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Sichuan Poor Rural Communities Development Project
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UK Department for International Development

RP302 V. 3

Land Occupation and Resettlement Action Plan

For the year of 2005

(Revised Draft)

Foreign Capital Project Management Center of
Sichuan Poverty Alleviation and Development Office
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Resettlement Objectives and Terminology Definition

The Land Occupation and Resettlement Action Plan is prepared according to the Laws and Regulations of PRC, and local area as well as the Guidelines of the World Bank (Operational Directive for Involuntary Resettlement OP/BP 4.12). The purpose of this document is to set out an action plan for the resettlement and rehabilitation of the project affected persons (PAPs) to ensure that they will benefit from the project and their standards of living will improve or at least be restored after the project impact.

A definition of PAPs is given below:

“Affected Persons” means persons who on account of the execution of the project had or would have their: a) standard of living adversely affected; or b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or occupied, temporarily or permanently; or c) business, occupation, work or place of residence or habitat adversely affected. PAPs may be individuals or legal persons such as a company, a public institution, including the followings:

a) persons who have a title, right, interest, in structures (houses, enterprises, shelters, or public buildings), land (including residential, agricultural, and grazing land) or any other asset acquired or occupied, in full or in part, permanently or temporarily;
b) persons who use the structures, land or assets described above; or persons whose business, occupation, work, place of residence or habitat adversely affected; or
c) persons whose standard of living is adversely affected as a consequence of land occupation or acquisition.

Definition of PAPs is not limited to their legal status, living style or business in the affected location, or their title to property Thus, it also includes:
a) all those affected by the project regardless of their legal rights or absence thereof to the assets being taken; and
b) persons without residential permit to live in a certain area.

Therefore all such persons who are affected will need to be considered and recorded as PAPs, regardless of their legal property, land or social position.

If there are more than one person, family or household using or holding a title to the same land or property that is occupied or acquired, they will be compensated and rehabilitated according to the loss they suffer, their rights, and the impact on their living standards. The definition of PAPs is linked directly to the adverse effect of the project, regardless of legal rights title or interest.

All PAPs’ are entitled to the improvement or at least restoration of their standards of living, and compensation for the material losses they suffer. Compensation for assets will cover replacement cost. No deductions or discounts will be applied to the compensation amount for depreciation or other reasons. All PAPs deriving an economic benefit from the affected land and property are entitled to receive rehabilitation benefits in addition to the compensation for their assets lost. Those PAPs without title, authorization or legal permission to reside, conduct business, cultivate land or construct structures are eligible for rehabilitation of their livelihoods and compensation for their assets on an equal footing with those with formal legal title, authorization or permissions to the assets.

The definition of “resettlement” is:

a) relocate living quarters;
b) finding acceptable new employment for those whose jobs are affected;
c) restoration (or compensation) of affected productive resources such as land, workplaces, trees and infrastructure;

d) restoration of other adverse effect on PAPs’ living standards (quality of life) through land occupation or acquisition (such as the adverse effects of pollution);

e) restoration of or compensation for affected private and public enterprises;

f) restoration of adversely affected on cultural or common property.

The definition of “rehabilitation” is:

To restore of the PAPs' resource capacity to continue with productive activities or lifestyles at a level higher or at least equal to that before the project.

The objective of this plan is to provide a plan for the resettlement and rehabilitation of the PAPs so that their losses will be compensated and their living level will be improved or at least restored to the pre-project levels. To achieve these objectives the plan provides for rehabilitation measures so that the income earning potential of individuals are restored to sustain their livelihoods. Affected productive resources of businesses (enterprises including shops) and public property, infrastructure and cultural property will also be improved or at least restored to their pre-project levels.
Chapter 1 Brief Description of the Project

1.1 Introduction

The World Bank and UK Department for International Development (DFID)-financed Project, the China Poor Rural Communities Development Project (PRCDP) is located in Sichuan Province, Yunnan Province, and Guangxi Zhuang Autonomous Region. The objective of the PRCDP is to reduce poverty in Western China through a participatory and multisectoral attack on absolute poverty in an extremely resource-deficient area covering the worst affected upland areas of several inland provinces. Poor rural communities would design and implement activities to improve agricultural productivity and access to infrastructure in those areas. Therefore, participation is a key feature of project design, implementation, monitoring and impact assessment.

The Sichuan Poor Rural Communities Development Project (hereinafter referred to as the Project) is one of the 3 independent provincial level projects under PRCDP. The total investment of the Project is planned to be US$50,000,000, among which, US$35,000,000 will be financed by the World Bank and DFID, and the remaining US$15,000,000 will be from domestic funds. The Project includes the following 6 components:

**Agricultural**
Including grain, cash crop, and tree plantation, livestock development, and processing subcomponents. The investment for this component accounts for 50.38% of the total.

**Rural Infrastructure**
Including transportation, water conservancy works, drinking water supply for humans and livestock, rural electricity, rural energy, farmer housing upgrading,
land improvement, rural broadcasting, and rural communications. The investment for this component accounts for 31.72% of the total.

**Education**
Including upgrading of teaching points and village schools, buying and upgrading desks and chairs and other teaching facilities, and allowances on tuition fee. The investment for this component accounts for 4.42% of the total.

**Health**
Including upgrading and building of health services, and equipping with facilities. The investment for this component accounts for 4.68% of the total.

**Capacity Building**
Including training and extension of agricultural techniques, trainings of teachers and health workers, illiteracy elimination, and health education, training of the village leaders and founding of the project monitoring groups. The investment for this component accounts for 5.64% of the total.

**Institution Building, and Project Management and Monitoring**
Including institution building and project management at the 4 levels of the province, prefecture, county, and township, participatory monitoring, and monitoring system. The investment for this component accounts for 3.16% of the total.

1.2 Project area

According to the requirements of the State Development and Reform Commission, World Bank, and DFID, based on the actual conditions of the province, the following principles have been followed in selecting the project areas, i.e. project counties:
1. They must be the key counties for poverty alleviation designated by the State.
2. Priority is given to the counties with more minority nationalities.
3. Priority is given to the populous counties with average per capita annual net income of less than RMB 1,200.
4. All the selected project counties must be relatively concentrated.
5. They must be the counties where the foreign capital projects have not been implemented.
6. They must be the counties with harsh natural conditions and undeveloped economy.

According to the above principles, 6 counties have been selected as the Project counties:

Meigu County of Liangshan Yi Autonomous Prefecture
Yuexi County of Liangshan Yi Autonomous Prefecture
Mabian Yi Autonomous County of Leshan City
Xuyong County of Luzhou City
Pingshan County of Yibin City
Pingchang County of Bazhong City

Among those 6 counties, Meigu, Yuexi, and Mabian are minority autonomous county or counties under minority autonomous prefecture. In the project counties there are 2,080 administrative villages under 179 townships, with total population of 2,433,884 and total household of 649,910.

The following principles have been followed in selecting the project communities, i.e. project villages:

1. They must be with relatively concentrated poor people.
2. The average per capita net income of the farmers is less than RMB 1,200.
3. They must be relatively concentrated.
4. They must be integrated with new village building in Sichuan Rural Poverty Reduction and Development Program (2001—2010).

5. They must be the villages where the foreign capital projects have not been implemented.

6. They must be the villages with more minority nationalities.

According to the above principles, 516 villages under 89 townships, with total population of 426,779 and total household of 105,846, have been selected as the Project villages.

1.3 General socio-economic situation of the Project affected areas

1.3.1 Sichuan Province

The Project area-Sichuan is abbreviated as Chuan, and is located in the Southwest region of China. The Province is surrounded by Chongqing in its east, Yunnan and Guizhou in the south, Tibet in the west, and Qinghai, Gansu and Shanxi in the north. It is known as the “Land of Abundance”. It stretches 921 km from north to south, and 1075 km from west to east, with the total area of 48.5 square km. The total population of the Province is 86.02 million, and 96% of the total population is Han Nationality. More than 40 ethnic minorities account for 4% of the total population, which are mainly Yi, Tibetan, Qiang, Miao, Hui, Tujia, Lisu, Naxi, Mongolian, Man, Buyi, Bai, Dai, and Zhuang Nationalities. There are 21 cities and prefectures, 181 counties and county-level cities in Sichuan, the capital of which is Chengdu City.

