 3 village groups (24.4% of the productive land), 99 households with 411 people (no relocation and only farm land acquired). All the requisitioned land is farmland and the APs are farmers. The average land occupation per farmer of the village is 0.6286 mu. The temporary land use is mainly for the wastewater pipeline network construction, involving 4 districts and 2 village towns. The requisitioned land is 265 mu, including 8 mu of farmland and 257 mu of roads. The identified ground attachments include 127 graves, 5 wells, 408 meters of irrigation canal and 980 meters of electric wires. The restoration of the affected infrastructure should be completed before the original infrastructure are demolished.

3. Since the village is close to Linzhou City, most villagers have been engaged in migrant labor, transportation and business, according to the village head, the per capita average net income of the villagers was about CNY 3,000, of which 30% from migrant labor, 60% from transportation and business, many of the local farmers do not like to engage in farming.

B. Policy Framework and Entitlements

4. The legal framework and resettlement policy of the Project include two kinds of resources: the laws and regulations of China, and the policy requirements of ADB. This RP summarizes the resettlement policy for house demolition for this project and the policy for the land acquisition and compensation. All compensation standards are determined by replacement costs and will be paid to APs before land acquisition.

C. Rehabilitation and Income Restoration

5. All affected persons will be compensated and provided with relocation assistance as set out in the project entitlement matrix in this RP. During Project implementation, efforts will be made to further minimize the land acquisition and resettlement impacts.

6. The income restoration and rehabilitation measures have been drafted in this RP

according to the local economic situation and the purpose is to guarantee the living standards and livelihood of the affected persons equal or better than the ones before the project. These income restoration and rehabilitation measures have been developed in consultation with all affected persons and they have reflected the most practical ways for the easy implementation during the project. The main rehabilitation measures for affected persons (APs) are to replace lost farmland by allocating 50 mu of reserve land to those APs and build vegetable sheds for them to restore their income. All the APs are entitled to this opportunity.

7. The APs affected by temporary land use will be compensated for standing crops and land restoration fee according to national regulation. Therefore, the affected farmers can restore the farmland. The road affected by temporary land use will also be restored by contractors.

D. Institutional Arrangements

8. The institutional framework for managing land acquisition and resettlement activity and a detailed budget have been included in RP. Linzhou Government has established a Leading Group to supervise all the key activities involving land acquisition and resettlement and an office under the Leading Group has been created with the staff from IA and the other concerned local agencies for daily administration and implantation of resettlement plan.

E. Complaints and Grievances

9. Based on the policies and rights and resettlement, the PMO has prepared and issued a handbook (Chinese version), and distributed them to the affected people, so that they may know: 1) the policies and regulations; 2) benefits and rights; and 3) plans to recover their income and living standard after land acquisition. This also enhanced the transparency of resettlement. The handbook contains the following items: basic points of the project, project schedule, affected range by the project, key points of the resettlement policy, the compensation standard, etc.

F. Complaints and Grievances

10. The detailed processing procedure for opinions about this project has been established in order to guarantee the relevant persons have ways to deal with their opinions on land acquisition and resettlement. The objective of this procedure is to assure that advice of relevant persons for this project can be dealt with openly and rapidly. This procedure is simple, practical, open and just. In the long run, the ultimate goal is to avoid people affected by the project being forced to express their dissatisfaction and opinions resorting to intricate formal way. In other words, the opinions or dissatisfaction of related persons can be dealt with inside the management organization of the project, which not only make the processing procedure more effective, but also reduce the impact to the schedule of the project.

G. Monitoring and Reporting

11. In order to ensure that the resettlement plan be carried out entirely according to

requirements, it should be monitored and evaluated periodically during the implementation of the project. The monitoring and evaluation on resettlement plan may be classified as “internal monitoring” and “external monitoring”.

12. The external monitoring and evaluation shall be taken by an organization or entity totally independent of the project and local government. The Henan Project Management Office will employ a neutral entity to take charge of the external monitoring by means of public bidding.

H. Cost Estimate of Resettlement

13. All costs related to land acquisition and resettlement shall be included in the overall budget of this project. Based on the price at October 2004, the total cost of land acquisition and resettlement for wastewater treatment of Linzhou city is CNY 8.03 million.

I. Due Diligence

14. The ADB Mission visited the Linzhou City Wastewater Treatment Plant Project on 3 February 2005 to assess to current status of land acquisition and resettlement activities, which had commenced in July 2004. The local villagers knew the information about the construction of the project in 2003, and the project owner launched negotiations since July 2004, and signed agreement on land acquisition and resettlement with Nanxinzhuang Village Committee on 17 December 2004. A total of CNY 2.2 million was disbursed to village committee on 20 December 2004. The compensation rate of farmland is CNY 35000 per mu. So far the consultation of distribution method of land compensation and resettlement subsidy is still ongoing within the village. The Village leaders said that a tentative decision was made to disburse most (more than 90%) of compensation fund to all the villagers. The villagers received their compensation on 9 February 2005. The ground attachments, including pump wells, tombs, transmission line and irrigation channel, have been surveyed and the compensation delivered. The requisitioned land was transferred to the WWTP in February 2005., The village will allocate 50 mu of the reserve land to the project affected households, in order to ensure those affected household will obtain the replacement land.

15. Since agreements have already been signed and compensation paid to the village, ADB has requested assurances that the project will be closely monitored by the external monitor to ensure the proposed income rehabilitation measures are implemented timely and provide sufficient income restoration to the affected households. The progress will be reported to ADB, reassessed and should be deemed satisfactory prior to disbursement of funds for this sub-project.

1. Introduction and Project Description

1.1. Project Background

Since Linzhou city was identified by the provincial government as one of the 26 prioritized development counties (towns) in 2001, the city planning and construction commission has accomplished revision of Linzhou City Master Plan from 2001 to 2010. According to the Linzhou City Master Plan, Linzhou city is going to be the political, economical and cultural center of Linzhou area, and will develop to be a modern city for ecological tour without polluting industry. However, Linzhou city has not established the wastewater treatment project till now, so that the industrial and domestic wastewater are both discharged directly into the Huan River which is a branch of Hai River Basin without any treatment, which pollutes the Huan River heavily. Furthermore, the ecological environment of the downstream has also been polluted, which directly bring the impacts to economic development. Environmental problem have become one of extremely important issues to Linzhou city, and it is necessary to construct a wastewater treatment plant to solve the problem.

1.2. Project Introduction

1.2.1. Location of the project

The Linzhou city wastewater treatment plant is located in the north of North Third Ring Road of Linzhou city, northwest of Guan village, Lingyang town, west of Nanxinhuang village, east of Xinhe highway, and west of sewerage ditch. The plant will occupy about 63 mu land, the range of which is described as follow: 800 m north to the transformer substation in Chaojia village, 600 m west to Guanzhuang village and Nanxinhuangzhuang village, and 300 m east to the Xinhe highway.

1.2.2. Project scope

The construction of wastewater treatment plant includes two parts. One is Linzhou city wastewater treatment plant, which is designed to deal with 500,000 m³ wastewater per day, and when the first-stage construction of the plant was finished, it would treat 250,000 m³ wastewater per day. The other is the reconstruction of wastewater pipeline network of Linzhou city. The total length of wastewater pipe is 48.65 kilometers, in which the trunk sewers are 23.275 kilometers in length. The construction of wastewater pipeline network is divided into two stages. The first stage will focus on the pipeline network in the east of West Second Ring and Sidaohe and in the north of South Ring Road, with a total length of 25.34 kilometers, while the second stage will deal with the pipeline network from the west of West Second Ring Road to West Third Ring Road, with a total length of 23.315 kilometers.

1.2.3. Project cost estimates and implementation progress

The preparation for land acquisition and resettlement plan (RP) began in August 2004, and ended on March 30, 2005. The construction of Linzhou WWTP is planed to begin in September 2005, and would be finished by the end of 2007. The plant is designed to deal with 50 thousand tons wastewater per day, the total investment of which is up to CNY93.02 million including CNY57.06 million investment for the construction of the plant and CNY35.96 million for pipeline network. When the first stage of the project was finished, the capacity to deal with wastewater would be 250,000 m³ per day, and the investment would be CNY52.78 million including

CNY34.30 million for the plant and CNY18.47 million for pipeline network.

The sources of investments will consist of the following three parts: CNY50 million provided by ADB, CNY30 million from State bond and CNY13 million from local finance.

According to the general plan of the project, the Environmental Assessment Report on Wastewater Treatment Project of Linzhou City has been approved by Environmental Protection Agency of Henan Province on August 26, 2004. The Feasibility Study Report of Wastewater Treatment Project of Linzhou City has been approved by Development and Reform Commission of Henan Province on November 5, 2004. The land acquisition and compensation shall be finished before June 2005. The first stage of the project including equipment installation and debugging, shall be finished at the end of 2006. The wastewater treatment plant will be under operation officially before March 2007.

1.2.4. Social and economic benefits of the project

Pollution treatment and environment protection is one of the basic national policies of our nation, which is also an important responsibility of local governments. Due to historical and objective causes and limitation of regional economic development, the infrastructural construction here falls short. In particular, the environmental protection equipments fall severely behind the development of the city. Large amounts of city sanitary waste and industrial sewage are released directly without treatment every day, which not only pollute the quality of river and ground water, threaten the ecological environments, but also threaten the health of citizens. With the development of urbanization, the development of all kinds of municipal public services also accelerates. If the wastewater treatment system is not developed with the economic development, the regional water environment will deteriorate seriously. This project will cause the wastewater being treated to meet the required standards, improve the city environments of Linzhou city, raise the quality of life of inhabitants, ensure the sustainable development of regional economy, and therefore has good social and environmental benefits.

2. Social & Economic Background of the Affected Area

2.1 Location of the city

2.1.1. Geographic characteristics of the city

Linzhou city is located in the north margin of Henan Province, to the east of Taihang Mountain. It is adjacent to Anyang city, Hebi city, Qixian County to the east, and Weihui city, Huixian city to the south, Pingshun County, Huguan County, and Lingchuan County of Shanxi Province to the west. The Zhang River separates it from Shexian County of Hebei Province. Linzhou City belongs to intermountain basin in geography, and the topography here is relatively even, except slight fluctuation and small drop height. The topography of urban area shows to be high-east, low-west, and high-south, low-north to the west of Taihang Road, while to the east of Taihang Road and north of South Ring Road, the topography shows to be high-east, low-west, and high-south, low-north, to the east of Taihang Road and south of South Ring Road, the topography shows to be high-west, low-east, and high-south, low-north, and in the north, the topography shows to be slightly fluctuated, depressed relative to both sides near the North Ring

Road. The city area is 74 kilometers long in north-south direction, 29.4 kilometers wide in east-west direction, the total area of which is 2046 square kilometers, and the gross population is 964.7 thousand. The population of urban area of Linzhou city is 130 thousand at the end of 2002, and the area of urban area is 16 square kilometers, the gross industrial output value of urban area is CNY1.208 billion. The ratio of men and women is 51/49 in the whole city. The nonagricultural population is 130 thousand, and agricultural population is 834.7 thousand. The population density of each district ranges from 1142.1 per square kilometer to 3300 per square kilometer.

2.1.2. Project Affected Areas

The affected area of wastewater treatment project is widely distributed among four street committees, Chengling town and Chengjiao town. 63 mu land is requisitioned in Nanxinhuangzhuang village of Chengling town. On average, this village will lose 5.7% land for production. It is estimated that the land acquisition will involve three village groups/teams in this village, and the average loss is about 24.4% of production land for these village teams. The infrastructures to be impacted by the wastewater pipeline network construction include electrical wires, communication lines, cables and pipes. However, due to the nature of the pipeline network reconstruction, it will not cause any shutdown and production interruption, so the project will have limited impacts.

2.2. Characteristics of project area

The following tables list the characteristics of this area:

Table 2-1 Population structure of the affected area (from Statistics Bureau of Linzhou City)

Location	Total household	Total population	nonagricultural population	agricultural population	Unit: people	
					male	female
Lingyang town	8587	29695	8211	21484	16224	13471
Guiyuan district	10722	52181	26179	6002	16224	15260
Kaiyuan district	10722	32181	26175	6006	16921	15260
Zhenlin district	10723	32182	25175	6106	16921	15261
Longshan district	10722	32181	26175	6006	16921	15260
Chengjiao Village	23287	83299	1602	81697	42469	40830

Table 2-2 Population Characteristics of Affected Area

Index	Lingyang Town	Kaiyuan District	Zhenlin District	Longshan District	Guiyuan District	Chengjiao Village
Total Households	8587	10722	10723	10722	10722	23287
Total Population	29695	32181	32182	32181	52181	83299
Nonagriculture Population	8211	30175	26124	25175	26179	1602
Agriculture Population	21484	6406	6058	6106	6002	81697

Table 2-3 Basic information of Affected Areas for Permanent Land Acquisition

Village town	Village committee	Number of villager Groups	Number of Affected villager Groups	Population of the whole village (people)	Number of poor households	agricultural population	Labor force	Amounts of farmland (mu)
Lingyang town	Nanxin Zhuang village	8	3	1750	4	1750	850	1100

2.2.1. The statistical feature of the affected people

In order to evaluate the impacts of the project on the affected people, the Urban & Rural Planning and Design Institute of Henan Province carried out a survey on social economy in August 2004. The survey object is the affected 109 households, in 6 districts or towns by both permanent land acquisition and temporary land use.

The survey objects are 109 households including 240 men and 206 women, among whom 230 (51.2% of the total) people are married, 190 (43% of the total) people are not married, and the rest 26 (5.8% of the total) people are single old people, whose children are not living with them.

In the households sample, 12 people (2.7%) are illiterate, 80 people (18%) graduate from primary school, 299 people (67%) graduate from junior high school, 40 people (9%) graduate from senior high school, 10 people (2.2%) graduate from technical secondary school, and 5 people (1.1%) graduate from university. The details of education background of the respondents are shown in Table 2.4.

Table 2-4 Education situation of the samples of affected persons

Item	Amount of APs (person)	Percentage of the total (%)
illiterate	12	2.7
Primary school	80	18
Junior high school	299	67
Senior high school	40	9
technical secondary school	10	2.2
University and upwards	5	1.1
Total	446	100

In the 109 survey households, the total number of people is 446. There are 1 to 6 people per family, and the average is 4.1 people. The detailed results of the size of family are shown in the following tables.

Table 2-5 The size of the family

	Number of people in a family (people)
Average	4.1
Minimum	1
Maximum	6
Total	446

All the sample households are permanent residents of the village.

2.2.2. Occupations and income situation of the households

The sample households are engaged in various walks of life, which include 230 farmers (51.5%), 10 self-employed laborers/business owners (2.1%), 1 magistrate/teacher (0.2%), and 150 others (33.6%).

The average annual income of the farmer's family is 3200 Yuan per capita, among whom the highest is 5000 Yuan, and the lowest is 2000 Yuan. There are no urban residents whose monthly income falls below the poverty line of Linzhou city, which is 550 Yuan annual per capita.

2.2.3. Key problems that the public are concerned about

In the survey, the needs of the affected people for the projects and feedbacks from the affected people are studied in order to evaluate their desire for the house demolition for the project. They

are concerned with the following issues such as loss of their land, the measures to help their income and agricultural production restoration, and compensation standards.

The opinions of the affected people are discussed during the consultation meetings held in villages, districts, and towns. Also the government officials, members of village committee of the affected villages, and officials of executing agencies take part in the discussion. The problems such as compensation, resettlement, resettlement and income restoration measures are reviewed in detail. The resettlement plan involved the following content: 1) try to reallocate the land as far as possible; 2) pay off all the compensation fees and let the affected people control the fees freely; 3) help APs to rehabilitate, especially for the villagers affected by permanent land acquisition; 4) develop nonagricultural, small-scale enterprises; and 5) provide help for the small-scale family business, especially the help for women. These policies have been made in the process of establishing resettlement policies.

2.3. The information on the project and land acquisition

2.3.1. The survey on the knowledge of the APs to the project and land acquisition

Table 2-6 Information source and time to get the information about this project and land acquisition

First time to know	Less than half year	Half year to five years		
Amount(person)	60	40		
Information source	newspaper	meeting	neighbor	Social investigator
Rate of Response	10%	30%	30%	30%

2.3.2. Understanding and Attitude

The affected people are sure that their loss will be compensated fairly. The survey shows that, 93% people believe that they will get reasonable compensation, while 7% people are not sure. 95% people believe that the departments in charge will help them, while 3% people don't believe, and 2% people don't know. When they are asked whether their families will benefit from this project, 95% of the respondents say "yes" and 5% of them are not sure.

The survey also shows that it is certain that the amount of affected people who support this project is strong, 95% of which agree, and 5% of them don't know. The detailed survey results are summarized in the Table 2.7.

