Due Diligence Report on Resettlement for the Baiyang River Reservoir Hydro-junction Project
(5th Draft)

Integrated Agricultural Development Office of Fukang City (FIADO), Xinjiang, NRCR
August 2012
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Abbreviations

AH - Affected Household
AP - Affected Person
BRCMO - Bukang Baiyang River Construction Management Office
DMS - Detailed Measurement Survey
FGD - Focus Group Discussion
FMG - Fukang Municipal Government
FRO - Resettlement Office of Fukang City
PMO - Project Management Office
PRC - People’s Republic of China
XUAR - Xinjiang Uygur Autonomous Region
XWRHSDRI - Xinjiang Water Resources and Hydropower Surveying, Design & Research Institute

Units

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

1.1 Background of the Project

Fukang City is located in the central and northern Xinjiang Uygur Autonomous Region (XUAR), central Changji Hui Autonomous Prefecture, the north piedmont of the east range of the Tianshan Mountains, and the south edge of the Junggar Basin, with a land area of 11,726 km² and a population of 162,000. The city governs 4 towns and 3 Xiangs, 3 sub-district offices, 106 administrative villages, 245 public institutions and 12 communities, and is inhabited by 26 ethnic groups, including Han, Hui, Uygur and Kazakh. After the completion of the World Bank-financed Integrated Agricultural Development Project, the water supply conditions in the area will be further improved, thereby promoting the city’s economic and social development directly.

The Baiyang River Reservoir Hydro-junction Project (hereinafter, the “Project”) is a medium class-III project, where the dam and the reservoir area are located on the Baiyang River in Ziniquanzi Town and Shanghugou Xiang, 400m south of the completed Baiyang River secondary hydropower station, being a controlling project on the mainstream of the Baiyang River. The main structures include the barrage, release structures and diversion structures, with a maximum dam height of 78m, a gross storage capacity of 12,706 million m³, a normal pool level of 1,008m (corresponding to a storage capacity of 12.33 million m³), a dead storage capacity of 1.32 million m³, and a regulated storage capacity of 11.01 million m³.

The gross investment in the Project is 363,2218 million yuan, in which state appropriations account for 30%, self-raised funds account for 37% and domestic bank loans account for 33%. The project owner is the Fukang Baiyang River Construction Management Office (BRCMO). The Project entered into the preparation stage in 2008 and has been implemented from 2010, with an overall construction period of 34 months. The Project will be put into operation in 2015, with a design life of 50 years.

On May 19, 2009, Xinjiang Water Resources and Hydropower Surveying, Design & Research Institute (XWRHSDRI) completed the Feasibility Study Report of the Project, which was approved by the XUAR Development and Reform Commission on October 27, 2009. On February 1, 2010, XWRHSDRI completed the Preliminary Design Report of the Project, which was approved by the XUAR Development and Reform Commission on February 27, 2010. On July 28, 2009, XWRHSDRI completed the Outline for Land Acquisition and Resettlement of the Project, which was approved by the XUAR Resettlement Administration on September 10, 2009. On September 22, 2009, XWRHSDRI completed the Special Report on Land Acquisition and Resettlement Planning of the Project (hereinafter, the “Resettlement Plan”), which was approved by the XUAR Resettlement Administration on October 20, 2009.

The Baiyang River Reservoir is 30km away from the project area of the World Bank-financed Integrated Agricultural Development Project, with a controllable irrigated area of 154,900 mu. After its completion, the reservoir will resist floods that

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1 According to the Regulations on Compensation and Resettlement for Land Acquisition in Large and Medium Water Resources and Hydropower Projects (Decree No.471 of the State Council), and Specifications on land acquisition and resettlement design for construction of water resources and hydropower projects (SL290-2003), a resettlement outline and a resettlement plan should be prepared for domestic large and medium water resources and hydropower projects.
occur every 20 years other than 10 years. The Project is a multifunctional water resources project, and a related project of the World Bank-financed Integrated Agricultural Development Project (Fukang Project Area). See Figure 1-1.

Figure 1-1 Schematic Map of the Project

1.2 Resettlement impacts

According to the Resettlement Plan, the Project will occupy 2,337.57 mu of Class II, Grade 4 state-owned natural pasture land, affecting 25 households with 137 persons in grazing areas of Baiyanghe Village, Shanghugou Xiang and Dishuiyan Village, Ziniquanzi Town; 53.96 mu of cultivated land of 4 households in Baiyanghe Village, Shanghugou Xiang will be acquired; 600 mu of land will be occupied temporarily; a small hydropower station will be demolished, affecting 30 employees; a Class III highway, and 35kV and 10kV power transmission lines will be affected.

During practical resettlement, the resettlement implementing agencies minimized resettlement impacts based on practical conditions. The actual resettlement impacts of the Project are as follows: 1) 2,454.5 mu of state-owned land was occupied, affecting 25 households with 137 persons; 2) 600 mu of land was occupied temporarily, 114.22 mu more than planned. 3) One enterprise, namely the Baiyang River secondary hydropower station (also known as the Tianhe Hydropower Station), was affected; 4) a 1.77km driveway from National Highway 216 to the first branch of the Dahuang Mountain coal mine were affected; 5) 0.5km of 35kV Ganxi and Baizi lines, and 4km of 10kV Xihe line were affected; 6) the gross resettlement investment of the Project was 9.3503 million yuan.

The Project actually affected no vulnerable group, affecting one less household with one person than in the Resettlement Plan.