Sichuan is considered the strongest economy in western China. In addition to heavy industries such as coal, energy and iron and steel, the province has established a light manufacturing sector comprising building materials, wood processing, food, silk processing, etc. Sichuan is also one of the major agricultural production bases in China, its output of rice, wheat, rapeseed, citrus fruit, peach, sugar cane and sweet potato all account for a significant share of
China’s total. Sichuan is rich in mineral resources. It has more than 132 kinds of proven underground mineral resources of which reserves of 11 kinds including vanadium, titanium and lithium are the largest in China.

1.3.2 Meigu County
It is located in the northeast of Liangshan Yi Autonomous Prefecture, and has 36 townships and 288 villages under its jurisdiction. Its total area is 2573 km², among that, 200 thousand mu is cultivated land, accounting for 4.98% of its total area. The per capita cultivated land is 1.1 mu in the County. Its total households are 44,702, and total population, 178,642 persons. 97.6% of the total population is Yi Nationalities.

In 2002, its GDP was 204.94 million yuan, among that, the gross output value of agriculture, forestry, animal husbandry, and other were 88.67 million yuan, 17.33 million yuan, 98.67 million yuan, and 0.27 million yuan separately. The annual average net income per farmer in the County was 917 yuan.

1.3.3 Yuexi County
It is located in the north of Liangshan Yi Autonomous Prefecture, and has 5 towns, 36 townships and 288 villages under its jurisdiction. Its total area is 2257 km², among that, 230 thousand mu is cultivated land. The per capita cultivated land is 0.9 mu in the County. Its total population is 249,200 persons.

Its GNP was 630.97 million yuan. The annual average net income per farmer in the County was 1395 yuan.

1.3.4 Mabian Yi Autonomous County
It is located in the conjunction point among Leshan City, Liangshan Prefecture, and Yibin City, and has 29 townships and 203 villages under its jurisdiction. Its total area is 2383 km², among that, 220 thousand mu is cultivated land. The per capita cultivated land is 1.3 mu in the County. Its total population is 174,811
persons, among that, 67,802 persons are ethnic minorities, accounting for 38.78% of the total population.

Its GDP was 371.87 million yuan, among that, the gross output value of the primary, secondary, and tertiary industry were 189.5 million yuan, 77.13 million yuan, and 105.24 million yuan separately. The local revenue was 6.88 million yuan, and the annual average net income per farmer in the County was 1323 yuan.

1.3.5 Xuyong County
It is located in the conjunction point among Sichuan, Yunnan and Guizhou provinces, and has 15 townships, 11 towns and 565 villages under its jurisdiction. Its total area is 294,031 ha., among that, 221,284 ha. is cultivated land. Its total population is 654,600 persons, among that, 38,360 persons are ethnic minorities,

In 2001, its gross output value of industry and agriculture was 1750 million yuan, among that, the gross output value of agriculture was 850 million yuan. The total revenue of the County was 94.4 million yuan, among that, local revenue was 49.7 million yuan. The annual average net income per farmer in the County was 1460 yuan.

1.3.6 Pingshan County
It is located in the west of Yibin City, and has 8 towns, 12 townships and 254 villages under its jurisdiction. Its total area is 1437 km², among that, 360.7 km² is cultivated land. Its total population is 25,980 persons. There are 11 ethnic minorities, with the total population of 5,585 persons.

In 2002, its GDP was 752 million yuan, among that, the gross output value of the primary, secondary, and tertiary industry were 385,19 million yuan, 243 million yuan, and 123,81 million yuan separately. And the gross output value of agriculture, forestry, animal husbandry, and other were 204,88 million yuan,
28,63 million yuan, 148,03 million yuan, and 3,65 million yuan separately. The annual average net income per farmer in the County was 1860 yuan.

1.3.7 Pingchang County
It is located in the northeast of Sichuan Province, and has 27 townships and 486 villages under its jurisdiction. Its total area is 223,163 ha., among that, 41,011 ha. is cultivated land. Its total population is 916,800 persons. There are 26 ethnic minorities, with the total population of 666 persons.

In 2001, its GDP was 1788 million yuan, among that, the gross output value of the primary, secondary, and tertiary industry were 786 million yuan, 336 million yuan, and 666 million yuan separately. And the gross output value of agriculture, forestry, animal husbandry, and fishery were 530.76 million yuan, 30.62 million yuan, 606.63 million yuan, and 51.36 million yuan separately. The annual average net income per farmer in the County was 1251 yuan.

1.4 Minimization of land occupation and resettlement

The construction of some components of the Project, especially the infrastructure component, may involve land occupation and house demolition. When selecting the subcomponents of the Project, the principles, such as reducing the cultivated land occupation, and avoiding or minimizing house demolition, have been followed. As soon as the resettlement starts, the implementation will be carried out in accordance with the Land Occupation and Resettlement Action Plan to minimize the Project impact. Even when the civil construction of the Project is initiated, further efforts, such as strengthening the management of construction, can be made to mitigate negative impacts on the PAPs.
Chapter 2  Census and Socio-economic Survey of the Affected People and Assets

2.1 Brief account of the survey

In order to know exactly and completely the impacts of the land occupation and acquisition and resettlement of the Project, before the compilation the Land Occupation and Resettlement Action Plan, between July and September 2004, the investigation team, which was organized by the Foreign Capital Project Management Center of Sichuan Poverty Alleviation and Development Office and composed of the personnel from the affected counties, conducted the detailed survey of impact inventory including population, houses, land, and infrastructure.

2.1.1 Impact inventory survey
Impact inventory survey were divided into: land occupation and acquisition survey, the Project affected people survey, house demolition and attachment survey, scattered tree survey, rural production and living facility survey, special facility survey, etc.. The detailed survey methods are described as follows:

**Land occupation and acquisition survey**
It was conducted according to the present conditions of land used, the cultivated land, grassland, forest land, housing plot were registered separately. The survey results were registered and counted up as every village and every piece of land.

**Affected people survey**
It was registered and counted up as numbers of actual Project affected persons. Affected persons of land occupation are registered and counted up as real number of land occupation households.
House demolition and attachment survey
The methods to check house property certificate, land-use certificate and combined with site actual condition survey were adopted. All land attachments and accessory facilities belonging to the resettles were registered and counted up one by one.

Scattered tree survey
It was registered and counted up as kinds of trees according to actual number.

Rural living and production facility survey
All of the living and production facilities affected by the Project were surveyed and registered by species.

Special infrastructures survey
The items Surveyed and counted up included water conservancy, power facilities and communication apparatus affected by the Project.

2.1.2 Socioeconomic survey
In order to analyze the Project impact and prepare practicable Land Occupation and Resettlement Action Plan, the relevant departments organized by the Foreign Capital Project Management Center of Sichuan Poverty Alleviation and Development Office surveyed socioeconomic conditions of the counties, townships, villages. The survey adopted the methods of collecting present statistic data and surveying samples on field sites. According to the survey results, local socioeconomic situations and the villagers’ actual production and living conditions were analyzed carefully.

2.1.2.1 Documentary research
Documentary research was aimed to understand the history and current situations of the Project affected areas. It is a base and precondition to carry out a field survey.
General conditions of the areas affected by Project, socioeconomic situation and development plan
Collecting related documents and statistical data from the departments of plan and price of local governments including GDP, national income, gross output value of industry and agriculture, fiscal revenue, income level, agriculture product and by-product, price information needed, and livestock number. The information could reflect generally the local socioeconomic conditions.

2.1.2.2 Field survey
According to the survey outline and questionnaires, survey of the villagers was conducted on site, and public meetings were had.

The present condition of production and living for local villagers in the affected areas
Determining various indexes to judge production and living for local villagers in the affected areas, and surveying samples of effected items due to land occupation and acquisition and house demolition.

2.1.2.3 Identification and analysis of major social issues
Because of different socioeconomic background and characteristics, different projects have different major issues. It is necessary to define the major social issues, which are important to the preparation and implementation of the Project, according to the characteristics of the Project. Then those issues would be investigated, and analyzed, and planning would be made. Based on the Project’s features, the major social issues of the Project were determined as follows: resettlement; Project and local socioeconomic development; and minorities. For details, please refer to the related sections of this report.