Table 2-7 Public questionnaire

Question	Answer			
Will your family benefit from this project?	yes	no	Don't know	
	85	5	10	
Will you be compensated fairly for your loss?	yes	no	Don't know	
	93	5	2	
Will you get help from the correlative departments in addition to reasonable compensation?	yes	no	Don't know	
	95	3	2	
Agree to support this project?	yes	no	Don't care	Don't know
	95			5

3. Project impacts

3.1. Principle of site selection for the project

3.1.1. Principle of site selection

- 1) It should meet the requirements of adopted wastewater treatment process;
- 2) It should reduce land acquisition, try to occupy less farmland and have a certain distance for health protection;
- 3) The site shall be located at the downstream of the water source, at the downstream of the town, plant side and residential site, and the leeward of the prevailing wind in summer.
- 4) If the treated effluent or sludge is used in agriculture, industry or municipal project, the site of the plant shall be close to the users for the convenience of transportation. If the treated wastewater is discharged, the site shall be close to the receipt water body.
- 5) The topography shall be made full use of. If possible, the site shall be located at the gradient region so as to meet the altitude demand by the building for wastewater treatment and decrease the earthwork of the project;
- 6) It shall have favorable project geologic condition;
- 7) The plant side shall not be flooding and have good drainage system;
- 8) The site selection shall take into account the possibility for long-term development and have the room for extension.

3.1.2. Site selection for the wastewater treatment plant

According the city master plan, the condition for building the plant, investment surroundings and environment are considered, the plant site is chosen to be located to the north of Linzhou city, northwest of Guanzhuang village, west of Nanxinzhuangzhuang village, east of Xinhe highway, and west of muck ditch. The area of the plant is about 63 mu. The range

is described as follows: 800 m north to the transformer substation in Chaojia village, 600 m west to Guanzhuang village-Nanxinzhuangzhuang village, and 300 m east to the Xinhe highway.

3.2. Types of loss induced by land acquisition for the project

On the basis of preliminary project design and site investigation, the following types of loss affected by land acquisition are confirmed:

- Loss of farmland;
- Temporary land use;
- Loss of ground attachments(no household buildings involved) ;
- Other losses, such as standing crops.

3.3. Summary of detailed measurement survey

3.3.1. Permanent land acquisition

All the permanent land acquisition is for the WWTP and there are no existing household buildings over the acquired land. The access road to the WWTP already exists. No land will be requisitioned for this purpose.

Table 3-1 The amount of permanent land acquisition and affected population by the wastewater treatment plant

Item	Village name	Number of households	population	Collective land	
				farmland	total
The wastewater treatment plant of Linzhou city	Nanxinzhuangzhuang village	99	411	63	63

3.3.2. Temporary land use

The scope of temporary land use for the project mainly refers to the land involved in the construction of wastewater pipeline network.

The total length of wastewater pipeline is 43 kilometers. The temporary land use for wastewater pipeline network construction affects 4 districts and 2 village towns, the total area of which is 265 mu including 8 mu farmland and 257mu road area.

Table 3-2 The amount of temporary land use by wastewater pipeline network

Item number	Temporary land acquisition (mu)		Total
	Farmland	Municipal roads	
Sewer pipeline	8	257	265
Affected households	4	0	4

3.3.3. Acquisition of ground attachments

The ground attachments include 127 graves, 5 water wells, 408 meters irrigation aqueduct and 980 meters underground wires.

The Resettlement Impacts induced by the temporary land use

The temporary land use for the project includes state-owned land and the urban area belonged to the rural collective-owned land for the construction of pipeline network.

The land temporary used is state-owned and the area is 257 mu, which is the land of city roads and will be restored to be roads after the construction of wastewater pipeline network is completed. According to correlative laws, the projects related to municipal public welfare may use land temporarily free of charge. The impact period of construction of wastewater pipeline network in the city zone on the local areas is short and the loss is little, therefore, this temporary impact does not require compensation.

The temporary land use includes 8 mu land of the village collective which will be restored to its original condition by the Project contractor after the construction of wastewater pipeline network is completed. Based on the Regulation of Land Management of Henan Province, the compensation for output value of temporarily used land will be paid to the households of the land. With this compensation, the income of the affected households will not be adversely affected. .

The temporarily state-owned roads (257mu) use will affect the transportation of those roads during the construction of pipeline network.

The temporarily cultivated farmland (8mu) use will affect one season of cultivation and will require land leveling after construction.

To reduce the project impacts, the following measures can be taken: carry out the construction work on road by phases and reconstruct the road in time to minimize the impacts on traffic; pay compensation fees to affected farmers for standing crops and land rehabilitation fee so that they can go on to farm in the land after the construction.

3.5. Measures taken to avoid or to minimize the impacts of the land acquisition and resettlement

With respect to land acquisition, house demolition and other damage, the following measures have been taken to apply in the project planning to decrease the impacts induced by the project. In the planning stage, the impacts of the project on the local society and economy will be considered and will be taken as the key factors for scheme optimization;

- Try to minimize farmland acquisition and house demolition;
- The plant site selection should try to keep away from the villages, houses and other facilities as much as possible;
- Try to optimize the construction arrangement and cut short the construction period and assign

the construction time reasonably.

3.6. Impacts analysis of the project

The 63 mu land to be requisitioned by the project are all farmland which belong to village collectives and the land acquisition activities affect 99 households. The impacts of land acquisition are mainly in the Nanxinzhuang village of Lingyang town. The farmers will face to the challenge of decrease in agriculture production and income. The average land in the whole village is 0.6286 mu per capita. The land acquisition from 411 affected people in 99 households is 0.1533 mu per capita, which is about 24.39% of the total. Nanxinzhuang village is close to Linzhou City so many villagers work in non-agriculture industries, such as wholesales, transportation or migrating labors in the city. The average annual income of the villagers is CNY3000, which mainly consists of non-agriculture income. Farmers' agriculture economic income will be affected after their land being requisitioned.

Among the project affected households, there are three widow families, who belong to vulnerable group. No minority affected by the project

Table 3-3 Permanent Land Acquisition Impacts Analysis

Items		The wastewater treatment plant
Village		Nanxinzhuang village
Total households (household)		570
Total population (people)		1750
Affected households (household)		99
Affected people (people)		411
The total area of land (mu)		1110
Average area per household (mu)		1.93
The land acquisition for the project(mu)		63
- average area per capita before land acquisition (mu)		0.63
- average area per capita after land acquisition (mu)		0.48
Land loss (%)	All the village	5.7
	The affected households	24.4
Average income per capita before the land acquisition (Yuan)		3000

4. Legal and Policy Framework

The legal framework and resettlement policy of the Project include two kinds of resources: the laws and regulations of China, and the policy requirements of ADB. This chapter intends to summarize the resettlement policy for house demolition for this project and the policy for the land acquisition and compensation.

4.1. Legal Framework—National/Regional Laws and Regulations

- Land Administration Law of the PRC, put into implementation on January 1, 1999.
- State Council Document No. 28, Decision to Deepen Reform and Strictly Enforce Land Administration, November 21 2004;
- The Ministry of Land Resource No.238, Guideline for Enforce Land Acquisition Compensation Policies
- State Council Document No.256, Implementation Regulation for Land Administration Law
- State Council Document No.27, Temporary Regulations of Cultivated Land Occupancy tax for the PRC, 1997
- Regulations on Basic Farmland Protection of Henan Province;
- Henan Provincial Management Guidelines for Implementation of the Land Administration Law of PRC, Dec. 1 1999
- Measures of Jiaozuo Municipality for the Administration of the Demolishment of Urban House
- ADB's Involuntary Resettlement Policy

4.2. Correlative laws and regulations

4.2.1. Relevant stipulations in Land Administration Law of PRC

Article 10: Land owned by farmer collectives to be lawfully used for non-agricultural construction shall be registered and recorded by people's governments at the county level, which shall, upon verification, issue certificates to confirm the right to the use of the land for such construction.

Article 14: Land owned by farmer collectives shall be operated under a contract by members of the economic organizations of the farmer collectives for crop cultivation, forestry, animal husbandry or fishery. Within the duration of the contract for operation of land, any appropriate readjustment of the land between individual households shall be made with the agreement of at least two-thirds of the members of the villagers assembly or of the representatives of villagers and submitted to the township (town) people's government and the agriculture administration department of the people's government of the county for approval.

Article 24: People's governments at all levels should strengthen administration of land utilization plan and practice quantum control of land used for construction.

Article 31: The state protects cultivated land and strictly controls turning cultivated land

into noncultivated land. The state practices the system of compensation for the occupation and use of land. For the occupation and use of cultivated land for non-agricultural construction with approval, the unit that occupies and uses cultivated land shall be responsible for the reclamation of cultivated land equivalent to the quantity and quality of cultivated land occupied and used in accordance with the principle of "quantity of reclaimed land being equivalent to that occupied"; where there are no conditions for reclamation or the reclaimed land does not conform to requirements, cultivated land reclamation fee should be paid as prescribed by the provinces, autonomous regions and municipalities directly under the Central Government, the special-purpose fund shall be used for the reclamation of new cultivated land.

Article 42: For destruction of land caused by damage due to digging, caving in and pressurized occupation, the land use unit and individual should, in accordance with relevant state provisions, be responsible for the reclamation; where there are no conditions for reclamation or reclamation does not conform to requirements, land reclamation fee should be paid to be used specifically for land reclamation. The reclaimed land should be used for agriculture on a priority basis.

Article 47: Land requisitioned shall be compensated for on the basis of its original purpose of use.

Compensation for acquired cultivated land shall include compensation for land, resettlement subsidies and attachments and young crops on the acquired land. Compensation for acquisition of cultivated land shall be six to ten times the AAOV of the acquired land for three years preceding such acquisition. Resettlement subsidies for acquisition of cultivated land shall be calculated according to the agricultural population to be resettled. The agricultural population to be resettled shall be calculated by dividing the amount of acquired cultivated land by the average amount of the original cultivated land per capita of the unit the land of which is requisitioned. The standard resettlement subsidies to be divided among members of the agricultural population needing resettlement shall be four to six times the AAOV of the acquired cultivated land for three years preceding such acquisition. However, the highest resettlement subsidies for each hectare of the acquired cultivated land shall not exceed fifteen times its AAOV for the three years preceding such acquisition.

Standards of land compensation and resettlement subsidies for acquisition of other types of land shall be prescribed by provinces, autonomous regions and municipalities directly under the Central Government with reference to the standards of compensation and resettlement subsidies for acquisition of cultivated land.

Standards for compensation for attachments and young crops on the acquired land shall be prescribed by provinces, autonomous regions and municipalities directly under the Central Government.

For acquisition of vegetable plots in city suburbs, the land users shall pay towards a development and construction fund for new vegetable plots in accordance with the relevant regulations of the State.

If land compensation and resettlement subsidies paid in accordance with the provisions of the second paragraph of this Article are still insufficient to help the farmers needing resettlement to maintain their original living standards, the resettlement subsidies may be increased upon approval by people's governments of provinces, autonomous regions and municipalities directly under the Central Government. However, the total land compensation and resettlement subsidies shall not exceed 30 times the AAOV of the acquired land for the three years preceding such acquisition.

Article 48: Once a plan for compensation and resettlement subsidies for acquired land is decided on, the local people's government concerned shall make it known to the general public and solicit comments and suggestions from the collective economic organizations, the land of which is requisitioned, and the farmers.

Article 49: The rural collective economic organization, the land of which is requisitioned, shall accept supervision by making known to its members the income and expenses of the compensation received for land acquisition.

The compensation and other charges paid to the unit for its land acquisition are forbidden to be embezzled or misappropriated.

Article 50: Local people's governments at all levels shall support the rural collective economic organizations, the land of which is requisitioned, and the farmers in their efforts to engage in development or business operation or to start enterprises.

Article 54: Use of state-owned land for a construction project should be obtained in the form of paid for use such as transfer; however, the following use of land for construction may be obtained in the form of appropriation subject to the approval of the people's government at or above the county level in accordance with law:

- (1) land use by state organs and land use for military purposes;
- (2) land use for urban infrastructure and land use for non-profit undertakings;
- (3) land use for such infrastructure as energy, communications and water conservancy to which the state renders key support; and
- (4) other land uses prescribed by laws and administrative regulations.

Article 57: Where land owned by the State or by farmer collectives needs to be used temporarily for construction of projects or for geologic prospecting, the matter should be subject to approval by the land administration departments of people's governments at or above the county level. However, if the land to be temporarily used is located in the area covered by urban planning, the matter shall be subject to agreement by the urban planning administration department concerned before it is submitted for approval. The land user shall, depending on who owns the land and who has the land-use right, enter

into a contract for the temporary use of the land with the land administration department concerned, or the rural collective economic organization, or the villagers committee and pay compensation for it in accordance with the provisions of the contract.

Article 58: The right to use of state-owned land may, subject to the approval of the people's government that originally approved the use of land or the people's government with authority of approval upon submission by the competent department of land administration of the people's government concerned, be withdrawn for any of the following circumstances:

(1) land use required for public interest;

(2) adjustment in land use necessitated by reconstruction of old urban districts in implementing urban planning;

Article 62: One household of villagers in a rural area can only possess one house site the area of which shall not exceed the standards prescribed by the provinces, autonomous regions and municipalities directly under the Central Government. Construction of villagers' residences in the rural areas should conform to the overall planning for rural(township) land utilization, and the best possible use of original house sites and idle land in the villages should be made. Land use for villagers' residences in the rural areas shall be subject to the approval of the people's government at the county level upon examination and verification by the village(township) people's government; among them, for cases involving occupation and use of agricultural land, formalities of examination and approval shall be completed pursuant to the provisions of Article 44 of this Law. Reapplication for a house site by a villager in a rural area who has sold or rented out his/her house shall not be approved.

4.2.2. Correlative regulations of Farmland Land Occupancy tax for the PRC

Article2: Farmland mentioned here is the land for growing crops. It is also regarded as farmland if the land was used for growing crops in the last 3 years.

Article 3: Both unit and individual should be responsible to pay farmland occupancy tax (thereafter called taxpayer) for house construction or non-agricultural construction. They should pay farmland occupancy tax in accordance with the regulation.

Article 4: Farmland occupancy tax should be calculated based on the actual area of farmland occupation. The amount of tax should be collected in one-time payment.

Article 5: The amount of farmland occupancy tax should be prescribed as follows:

Take county as a unit (same as follows), for the area that the average farmland area is less than one (1) mu per capita, the tax should be CNY 2 to CNY 10 per square meter;

For the area that the average farmland ranges from one (1) to two (2) mu per capita, the tax should be CNY 1.6 to CNY 8 per square meter;

For the area that the average farmland ranges from 2 to 3 mu per capita, the tax should

be CNY 1.3 to CNY 6.5 per square meter; and,
For the area that the average farmland is more than 3 mu per capita, the tax should be CNY 1 to CNY 5 per square meter.

Article 9: Farmland occupancy tax should be collected by finance department. The land administration bureau should inform timely all finance departments in the same upon approval of land occupation for unit and individual. The unit and individual should declare and pay tax to finance department with the document approved by land administration bureau above county level. The land administration bureau will transfer the land to unit and individual based on the receipt of tax payment or approval document for land acquisition.

4.2.3. Relevant stipulations in State Council Document No. 28, Decision to Deepen Reform and Strictly Enforce Land Administration;

The document urges local governments to take actions which are listed as follows:

- Strengthen land use planning and utilize approved land use plans as the basis for approving proposed construction projects.
- Involve local land use departments in the approval process for construction projects
- Publicize minimum values for sale and transfer land to avoid land acquisition taking place at below market rates
- Strengthen the application of “no detriment” for affected persons
- Ensure compensation payments are targeted to those most affected by LAR activity
- Strengthen audit and monitoring arrangements

The issue of document 28 was followed up by:

- (i) The issue (on 1st November 2004) of Decree 27 by the Ministry of Land Resources. Decree 27 contains administrative procedures for use by local Land Use departments in reviewing proposed construction projects. These procedures attempt to strengthen land use planning and control.
- (ii) Ministry of Land Resources “Guidelines on Improving the System of Land Acquisition Compensation and Resettlement” which was issued on 3rd November 2004, makes specific reference to Document 28 and gives specific guidance on its implementation.

4.2.4. Relevant stipulations in Henan Provincial Management Guidelines for Implementation of the Land Administration Law of PRC

Article 25: Where non-agricultural construction project is approved for land occupancy, cultivation plans shall be made by land users, forwarding to land administrative department for approval responsible for cultivation the land quantity and quality as appropriate. Where there's not proper condition for land cultivation, corresponding cultivation fees shall be paid and the cultivation fees collection, utilization and management method shall be otherwise specified by provincial people's government. Where land is supplied in unified manner within urban construction land occupancy under overall land planning, arable cultivation shall be shouldered by land use unit; where arable land is occupied by village and towns, land cultivation shall be taken charge by rural collective organizations or village committee.

Article 34: For acquiring farmer's collective land, compensation should be made as follows:

(1) Land compensation: compensation for acquired cultivated land in the outskirt of primary city shall be eight (8) to ten (10) times the AAOV of the acquired land for three years preceding such acquisition; in the outskirt of secondary city and mining area seven (7) to nine (9) times the AAOV; in other areas six (6) to eight (8) times the AAOV. Of the farmland acquisition, various sideline products (excluding vegetable) shall be counted as 15% to 20% of the annual production based on major products.

Resettlement subsidies: for acquisition of cultivated land, compensation shall be paid based on each mu (667 m²): For the average farmland per capita is over 1 mu, compensation shall be four (4) to five (5) times the AAOV of the acquired cultivated land for three years preceding such acquisition; for the average farmland per capita is between 0.5 and 1 mu, compensation shall be six (6) to nine (9) times the AAOV of last three years; for the average farmland per capita is less than 0.5 mu, compensation shall be ten (10) to twelve (12) times the AAOV of last three years. Under special circumstance, compensation shall not be over 15 times the AAOV of the acquired cultivated land for last three years preceding such acquisition.

(2) Standing crops: one times the AAOV.

(3) Compensation standards for attachments shall be executed according to the regulation of Provincial People's Government. No compensation shall be paid to the newly added attachments from the date of public notification.

Article 25: in case the land occupied belongs to rural collective owners or village committee, land compensation shall be paid to rural collective owners or village committee; where it belongs to villagers team; compensation shall be paid to the team and where it belongs to town collective organizers, it shall be paid to the organizers. Compensation for land attachment and green crops subsidy shall be performed as per

Article 26 of Promulgation Rules for Land Administrative Law.

Article 38: The annual production value for land compensation and resettlement subsidies shall be based on the average annual production and current average nation-regulated product price of last three years. If no nation-regulated price, the local market price shall be used.

Article 39: Within the area of land acquisition, if there is water source, culvert, culvert gate, pipeline, road, electric cable and production and living related facilities, the local People's Government shall organize relevant departments as well as the land use unit and construction unit to resettle properly, without obstruction and damage on purpose; if obstruction and damage can not be avoided, the items shall be rehabilitated or constructed relevant facilities according to regulations.

4.3. Overall goal of ADB Policy on Involuntary Resettlement

The ADB sets out its official requirements in the Involuntary Resettlement Policy adopted in 1995. The principles of the ADB Policy on Involuntary Resettlement are as follows:

- (i) Involuntary resettlement should be avoided where feasible.
- (ii) When population displacement is unavoidable, it should be minimized by exploring all viable project options.
- (iii) If individuals or a community must lose their land, means of livelihood, social support systems, or way of life in order that a project might proceed, they should be compensated and assisted so that their economic and social future will generally be at least as favorable with the project as without it. Appropriate land, housing, infrastructure, and other compensation, comparable to the without project situation, should be provided to the adversely affected population, including indigenous groups, ethnic minorities, and pastoralists who may have usufruct or customary rights to the land or other resources taken for the project.
- (iv) Any involuntary resettlement should, as far as possible, be conceived and executed as a part of a development project or program and resettlement plans should be prepared with appropriate time bound actions and budgets. Resettlers should be provided sufficient resources and opportunities to re-establish their homes and livelihoods as soon as possible.
- (v) The affected people should be fully informed and closely consulted on resettlement and compensation options. Where adversely affected people are particularly vulnerable, resettlement and compensation decisions should be preceded by a social preparation phase to build up the capacity of the vulnerable people to deal with the issues.
- (vi) Appropriate patterns of social organization should be promoted, and existing social and cultural institutions of resettlers and their hosts should be supported and used to the greatest extent possible. Resettlers should be integrated economically and socially into host communities so that adverse impacts on host communities are

minimized. One of the effective ways of achieving this integration may be by extending development benefits to host communities.

- (vii) The absence of formal legal title to land by some affected groups should not be a bar to compensation. Affected persons entitled to compensation and rehabilitation should be identified and recorded as early as possible, preferably at the project identification stage, in order to prevent an influx of illegal encroachers, squatters, and other non-residents who wish to take advantage of such benefits. Particular attention should be paid to the needs of the poorest households and other vulnerable groups, such as indigenous peoples, and appropriate assistance provided to help them improve their status.
- (viii) The full costs of resettlement and compensation, including the costs of social preparation and livelihood program as well as the incremental benefits over the “without project” situation, should be included in the presentation of project costs and benefits.

4.4. Goal of Resettlement and Principles of Resettlement Plan

4.4.1. Goal of Resettlement

The policies on the compensation and resettlement for affected people are formed based on both laws and regulations of China and the policies and requirements of ADB. The main goal of the Resettlement Plan is to restore the level of the income and living condition of affected people after land acquisition and to reduce the interruption on their social economic environment as much as possible. Special attention shall be paid to the needs of the poorest population and vulnerable groups.

4.4.2. Principles of Resettlement Plan

Principles of resettlement plan reflect the legal and policy requirements of China and ADB. The table hereunder summarizes such principles in respect of compensation, house demolition and income restoration, which are flexible enough to permit the differences in such aspects among villages and among urban communities. On one hand, land reallocation and cash payment can be different. On the other hand, the income restoration program for community and that for individual entity can be different. The key issue is whether these principles can guarantee all the affected people to be fully compensated and to obtain the assistance for income restoration after resettlement or not. See Table 4.1 to get the details.

Table 4-1 Summary of Resettlement Principles

Principles	
1	The compensation and rights obtained by affected people may at least maintain his living level before the construction of the project, perhaps increase.
2	Any affected persons, whether with legal title or not, shall be compensated and assisted in resettlement.
3	Reallocation of land will ensure that each person has the land at least big enough to maintain his living.
4	If the land owned by each person after the land acquisition is not big enough to maintain his living, it shall be provided with cash compensation or kind compensation for the lost

	land to assist their profitable activities.
5	The affected persons shall be in full awareness of the qualification, means and standard of compensation, living and income restoration program and schedule of the project, and shall participate into the implementation of resettlement plan.
6	No land acquisition shall be carried out without affected person's consent to the compensation and resettlement plan.
7	The executive agency and the independent third party shall inspect the performance of compensation, house demolition and resettlement.
8	The vulnerable group shall be particularly assisted or treated to ensure that they can live better.
9	Affected people shall have the opportunity to benefit from the project.
10	The resettlement plan shall be in consistent with entire layout of Linzhou County.

4.5. Compensation Standard

4.5.1. Qualification for compensation and rights

All affected people, including non-local/migrant (without registered permanent residence) population will be compensated for all affected property according to the value of repurchased property, depreciation not deducted from the repurchasing price.

4.5.2. Principles of Compensation

- The standard of compensation for all the properties will be determined subject to the principle of rehabilitation.
- The compensation fee will be paid before land acquisition
- Enforce the management of construction and try to minimize the impacts on traffic
- Compensation for the requisitioned land and subsidy for resettlement are subject to Regulations of Henan Province on Land Administration and Measures of Linzhou County for the Administration of Examination and Approval of Land Use in Urban Infrastructure and Public Utilities and Demolition and Compensation.
- Such attachments on the ground as standing crops and trees will be compensated in full amount to the households or proprietary as provided by related policies.

4.5.3. Standards of Compensation for Resettled Persons

After investigation and calculation, the average annual production value of the affected land in the last three years will be 1,600 Yuan/mu.

According to PRC Land Administration Law, Regulations of Henan Province for Land Administration, and Some stipulations of Linzhou County on the Standard of Compensation for Ground Attachments on the requisitioned land, the compensation for the requisitioned farmland and subsidy for resettlement shall be 21 times of the average production value of the requisitioned land for the last three years before land acquisition, and the standard of compensation for land acquisition and resettlement subsidy is: cultivated land for cereal, at 1,600 Yuan/mu year; compensation fees for standing crops at 800 Yuan/mu per crop season; farmland restoration, at 6,670 Yuan/mu; taxation for the

farmland occupation at 3,601 Yuan/mu; administration fees at 600 Yuan/mu; compensation for the ground attachments paid additionally. See Table 4.2 and 4.3 for the standards of land acquisition

Table 4-2 Standard of Compensation Rate for Permanent Land Acquisition

	Average annual production value for the last three years (Yuan/mu)	multiple of compensation			Standard of compensation (Yuan/Mu)			
		Compensation for land	Subsidy for resettlement	Standing crops	Compensation for land	Subsidy for resettlement	Standing crops	Total
Land (cereal)	1600	9	12	0.5	15000	19200	800	35000

Note: the added 600Yuan is the additional fees for compensation agreed between IA and AP representatives.

Table 4-3 Standard of Fees for Permanent Land Acquisition

Yuan/Mu

Type of Acquisition	Land compensation and resettlement subsidy	Standing crops	Farmland restoration fees	Taxation on farmland occupation	Land Administration fees	Total
farmland (cereal)	33600+600	800	6670	3601	600	45871
Beneficiary	Villagers committee	Family	Land Bureau	The state	Land Bureau	

Table 4-4 Standard of Compensation for Temporary land use

Yuan/Mu

Items	Average production value per crop season in last 3 years (Yuan/mu)	Compensation Multiplier		Standard of compensation (Yuan/mu)		
		Standing Crops	Land restoration fees	Standing Crops	Land restoration fees	Total
land (grain)	1600	0.5	1.5	800	2400	3200

The road restoration fee for temporary land use is CNY20/m²(CNY13,334/mu).

Table 4-5 Standard of Compensation for Ground Attachments and Specific Facilities

Yuan/unit

Well	Tomb	Underground Wire (m)	Tunnel& trench (m)
20000	1200	25	25

4.5.4. Cut-off Date

The cut-off date of identification on title for compensation will be Nov 1st, 2004, or any other date when DMS has been made. Such events will be excluded from the scope of compensation or subsidy as the farmland reclaimed or houses newly built by affected persons or settlement in the affected region after the deadline. Any buildings, trees or crops made purely for the additional compensation may not be taken into account.

4.5.5. Payment of the Compensation

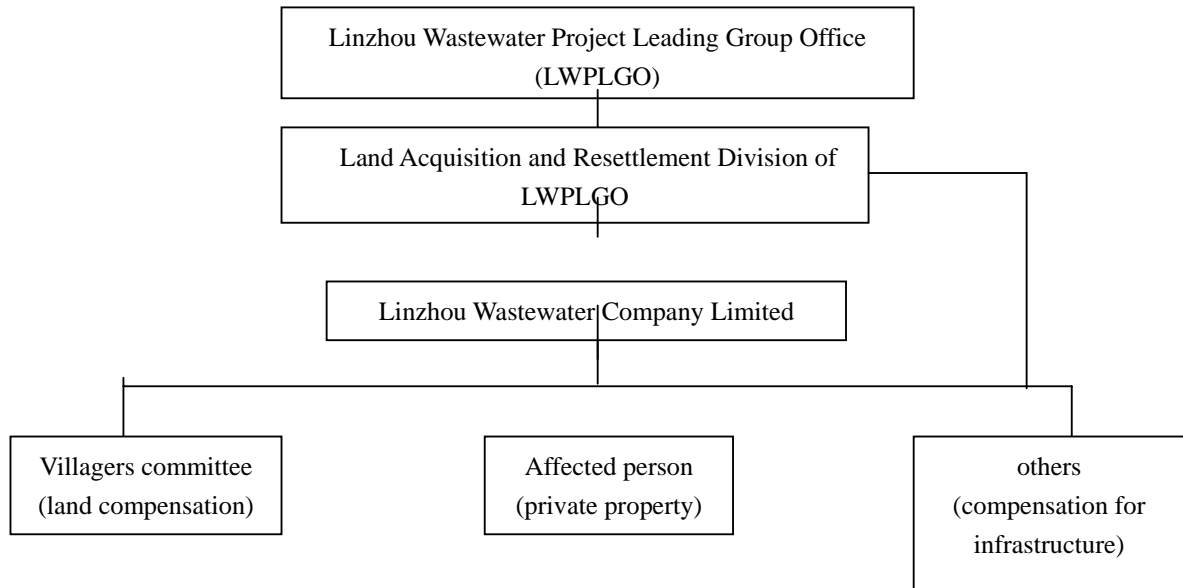
In principle, the compensation fee for the affected buildings and other ground attachments are directly paid to the legal proprietary of these properties. The compensation for the demolished house will be determined according to the present price of resettlement.

The land compensation and resettlement subsidy paid by the construction organization will be directly paid to each person who is the land owner or user before land acquisition. According to PRC Land Administration Law, land compensation shall be paid to the original owner and user before land acquisition and the resettlement fees must be used to relocate the rural population who need to be relocated due to land acquisition. Therefore, land compensation shall be paid to the collectivity economic entities (villagers team) or the village organization which these entities are affiliated to; the resettlement subsidy will be managed by the unit or organization responsible for the households' rehabilitation. If the land reallocation to certain person is resolved by the villagers team, the resettlement subsidy will be paid to the related person.

4.5.6. Procedure of Compensation Payment

The Table hereunder illustrates the cash flow and its supervision. The fund for land acquisition, demolition and resettlement was allocated by the designated bank by Linzhou Wastewater Project Leading Group Office through the Linzhou Wastewater Company Limited to the village committees. The village committees allocated the compensation fund to the affected persons. Linzhou Wastewater Project Leading Group Office will supervise the use of fund by means of regular inspection and audit, evaluate the effect of fund use and make necessary directions to prevent the appropriation of fund.

Figure 4.1 Payment Procedures of Compensation Funds



4.6. Entitlement Matrix analysis for Resettlement compensation

According to the compensation principles and entitlement, an entitlement matrix for resettlement has been established to guide the implementation of the resettlement plan. See Table 4-6 for details. The matrix includes every kind of loss and summarizes the measures, stipulations, and compensation standards in this chapter as well as the other chapters.

Table 4-6 Entitlement Matrix

Type of loss	Use or loss reasons	Entitled person	Number of entitled person	Compensation policy	Compensation detailed rules	Implementing measures
Land permanently acquired by the Project	63 mu of existing cultivated land is used for construction of wastewater treatment plant	Villager's committee, groups and households that cultivate the land on a contract basis	1 village, 99 households	<ul style="list-style-type: none"> ·Receive land compensation and resettlement subsidy ·Use land compensation and resettlement subsidy to restore income of the APs ·Reallocate land to affected households and use land compensation for production purpose to make profit, if agreed upon by two thirds of the villagers ·Receive compensation based on the acquired area ·Obtain training provision for income restoration with priority 	<ul style="list-style-type: none"> ·Make full compensation to the collective economic organizations and the village households that own the land. The part commonly owned by the above two should be decided on by the representative meeting of villagers Households that cultivate the land on a contract basis will be compensated according to compensation policy 	The matters relating to fund distribution and land reallocation; the methods of compensation fund payment will be considered and decided at the villagers' meetings. Fund will be paid in full amount and in a timely manner to the villagers who have lost their production means and will timely respond to the villagers' complaint about compensation.

Type of loss	Use or loss reasons	Entitled person	Number of entitled person	Compensation policy	Compensation detailed rules	Implementing measures
	Lose a part of production means due to land acquisition	Farm Laborers	441 villagers	Obtain training and employment and take measures to maintain their business income . Resettled people have same amount of land as other villagers through redistributing land in the village. Share the profit of investment made from land compensation	Compensate farmers for the loss due to land acquisition Directly affected households, especially those losing most of their famrland, will be given first priority in training, work opportunities and distribution of contracts to use the vegetable sheds	·Waster water treatment Co. Ltd and villager' committee will make arrangement for skill training and strengthen knowledge and skills of the labor. Work opportunities and distribution of contracts to use the vegetable sheds will be given with the first priority to those affected households.
	Household that cultivate land on a contract basis suffer crops losses due to acquisition of the land	Household that cultivate the land on a long term or short term contract basis	99 households	Receive compensation for young crops	Make full compensation based on market value of mature crop according to relevant policies	Villagers' committee will make the compensation policies known to the general public on notice board and pay compensation directly to the households prior to acquiring the land.
	Vulnerable Group	Three families	9			CNY 1,000 for each family as special subsidy.
Temporary Land use - 8 mu of farmland	Normal operation and marketing activities are	Villagers' committee ,	1 villagers' committee,	·Receive compensation for lost income and resuming	Make full compensation for asset losses, lost income and	Resettlement office will pay compensation to the villagers'

Type of loss	Use or loss reasons	Entitled person	Number of entitled person	Compensation policy	Compensation detailed rules	Implementing measures
- 257 mu of roads	affected due to the construction of sewerage treatment network	municipal engineering and road owner units	11 road owner unit	the activities	restoring lands/roads to the previous condition.	committee or affected units.
Ground attachments	Households suffer losses due to loss of the attachments to the land	Property right owner	1 villager's committee, 99 village households	·Receive compensation based on full replacement value.	Compensation for motor-pumped wells, culvert, channels and tractor roads paid to the villager's committee. Compensation for trees, fencing, graves, etc. paid to property owner.	Resettlement office will pay compensation to the owner of ground attachments.
Infrastructure	Public facilities affected or demolished due to construction of sewerage treatment network	Property right owner of the public facilities	Various units	Provide compensation for loss of building and facilities	Full amount compensation for house demolition and damage to infrastructure and ground attachments	Resettlement office will pay compensation to the public facilities owner.