2.1.3 Overall description
The beneficiaries of the Project are the local villagers. From the survey results, it could be found that most subcomponents won’t involve land acquisition and house demolition, and mainly 4 types of subcomponents of transportation (such as road), water conservancy works (such as aqueduct and pumping station) electricity (such as small hydropower facilities), and education (such as school expanding) may affect a small part of land and trees. In rural area land is owned by the collective. Since the land occupation for the Project is only for village use, the occupied land is still owned by the villages. There is no transfer of land ownership. Therefore, the land used by the Project can not be counted as land acquisition but be counted as land occupation.

### 2.2 Land occupation

Land to be occupied by the Project is described as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Unit</th>
<th>Mabian</th>
<th>Xuyong</th>
<th>Pingshan</th>
<th>Yuexi</th>
<th>Meigu</th>
<th>Pingchang</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dry land</td>
<td>mu</td>
<td>8.2</td>
<td>24.7</td>
<td>0.56</td>
<td>6</td>
<td>0.8</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Subtotal of cultivated land occupation within villages</td>
<td>mu</td>
<td>8.2</td>
<td>24.7</td>
<td>0.56</td>
<td>6</td>
<td>0.8</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Forest land</td>
<td>mu</td>
<td>88.2</td>
<td>2</td>
<td>106</td>
<td></td>
<td>196</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Grass land</td>
<td>mu</td>
<td>163.8</td>
<td>4</td>
<td>37</td>
<td></td>
<td>205</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Wasteland</td>
<td>mu</td>
<td>31.4</td>
<td>436</td>
<td>12</td>
<td>0.26</td>
<td>21</td>
<td>187</td>
<td>688</td>
</tr>
<tr>
<td>6</td>
<td>Other non-cultivated land</td>
<td>mu</td>
<td>47.85</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>63</td>
</tr>
<tr>
<td>7</td>
<td>Subtotal of non-cultivated land occupation within villages</td>
<td>mu</td>
<td>79.25</td>
<td>702</td>
<td>18</td>
<td>0.26</td>
<td>21</td>
<td>331</td>
<td>1,152</td>
</tr>
<tr>
<td>8</td>
<td>Total of land occupation within villages</td>
<td>mu</td>
<td>87.45</td>
<td>726.7</td>
<td>18</td>
<td>0.82</td>
<td>27</td>
<td>331.8</td>
<td>1,191</td>
</tr>
</tbody>
</table>
2.3 Affected houses

According to the survey, there will be no affected houses.

2.4 Affected enterprises and institutions

According to the survey, there will be no affected enterprises and institutions.

2.5 Affected crops

If the land for some subcomponents is occupied before harvest, young crop loss will occur. Young crop compensation will be paid for the loss.

2.6 Affected infrastructure and other main assets

The infrastructure and other main assets affected by the Project are scattered fruit trees and miscellaneous trees. It is listed as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Unit</th>
<th>Mabian</th>
<th>Xuyong</th>
<th>Pingshan</th>
<th>Yuexi</th>
<th>Meigu</th>
<th>Pingchang</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fruit trees</td>
<td>no</td>
<td>0</td>
<td>21</td>
<td>26</td>
<td>0</td>
<td>0</td>
<td>18</td>
<td>65</td>
</tr>
<tr>
<td>2</td>
<td>Fruit tree seedlings</td>
<td>no</td>
<td>0</td>
<td>12</td>
<td>21</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>59</td>
</tr>
<tr>
<td>3</td>
<td>Miscellaneous trees</td>
<td>no</td>
<td>25</td>
<td>136</td>
<td>63</td>
<td>13</td>
<td>150</td>
<td>853</td>
<td>1,240</td>
</tr>
<tr>
<td>4</td>
<td>Miscellaneous tree seedlings</td>
<td>no</td>
<td>0</td>
<td>85</td>
<td>44</td>
<td>0</td>
<td>0</td>
<td>235</td>
<td>364</td>
</tr>
</tbody>
</table>

2.7 Project-affected people

All the PAPs are the people affected by the land occupation. It is described as follows:
Table 2.3 Project-affected people
### Table

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Unit</th>
<th>Mabian</th>
<th>Xuyong</th>
<th>Pingshan</th>
<th>Yuexi</th>
<th>Meigu</th>
<th>Pingchang</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Households affected by land occupation</td>
<td>HH</td>
<td>1</td>
<td>42</td>
<td>1</td>
<td>2</td>
<td>7</td>
<td>2</td>
<td>55</td>
</tr>
<tr>
<td>2</td>
<td>People affected by land occupation</td>
<td>Person</td>
<td>5</td>
<td>164</td>
<td>3</td>
<td>9</td>
<td>35</td>
<td>7</td>
<td>223</td>
</tr>
<tr>
<td>3</td>
<td>Subcomponents affected by land occupation</td>
<td>no</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>12</td>
<td>8</td>
<td>27</td>
</tr>
<tr>
<td>4</td>
<td>Townships affected by land occupation</td>
<td>no</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>21</td>
<td>4</td>
<td>32</td>
</tr>
<tr>
<td>5</td>
<td>Villages affected by land occupation</td>
<td>no</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>73</td>
<td>11</td>
<td>93</td>
</tr>
</tbody>
</table>

### 2.8 Analysis of the Socioeconomic Impacts

The present Chinese land system was formed in early 1980’s. It didn't alter the previous collective ownership, but land ownership and land operation right were detached, which partly changed the land use system. Farmers began to contract for collective land (including cultivated land, forest land, grassland and wasteland) by household. The State stipulates that land in rural and suburban areas shall be owned by peasant collectives, except for those portions which belong to the State as provided for by law; house sites and private plots of cropland and hilly land shall also be owned by peasant collectives. The term for contracting for the cultivated land is 15 years and the term for contracting for other kind of land is decided by owners and contractors in the contracts. The state issued a policy for a new round land contract: land contract further prolongs 30 years in 1990’s after the 15-year contract term expired in 1990’s. The revised Chinese Land Administration Law reflected this policy.

Chinese formal rural organization network has been well developed. It plays an important role in technology dissemination and information transmission in farmers’ daily life. The preparation and implementation of the Project,
especially the resettlement work, relate closely to the formal rural organization network.

The present Chinese rural organization structure was also formed in early 1980’s. It was changed into county – township - administrative village – villager group which has gone on since then. Under this structure, administrative organs are set in county and township and administrative village and villager group belong to self-government organizations. In recent years, the original administrative functions of township governments have been gradually changed into service functions. However, the rural formal organization network is relatively stable.

The traditional rural community is natural village. Generally speaking, a natural village is comprised of a villager group now. A big natural village may comprise a few villager groups and even comprise a whole administrative village. Chinese rural land is owned collectively. In most cases, land belongs to a villager group collectively, or a community to some extent. A few exceptional cases are in some farms, which belong to the State or a locality collectively.

According to the actual situations of the impacts, and based on the rural land system and organization network, the impacts of the Project are analyzed as follows:

Positive impacts
The construction of the Project, (1) can get the positive support and participation of the various levels of society of the whole county; (2) can improve the production and living conditions of poverty-stricken area; (3) can increase people’s income in the Project areas, accelerate the process of casting off poverty and setting out to prosperity; (4) can improve the overall qualities of population of the Project areas, thus improve their self-development capacity; (5) can
expand communication and exchange of the Project areas with the external world, and give an impetus to development outside the Project areas.

Potential negative impacts

Some adverse impacts will appear due to Project construction. Therefore, full consideration has been given to the potential negative impacts during Project designing. The plans to mitigate the negative impacts have been worked out.

The possible negative impacts will be mainly on resettlement. (1) Land occupation: the Project construction will occupy land including a part of farmland. This will directly affect local farmers. (2) Possible house demolition: although house demolition has been avoided as far as possible in Project designing, there are possibilities that a few houses will be demolished due to the uncertainty of some subcomponents.

The Project will take some measures to mitigate the potential impacts by implementing the Land Occupation and Resettlement Action Plan.