5. Income Restoration and Rehabilitation Measures

5.1. The resettlement strategies

5.1.1. The goal of resettlement

The final goal of the plan is to improve the living condition of the affected households. The resettled persons may get reasonable compensation through the resettlement plan so that their living level may not lower than original level.

5.1.2. Regulation of Resettlement Plan

In order to realize the goal of resettlement plan, the executing agency organized an investigation on the impacts of wastewater treatment project with many participants in July 2004, based on the policies of the ADB. This impact investigation provides detailed information on relevant impacts of the project. Based on the information, a detailed impacts evaluation was finished and one village affected by permanently land acquisition was identified. 99 households in this village lose part of their land. Under the efforts of many people concerned, the economy restoration plan for the affected villages has been completed.

5.2. The land acquisition and resettlement method

5.2.1. The selection of the resettlement measures

Considering land conditions of the villages after land acquisition and the economic development tendency, the negotiation between the villager committee and the affected people along with the other villager representatives was carried out to make a decision that 50 mu out of 110 mu of village reserve land (to the east of the proposed WWTP) would be used to build the vegetable sheds for the income restoration of the affected people. At present the villager meeting has been held to find the way to do it. It is planned that the construction of the vegetable sheds will be funded partly by the compensation funds and partly with other financing sources. The affected people who wanted to participate in this project are entitled to take part in it.

5.2.2. Infrastructure and specific facilities

In order to guarantee the use of public infrastructures, such as water wells, power supply wires, water conduits, which are affected by the project, the rebuilding of them must be finished before the original facilities are demolished. The rebuilding of water and power supply facilities will be finished by relative departments. Each village is responsible to the rebuilding of wells and the subsidy for rebuilding wells have been paid to each village.

5.3. Production Rehabilitation Plan for the Resettlers

5.3.1. Production rehabilitation task

According to the impacts evaluation, Nanxinhuang village, Lingyang town, Linzhou city is affected by land acquisition.

The consultants and staff members of the executing agency introduced the situation of the village to the village leaders and villagers. They summarized the advantages, weaknesses, opportunities and threats (negative factors) when making the village-level restoration plan. Based on this analysis, the policies and potential measurement for their economical restoration are determined. This planning reflects that it is the affected villagers who positively participate in establishing the

restoration planning of their village. The villager representative appreciates this method, because it increased their enthusiasm to establish their own planning according to relevant policies. Thus, the people who participate in the planning establishment have strong feeling of responsibility in such a way.

This planning is still under extensive discussion among the villagers. After the detailed investigation results have been got, the local government will help the villagers to improve and finalize their plans. A brief account of the economical restoration plan for the most severely affected village during the land acquisition and resettlement is as follows: Nanxinhuangzhuang village in Lingyang Town has 570 households with a population of 1750 and total available farmland of 1100 mu. The primary income sources include 1) agriculture; 2) going out for part-time job; 3) transport service; and 4) doing business. The net income per capita in 2003 is 3000 yuan. Land acquisition will affect 17% of the households and reduce cultivated land by 6%. On average, each household will lose one-third of their cultivated land and their incomes would be reduced by 10-15%. The draft economic rehabilitation is shown in section 5.3.2.

5.3.2. The measures of economic restoration

This village is adjacent to the Lingyang Industrial Park and Lingyang Road. There are 99 affected households in total need to restore their production. They plan to grasp this opportunity to do business, which include 1) building shops for business; and 2) developing fruits and vegetables because it is adjacent to Lingyang Industrial Park and urban area. These fruits and vegetables are mainly supplied to the enterprises in the industrial park and people in the urban area. Therefore, the village wants to use 50 mu of the village reserve land to build vegetable sheds preferentially and the affected villagers can voluntarily take part this activity with the priority access to these planned vegetable sheds especially those losing most of their farmland. They estimate it will help them to increase at least 500 Yuan to their net income per capita. The sources of development finance include compensation for land acquisition and self supplied fund by the affected villagers.

5.3.3. Vegetable sheds—feasibility study on practicability and the benefits

(1) Investment in Fixed assets

The project construction will be organized by the collective of Nanxinhuang village committee. It will need about 10 thousand Yuan to build one mu vegetable sheds (earth and wood structure); therefore, 50 mu vegetable sheds will need 500 thousand Yuan.

(2) Operating Expenses

Before the vegetables can come to the market, the costs per mu including seeds, fertilizer, pesticide, and irrigation, are about 1000 Yuan per year. Then it will need 50 thousand Yuan of current capital for 50 mu greenhouse.

(3) Project profits

The vegetables in the greenhouse may be harvested for 2 to 3 times in a year. The primary crops planted are generally cucumber, potato, legume and squash. Considering the market price of vegetables, the analysis of returns is shown in table 5.1.

Table 5-1 Analysis on returns from vegetable sheds

Season Category Name	Summer			Winter			Total
	Amount (Kg/Mu)	Price (Yuan/Kg)	Subtotal (10,000 Yuan)	Amount (Kg/Mu)	Price (Yuan/Kg)	Subtotal (10,000 Yuan)	(10,000 Yuan)
Cucumber	5000	2	1	5000	3.6	1.8	2.8
potato	4500	2.2	0.99	4500	4	1.8	2.79
legume	2000	3	0.6	2000	5	1	1.6
squash	4500	2	0.9	4500	3.8	1.71	2.61
Total income per mu			3.49			6.31	9.8

The above data show that the annual income per mu amounts to 24.5 thousand yuan for the average vegetable production, thus 50 mu of vegetables will make 1225 thousand Yuan in total. The profit will be 30% after salary, and other costs, so the profit of 50 mu vegetable sheds is 367.5 thousand Yuan. Thus, the capital investment is able to be paid back in two years. Furthermore, the project itself can create the work opportunities for 100 persons, and 411 affected people can raise their annual income per capita by 894 yuan.

5.3.4. Agricultural rehabilitation plan

In affected area, neither resettlers nor other villagers want to make land reallocation in the village. All of them chose to get cash compensation and then select the available restoration measures. . Therefore, the village committee paid most of the compensations fee for land acquisition to 411 people 99 households as the cash compensation for requisitioned land. Though the agricultural income of the households whose land have been partially requisitioned will be affected to the limited extent.. After compensation fees are paid, the households whose land have been requisitioned plan to make some investment with the compensation fee. They want to invest such project as follows:(1)vegetable sheds, (2)develop other agricultural business such as agricultural products intensive processing, (3) plant various economical plants including fruit garden development and other economical plants, and (4) transportation activities, labors and the other non-agriculture businesses.

5.3.5. Non-agricultural restoration plan

According to the regulations of Law of Land Management of the People's Republic of China established in 1998, all levels of local government shall sponsor the affected collective economy enterprise and individual farmer to establish and develop new enterprise. Therefore, local government should make its best efforts to enlarge the employment opportunity in the affected community and take other measures, for example, increasing the investment for agriculture, employing the affected people in the construction of this project, helping the vulnerable groups and improving the infrastructure for basic education, basic health and society.

There are three key policies related to income restoration to be considered after land acquisition

including: 1) the income restoration measures in country and community level; 2) utilization of compensation fees by individuals; and 3) training plan. These policies will make most of the affected people go on with agricultural production. However, under the impacts of project development, they will gradually turn to work in urban areas. The accelerated urbanization of the project location will definitely change the living as well as the livelihood style of those living in the rural areas in the near future profoundly. To help the affected people with income restoration and professional skills and to meet the needs for vegetable sheds, 99 affected households will be provided with the training opportunity with priority. In average, a male and a female member of each family are able to participate in the training activities organized by the government with the subsidy of the government. The activities include:

1. Measures to prevent the greenhouse plant against pests;
2. Greenhouse fruit and vegetable cultivating technology in winter;
3. Economically valuable crops cultivation in the courtyard;
4. weaving techniques for women;
5. Livestock breeding techniques;
6. maintenance techniques for agricultural machines (cars, tractors and motorcycles);
7. needlework training for women
8. principles of electrical engineering
9. cooking techniques ;
10. products sanitation and services;
11. Mechanical maintenance;
12. Food sanitation and services;
13. Breeding techniques for intensively breeding fish.

The above trainings are organized by labor and agriculture sectors of local governments. Items 1, 2 and 3 will be specially organized for the APs who have vegetable sheds. The Project will pay the training costs, estimated to be 22,000 yuan.

In the construction of the project, some work opportunities will take place. The project office will encourage the project contractors that they give the hiring priority to the households whose land were requisitioned and other people in the affected villager so that the resettlers are easier to make income restoration.

5.3.6. Resettlement measures for vulnerable groups

The vulnerable groups found in this project have two features: one is widowed family, and the other households make a living mainly depending on cultivate land. The two features have a relative common in the vulnerable groups, whose livelihoods depend on agriculture and they are poor. Considering the features of the vulnerable group, the preparation office of this project has negotiated with the village committee and the vulnerable households, and they have agreed to take the following resettlement measures:

Help to maintain the old people in the vulnerable households. Based on the local customs, the old people in country are generally supplied with funds by their children when they lose the ability to labor. If the old people and widowed family affected by land acquisition feel unwilling to labor or are unable to do so, the project owner will provide special fund of CNY 1,000 to three families for the purpose of restoration subsidy.

If the vulnerable households affected by the land acquisition hope to go on with farming, then the village committee will agree to allot the land to the vulnerable households preferentially. The land comes from the reserved land kept by the village committee. In addition, they are ensured to get more benefits and will get larger land than before. If the village committee carries out collective development planning, such as large scale vegetable planting plan, they will consider the labor force of the vulnerable groups and guarantee the timely payment for the work they will perform.

6. Institutional and Organizational Structure

6.1. Organizations participating in making Resettlement Plan

- The leading team of wastewater treatment project of Linzhou city
- Resettlement office of the affected districts and towns
- The leading team of village committee of the affected villages
- The Urban & Rural Planning and Design Institute of Henan province (the project design institute)
- The external independent monitoring and evaluation organization

6.2. Linzhou Wastewater Project Leading Group

This organization is composed of the Government of Linzhou city, the Project Management Office of Linzhou city, the Planning and Construction Committee of Linzhou city, the Land and Resource Bureau of Linzhou city, the Environmental Protection Bureau of Linzhou city, the Water Affairs Bureau of Linzhou city, and the Water Supply Company of Linzhou city, and so on. Its duty is to enhance the leadership of the project, establish the policies for immigrant resettlement of the project, and coordinate the relationship of each organization. An office has been established under the leading group, and mainly deals with daily affairs. The office is located in the Construction Committee of Linzhou city.

6.2.1. Assignment of implement organizations

(1) Under the leading group office, there is a land acquisition and resettlement division and it will be composed of the members from Linzhou Construction Commission and Land Resource Bureau. Its responsibilities include:

- 1) Based on the decision of the Government of Linzhou city, it organizes and implements land acquisition, resettlement and compensation. Also it signs the resettlement agreements with the coordination office of land acquisition and resettlement of each district;
- 2) It monitors and inspects the payment and utilization of the resettlement fund;
- 3) It provides the district and street office, town and village with advisory opinions for the preparation of the plan of the payment of compensation fund.

(2) Linzhou Wastewater Company Limited is responsible for the implementation of resettlement plan and supervision. Its responsibilities include:

- 1) Detailed measurement surveys of permanent acquisition and temporary land occupation.
- 2) Evaluates the value of the land and other facilities to be requisitioned, and determines the compensation standards;
- 3) Signs the land acquisition and resettlement agreement with relevant organization and individuals;
- 4) Pays the compensation fees;
- 5) Supervise the village committee on the timely implantation of resettlement plan
- 6) Monitors and checks the payment and use of the compensation money;
- 7) Inspects the implementation of resettlement plan at the sub district office and villages;
- 8) Reports weekly to the Linzhou Wastewater Project Leading Group Office on the resettlement progress and provide necessary data.

6.2.2. The resettlement plan and participation in its implementation

(1) The executing agency of the project has consulted with the local governments and APs by means of meeting during the design and preparatory stage. In the investigation and design stage, the affected people will participate in the following activities:

- 1) Classify and measure the affected land and enterprises;
- 2) Survey and check trees, wells, walls and graves;
- 3) Survey and confirm water and power supply, communication and other infrastructure.

(2) In the implementation stage of the project, the affected people shall participate in the following activities:

- 1) Determine the compensation scope and compensation standards;
- 2) Come into agreement on the compensation;
- 3) Adjust the arable land;
- 4) Employ affected people in the enterprises;
- 5) The utilization of compensation funds in the village level and community level;
- 6) Making decisions and impressing/resolving grievances;
- 7) Inspect and survey the resettlement plan implementation.

6.3. Monitoring organizations

The district-level and town-level land acquisition and resettlement offices are mainly responsible for the implement and inspection of removal and resettlement, and its primary responsibilities include:

- (1) Checks the number of relevant land, infrastructures and particular facilities according to the assignment and requirements of the Wastewater treatment Limited Company of Linzhou City;
- (2) Evaluates the value of the land and other facilities to be requisitioned, and determines the compensation standards;
- (3) Signs the land acquisition and resettlement agreement with relevant organizations and individuals;
- (4) Pays the compensation fees;
- (5) Undertakes the detailed implement of the resettlement and land acquisition, and ensures that the resettlement be done in time;
- (6) Monitors and checks the payment and use of the compensation money;

- (7) Inspects the implementation of resettlement planning at the street office and villages;
- (8) Reports to the land acquisition and resettlement office of Wastewater treatment Limited Company periodically of the resettlement, and hand in relevant statistical data.

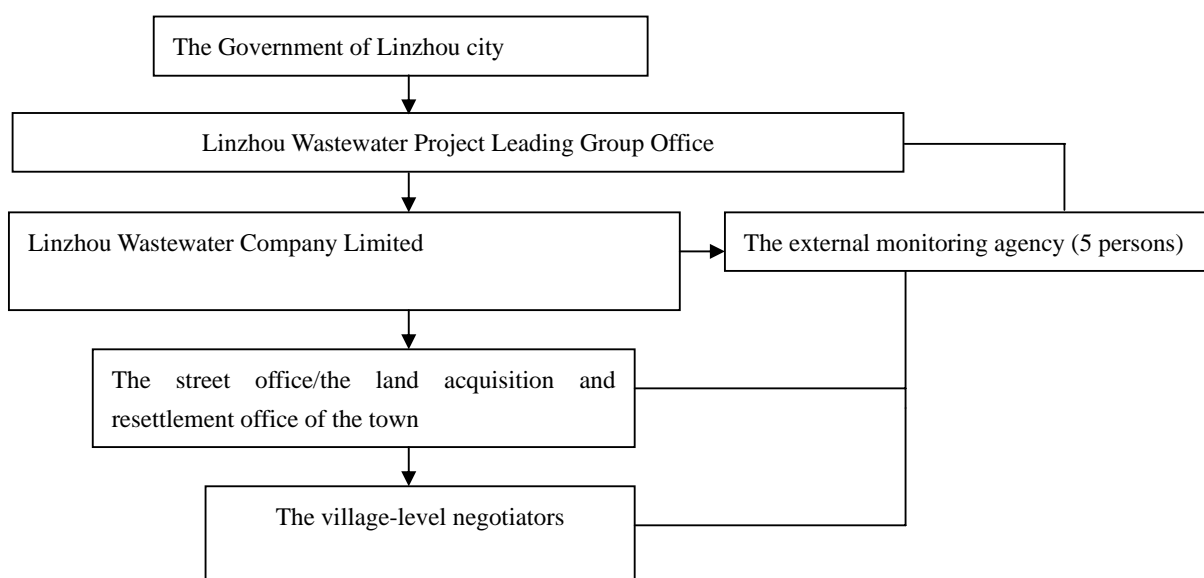
6.4. The operation of the resettlement organization

Linzhou Wastewater Project Leading Group, Leading Group Office and Linzhou Wastewater Company Limited have already established. The land acquisition and resettlement office has been established for the daily routine work of land acquisition and resettlement.

6.5. Staff of the resettlement organization

Under the guideline of the leading group and its office, the following organization diagram shows the detailed framework of land acquisition and resettlement offices.

The Organization Chart of Land Acquisition and Resettlement of the Project



6.6. Measures to enhance the capacity of resettlement organizations

In order to promote the capacity building and ensure the effective implementation and management of resettlement, a series of measures shall be taken. They include:

- (1) The vertical connection organizations will establish the reporting system, which demands the inferior office should hand in one report per month to superior office;
- (2) The lateral connection organization shall hold the coordination meeting quarterly to enhance the information communication;
- (3) The questions put forward by the affected people will be reported to the superior office through each resettlement office;
- (4) Problems met during the construction will be reported by the field engineers to his direct leading organization in time. If necessary, he may report to the superior office of his direct

leading organization directly;

(5) The problems of the affected people and contractor will be submitted to the village committee, street office or town-level construction coordination group, and district-level construction coordination group of project. If the problems are severe, they may be submitted to the project management organization and project leading team;

(6) Strict measures shall be taken to avoid passing the responsibilities and delaying the project schedule. The relevant persons responsible for severe problems shall be punished strictly.

7. Public Participation and Consultation

7.1. Public participation

7.1.1. Resettlement Information booklet

Based on the policies and rights and resettlement, the PMO has prepared and issued a handbook (Chinese version), and distributed them to the affected people, so that they may know: 1) the policies and regulations; 2) benefits and rights; and 3) plans to recover their income and living standard after land acquisition. This also enhances the transparency of resettlement. The handbook contains the following items: basic points of the project, project schedule, affected range by the project, key points of the resettlement policy and the compensation standard, etc.

The handbook was handed out to all the affected people in August 2004. Meanwhile, copies of the booklets were given to the offices and village committees in the project area. Then, the executing agency held a series of meetings and home visits for the affected people from August 5, 2004 to October 4, 2004, answered the relevant questions on land acquisition and house demolition plan and seek the opinions and advices.

These consultations confirm again that the affected people support the project. In fact, 95% of the resettlers supported this project, only 5% of them were indifferent to it, and none of them opposed it. The affected people are satisfied with the compensation rights, benefits and standards; however, they hope that these rights, benefits and standards would be obeyed strictly, and will be paid to them as soon as possible so that they have sufficient time and financial ability to recover their living standard in time. Some resettlers are concerned with the compensation procedure and they are ensured that the land acquisition and resettlement will not be done without their agreement and before they sign the agreements with construction committee. Meanwhile, all compensation for the ground attachments will be paid to each family via the village committee.

Additionally, the affected people are told that they may put forward their requirements and appeal through various ways (including the construction committee, offices and village committee) and methods (for instance, individual visit, letters and telephones). They are also satisfied with the available plans of income restoration which they may take part after they get the cash compensation. They have also shown their interest taking part in green house vegetable production..

7.1.2. Distribution of the land acquisition and resettlement plan.

In September 2004, the Leading Team of wastewater treatment project distributed this draft resettlement plan to all the villages affected by the project for response. The PMO will keep the plan itself and also leave other copies in those villages after being approved. Whoever wants to know this document can find it easily in their village. Several Chinese versions of this resettlement plan have been sent to the office of the executing organization and the English version has been sent to the ADB.

7.1.3. Process of public consultation

The preparation team of wastewater treatment project of Linzhou city has carried out a series of investigations since June 2004, and this is the beginning of the public consultation in the project design. The present social economical investigations show that 95% of the local residents support this project, while others don't know; additionally, 85% of them think that they may benefit from the project, 10% don't know; 20% of them have known this project since half a year ago, while 80% of them know this project in half a year. All the people do know this project during the investigation. 40% of the affected residents get to know about resettlement impacts through the staff member and investigator of the project, while 30% know it from meeting, 30% from the leader, relatives and friends, and 10% from the newspapers. All of them knew that they would be affected.

Based on dialogs with the village committees and farmers, the attitude and feedbacks of the affected people to the project are summarized as follows:

- They want fair compensation;
- They want to be compensated correspondingly on the basis of relevant laws and regulations;
- They require minimizing the land acquisition;
- They want to be ensured that they will have proper land assignment and can restore their livelihood;
- The public consultation is also the key point that the ADB will consider in their feasibility study in their assistance, especially via the following activities:

The social economical investigation on the affected people carried out from June 2004 to September 2004 by the Urban & Rural Planning and Design Institute of Henan province.

From June 2004 to November 2004, the project office negotiates with people of the affected areas and village committees, and the meeting memorandums can be found in the appendix.

7.1.4. Public participation and consultation plan

For public participation, the construction organization of the project publicized the information by means of newspaper and broadcasting station on December 18, 2004. The implementation of land acquisition and house demolition plan is discussed widely among local governments, offices, village committees and the affected people. The compensation, land reallocation, income restoration and livelihood restoration are particularly emphasized. See table 7.1 to get the public participation and consultation plan.

Table 7-1 Public participation plan

Representative agency	Goal	Date	Executing agency	participants	Remarks
1 provide the affected people with brief introduction about the project and house demolition, and seek the opinions of them	Public meeting	The technical assistance during preparatory stage of the project is finished (from June 2004 to September 2004)	Executing agency of the project, offices and village committee	All the affected people	Each village shall hold the meeting.
2 show the affected people the final land acquisition and house demolition plan	Public and key group meeting in the affected area	Draw up the final report and carry out (December 2004)	Executing agency of the project, offices and village committee	All the affected people	Have meeting with the benefited residents and APs
3 tell the beneficiary about the project progress, final design and project schedule	Key group meeting in the affected area	2005	Executing agency of the project, offices and village committee	People involved with the project, beneficiary and the affected people	Inventory of all assets and owned land Gather the increased social economical data
5 tell the affected people about their benefits and rights and date to pay their compensation	Public meeting	March 2005	Executing agency of the project, offices and village committee	All the affected people	hold meeting with the residents to tell them the key point of their rights and benefits
6 inspection for the affected people, beneficiary and impacts on health	Home visit	After the demolition of ground attachments (from Sept. 2005 to Oct. 2006)	Executing agency of the project, offices and village committee, independent external inspector	Random sampling	Determine whether it is necessary to increase assistance, especially for the poor and vulnerable groups Provide introduction and inspection of newest land acquisition and house demolition plan

7.2. Grievance procedure

7.2.1. Goal of the grievance procedure

The detailed processing procedure for opinions about this project have been established in order to guarantee the relevant person has ways to deal with their opinions on land acquisition and resettlement. Its goal is to assure that opinions and appeals of relevant person for this project can be dealt with openly and rapidly. This procedure is simple, practical, open and just. In the long run, its goal is to avoid people affected by the project being forced to express their dissatisfaction and opinions resorting to intricate formal way. In other words, the opinions or dissatisfaction of related person can be dealt with inside the management organization of the project, which not only make the processing procedure more effective, but also reduce the impact to the schedule of the project.

7.2.2. Steps of grievance

In order to protect the interests and property of related units and individuals from encroachment and damage, their opinions and appeals shall be report to the leadership according to the following steps:

The first step: Anyone who is not satisfied with the land acquisition and resettlement shall give their oral or written opinions to the village committee. If the issues were not settled, they may give them to the subdistrict office and office of land acquisition and resettlement of the town. If they do not get satisfactory answers in three weeks, they may give the written opinions to Linzhou Wastewater Company Limited and they may also give such written opinions to the Linzhou Wastewater Project Leading Group Office..

The second step: Linzhou Wastewater Company Limited and Linzhou Wastewater Project Leading Group Office shall settle the issues for relative individuals or organizations within four weeks after receiving them. If the relative person is still not satisfied with the settlement, they may appeal to the Linzhou City People's Court.

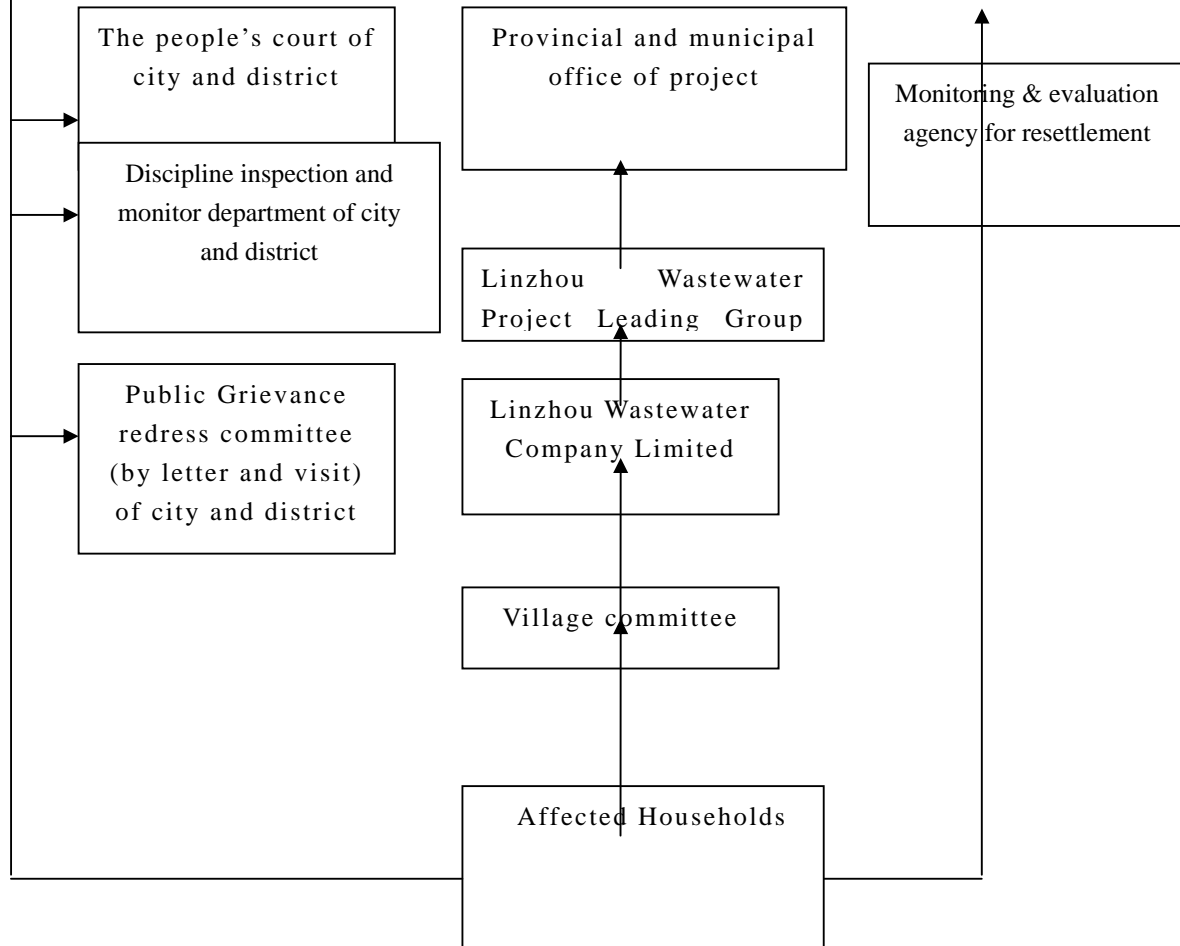
The third step: If relevant individuals or organizations are still not satisfied with the judgments of the Linzhou City People's Court, they may appeal to the Anyang City People's Court. The judgments made by Anyang City Intermediate People's Court are the final judgments, and must be executed.

7.2.3. Scope of grievances

Correlative people may appeal on various aspects of job assignment and compensation fund payment, including the compensation fees. In the resettlement handbook, the specific announcement and procedures to appeal have been issued for all affected people. This information may also convey to people affected by the project through the public meeting before the land acquisition.

During the whole construction of the project, these procedures of appeal are always valid, so that villagers may make use of them to deal with relevant issues on infrastructure restoration, such as the reconstruction of irrigation system, entrance of general roads, and temporary land use. Thus, the villagers may have a valid way to reflect these problems to the management organization of the project so as to deal with them in time (the flow diagram is as follows).

Table 7.2 Flow diagram for grievance procedure of resettlement



8. Monitoring and Evaluation

In order to ensure that the resettlement plan be carried out entirely according to requirements, it should be monitored and evaluated periodically during the implementation of the project. The monitoring and evaluation on resettlement plan may be classified as “internal monitoring” and “external monitoring”.

8.1. Internal monitoring and evaluation

The leading team, relevant functional departments and construction preparing department of the project would take charge of the internal monitoring and evaluation. An internal monitoring office composed of three persons shall be established in the construction department to carry out internal monitoring, so that the resettlement can be done in time according to project plan and the benefits of affected people can be protected.

8.1.1. Primary monitoring aspects

- Payment of compensation fees;
- House demolition, reconstruction and rehabilitation of the affected people;
- Land adjustment and subsidy;
- Grievance treatment;
- Income restoration/training plan
- Assistances for vulnerable groups

8.1.2. Targets of internal monitoring

- Check up the completion of milestones during land acquisition and resettlement;
- Ensure communication and negotiation between the project managers and the APs are established and unblocked;
- Ensure the affected people are provided with the compensation in time;
- Ensure land compensation and resettlement subsidy for the affected people are paid according to law and stipulations, and corruption is ended.

8.2. External monitoring and evaluation

The external monitoring and evaluation shall be taken by an organization or entity totally independent of the executing agency of the project and local government. This project has engaged Hohai University as external M&E Agency to take charge of the external monitoring by means of public bidding.

8.2.1. Targets of external monitoring

It should be determined whether the welfare situation of the affected people are recovered and maintained or not after the accomplishment of land acquisition and house demolition. If not, find out the limiting factors on policies and implement factors, and evaluate the general efficiency, effect, impacts(including the feedback of the APs), policies for land acquisition and house demolition and the persistence of the practice.

8.2.2. Method

The general method is to monitor the activities, evaluate the impacts of project, and ensure all the related persons, women and vulnerable groups have take part in them. There are both qualitative and quantitative monitoring tools:

- The basic investigation on the affected households is a representative sample investigation. It is classified by gender and vulnerable groups, so as to acquire the relevant information of major indicator, such as compensation payment, efficiency, validity, impacts and persistence. 20% APs are selected as sample randomly.
- During the discussion in focus team, relevant parties among the inspector including staff members of local government and resettlement site, non-government organizations, community leaders and the affected people are permitted to consult.
- Speech of key person: visit the important insiders, such as local leaders, village cadres, who have experiences on resettlement;
- Community public meeting: hold the public meeting at the resettlement site, and get to know the information about the various activities related to resettlement.
- Structural/purposeful direct observation: make investigation on the implementation of house demolition and resettlement, and make crossed visit on individuals or teams;
- Informal investigation or talk: make informal investigation among the affected people, especially among villages, workers, resettlement staff and staff of the executing agency by means of informal investigation.

9. Resettlement Budget

All costs related to land acquisition and resettlement shall be included in the overall budget of this project. Calculation is based on the price at October 2004, the total cost of land acquisition and resettlement for wastewater treatment of Linzhou city is CNY 8.03 million.

9.1. Direct cost

9.1.1. Costs for permanent land acquisition

According to the project plan and relevant land acquisition agreement of the village committee, the project will requisition 63 mu land permanently. The costs include land compensation of CNY 907.2 thousand, resettlement subsidy of CNY 1.2096 million, standing crop compensation of CNY 50.4 thousand, farmland restoration compensation of CNY 420.21 thousand, and management fee of CNY 37.8 thousand. The total compensation fees are CNY 2.62521 million in total.

The land using tax for permanent land acquisition is counted by CNY 3,601 per mu with the total amount of CNY 226.9 thousand for the 63 mu requisitioned land.

The total cost of permanent land acquisition amounts to CNY 2.85211 million.

9.1.2. Compensation for temporary land use

The temporary used land is 265 mu in total for construction of wastewater pipeline network including 8 mu rural collective land and the 257 mu road. The costs involve standing crop compensation of CNY 6.4 thousand, land restoration cost of CNY 19.2 thousand and road restoration cost of 3.4268 million yuan, which is CNY 3.4524 million in total.

9.1.3. Compensation for ground attachments

The ground attachments consist of wells, graves, aqueducts, underground wires. The compensation standards are CNY 20 thousand for each well, CNY 1,200 for each grave CNY 25 per meter aqueduct, and CNY 25 per meter underground wire. So the compensation is CNY 287.1 thousand in total.

9.1.4. Training cost for resettlement

Three training courses are planned to be held, and the total costs is CNY 22 thousand.

9.1.5. Direct costs for resettlement

The direct costs include permanent land acquisition compensation, tax for farmland acquisition, compensation for temporary land use, compensation for ground attachments, compensation for infrastructures, and training cost for resettlement. The total is CNY 6.5916 million.

9.2. Indirect costs

9.2.1. Reconnaissance and design costs

Reconnaissance and design costs are equal to 2% of the direct costs, which is CNY 131.8 thousand in total.

9.2.2. Monitoring and evaluation costs

The Monitoring and evaluation costs are equal to 1.5% of the direct costs, which is CNY 98.8 thousand in total for the subproject.