2.9 Minority people in the Project area

The distribution of the ethnic minorities in the Project counties is as follows:

Table 2.4 Ethnic minorities in the Project counties

<table>
<thead>
<tr>
<th>County</th>
<th>Main ethnic minorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mabian</td>
<td>Yi, Miao</td>
</tr>
<tr>
<td>Xuyong</td>
<td>Yi, Miao</td>
</tr>
<tr>
<td>Pingshan</td>
<td>Yi, Miao</td>
</tr>
<tr>
<td>Yuexi</td>
<td>Yi</td>
</tr>
<tr>
<td>Meigu</td>
<td>Yi</td>
</tr>
<tr>
<td>Pingchang</td>
<td>Yi, Miao</td>
</tr>
</tbody>
</table>
The main ethnic minorities are described as follows:

**Yi Nationality**

The Yi Nationality has a population of 6,570,000, mainly distributed over Yunnan, Sichuan provinces and Guangxi. The Yis have their own spoken and written language. It belongs to the Yi branch of the Zang-Mian Austronesian of Han-Zang Phylum. Yi characters, as the earliest syllabic script in China, were formed in the 13th century and are still used today. The Yi Nationality believes in many gods and worshiped ancestors.

The Yi Nationality has a long history. The Yi Nationality has lived for generations among the high mountain ridges in southwest China. They had their own spoken and written language very early in history. Their literature is one of several in China that go back a long way. Documents on history, religion, literature and medicine written in the Yi language are a valuable cultural legacy. Their costumes, which vary a great deal in style and color, reflect the Yis’ traditional culture and sense of style. The epics Ashima tells a love story of Yi boys and girls.

Yi houses were low mud-and-wood structures without windows, which were dark and damp. Ordinary Yi houses had double-leveled roofs covered with small wooden planks on which stones were laid. Interior decoration was simple and crude, with little furniture and very few utensils, except for a fireplace consisting of three stones. Warm in winter and cool in summer, it is a very practical home. The Yis live on corn and buckwheat. They like to drink wine and eat Tuotuorou (meat in cubes).

The Torch Festival is the most widespread traditional holiday among the Yis. It is usually held around 24th of the sixth lunar month. There are many different wedding ceremonies amongst the Yis. Among those living in the Liangshan area,
an old custom of snatching the bride is still commonly carried out. The Yi Nationality is one of many who excel at singing and dancing. Their traditional tunes - ones for climbing mountains, greeting guests, celebrating weddings can be hummed by all the Yis.

Miao Nationality

The Miao Nationality has a population of 7.4 million, mainly living in Guizhou, Yunnan, Hunan, Guangxi, Sichuan, Hainan and Hubei provinces. They are mainly engaged in agriculture. They have their own language which was augmented with the creation of a new written form in 1956. They believe in polytheism and worship their ancestors.

The Miao engage in arable farming as a main means of livelihood, and also earn their income from economic forestry. As early as 5,000 years ago, the ancestors of the Miao people lived in the Yellow River areas. As a result of these large-scale migrations over many centuries the Miao became widely dispersed in Vietnam, Thailand, Lao, and many countries in Europe and America.

The Miao's areas are rich in timber resources. The most popular is a two-storey timber house sitting on stilts. The top floor is occupied by the family and the ground floor is used as sheds for cattle and storage. Agricultural products and diet habits also vary according to geographical difference. Generally, the main source of the Miao's food is grains. They also have a tradition of enjoying themselves by drinking wine, especially when entertaining guests.

The Miao have Miao New Year festivals, Dragon Boat festivals, Tasting New Rice festivals, the Beginning of Autumn festivals. The Miao New Year festival is celebrated on the lunar calendar held after autumn. The Dragon Boat Festival, a traditional gathering for the Miao people, is held from the 24th to 27th of May.
depending on the lunar calendar. They are fond of singing and dancing, Among the various Miao dances, the Lusheng Dance is the most popular.
Chapter 3 Legal Framework

3.1 Brief account

The Land Occupation and Resettlement Action Plan for the Project has been prepared in accordance with the following laws and regulations, and the World Bank’s policy on Involuntary Resettlement (OP 4.12 and BP 4.12).

Policies on land occupation or acquisition and resettlement are formulated at three levels of government in China:

* The central government has established the basic policy framework through promulgation of national regulations and implementation guidelines;
* Provincial governments have issued either general or project-specific regulations on implementation of national regulations;
* Prefectures, municipalities and counties have issued regulations applying to specific projects.

3.2 National laws and regulations

The following laws comprise the key national policies on nationality, land, grassland, and forest land:

* The Constitution of the People’s Republic of China
* The Autonomous Law in the Minority Regions of the People’s Republic of China
* The Administration Regulations of Minority Towns and Townships and other laws and regulations relating to nationality
* The Land Administration Law of the People’s Republic of China and its Implementation Regulations
The Constitution of the People’s Republic of China

In the first chapter “the general principle of the constitution” of The P.R.C Constitution, the fourth article is on the minority nationality.

All the nationalities in the P.R.C are equal. The state secures equality, solidarity and cooperation of minorities, prohibiting oppression and discrimination against any minority, and prohibiting undermining national unity.

According to the characteristics and the needs of minority nationalities, the state helps accelerate the economic and cultural development of minority regions.

Regional national autonomy is established in compact communities of various minorities. Self-movement organs are set for and autonomy is empowered to those minorities. The places with regional national autonomy are the integral components of the P.R.C.

People of the various minorities are free to use and develop their own languages and characters, and free to maintain and reform their own customs.

In addition, the sixth section “organs of self government in autonomous regions” in the third chapter “national institution” of the P.R.C Constitution contains the provisions on organs of self-government in autonomous regions. There are 11 provisions from Article 112 to Article 122.

The provision of Article 118 is under the guide of government plans, organs of self-government in national autonomous regions are independent in charge of administrating the local economic construction.
While tapping natural resources and setting up enterprises in national autonomous regions, the state should give consideration to benefits of those regions.

The Autonomous Law in the Minority Regions of the People’s Republic of China

A particular law P.R.C Regional Autonomy of Minority Law deals with development in a minority territory.

According to the provisions in P.R.C Constitution and P.R.C Regional Autonomy of Minority Law, besides the authority owned by a local vis-a-vis, organs of self-government in national autonomous region are entitled to exercise autonomy. Autonomy of organs of self government contains the following aspects:

(1) autonomy in legislation;
(2) flexible exercise of autonomy;
(3) autonomy in administrating local political affairs;
(4) autonomy in administrating local economic construction;
(5) autonomy in local finance;
(6) autonomy in administrating local affairs on science, education, culture and sports;
(7) autonomy in setting up local public security troop to maintain social order;
(8) autonomy in using and developing minority language and characters;
(9) autonomy in training and adopting minority officials;
(10) autonomy in administrating other local affairs.

The Administration Regulations of Minority Towns and Townships and other laws and regulations relating to nationality
In 1993, the State Ethnic Affairs Commission of PRC issued its No. 1 decree of that year: “the Administration Regulations of Minority Towns and Townships”. The Regulations stipulate that the minority towns and townships are the administrative areas at township level in compact communities of various minorities. The governments of the minority towns and townships support the development of economy, education, science, hygiene, etc. following the State’s laws and regulations and in consideration of the local conditions and the characteristics of the minorities.

Besides, the Organization Law of the Villager Administrative Committees of PRC also gives the regulations concerning nationality. Article 5 stipulates: the villager administrative committees in compact communities of various minorities should teach the villagers to be united, help each other, and respect each other. Article 9 stipulates: each villager administrative committee consists of director, vice-directors and members totaling 3 to 7 persons. The minorities with less population should have their representatives in the villager administrative committees.

Each autonomous banner draws up autonomous regulations according to the constitution and autonomous law in minority regions and in consideration of the real situations of the locality, and exercises its governmental functions and autonomous powers.

**The Land Administration Law of the People’s Republic of China and its Implementation Regulations**

**Article 8** Land in urban areas of cities belongs to the state.

Land in rural areas and suburban areas of cities excluding those belonging to the state prescribed by law belongs to peasants' collective ownership; house sites,
land allotted for personal needs and hilly land allotted for private use belongs to peasants’ collective ownership.