9.2.3. Management costs

The management costs for agency of land acquisition and house demolition are equal to 3% of the direct costs, which is CNY 113.9 thousand in total.

9.2.4. Contingencies

The contingencies are calculated on the basis of direct costs and account for 15% of direct costs, of which 10% is for physical contingency, and 5% is for price contingency. The physical contingency going to various costs induced during design modification and actual implementation of resettlement plan, while the price contingency is for inflation and price change during the implementation of project. The two amount to CNY 988.7 thousand.

9.2.5. Indirect costs for resettlement

The indirect costs for resettlement include reconnaissance and design costs, monitoring and evaluation costs, management costs, contingencies, which amount to CNY 1.4389 million. See Table 9.1 for details.

Table 0-1 Cost of land acquisition and other budget

Item			Amount	Compensation rate	Cost (10,000 yuan)
Direct cost	1. Permanent Land acquisition	Compensation for land acquisition	63 mu	14400 yuan/mu	90.72
		Compensation subsidy for transfer and relocation	63 mu	19200 yuan/mu	120.96
		Compensation for standing crops	63 mu	800 yuan/mu	5.04
		Farmland Reclamation Fee	63 mu	6670 yuan/mu	42.02
		Farmland using taxes	63 mu	3601 yuan/mu	22.69
		Cost of land acquisition management	63 mu	600 yuan/mu	3.78
		Sub-total			285.21
	2. Temporary Land acquisition	Compensation for standing crops	8 mu	800 yuan/mu	0.64
		Land restoration cost	8 mu	2400 yuan/mu	1.92
		Road restoration cost	257 mu	13334 yuan/mu	342.68
		Sub-total cost			345.24
	3. Ground attachments	Well	5	20000 yuan/well	10.00
		Grave	127	1200 yuan/grave	15.24
		Aqueduct	884 m	25 yuan/meter	2.21
		Underground wire	504 m	25 yuan/meter	1.26
		Sub-total			28.71
	Sub-total				659.16
Indirect cost	4. Others	Contingencies	15%		98.87
		Reconnaissance and design cost	2%		13.18
		Monitoring and evaluation cost	1.5%		9.88
		Training cost			2.20
		Management cost	3%		19.76
		Sub-total			143.89
Total					803.05

10. Implementation Arrangements and Schedule

In accordance with the project schedule, the construction of the wastewater treatment plant will start on September 2005. The land acquisition and resettlement schedule should be made accordingly.

10.1. Principles to establish the implementation schedule of the resettlement

The scope of land acquisition shall finally be determined according to the blueprint of the project, and shall be determined before measurement and calculation of land acquisition.

- Land acquisition shall be completed before the construction of each stage;
- The land adjustment and distribution shall be done during the gap of season-changing for crops;
- The allocation of work force shall be finished before land acquisition;
- The affected enterprises and shops shall be provided with the compensation for loss during cessation of business, which shall be done before the construction;
- The compensation settlement and payment shall be done after the two parties sign the contract and before land acquisition and house demolition.

10.2. General implementation schedule for land acquisition and resettlement

General schedule for land acquisition and resettlement has been drawn up according to the preparation and implementation progress of land acquisition. See the schedule in Table 10.1.

Table 10-1 The schedule of land acquisition and resettlement

LAR Activities	2004												2005												2006												2007			
	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12								
Planning of Land Acquisition and Resettlement																																								
Conduct detailed survey of Aps																																								
Apply the permission of land acquisition and house demolition																																								
Finalize the choice of eresettlement areas of Aps																																								
Identify and confirm poor and vulnerable Aps																																								
Finalize compensation/resettlement strategies																																								
Negotiate and sign contracts																																								
Land Acquisition and Resettlement																																								
Provide compensation payment																																								
Allocate replacement land																																								
Demolish ground attachments																																								
Income Restoration																																								
Employment of Aps in the project consruction																																								
Farmland reallocation, development and improvement																																								
Agricultural extension service/training																																								
New skill training																																								
Other income rehabilitation program																																								
Special assistance to the vulnerable group																																								
M&E																																								
Establish internal m&e system , procedures and formats																																								
Employ external monitoring institution																																								
Approve TOR by ADB																																								
Train resettled people																																								
Monitor land acquisition and resettlement activities																																								
Monitor income restoration programs																																								
Monitor income restoration program for vulnerable groups																																								
Conduct external evaluation																																								

Appendix 1 Resettlement Information Booklet (distributed to affected people in August 2004)

1. Institution and person in charge

1.1 Construction organization: Linzhou Wastewater Treatment Plant;
Location: Nanxin Zhuang Village, Lingyang Town, Linzhou City;
Person in charge: Yang Zhizeng, Cell phone: 13903721234.

1.2 Land acquisition unit: Linzhou City Plan and Construction Committee;
Address: People's Road 191#, Linzhou City;
Person in charge: Chen Haisheng; Cell phone: 6884567

1.3 Land acquisition monitoring unit: Linzhou Land Administration Bureau;
Address: Zhanqian Street 82#, Linzhou City;
Person in charge: Lu Yunshan;
Cell phone: 6806926

2. Introduction and Project Description

2.1 Project Background

Since Linzhou city was identified by the provincial government as one of the 26 prioritized development counties (towns) in 2001, the city planning and construction commission has accomplished revision of Linzhou City Master Plan from 2001 to 2010. According to the Linzhou City Master Plan, Linzhou city is going to be the political, economical and cultural center of Linzhou area, and will develop to be a modern city for ecological tour without polluting industry. However, Linzhou city has not established the wastewater treatment project till now, so that the industrial and domestic wastewater are both discharged directly into the Huan River which is a branch of Hai River Basin without any treatment, which pollutes the Huan River heavily. Furthermore, the ecological environment of the downstream has also been polluted, which directly bring the impacts to economic development. Environmental problem have become one of extremely important issues to Linzhou city, and it is necessary to construct a wastewater treatment plant to solve the problem.

2.2 Location of the project

The Linzhou city wastewater treatment plant is located in the north of North Third Ring Road of Linzhou city, northwest of Guan village, Lingyang town, west of Nanxin Zhuang village, east of Xinhe highway, and west of sewerage ditch. The plant will occupy about 63 mu land, the range of which is described as follow: 800m north to the transformer substation in Chaojia village, 600m west to Guanzhuang village and Nanxin Zhuang village, and 300m east to the Xinhe highway.

2.3 Project scope

The construction of wastewater treatment plant includes two parts. One is Linzhou city wastewater treatment plant, which is designed to deal with 500,000 m³ wastewater per day, and when the first-stage construction of the plant was finished, it would treat 250,000 m³ wastewater per day. The other is the reconstruction of wastewater pipeline network of Linzhou city. The total length of wastewater pipe is 48.65 kilometers, in which the trunk sewers are 23.275 kilometers in length. The construction of wastewater pipeline network is divided into two stages. The first stage

will focus on the pipeline network in the east of West Second Ring and Sidaohe and in the north of South Ring Road, with a total length of 25.34 kilometers, while the second stage will deal with the pipeline network from the west of West Second Ring Road to West Third Ring Road, with a total length of 23.315 kilometers.

2.4 Social and economic benefits of the project

Pollution treatment and environment protection is one of the basic national policies of our nation, which is also an important responsibility of local governments. Due to historical and objective causes and limitation of regional economic development, the infrastructural construction here falls short. In particular, the environmental protection equipments fall severely behind the development of the city. Large amounts of city sanitary waste and industrial sewage are released directly without treatment every day, which not only pollute the quality of river and ground water, threaten the ecological environments, but also threaten the health of citizens. With the development of urbanization, the development of all kinds of municipal public services also accelerates. If the wastewater treatment system is not developed with the economic development, the regional water environment will deteriorate seriously. This project will put the wastewater being treated to meet the required standards, improve the city environments of Linzhou city, raise the quality of life of inhabitants, ensure the sustainable development of regional economy, and therefore has good social and environmental benefits.

3 The information on the project and land acquisition

3.1 Project impacts

Principle of site selection

- 1) It should meet the requirements of adopted wastewater treatment process;
- 2) It should reduce land acquisition, try to occupy less farmland and have a certain distance for health protection;
- 3) The site shall be located at the downstream of the water source, at the downstream of the town, plant side and residential site, and the leeward of the prevailing wind in summer.
- 4) If the treated effluent or sludge is used in agriculture, industry or municipal project, the site of the plant shall be close to the users for the convenience of transportation. If the treated wastewater is discharged, the site shall be close to the receipt water body.
- 5) The topography shall be made full use of. If possible, the site shall be located at the gradient region so as to meet the altitude demand by the building for wastewater treatment and decrease the earthwork of the project;
- 6) It shall have favorable project geologic condition;
- 7) The plant side shall not be flooding and have good drainage system;
- 8) The site selection shall take into account the possibility for long-term development and have the room for extension.

3.2 Site selection for the wastewater treatment plant

According the city master plan, the condition for building the plant, investment surroundings and environment are considered, the plant site is chosen to be located to the north of Linzhou city, northwest of Guanzhuang village, west of Nanxinhuangzhuang village, east of Xinhe highway, and west of muck ditch. The area of the plant is about 63 mu. The ranges are described as follows: 800m north to the transformer substation in Chaojia village, 600m west to Guanzhuang village-Nanxinhuangzhuang village, and 300m east to the Xinhe highway.

3.3 Types of loss induced by land acquisition for the project

On the basis of preliminary project design and site investigation, the following types of loss affected by land acquisition are confirmed:

- Loss of farmland;

- Temporary land use;
- Loss of ground attachments;
- Other losses, such as standing crops.

4 Legal and Policy Framework

The legal framework and resettlement policy of the Project include two kinds of resources: the laws and regulations of China, and the policy requirements of ADB. This chapter intends to summarize the resettlement policy for house demolition for this project and the policy for the land acquisition and compensation.

4.1 Legal Framework—National/Regional Laws and Regulations

Land Administration Law of the PRC, put into implementation on January 1, 1999.

State Council Document No. 28, Decision to Deepen Reform and Strictly Enforce Land Administration, November 21 2004;

The Ministry of Land Resource No.238, Guideline for Enforce Land Acquisition Compensation Policies

·State Council Document No.256, Implementation Regulation for Land Administration Law

State Council Document No.27, Temporary Regulations of Cultivated Land Occupancy tax for the PRC, 1997

·Regulations on Basic Farmland Protection of Henan Province;

·Henan Provincial Management Guidelines for Implementation of the Land Administration Law of PRC, Dec. 1 1999

·Measures of Jiaozuo Municipality for the Administration of the Demolishment of Urban House

·ADB's Involuntary Resettlement Policy

4.2 Correlative laws and regulations

Relevant stipulations in Land Administration Law of PRC

Article 10: Land owned by farmer collectives to be lawfully used for non-agricultural construction shall be registered and recorded by people's governments at the county level, which shall, upon verification, issue certificates to confirm the right to the use of the land for such construction.

Article 14: Land owned by farmer collectives shall be operated under a contract by members of the economic organizations of the farmer collectives for crop cultivation, forestry, animal husbandry or fishery. Within the duration of the contract for operation of land, any appropriate readjustment of the land between individual households shall be made with the agreement of at least two-thirds of the members of the villagers assembly or of the representatives of villagers and submitted to the township (town) people's government and the agriculture administration department of the people's government of the county for approval.

Article 24: People's governments at all levels should strengthen administration of land utilization plan and practice quantum control of land used for construction.

Article 31: The state protects cultivated land and strictly controls turning cultivated land into noncultivated land. The state practices the system of compensation for the occupation and use of land. For the occupation and use of cultivated land for non-agricultural construction with approval, the unit that occupies and uses cultivated land shall be responsible for the reclamation of cultivated land equivalent to the quantity and quality of cultivated land occupied and used in accordance with the principle of "quantity of reclaimed land being equivalent to that occupied"; where there are no conditions for reclamation or the reclaimed land does not conform to

requirements, cultivated land reclamation fee should be paid as prescribed by the provinces, autonomous regions and municipalities directly under the Central Government, the special-purpose fund shall be used for the reclamation of new cultivated land.

Article 42: For destruction of land caused by damage due to digging, caving in and pressurized occupation, the land use unit and individual should, in accordance with relevant state provisions, be responsible for the reclamation; where there are no conditions for reclamation or reclamation does not conform to requirements, land reclamation fee should be paid to be used specifically for land reclamation. The reclaimed land should be used for agriculture on a priority basis.

Article 47: Land requisitioned shall be compensated for on the basis of its original purpose of use.

Compensation for acquired cultivated land shall include compensation for land, resettlement subsidies and attachments and young crops on the acquired land. Compensation for acquisition of cultivated land shall be six to ten times the AAOV of the acquired land for three years preceding such acquisition. Resettlement subsidies for acquisition of cultivated land shall be calculated according to the agricultural population to be resettled. The agricultural population to be resettled shall be calculated by dividing the amount of acquired cultivated land by the average amount of the original cultivated land per capita of the unit the land of which is requisitioned. The standard resettlement subsidies to be divided among members of the agricultural population needing resettlement shall be four to six times the AAOV of the acquired cultivated land for three years preceding such acquisition. However, the highest resettlement subsidies for each hectare of the acquired cultivated land shall not exceed fifteen times its AAOV for the three years preceding such acquisition.

Standards of land compensation and resettlement subsidies for acquisition of other types of land shall be prescribed by provinces, autonomous regions and municipalities directly under the Central Government with reference to the standards of compensation and resettlement subsidies for acquisition of cultivated land.

Standards for compensation for attachments and young crops on the acquired land shall be prescribed by provinces, autonomous regions and municipalities directly under the Central Government.

For acquisition of vegetable plots in city suburbs, the land users shall pay towards a development and construction fund for new vegetable plots in accordance with the relevant regulations of the State.

If land compensation and resettlement subsidies paid in accordance with the provisions of the second paragraph of this Article are still insufficient to help the farmers needing resettlement to maintain their original living standards, the resettlement subsidies may be increased upon approval by people's governments of provinces, autonomous regions and municipalities directly under the Central Government. However, the total land compensation and resettlement subsidies shall not exceed 30 times the AAOV of the acquired land for the three years preceding such acquisition.

Article 48: Once a plan for compensation and resettlement subsidies for acquired land is decided on, the local people's government concerned shall make it known to the general public and solicit comments and suggestions from the collective economic organizations, the land of which is requisitioned, and the farmers.

Article 49: The rural collective economic organization, the land of which is

requisitioned, shall accept supervision by making known to its members the income and expenses of the compensation received for land acquisition. The compensation and other charges paid to the unit for its land acquisition are forbidden to be embezzled or misappropriated.

Article 50: Local people's governments at all levels shall support the rural collective economic organizations, the land of which is requisitioned, and the farmers in their efforts to engage in development or business operation or to start enterprises.

Article 54: Use of state-owned land for a construction project should be obtained in the form of paid for use such as transfer; however, the following use of land for construction may be obtained in the form of appropriation subject to the approval of the people's government at or above the county level in accordance with law:

- (1) land use by state organs and land use for military purposes;
- (2) land use for urban infrastructure and land use for non-profit undertakings;
- (3) land use for such infrastructure as energy, communications and water conservancy to which the state renders key support; and
- (4) other land uses prescribed by laws and administrative regulations.

Article 57: Where land owned by the State or by farmer collectives needs to be used temporarily for construction of projects or for geologic prospecting, the matter should be subject to approval by the land administration departments of people's governments at or above the county level. However, if the land to be temporarily used is located in the area covered by urban planning, the matter shall be subject to agreement by the urban planning administration department concerned before it is submitted for approval. The land user shall, depending on who owns the land and who has the land-use right, enter into a contract for the temporary use of the land with the land administration department concerned, or the rural collective economic organization, or the villagers committee and pay compensation for it in accordance with the provisions of the contract.

Article 58: The right to use of state-owned land may, subject to the approval of the people's government that originally approved the use of land or the people's government with authority of approval upon submission by the competent department of land administration of the people's government concerned, be withdrawn for any of the following circumstances:

- (1) land use required for public interest;
- (2) adjustment in land use necessitated by reconstruction of old urban districts in implementing urban planning;

Article 62: One household of villagers in a rural area can only possess one house site the area of which shall not exceed the standards prescribed by the provinces, autonomous regions and municipalities directly under the Central Government. Construction of villagers' residences in the rural areas should conform to the overall planning for rural(township) land utilization, and the best possible use of original house sites and idle land in the villages should be made. Land use for villagers' residences in the rural areas shall be subject to the approval of the people's government at the county level upon examination and verification by the village (township) people's government; among them, for cases involving occupation and use of agricultural land, formalities of examination and approval shall be completed pursuant to the provisions of Article 44 of this Law. Reapplication for a house site by a villager in a rural area who has sold or rented out his/her house shall not be approved.

4.3 Correlative regulations of Farmland Land Occupancy tax for the PRC

Article 2: Farmland mentioned here is the land for growing crops. It is also regarded as

farmland if the land was used for growing crops in the last 3 years.