Article 9  State-owned land and land collectively owned by peasants may be determined in accordance with law to be used by units or individuals. Units and individuals using the land have the obligation to protect, manage and rationally utilize the land.

Article 10 Peasants’ collectively-owned land that belongs to peasants’ collective ownership of a village according to law shall be managed and administered by the village collective economic organization or villagers’ committee; the land that belongs separately to more than two rural collective economic organizations and owned collectively by peasants shall be managed and administered by the respective rural collective economic organizations or villagers’ teams; the land that belongs to village(township) peasants’ collective ownership shall be managed and administered by the village(township) rural collective economic organization.

Article 41 The state encourages land arrangement. County, village(township) people’s governments should organize rural collective economic organizations in integrated treatment of farmland, water, roads, woods and villages in accordance with the overall planning for land utilization to improve the quality of cultivated land, increase the area of effective cultivated land and improve conditions for agricultural production and the ecological environment.

Local people’s governments at all levels should take measures to transform the medium and low yield plots, treat idle and scattered plots and abandoned plots.

Article 43 Any unit or individual that needs to use land for construction must apply for the use of state-owned land in accordance with law; however, use of land collectively owned by peasants by the respective collective economic
organization approved in accordance with law for the establishment of rural and township enterprises and construction of residences by villagers, or use of land collectively owned by peasants approved in accordance with law for the construction of village (township) public facilities and non-profit undertakings is excluded.

Application for the use of state-owned land in accordance with law referred to in the preceding paragraph includes the state-owned land and the land that originally belonged to collective ownership by peasants and has been requisitioned by the state.

3.3 Regulations of Sichuan Province

The Sichuan Implementation Regulations of the Land Administration Law of PRC was drawn up according to the State Land Law. So its stipulations of using land collectively in rural areas are consistent with the State Land Law.

3.4 World Bank policies

In order to assure the PAPs to be benefited from the Project, the involuntary resettlement is an inseparable part of the engineering design. Therefore, the following measures should be taken according to the relevant World Bank policies, especially resettlement requirements:

1) It should avoid or minimize the involuntary resettlement in a desirable scope, while taking all feasible replacement plan into consideration.

2) All involuntary resettlement should be included in the development projects which must be realized, while adequate funds should be provided to the PAP, who should have chances to be benefited in the Project. Thus, the PAP should:
a) obtain all compensations for their losses at replacement value before the resettlement;

b) being given assistance in the course of relocation, and in the transition period of moving to the new sites.

c) develop a strategy for enhancing or at least rehabilitating their previous living standard, income capability, and production level. Special attention must be paid to the necessity of the vulnerable group.

3) Encourage the mass participation in the process of planning and the Land Occupation and Resettlement Action Plan implementation, through the establishment of the corresponding social institutions set up by the residents.

4) Minimize the adverse impacts to the original residents in the resettlement area, therefore the PAP should integrate with the former in social and economic activities.

5) Land, housing, infrastructure, and other compensation should be provided to the adversely affected population and ethnic minorities who may have usufruct or customary rights to the land or other resources taken for the Project. The absence of legal title to land by such groups should not be a bar to compensation.

6) Project-affected Person (PAP) is the person affected by the project due to the land occupation or acquisition and resettlement. The PAPs may be individuals, legal persons, or families, no matter what legal status, rights, obligations, and benefits they have, or whether they have the permit to reside in the affected area. The PAPs include, therefore,

a) those project-affected persons who have full or partial, long or short authority, rights, or benefits over structures (including housings, simple structures, farming fields, arable land) or other acquired assets;
b) those project-affected persons who use the above land, structures and assets for business, residence, etc.;

c) those whose living standards are affected because of the project.

All the PAPs within the above scope have the right to increase or at least maintain their current living standards and receive compensation for their loss of assets (the asset compensation shall cover the replacement expense) and compensation for resettlement and loss of properties. Those PAPs who have no authorities, rights or permits for residence shall enjoy the same compensation and resettlement grant as those who have.

3.5 Resettlement entitlement policy and entitlement matrix

1) All affected assets will be compensated at their full replacement cost without any deduction for depreciation;

2) Compensation payments will be made before the acquisition of land and assets;

3) Compensation rates were negotiated with the governments of the affected areas and the representatives of the PAPs;

4) All affected persons who lose assets occupied by them before the Project cut-off date will be assisted in their efforts to restore their standards of living without discrimination on the basis of their tenure status.

The Entitlement Matrix for each of the impact categories is as follows:
### Table 3.1 The Entitlement Matrix

<table>
<thead>
<tr>
<th>impact categories</th>
<th>receivers</th>
<th>Entitlements</th>
<th>basis for calculating compensation</th>
<th>implementors</th>
</tr>
</thead>
<tbody>
<tr>
<td>land</td>
<td>affected land contractors</td>
<td>Young crop compensation; land redistribution; income-restoring programs; rights to redress grievances</td>
<td>According to the production value of the affected crops</td>
<td>County Project Offices; Township Project Work Stations; Village Implementation Groups</td>
</tr>
<tr>
<td>houses</td>
<td>owners of houses</td>
<td>cash compensation; to be relocated in the original villages; free salvageable materials from the old houses; to get assistance in rebuilding and relocating; rights to redress grievances</td>
<td>cash payment including moving and transitional allowances at replacement cost of the demolished structures and attachments; suitable alternative sites provided by the villages</td>
<td>County Project Offices; Township Project Work Stations; Village Implementation Groups</td>
</tr>
<tr>
<td>other land attachments and facilities</td>
<td>Owners of the land attachments and facilities</td>
<td>cash compensation; to be restored or reconstructed; rights to redress grievances</td>
<td>cash payment at replacement cost of the land attachments and facilities</td>
<td>County Project Offices; Township Project Work Stations; Village Implementation Groups</td>
</tr>
</tbody>
</table>
Chapter 4 Compensation Rates and Budget

4.1 Compensation rates for the Project

Since the land occupation for the Project is within the villages, land will be still owned by the villages. There is no transfer of land ownership, and this only requires the replanning of the land use within the villages. No land acquisition fees are required to be paid, and only young crop compensation will be paid based on the real situation. According to the survey, the Project won’t affect houses. However, in view of the possible changes of some subcomponents, the house compensation standards have been decided.

According to the relevant laws and regulations, with reference to the actual conditions of the Project, and through the consultation with the local governments and the representatives of the PAPs, the compensation rates were fixed. The compensation rates to be paid for affected land, structures land other assets will not be below the levels given in the following tables and will be adjusted by the actual inflation rate from October 2004 to the time when the compensation is actually paid.

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>unit</th>
<th>rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Young crop compensation for paddy field</td>
<td>yuan/mu</td>
<td>600</td>
</tr>
<tr>
<td></td>
<td>(on average)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Young crop compensation for dry land</td>
<td>yuan/mu</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>(on average)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Young crop compensation for vegetable land</td>
<td>yuan/mu</td>
<td>800</td>
</tr>
<tr>
<td></td>
<td>(on average)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>brick concrete houses (on average)</td>
<td>yuan/sq.m</td>
<td>300</td>
</tr>
<tr>
<td>No.</td>
<td>Item</td>
<td>unit</td>
<td>rate</td>
</tr>
<tr>
<td>-----</td>
<td>-------------------------------------</td>
<td>-----------</td>
<td>------</td>
</tr>
<tr>
<td>5</td>
<td>brick timber houses (on average)</td>
<td>yuan/sq.m</td>
<td>240</td>
</tr>
<tr>
<td>6</td>
<td>timber tile houses (on average)</td>
<td>yuan/sq.m</td>
<td>120</td>
</tr>
<tr>
<td>7</td>
<td>Simple structures (on average)</td>
<td>yuan/sq.m</td>
<td>60</td>
</tr>
<tr>
<td>8</td>
<td>Fruit trees (on average)</td>
<td>yuan/no.</td>
<td>30</td>
</tr>
<tr>
<td>9</td>
<td>Miscellaneous trees (on average)</td>
<td>yuan/no.</td>
<td>10</td>
</tr>
</tbody>
</table>

4.2 Basic cost

Basic compensation consists of those for young crops and land attachments.