Article 3: Both unit and individual should be responsible to pay farmland occupancy tax (thereafter called taxpayer) for house construction or non-agricultural construction. They should pay farmland occupancy tax in accordance with the regulation.

Article 4: Farmland occupancy tax should be calculated based on the actual area of farmland occupation. The amount of tax should be collected in one-time payment.

Article 5: The amount of farmland occupancy tax should be prescribed as follows:

Take county as a unit (same as follows), for the area that the average farmland area is less than one (1) mu per capita, the tax should be CNY 2 to CNY 10 per square meter;

For the area that the average farmland ranges from one (1) to two (2) mu per capita, the tax should be CNY 1.6 to CNY 8 per square meter;

For the area that the average farmland ranges from 2 to 3 mu per capita, the tax should be CNY 1.3 to CNY 6.5 per square meter; and,

For the area that the average farmland is more than 3 mu per capita, the tax should be CNY 1 to CNY 5 per square meter.

Article 9: Farmland occupancy tax should be collected by finance department. The land administration bureau should inform timely all finance departments in the same upon approval of land occupation for unit and individual. The unit and individual should declare and pay tax to finance department with the document approved by land administration bureau above county level. The land administration bureau will transfer the land to unit and individual based on the receipt of tax payment or approval document for land acquisition.

Relevant stipulations in State Council Document No. 28, Decision to Deepen Reform and Strictly Enforce Land Administration;

The document urges local governments to take actions which are listed as follows:

Strengthen land use planning and utilize approved land use plans as the basis for approving proposed construction projects.

Involve local land use departments in the approval process for construction projects

Publicize minimum values for sale and transfer land to avoid land acquisition taking place at below market rates

Strengthen the application of “no detriment” for affected persons

Ensure compensation payments are targeted to those most affected by LAR activity

Strengthen audit and monitoring arrangements

The issue of document 28 was followed up by:

The issue (on 1st November 2004) of Decree 27 by the Ministry of Land Resources. Decree 27 contains administrative procedures for use by local Land Use departments in reviewing proposed construction projects. These procedures attempt to strengthen land use planning and control.

Ministry of Land Resources “Guidelines on Improving the System of Land Acquisition Compensation and Resettlement” which was issued on 3rd November 2004, makes

specific reference to Document 28 and gives specific guidance on its implementation.

Relevant stipulations in Henan Provincial Management Guidelines for Implementation of the Land Administration Law of PRC

Article 25: Where non-agricultural construction project is approved for land occupancy, cultivation plans shall be made by land users, forwarding to land administrative department for approval responsible for cultivation the land quantity and quality as appropriate. Where there's not proper condition for land cultivation, corresponding cultivation fees shall be paid and the cultivation fees collection, utilization and management method shall be otherwise specified by provincial people's government. Where land is supplied in unified manner within urban construction land occupancy under overall land planning, arable cultivation shall be shouldered by land use unit; where arable land is occupied by village and towns, land cultivation shall be taken charge by rural collective organizations or village committee.

Article 34: For acquiring farmer's collective land, compensation should be made as follows:

Land compensation: compensation for acquired cultivated land in the outskirt of primary city shall be eight (8) to ten (10) times the AAOV of the acquired land for three years preceding such acquisition; in the outskirt of secondary city and mining area seven (7) to nine (9) times the AAOV; in other areas six (6) to eight (8) times the AAOV. Of the farmland acquisition, various sideline products (excluding vegetable) shall be counted as 15% to 20% of the annual production based on major products.

Resettlement subsidies: for acquisition of cultivated land, compensation shall be paid based on each 667 m²: For the average farmland per capita is over 667 m², compensation shall be four (4) to five (5) times the AAOV of the acquired cultivated land for three years preceding such acquisition; for the average farmland per capita is over 334 m² and under 667 m², compensation shall be six (6) to nine (9) times the AAOV of last three years; for the average farmland per capita is less than 334 m², compensation shall be ten (10) to twelve (12) times the AAOV of last three years. Under special circumstance, compensation shall not be over 15 times the AAOV of the acquired cultivated land for last three years preceding such acquisition of 667 m².

Standing crops: one times the AAOV.

Compensation standards for attachments shall be executed according to the regulation of Provincial People's Government. No compensation shall be paid to the newly added attachments from the date of public notification.

Article 25: in case the land occupied belong to rural collective owners or village committee, land compensation shall be paid to rural collective owners or village committee; where it belongs to villagers team; compensation shall be paid to the team and where it belongs to town collective organizers, it shall be paid to the organizers. Compensation for land attachment and green crops subsidy shall be performed as per Article 26 of Promulgation Rules for Land Administrative Law.

Article 38: The annual production value for land compensation and resettlement subsidies shall be based on the average annual production and current average nation-regulated product price of last three years. If no nation-regulated price, the local market price shall be used.

Article 39: Within the area of land acquisition, if there is water source, culvert, culvert

gate, pipeline, road, electric cable and production and living related facilities, the local People's Government shall organize relevant departments as well as the land use unit and construction unit to resettle properly, without obstruction and damage on purpose; if obstruction and damage can not be avoided, the items shall be rehabilitated or constructed relevant facilities according to regulations.

5 Compensation Standards

5.1 Qualification for compensation and rights

All affected people, including non-local/migrant (without registered permanent residence) population will be compensated for all affected property according to the value of repurchased property, depreciation not deducted from the repurchasing price.

5.2 Principles of Compensation

- The standard of compensation for all the properties will be determined subject to the principle of rehabilitation.
- The compensation fee will be paid before land acquisition
- Enforce the management of construction and try to minimize the impacts on traffic
- Compensation for the requisitioned land and subsidy for resettlement are subject to Regulations of Henan Province on Land Administration and Measures of Linzhou County for the Administration of Examination and Approval of Land Use in Urban Infrastructure and Public Utilities and Demolition and Compensation.
- Such attachments on the ground as standing crops and trees will be compensated in full amount to the households or proprietary as provided by related policies.

5.3 Standards of Compensation for Resettled Persons

After investigation and calculation, the average annual production value of the affected land in the last three years will be calculated by 1,600 Yuan/mu.

According to PRC Land Administration Law, Regulations of Henan Province for Land Administration, and Some stipulations of Linzhou County on the Standard of Compensation for Ground Attachments on the requisitioned land, the compensation for the requisitioned farmland and subsidy for resettlement shall be 21 times of the average production value of the requisitioned land for the last three years before land acquisition, and the standard of compensation for land acquisition and resettlement subsidy is: cultivated land for cereal, at 1,600 Yuan/mu year; compensation fees for standing crops at 800 Yuan/mu per quarter; farmland restoration, at 6,670 Yuan/mu; taxation for the farmland occupation at 3,601 Yuan/mu; administration fees at 600 Yuan/mu; compensation for the ground attachments paid additionally.

Table 5-1 Standard of Compensation Rate for Permanent Land Acquisition

Note: the added 600Yuan is the additional fees for compensation agreed between IA and AP representatives.

average annual production value for the last three years(Yuan/Mu)	multiple of compensation			Standard of compensation (Yuan/Mu)		
	Compensation for land	Subsidy resettlement for	Standing crops	Compensation for land	Subsidy resettlement for	Standing crops
1600	9	12	0.5	14400+600	19200	800

Table5-2 Standard of Fees for Permanent Land Acquisition

Yuan/Mu

Type of Acquisition	land compensation and subsidy	Standing crops	farmland restoration fees	taxation on farmland occupation	Land Administration fees	Total
farmland (cereal)	33600+600	800	6670	3601	600	45871
Beneficiary	Villagers committee	Family	Land Bureau	The state	Land Bureau	

Table5-3 Standard of Compensation for Temporary land use

Yuan/Mu

Items	Average production value per quarter in last 3 years (Yuan/mu)	Compensation Multiplier		standard of compensation (Yuan/mu)		
		Standing Crops	Land restoration fees	Standing Crops	Land restoration fees	Total
land (grain)	1600	0.5	1.5	800	2400	3200

The road restoration fee for temporary land use is CNY20/m²(CNY13,334/mu).

Table 5-4 Standard of Compensation for Ground Attachments and Specific Facilities

Yuan/unit

Well	Tomb	Underground Wire	Tunnel& trench
20000	1200	25	25

5.4 Cut-off Date

The cut-off date of identification on title for compensation will be Nov 1st, 2004, or any other date when DNS has been made. Such events will be excluded from the scope of compensation or subsidy as the farmland reclaimed or houses newly built by affected persons or settlement in the affected region after the deadline. Any buildings, trees or crops made purely for the additional compensation may not be taken into account.

5.5 Payment of the Compensation

In principle, the compensation fee for the affected buildings and other ground attachments are directly paid to the legal proprietary of these properties. The compensation for the demolished house will be determined according to the present price of resettlement.

The land compensation and resettlement subsidy paid by the construction organization will be directly paid to each person who is the land owner or user before land acquisition. According to PRC Land Administration Law, land compensation shall be paid to the original owner and user before land acquisition and the resettlement fees must be used to relocate the rural population who need to be relocated due to land acquisition. Therefore, land compensation shall be paid to the collectivity economic entities (villagers team) or the village organization which these entities are affiliated to; the resettlement subsidy will be managed by the unit or organization responsible for the households rehabilitation. If the land reallocation to certain person is resolved by the villagers team, the resettlement subsidy will be paid to the related person.

5.6 Procedure of Compensation Payment

The Table hereunder illustrates the cash flow and its supervision. The fund for land acquisition, demolition and resettlement will be allocated by the designated bank through the project construction unit to the construction entity and Land Acquisition and House Demolition Offices of the districts. The governments of the districts will allocate the fund to Street Office and Villagers Committee for management and supervision. The district government will also supervise the use of fund by means of regular inspection and audit, evaluate the effect of fund use and make necessary directions to prevent the appropriation of fund.

Figure5-1 Payment Procedure of Compensation fees

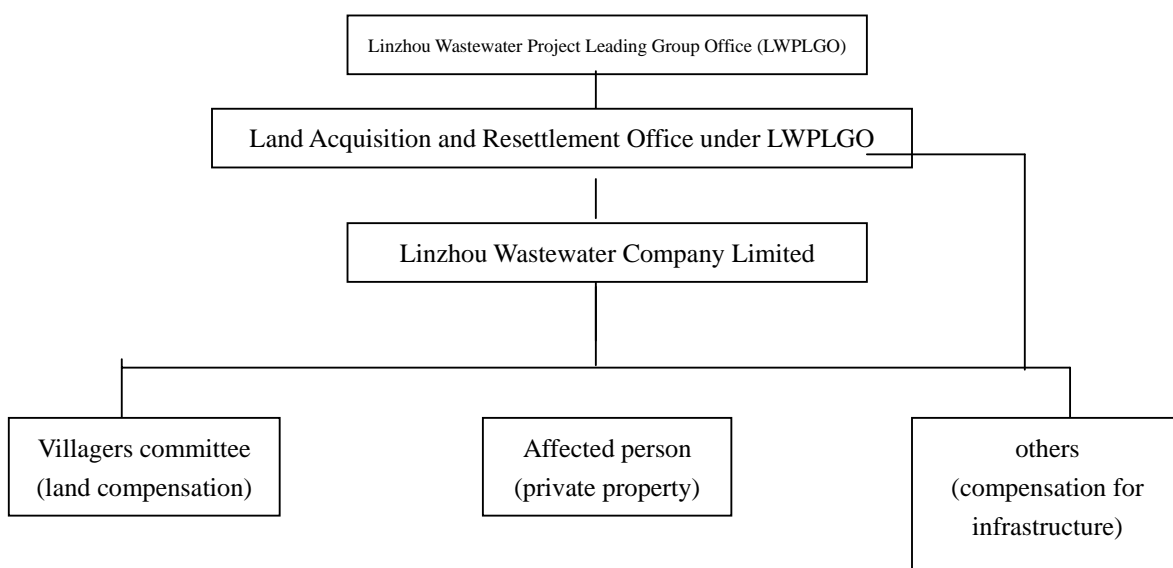


Table5-5 Entitlement Matrix

Type of loss	Use or loss reasons	Entitled person	Number of entitled person	Compensation policy	Compensation detailed rules	Implementing measures
Land is permanently used by the government	Existing cultivated land is used due to construction of wastewater treatment plant	Villager's committee, household that cultivate the land on a contract basis	1 village, 99 village households	<ul style="list-style-type: none"> ·Receive compensation and resettlement fund ·use compensation and resettlement fund to restore income of the APs ·Use compensation and resettlement fund for production purpose to make profit agreed upon by two thirds of the villagers ·Receive compensation fund based on the demolished area 	<ul style="list-style-type: none"> ·Make full compensation to the collective economic organizations and the village households that own the land. The part commonly owned by the above two should be decided on by the representative meeting of villagers ·household that cultivate the land on a contract basis will be compensated according to compensation policy Compensation for resettlement of graves will be based on existing number. 	The matters relating to fund distribution and land Reallocation; the methods of compensation fund payment will be considered and decided at the villagers' meetings. Fund will be paid in full amount and in a timely manner to the villagers who have lost their production means and will timely feed back the villagers' complaint about compensation.

Type of loss	Use or loss reasons	Entitled person	Number of entitled person	Compensation policy	Compensation detailed rules	Implementing measures
	Lose a part of production means due to land acquisition	Labor	441 villagers	<ul style="list-style-type: none"> ·Obtain opportunities of training and employment and take measures to remain their business income unreduced. ·Employment of labor. Resettled people have same amount of land as other villagers through redistributing land in the village. Entitlement of the profit of investment made from land compensation and resettlement subsidies	Compensate labor for the loss due to land acquisition	·Waster water treatment Co. Ltd and villager' committee will make arrangement for skill training and strengthen knowledge and skills of the labor.
	household that cultivate land on a contract basis suffer losses due to occupation of the land	household that cultivate the land on a contract basis	99 households	·Receive compensation for young crops	Make full compensation according to relevant policies	Villagers' committee will make the compensation policies known to the general public on notice board and pay compensation directly to the households.
Land is temporarily used	Normal operation and	Villagers'	1 villagers'	·Receive compensation for	Make full compensation	Resettlement office will pay

Type of loss	Use or loss reasons	Entitled person	Number of entitled person	Compensation policy	Compensation detailed rules	Implementing measures
by the government	marketing activities are affected due to the construction of sewerage treatment network	committee , municipal engineering and road owner units	committee, 1 road owner unit	resuming the activities	according to corresponding policy	compensation to the villagers' committee according to compensation standard and procedures.
Ground attachments	Suffer losses due to loss of the attachments to the land	Property right owner	1 villager's committee, 9 village household	·Receive full amount according to compensation standards	Full amount compensation for the loss of ground attachments. Compensation for motor-pumped wells, culvert, channels and roads for mechanical ploughing was paid to the villager's committee, compensation for graves was paid to person of entitlement.	Resettlement office will pay compensation to the owner of ground attachments to the land according to compensation standard and procedures.
Infrastructure	Public facilities demolished due to construction of sewerage treatment network	Property right owner of the public facilities	Property right owner of public facilities	·Provide compensation for loss of building and facilities	Full amount compensation for house demolition and the loss of ground attachments	Resettlement office will pay compensation to the public facilities owner according to compensation standard and procedures.

6 Income Restoration and Rehabilitation Measures

6.1 The goal of resettlement

The final goal of the plan is to improve the life condition of the affected households. The resettled persons may get reasonable compensation through the resettlement plan so that their living level may not lower than original level.

6.2 Regulation of Resettlement Plan

In order to realize the goal of resettlement plan, the executing agency organizes an investigation on the impacts of wastewater treatment project with many participants in July 2004, based on the policies of the ADB. This impact investigation provides detailed information on relevant impacts of the project. Based on the information, a detailed impacts evaluation has been finished and a village that was permanently affected by land acquisition has been identified. Villagers in this village lose part of their land. Under the efforts of many people concerned, the economy restoration plan for the affected villages has been completed.

6.3 The land acquisition and resettlement method

The selection of the resettlement measures

Considering land conditions of the villages after land acquisition and the economic development tendency, the negotiation between the villager committee and the affected people along with the other villager representatives was carried out to make a decision that 50mu out of 110mu reserved land (to the east of the proposed WWTP) would be used to build the vegetable sheds for the income restoration of the affected people. At present the villager meeting has been held to find the way to do it. It is planned that the construction of the vegetable sheds will be funded by part of the compensation funds with other financing sources. The affected people who wanted to participate in this project are entitled to take part in it.

6.4 Infrastructure and specific facilities

In order to guarantee the use of public infrastructures, such as water wells, power supply wires, water conduits, which are affected by the project, the rebuilding of them must be finished before the original facilities are demolished. The rebuilding of water and power supply facilities will be finished by relative departments. Each village is responsible to the rebuilding of wells and the subsidy for rebuilding wells have been paid to each village.