4.2.1 Young crop compensation
It will be paid only if land is occupied before harvest.

4.2.2 Compensation for land attachments
The compensation is to be calculated based on the actual amount of the land attachments to be removed and compensation standards.

4.3 Other cost

A. Training cost
Training cost is used for enhancing the administrative ability of the resettlement personnel.


C. Administrative cost
The total administrative management expenses for the resettlement offices at different level make up 5% of the basic compensation. They are used for the
routine work during acquisition and resettlement, including purchase of equipment, salary and transport allowance, etc.

4.4 Contingencies

A. Physical contingencies
The total administrative management expenses for the resettlement offices at different levels make up 4% of the basic compensation. They are used for the routine work during acquisition and resettlement, including purchase of equipment, salary and transport allowance, etc.

B. Price Contingencies
Since the resettlement cost for the Project is budgeted according to the present average price, 15% of the basic compensations are budgeted as price contingencies.

4.5 Cost estimation of the land occupation and resettlement of the Project

The cost estimation of the land occupation and resettlement of the Project is 689,251 yuan, and listed as follows. Among that, the fees for resettlement planning, internal monitoring, and training will be rendered gratis from the foreign capital.

Table 4.2 The cost estimation of the land occupation and resettlement of the Project

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Compensation rate (yuan)</th>
<th>Affected amount</th>
<th>Compensation fee (yuan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Basic compensation</td>
<td></td>
<td></td>
<td></td>
<td>495,864</td>
</tr>
<tr>
<td>Young crop compensation for paddy field</td>
<td>mu</td>
<td>600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Unit</td>
<td>Compensation rate (yuan)</td>
<td>Affected amount</td>
<td>Compensation fee (yuan)</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>------</td>
<td>--------------------------</td>
<td>----------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Young crop compensation for dry land</td>
<td>mu</td>
<td>400</td>
<td>40</td>
<td>16,104</td>
</tr>
<tr>
<td>Young crop compensation for vegetable land</td>
<td>mu</td>
<td>800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fruit trees</td>
<td>no</td>
<td>30</td>
<td>124</td>
<td>3,720</td>
</tr>
<tr>
<td>Miscellaneous trees</td>
<td>no</td>
<td>10</td>
<td>1,604</td>
<td>16,040</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
<td></td>
<td>35,864</td>
</tr>
<tr>
<td>Resettlement planning and monitoring</td>
<td></td>
<td></td>
<td></td>
<td>240,000</td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td></td>
<td></td>
<td>220,000</td>
</tr>
<tr>
<td>2. Administrative cost (5% of the basic compensation)</td>
<td></td>
<td></td>
<td></td>
<td>24,793</td>
</tr>
<tr>
<td>3. Contingencies</td>
<td></td>
<td></td>
<td></td>
<td>148,759</td>
</tr>
<tr>
<td>(1) Physical contingencies (15% of the basic compensation)</td>
<td></td>
<td></td>
<td></td>
<td>74,380</td>
</tr>
<tr>
<td>(2) Price contingencies (15% of the basic compensation)</td>
<td></td>
<td></td>
<td></td>
<td>74,380</td>
</tr>
<tr>
<td>4. Other expenses (4% of the basic compensation)</td>
<td></td>
<td></td>
<td></td>
<td>19,835</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>689,251</td>
</tr>
</tbody>
</table>
Chapter 5  Resettlement and Rehabilitation Program

5.1 Objective and principle of resettlement program

5.1.1 Objective of resettlement program
The objective of resettlement and restoration is to ensure the production level, income-earning capacity, and living standards of the people affected by the Project will be improved or at least be restored to the levels before land occupation or acquisition.

5.1.2 Principle of resettlement program
A. Resettlement planning should be based on the property indexes and compensation standards.

B. The resettlement of the Project shall be combined with the regional construction, resource development, economic development and environment protection. Considering the actual local conditions, practical and feasible measure shall be worked out for restoring and developing the production and living of the resettlers case by case, meanwhile, some necessary conditions shall be created for self development of the resettlers.

C. Planning should be based on the principle "Beneficial to the production and make the life convenient".

D. Construction scale and standards of the resettlement Project should be guided by the original scale and standards. Investment should be based on the quota planning. Investment for enlarging the scale, improving standards and future planning should be treated by the local government and relative departments.
E. All factors should be taken into consideration. Benefits between the state, collectives and individuals should be dealt with properly.

F. By adopting the method of paying compensation and granting subsidies in pre-stage and production support in post-stage, fully using the local natural resources, and developing animal husbandry and related secondary and tertiary industries, efforts shall be made to guarantee the resettlers production and living level to reach or exceed the original level before resettlement.

5.2 Overall resettlement scheme

The Project will only affect a small part of land within the villages. Since all the subcomponents will be used, managed, and maintained by the villages, those subcomponents will belong to the villages, and no ownership transfer of land used for those subcomponents is required. Therefore, no land acquisition fees are required to be paid by the Project. However, if the land use affects some contracted households, the villages should take some mitigation measures for the affect people, such as redistribution of the contracted land, providing the affected households with replacement land. Most villages have some cultivated land in reserve. And the amount of reserve land is much greater than the potential loss of land for the Project. So the reserve land can be allocated to the affected households.

Usually the Project won’t affect any houses. However, in consideration of the possible changes of some subcomponents, arrangements for house relocation have been made. For demolished houses, the affected household is entitled to the replacement value of lost structures (without depreciation or deduction of salvage materials) and land attachments. The villages will provide the affected household a comparable or better housing plot. The affected households will be free from taxes, registration and land transfer resulting from the village road construction.
5.3 Housing reconstruction

Housing reconstruction refers to the construction of the impacted people’s residences and other buildings.

Of all the compensation for impacted houses, 50% of it should be paid before the impacted people start building their houses, another remaining 50% should be paid when the reconstruction has been half finished.

5.3.1 Implementation of the Schedule

1. The above control time has been determined according to the construction plan. Therefore, if there is any change in preparation time, the control time should be adjusted based on extensive consultation with the impacted families so as to ensure that they will have three months of removal time and three months for the reconstruction of their houses before the start of construction of the Project.

2. Before the completion of reconstruction, the impacted people may stay in their old houses, and will not be forced to move out of them.

5.3.2 Selection of Construction Sites

The selected sites should be determined through consultation with the impacted households. Measures will be taken for the impacted families to be resettled in their own villages “sparsely” because resettlement centers will not be provided.

The sites of construction should meet the following requirements:

1. The sites still belong to the original communities, (if the impacted families are willing to resettle there), which will be easy for them to adapt to.
2. There should be an adequate sanitary environment in the sites, being convenient to live in.

3. The suggestion for the sites will be made for the families to choose from, and it will not be against their willingness.

4. The desires of the people to be resettled will be considered.

The unoccupied land in a village should be used as the reconstruction sites wherever it is possible. Documents for reconstruction on such sites should be obtained by the village committee from the land administration and building planning authorities. If cultivated land is to be used for house rebuilding, approval documents from a county level government are needed.

5.4 Aids to the vulnerable groups

The vulnerable groups include the poor households, the households having the disabled members, the households headed by the women, the households where the aged live alone, and the ethnic minorities who are in the non-autonomous areas, or not the main body nationality in the autonomous regions, prefectures or counties. They can get the following aids.

1. Manual aids: workers for reconstruction and removal will be provided by the village.

2. They can choose the construction sites and fields to be redistributed preferentially.

5.5 Resettlement activities and implementation schedule
In order to ensure all the PAPs can be properly resettled, all resettlement implementation activities will be started in January 2005, and completed before the civil construction of the subcomponents are finished.

The action plan is divided into three stages such as (1) preparation, (2) implementation and (3) inspection and evaluation (the internal and external monitoring is throughout the whole process).

**Preparation stage**
1. Provide resettlement personnel at all levels of the Project implementation institutions.

2. Carry out extensive propaganda through such mediums as newspaper, radio, television and notice, etc., to get the understanding and support from the impacted individuals, units, and whole society. The work will be undertaken by the Project offices.

**Implementation stage**
1. The Project implementation institutions will sign the resettlement agreements with affected people.

2. Construction sites for buildings will be chosen, their structure types will be determined, and their construction will be started.

3. The Project implementation institutions will pay the compensation to the affected people.

4. The relocated households will move to the new dwellings, and then have the original ones demolished.

**Monitoring stage**
1. Internal monitoring: it will be undertaken throughout the process, i.e. from the beginning of resettlement to the time one year after the completion of Project. The implementation institutions at all levels will accomplish the routine inspection and surveillance to ensure that the work has been carried out as specified in the Land Occupation and Resettlement Action Plan.

2. External monitoring: The monitoring will be carried out as stipulated in the Land Occupation and Resettlement Action Plan. External monitoring will be carried out once a year.
Chapter 6 Institutional Arrangements

6.1 Provision of resettlement personnel

To strengthen the coordination and management of the resettlement of the Project, the resettlement personnel will be provided at all levels of resettlement implementation institutions.

6.2 Responsibilities of the resettlement personnel

1. Provincial Project Office
   A. Prepare the Land Occupation and Resettlement Action Plan;
   B. Train the staff of the subsidiary offices;
   C. Coordinate the implementation of the land occupation and resettlement;
   D. Undertake the internal monitoring activities;
   E. Suggest solutions for handling problems identified in monitoring the implementation;

2. The County Project Offices
   A. Cooperate with the relevant agencies in making the surveys;
   B. Train the staff of the subsidiary resettlement offices;
   C. Implement the Land Occupation and Resettlement Action Plan;
   D. Receive the resettlement funds and allocate them to the PAPs according to the working procedures;
   E. Guide and supervise the land occupation and resettlement work in relevant townships and villages;
   F. Report to the Provincial Project Office on work progress, the problems and remedial measures regularly.

3. The Township Project Work Stations and Village Implementation groups
A. Cooperate with the relevant agencies in making the census and surveys;
B. Assigned by the County Project Offices, carry out the land occupation and resettlement within their jurisdictions;
C. Examine and record all resettlement activity within their jurisdictions;
D. Report to the County Project Offices on work progress, the problems and remedial measures regularly.

6.3 Training and development of the resettlement staff

Objectives
The training program is intended to train the administrative personnel and technicians concerning the resettlement of the Project so that they can acquire the knowledge of land occupation and resettlement to ensure the fulfillment of the Land Occupation and Resettlement Action Plan.

Trainees
According to their responsibilities, the trainees fall into the following two groups.

Administrative personnel: they consist of high-level administrative personnel, who are to be trained to be able to handle the issues and emergent situations in land occupation and resettlement. They are to be trained to learn the new methods and management experience from the advanced countries and to introduce them to all the personnel in charge of land occupation and resettlement work.

Working staff: They are to be trained to have a sound knowledge of environmental protection and the Project and to cooperate with the other authorities so as to ensure the fulfillment of the Project.

Methodology
The training program is divided into two parts. For the first one, training seminars for high-level administrative personnel are held in the provincial capital city and sponsored by the Project Office, with lectures given by the senior staff from the World Bank, government officials and experts; for the second one, training seminars are held in each county for the working staff and sponsored by each county project offices.

Contents

♦ General description and background of the Project
♦ Relevant laws and regulations concerned
♦ Land Occupation and Resettlement Action Plan
♦ Procedures of management and reporting
♦ Management of expenses
♦ Index control
♦ Acceptance of complaints

Cost
The training of personnel costs 220,000 yuan, with 20,000 yuan for each County Project Office, and 100,000 yuan for Provincial Project Office.
Chapter 7 Consultation and Participation

7.1 Consultations and participation

The Project is based on the participation, which is also a key feature of the resettlement for the Project. First of all, the Land Occupation and Resettlement Action Plan of the Project has been prepared through the active participation of the PAPs. The participation began with the dissemination of the resettlement information on the Project to the PAPs.

During the course of the preparation of the Land Occupation and Resettlement Action Plan, the PAPs have participated in the following activities:

1. The Project impacts on people and assets were decided through the census. The local governments and the representatives of the PAPs participated in the census.

2. The socio-economic survey has been carried out with participation of the PAPs and the representatives of the affected areas.

3. In the course of designing the entitlement policies and compensation rates, and implementation program, the PAPs’ suggestions and options were fully considered.

During the course of implementing and monitoring the land occupation and resettlement, the PAPs and their representatives will participate in the following activities.

1. The affected residents will select their new housing sites.
2. The affected residents will construction their new houses according to the building plans chosen by themselves.

3. The PAPs can find out the entitlement policies and implementation progress from the organizations concerned.

4. The PAPs can raise their opinions and suggestions on the resettlement to the agencies concerned.

After the implementation of the land occupation and resettlement, the PAPs and their representatives will participate in the following activities.

1. The PAPs can make the suggestions of improving the facilities and infrastructures in their communities so as to harmonize with the new environment as soon as possible.

2. The PAPs will put forward their satisfaction degree on various aspects of the resettlement and their problems in rehabilitation of living standards so that the agencies concerned can do their best to solve various difficulties of the PAPs.

7.2 Resettlement information dissemination

To ensure that the PAPs and the local governments of the affected areas fully understand the details of the resettlement program, information about the compensation and rehabilitation packages applicable to the Project, the resettlement requirements, compensation policy and detailed arrangements will be disseminated in affected area. In order to strengthen the effectiveness of information dissemination, the resettlement offices of every level have special persons to receive the PAPs and let them look up the Land Occupation and Resettlement Action Plan and explain the related content; various forms, including notification meeting, forum, visiting notice will be adopted to
disseminate the resettlement information for the Project. The contents of the information mainly include:

Part I The basic features of the Land Occupation and Resettlement Action Plan
A. Brief description of the Project components requiring land occupation;
B. Compensation, relocation and resettlement policies for all categories of Project impacts;
C. Agencies responsible for delivery of resettlement entitlements;
D. Introduction of the resettlement implementation schedule;
E. Details of grievance redress and appeals procedures;
F. Brief description of the internal and external monitoring.

Part II Entitlements of the affected units, households and persons.
A. Detailed impact of the Project on the specific units, households and individuals;
B. Options for resettlement and rehabilitation.
Chapter 8 Redress of Grievances

Since the entire resettlement and rehabilitation program is being carried out with the participation and consultation of the PAPs, it is expected that no major grievance issue will arise. However, to ensure that the PAPs have avenues for redressing their grievances related to any aspect of the land occupation and resettlement, the detailed procedures of redress of grievances have been established for the Project.

The procedures

Stage 1
If any person is aggrieved by any aspect of the resettlement and rehabilitation program, he can lodge an oral or written grievance with the following agencies:
1. The Village Implementation Groups
2. The Township Project Work Station
In case an oral compliant is made, it will be written on paper by the receiving unit. The above issue will be resolved within 15 days.

Stage 2
If the aggrieved person is not satisfied with the decision of the Village Implementation Groups or the Township Project Work Station, he can bring the complaint to the attention of the County Project Offices within 1 month from the date of the receipt of such decision. The above issues will be resolved within 15 days.

Stage 3
If the aggrieved person is not satisfied with the decision of the County Project Offices or the aggrieved complaint is not responded within 15 days, he can bring the complaint to the attention of the Provincial Project Office within 3 months.
from the date of the original record. The Provincial Project Office will reach a decision on the complaint within 1 month.

Stage 4
If the aggrieved person is dissatisfied with the decision, he can appeal to the People’s Court in accordance with the “Civil Procedure Act” within 15 days of receiving the decision of the Provincial Project Office.

Aggrieved Aspects
PAPs can make an appeal on any aspect of the land occupation and resettlement, including the compensation being offered.

Detailed procedures for redress of grievances and the appeal process will be propagandized among the PAPs.

In spite of the above procedures established for redressing grievances, in case any conflicts arise regarding the land occupation and resettlement, the conflicting parties will first negotiate and mediate the case in cooperative effort. The above appealing procedures will be employed only when the mutual negotiation mediation fails.
Chapter 9 Internal and External Monitoring

To ensure that the implementation of the land occupation and resettlement is carried out in accordance with the relevant requirements of the Land Occupation and Resettlement Action Plan and to guarantee the progress and quality of the resettlement action, the resettlement action will be monitored and evaluated both internally and externally during the preparatory arrangements and the implementation, and after the completion. Since the Project will have small impacts on land, and almost no impacts on houses, the external resettlement monitoring will be a part of the whole project monitoring, which will be carried out by an independent project monitoring agency. No separate external resettlement monitoring agencies will be entrusted by the Project.