6.5 Production rehabilitation Plan for the Resettlers

The consultants and staff members of the executing agency introduced the situation of the village to the village leaders and villagers. They summarized the advantages, weaknesses, opportunities and threats (negative factors) when make the village-level restoration plan. Based on this analysis, the policies and potential measurement for their economical restoration are determined. This planning reflects that it is the affected villagers who positively participate in establishing the restoration planning of

their village. The villager representative appreciates this method, because it may arouse their enthusiasm to establish their own planning according to relevant policies. Thus, the people who participate in the planning establishment have strong feeling of responsibility in such a way.

This planning is still under extensive discussion among the villagers. After the detailed investigation results have been got, the local government will help the villagers to better and determine their plans finally. At present, a brief account of the economical restoration plan for the most severely affected village during the land acquisition and resettlement is as follows: Nanxinzhuangzhuang village in Lingyang Town has 570 households with a population of 1750 and total available farmland of 1100 mu. The primary income sources include 1) agriculture; 2) going out for part-time job; 3) transport service; and 4) doing business. The net income per capita in 2003 is 3000 yuan. The draft economic rehabilitation is shown in section 5.3.2.

6.6 The measures of economic restoration

This village is adjacent to the Lingyang Industrial Park and Lingyang Road. There are 99 affected households in total need to restore their production. They plan to grasp this opportunity to do business, which include 1) build shops for business; 2) this village has the advantage to develop fruits and vegetables because it is adjacent to Lingyang Industrial Park and urban area. These fruits and vegetables are mainly supplied to the plants and enterprises in the industrial park and the urban area. Therefore, the village wants to use 50 mu land to build vegetable sheds preferentially. They hope it will help them to increase 500 Yuan to their income per capita. The sources of development finance include compensation for land acquisition, enterprise investments and loans from bank.

6.6 Agricultural rehabilitation plan

In affected area, neither resettlers nor other villagers want to make land reallocation in the village. All of them chose to get cash compensation. Therefore, the village committee paid most of the compensation fee for land acquisition to 411 people 99 households as the cash compensation for requisitioned land. Though the agricultural income of the households whose land have been requisitioned will be affected in the short-term period, land requisitioned is only a little part of their total land. The impacts are not serious. After compensation fee are paid, the households whose land have been requisitioned plan to make some investment with the compensation fee and their loans from the bank. They want to invest such project as follows: (1) vegetable sheds, (2) develop other agricultural infrastructure such as agricultural products intensive processing, (3) plant various economical plants including fruit garden development and other economical plants, (4) improve irrigation condition.

6.7 Non-agricultural restoration plan

According to the regulations of Law of Land Management of the People's Republic of China established in 1998, all levels of local government shall sponsor the affected collective economy enterprise and individual farmer to establish and develop new enterprise. Therefore, local government should make use of the compensation

money for land acquisition to enlarge the employment opportunity in the affected community and take other measures, for example, increasing the investment for agriculture, employing the affected people in the construction of this project, helping the vulnerable groups and improving the infrastructure for basic education, basic health and society.

There are three key policies related to income restoration to be considered after land acquisition including: 1) the income restoration measures in country and community level; 2) utilization of compensation fees by individuals; 3) training plan. These policies will make most of the affected people go on with agricultural production. However, under the impacts of project development, they will gradually turn to work in urban areas. The accelerated urbanization of the project location will definitely change the living as well as the livelihood style of those living in the rural areas in the near future profoundly. To help the affected people with income restoration and professional skills and to meet the needs for vegetable sheds, 99 affected households will be provided with the training opportunity. In average, a male and a female member of each family are able to participate in the training activities organized by the government with the subsidy of the government. The activities include:

- Measures to prevent the greenhouse plant against pests;
- Greenhouse fruit and vegetable cultivating technology in winter;
- Economically valuable crops cultivation in the courtyard;
- weaving techniques for women;
- Livestock breeding techniques;
- maintenance techniques for agricultural machines (cars, tractors and motorcycles);
- needlework training for women
- principles of electrical engineering
- cooking techniques ;
- products sanitation and services;
- Mechanical maintenance;
- Food sanitation and services;
- Breeding techniques for intensively breeding fishes

The above trainings are organized by labor and agriculture sectors of local governments excluding item 1,2,3, which are specially organized for the APs who have vegetable sheds.

In the construction of the project, some work opportunities will take place. The project office should suggest the project contractors that they give the hire priority to the households whose land were requisitioned and other people in the affected villager so that the resettlers are easier to make income restoration.

6.8 Resettlement measures for vulnerable groups

The vulnerable groups found in this project have two features: one is widowed family, and the other households make a living mainly depending on cultivate land. The two

features have a relative common in the vulnerable groups, whose livelihood depend on agriculture and they are poor. Considering the features of the vulnerable group, the preparation office of this project has negotiated with the village committee and the vulnerable households, and they will take the following resettlement measures:

Help to maintain the old people in the vulnerable households. Based on the local customs, the old people in country are generally supplied with alimony by their children when they lose the ability to labor. If the old people and widowed family affected by land acquisition feel unwilling to labor or are unable to do so, the project owner will increase the resettlement subsidy and pay them through the village committee. Thus, these people may be resettled by means of economical subsidy.

If the vulnerable households affected by the land acquisition hope to go on with labor, then the village committee will agree to allot the land to the vulnerable households preferentially. The land comes from the reserved land kept by the village committee. In addition, they are ensured to get more benefits and will get larger land than before. If the village committee carries out collective development planning, such as large scale vegetable planting plan, they will consider the labor force of the vulnerable groups and guarantee their payment for labor.

7 Grievance procedure

7.1 Goal of the grievance procedure

The detailed processing procedure for opinions about this project have been established in order to guarantee the relevant person have ways to deal with their opinions on land acquisition and resettlement. Its goal is to assure that advices of relevant person for this project can be dealt with openly and rapidly. This procedure is simple, practical, open and just. In the long run, its goal is to avoid people affected by the project being forced to express their dissatisfaction and opinions resorting to intricate formal way. In other words, the opinions or dissatisfaction of related person can be dealt with inside the management organization of the project, which not only make the processing procedure more effective, but also reduce the impact to the schedule of the project.

7.2 Steps of grievance

In order to protect the interests and property of related units and individuals from encroachment and damage, their opinions and appeals shall be report to the leadership according to the following steps:

The first step: Anyone who is not satisfied with the land acquisition and resettlement shall give their oral or written opinions to the village committee. If the issues were not settled, they may give them to the subdistrict office and office of land acquisition and resettlement of the town. If they do not get satisfactory answers in three weeks, they may give the written opinions to the relevant city-level departments in charge. It is also probable to give their opinions directly to the city-level management departments.

The second step: The land acquisition and resettlement group shall settle the issues for relative individuals or organizations in four weeks after receiving them. If the relative person is still not satisfied with the settlement, they may appeal to the

people's court.

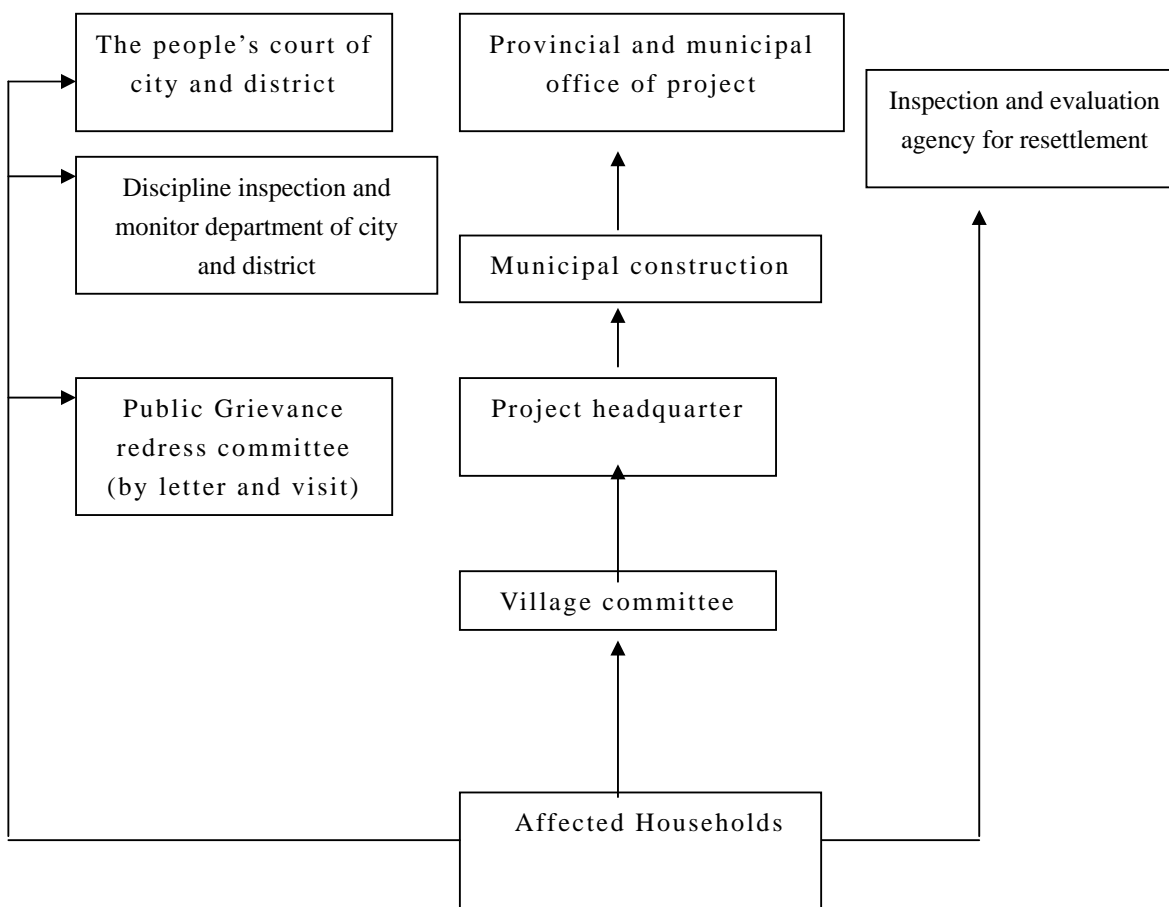
The third step: If relevant individuals or organizations are still not satisfied with the judgments of the people's court of the district, they may appeal to the People's Court of Linzhou city. The judgments made by the Intermediate People's Court of Anyang city are the final judgments, and must be executed.

7.3 Scope of grievances

Correlative people may appeal on various aspects of job assignment and compensation fund payment, including the compensation fees. In the resettlement handbook, the specific announcement and procedures to appeal have been issued for all affected people. This information may also convey to people affected by the project through the public meeting before the land acquisition.

During the whole construction of the project, these procedures of appeal are always valid, so that villagers may make use of them to deal with relevant issues on infrastructure restoration, such as the reconstruction of irrigation system, entrance of general roads, and temporary land use. Thus, the villagers may have a valid way to reflect these problems to the management organization of the project so as to deal with them in time (the flow diagram is as follows).

Table 7-1 Flow diagram for grievance procedure of resettlement



Appendix 2 Terms of Reference for External Monitor

A. Introduction

1. According to the requirements stipulated in the “Regulations on Construction Supervision” promulgated by the Construction Ministry of the People’s Republic of China (PRC) in 1995, all construction projects shall be properly supervised. It is also a requirement of the Asian Development Bank (ADB) that loan projects that result in resettlement be properly monitored and evaluated. In order for the implementation of the land acquisition and resettlement program of the Henan Wastewater Management and Water Supply Project (HWMWSP) to comply with the provisions of the Resettlement Plan (RP), monitoring of implementation, both “internal” and “external”, will be carried out during and after the implementation of the Project.

2. An independent monitoring agency (Monitor) will be engaged through competitive tenders for the external supervision, monitoring and evaluation. The Consultant will be a PRC consulting entity who has experience in ADB or World Bank projects dealing with resettlement issues.

3. Monitoring and evaluation will include, but not be limited to:

Monitoring the progress and effectiveness of RP implementation;

Evaluation of income restoration and post-resettlement conditions of the APs and affected communities.

B. Objectives and Requirements of Monitoring and Evaluation

4. The objectives of monitoring and evaluation are to assess if the land acquisition and resettlement is implemented in accordance with the RP and if the goals and principles of the RP are achieved. Specifically, monitoring and evaluation will focus on the following aspects of the APs’ situation and the resettlement process.

Economic situation prior to and after displacement of land or housing;

Timely disbursement of funds;

Environmental conditions;

Rehabilitation of the vulnerable groups;

Condition of land temporarily acquired when it is returned to the original land users;

Measures taken by the village committees to restore affected livelihoods; and Living conditions and economic status of APs following resettlement in comparison to the non-affected household in the Project areas.

5. Monitoring and evaluation will include the establishment of socio-economic baselines of the APs prior to land acquisition or physical relocation, and the regular monitoring of their relocation or adjustment during Project implementation, and evaluation of their situation for a period of one or two years afterwards. Qualitative and quantitative methods will be used to evaluate the standard of living of the APs. Investigation will include interviews with IAs, local officials, village leaders, and survey of at least 20% of affected households. Focus group discussions can be conducted to address issues related to women, poor, other vulnerable groups and unemployed workers.

C. Monitoring Indicators

6. The following indicators will be monitored and evaluated in accordance with principles, entitlements and rehabilitation strategies/plans set out in the RP:

Disbursement of entitlements to APs and businesses: compensation, housing, cultivated farmland, and employment as specified in the RP.

Development of economic productivity: re-allocation of cultivated land, land restoration, job opportunities provided to APs.

Provision of alternative housing: the affected persons must move into their alternative housing before demolition; the affected persons must receive on time their moving and transportation allowances.

Restoration of civic infrastructure: all necessary infrastructure should be restored at the resettlement sites at least up to a standard equal to the standard at the original location.

Level of satisfaction of APs: level of satisfaction of APs with various aspects of the resettlement program; the process for grievance redress the timely resolution of problems.

Standard of living: Throughout the implementation process, the trends in standards of living will be observed and the potential problems in the way of restoration of standards of living will be identified and reported. The Consultant will carry out a comprehensive socio-economic survey after the completion of resettlement implementation to document the standards of living and the conditions of the APs after resettlement. The survey will be conducted annually for two years, or until most affected households have fully restored their living standards and income generation.

Participation of affected persons: Involvement of APs in measurements of impacts, negotiation of compensation, decisions for collective investment of land compensation, and monitoring of progress.

Support for vulnerable households: impacts on children, the elderly and other vulnerable groups and implementation of preferential policies, income restoration measures, and improvements in women's status.

Adequacy of resettlement funds: full and timely disbursement of resettlement budget, results of financial audits and increased in funding meet any shortfalls.

D. Special Considerations

7. Special attention/provisions specified in the RP will be paid to women, the poor and vulnerable groups during monitoring; these include:

The status and function of women: Closely monitor any change in women's status, function and situations. At least 50 % of APs surveyed will be women.

Care and attention to vulnerable groups: Closely monitor living conditions of elders, the handicapped, and other vulnerable groups after resettlement, to ensure that no hardship is experienced.

E. Contents and Distribution of Independent Monitoring Reports

8. A monitoring report will include, among other things:
summary of findings and conclusion of investigations and evaluation;
major problems identified (existing and potential);

recommended mitigation or prevention measures which need to be taken;
assessment of previous follow-up actions.

9. The Monitor will provide ABD and the HPMP with monitoring reports every six months during the implementation of the RPs. After the PMOs prepare their resettlement completion reports, the Monitor will conduct annual evaluations for two years, or until all issues have been successfully resolved.

10. All reports will be provided in English and Chinese. PMOs shall ensure that information on the progress and status on all aspects of land acquisition and resettlement activities will be provided to the external monitor for verification. The Monitor will forward copies of the reports directly to ADB.

F. Duration and Frequency of Visits

11. The consulting services will be required during a period of 3 years (2005 to 2007).

12. During implementation of the RP, external monitoring by the Monitor will be undertaken every six (6) months for an input of one (1) month. Two annual evaluations will be conducted for each subproject; the timing of these investigations may be staggered depending upon the progress of each subproject. The total input of the Consultant will amount to 15 months for domestic consultancy (excluding survey assistants).

Monitoring Schedule

Tasks	Timing	Report Due
1) Baseline Surveys	May-June 2005	June 30, 2005
2) Monitoring of Implementation	June 2005	July 31, 2005
3) Monitoring of Implementation	Dec. 2005	Jan. 31, 2006
4) Monitoring of Implementation	June 2006	July 31, 2006
5) Monitoring of Evaluation	Dec. 2006	Jan. 31, 2007
6) Monitoring of Evaluation	Dec. 2007	Jan. 31, 2008

Appendix 3 Project Location Map