9.1 Internal monitoring

The Provincial Project Office will undertake the routine internal monitoring and evaluation of the implementation of the land occupation and resettlement so as to ensure that all the responsible units follow the schedule and comply with the principles of the Land Occupation and Resettlement Action Plan. Each county will prepare the local internal monitoring report, and the Provincial Project Office will compile a whole report based on the county-level reports.

Objectives
The objective of the internal monitoring is to monitor the implementation of the whole Land Occupation and Resettlement Action Plan for the Project.

Responsibility
1. To ensure the implementation of the specific provisions of the Resettlement Action Plan;
2. Monitor the progress of various jobs regularly so as to identify and timely solve problems and to further ensure that the resettlement be completed in line with the schedule.

**Indicators to be monitored**

1. Payment of Compensation to the PAPs and the affected units according to the compensation rates described in the Land Occupation and Resettlement Action Plan;

2. The determination of the new housing sites and building plans in consideration of the affected residents’ options. The number of households finishing building new houses at the scheduled time will be recorded. In order to compare the conditions of the old and new houses, the houses to be removed will be registered which will be kept in the file records of the Project;

3. Rehabilitation of the affected infrastructure;

4. Allocation of the replacement cultivated land, and pay young crop compensation to the affected land contractors.

**Personnel**

The Provincial Project Office will be responsible for the internal monitoring activities. They will collect information from the departments concerned once every year and fill the information in the relevant tables. On the basis of such information collection, the database of monitored data and information can be set up at the Provincial Project Office and renewed every year.

**Methodology & Procedure**

1. Identify the major indicators to be monitored, and formulate corresponding tables for the departments concerned to fill in every year;
2. Carry out the sampling verification to examine the correctness of the filled tables;

3. Convene regular meetings to report on progress of the resettlement, and supervise the progress of implementation;

4. Pay visit to the Project sites irregularly so as to appraise the progress of the on-site jobs;

5. Set up the system of regular report.

Report
The internal monitoring reports will be prepared every year according to the data and information obtained from the survey tables. The internal monitoring reports will be discussed after they are submitted. According to the resettlement and rehabilitation program, those parts, where the implementation of the resettlement is too slow or inadequate, will be identified.

The internal monitoring reports will be submitted to the PRCDP Liaison Group and the World Bank once every year by the Provincial Project Office.

9.2 External monitoring

Objective
Looking at the overall implementation from a broader, long term point of view, the Institute, as the independent monitoring and evaluation agency for the Project, will follow the resettlement activities to evaluate whether the goals of resettlement are achieved through:

1. Compliance with the specific provisions of the Resettlement Action Plan;
2. Improvement in the standards of living of the PAPs or at least maintenance of the pre-project levels of well-being.

Responsibilities
1. Before implementation of the Land Occupation and Resettlement Action Plan, verify the census result and engage in the socio-economic baseline survey on the PAPs including their standards of living;

2. During implementation of the Land Occupation and Resettlement Action Plan, conduct the overall monitoring of the Land Occupation and Resettlement Action Plan and raise suggestions on improving the implementation;

3. After implementation of the Land Occupation and Resettlement Action Plan, survey and evaluate the socio-economic influence of the Project.

Indicators to be monitored
In addition to the above-mentioned indicators, the Institute will also monitor and evaluate the following indicators:

1. Payment of compensation
   A. Pay sufficient compensation to all the PAPs and affected units and enterprises one month before the civil construction of the Project begins;
   B. Monitor and make detailed record of the type, rate, amount, date and payee of the compensation;

2. Linkage between the land occupation, resettlement and the civil works construction of the Project
   Land occupation and resettlement will be finished at least 1 month before the initiation of civil construction of the Project;

3. Rehabilitation of facilities
A. All the necessary infrastructures will at least be rehabilitated to their pre-acquisition level;
B. The compensation for the infrastructures will be adequate for reconstructing it to the pre-acquisition level in quality;

4. Provision of Housing
A. The PAPs will be provided with the new housing sites in accordance with their choice;
B. The PAPs must move into the new houses 1 month prior to the civil construction of the Project;
C. The compensation payment for self-constructed houses will be formulated in compliance with the criteria and features of the construction equivalent to the reconstruction cost of the house in spite of the depreciation and the value of the usable material of the old houses;
D. Monitor and make detailed records of the PAPs specific requirements on moving into the new houses, date of the moving and general resettlement of housing;
E. The PAPs will obtain the resettlement compensation, transitional subsidy and award, etc. which they are entitled;

5. Satisfaction Degrees of the PAPs
A. The PAPs’ satisfaction degree and concrete opinions on various aspects of the resettlement program;
B. The mechanism and speed of handling conflicts;

6. Living Standards of the PAPs
Living standards surveys will be carried out on the PAPs and a control group. The survey will employ the combination of stratum sampling and group random sampling so as to identify and report the potential problems in rehabilitation of living standards. The general socio-economic survey and analysis will be conducted about 1 year after the land occupation and resettlement is completed
and report in written form the living standard and conditions of the PAPs after their resettlement so as to evaluate the actual impact of the implementation of the Land Occupation and Resettlement Action Plan on the living standard of the PAPs.

Methodology
1. Questionnaire in depth interviews and observational methods will be employed in the survey. The investigating staff, who have received systematic training, will make the on-the-spot investigation, talk with the PAPs so as to be informed of their ideas on various problems and therefore conduct the monitoring and evaluation of the Project from various angles and a wider viewpoint;

2. The seriously-affected villages and a certain number of the directly affected households will be investigated in monitoring the implementation of the Land Occupation and Resettlement Action Plan;

3. Data and information will be collected by the following methods:
   A. Apply questionnaires to the relevant villages, units, and households to be answered by individuals;
   B. Direct visit will be paid to the affected people and units;
   C. Groups on special problems will be organized so as to identify such problems as the eligible old PAPs, women, children, affected units and enterprises, etc. Investigation on such specific subjects will be made at least every 6 months and reports submitted accordingly;

4. The collected data and information will be analyzed according to the affected areas, resettlement site, time and types of the influence, compensation level, duration of the resettlement, etc.;
5. The external monitoring agency will maintain a database, which are composed with the data and information collected for various reports. Every Project-affected household and enterprise will have a separate record in the database which will be continuously renewed according to the latest information.

Report

The external monitoring agency will include the following 5 parts in the annual project monitoring report after the implementation of the Land Occupation and Resettlement Action Plan begins.

1. Verify the implementation of the Land Occupation and Resettlement Action Plan;

2. Review whether the compensation, resettlement, and rehabilitation have met the major objectives stipulated in the Land Occupation and Resettlement Action Plan;

3. Report the participation and satisfaction degree of the PAPs on the resettlement program;

4. Identify the main problems in carrying out the Land Occupation and Resettlement Action Plan and raise suggestions on solving problems and improve the overall efficiency of the land occupation and resettlement program;

5. Report the actions taken by the departments concerned as suggested in the last report.

After the reports are submitted, the issues in the reports will be discussed and the solutions on the problems will be decided.
9.3 Submission of the monitoring reports

All the monitoring reports of the land occupation and resettlement of the Project are listed as follows:

Table 9.1 The schedule for submitting the monitoring reports

<table>
<thead>
<tr>
<th>Reporter</th>
<th>The reported</th>
<th>Name</th>
<th>Frequency/time</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Project Office</td>
<td>The PRCDP Liaison Group, the World Bank</td>
<td>The internal monitoring report</td>
<td>Once a year (the end of every year)</td>
</tr>
<tr>
<td>The external monitoring agency</td>
<td>The PRCDP Liaison Group, the World Bank</td>
<td>The Project monitoring report (including external resettlement monitoring)</td>
<td>Once a year (the end of every year)</td>
</tr>
</tbody>
</table>