All persons affected by the Project are Kazakhs, and the affected townships are Kazakh autonomous townships. According to Article 11 of the Regulations on Compensation and Resettlement for Land Acquisition in Large and Medium Water Resources and Hydropower Projects, the production pattern, lifestyle and customs of the Kazakhs were taken into account in terms of compensation rates and resettlement programs during the preparation of the Resettlement Plan.
1.3 Resettlement due diligence

1.3.1 Purpose

To review the land acquisition and resettlement work of the Project, so as to: 1) if resettlement complied with the laws, regulations and policies of the state and XUAR on compensation and resettlement, and the basic principles of the Bank’s resettlement policy; 2) check the process and progress of land acquisition and resettlement, fund management and resettlement effectiveness; 3) evaluate the current production level, living standard and satisfaction of the affected persons (APs); and 4) find out leftover issues in resettlement and propose feasible suggestions.

1.3.2 Methodology

(1) Two research methods were employed in this due diligence mainly, one was data collection and the other fieldwork. During data collection, documents and materials related to the Project and resettlement were collected, referred to and verified.

The literatures collected in this due diligence include project approval documents, replies on land, forms for soliciting opinions on resettlement and agreements related to resettlement.

(2) The fieldwork consisted of a sampling survey, focus group discussions (FGDs) and field interviews.

**Sampling survey:** A sampling plan was designed and APs chosen randomly. With the assistance of BRCMO, the task force sampled 35 APs for the questionnaire survey.

**FGD:** FGDs were held with staff of BRCMO, the water resources bureau, and land and resources bureau, and affected households (AHs) to learn compensation and resettlement information, and field interviews conducted.

1.3.3 Scope

This report covers the approval process of construction land, organizational building, policies and implementation, compensation rates, fund disbursement, satisfaction with resettlement, special facilities, public participation and consultation, grievance redress, etc.

- Approval process of construction land
- Resettlement policies and implementation
- Fund disbursement and compensation rates
- Satisfaction with resettlement
- Enterprise
- Special facilities
- Operating efficiency of resettlement implementing agencies
- Public participation and consultation
- Grievance redress
2  Resettlement Policies

2.1  Resettlement policy framework
In order to conduct resettlement properly, protect the lawful rights and interests of the APs, and facilitate the implementation of the Project, resettlement was implemented in strict conformity with the applicable regulations and policies of the PRC, XUAR and Fukang City.

The main laws, regulations and policies on resettlement of the Project include:

1) Land Administration Law of the PRC (2004 Amendment)
2) Regulations on the Implementation of the Land Administration Law of the PRC (effective from January 1, 1999)
3) Grassland Law of the PRC (effective from March 1, 2003)
4) Regulations on Compensation and Resettlement for Land Acquisition in Large and Medium Water Resources and Hydropower Projects (Decree No.471 of the State Council, effective from September 1, 2006)
6) Specifications on land acquisition and resettlement design for construction of water resources and hydropower projects (SL290-2003)

Compensation policies on land acquisition

9) Notice on Charging Rates Related to Grassland Supervision (XJFZ [1999] No.3)
10) Regulations of XUAR on the Implementation of the Land Administration Law of the PRC (effective from October 1, 1999)

2.2  Resettlement policies
Key provisions of the Grassland Law of the PRC:

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

Article 11 Resettlement plans should be developed in a manner that respects production patterns, lifestyles and customs of ethnic minorities.

Article 17 The State practices a system of unified planning for protection, development and use of grasslands. The competent administrative department for grasslands under the State Council shall, together with the relevant departments under the State Council, draw up national plans for protection, development and use of grasslands and submit them to the State Council for approval before putting them into effect. The competent administrative department for grasslands under the local people's government at or above the county level shall, together with relevant departments at the same level and on the basis of the plans for protection, development and use of grasslands at the next higher level, draw up such plans for its own administrative area and submit them to the people's government at the same level for approval before putting them into effect. Where a plan for protection, development and use of grasslands really need be readjusted or modified, the matter shall be subject to approval by the original approving authority.

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

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

Key provisions of the Regulations on Compensation and Resettlement for Land Acquisition in Large and Medium Water Resources and Hydropower Projects:

Article 3 The state practices a development-oriented resettlement policy, and combines prior compensation and subsidization with subsequent support so that the living standard of displaced persons reaches or exceeds the former level.

Article 5 Resettlement shall be subject to a management system under the leadership of the government and in which the project legal person participates.

Article 6 For any large or medium water resources or hydropower project with a project legal person, the project legal person shall prepare a resettlement plan outline, and submit it to the provincial, autonomous region or municipal government or the resettlement management agency of the State Council for which as the case may be, which shall consult with local governments before approval.

Article 9 A resettlement plan outline shall be developed in consultation with displaced persons and local residents; a public hearing shall be held if necessary. An approved resettlement plan outline is a basis for the preparation of the resettlement plan, and shall be complied with strictly and shall not be adjusted or modified; when adjustment or modification is necessary, the adjusted or modified plan shall be submitted to the original approval authority for approval.

Article 12 The resettlement plan shall make arrangements for rural resettlement, town relocation, enterprise relocation, special facility relocation or reconstruction, protective works construction, reservoir water development and utilization, and post-resettlement support, and compensation and resettlement budgeting for land acquisition, etc. Production and living difficulties of residents arising from reservoir impoundment above the inundation line shall be included in the resettlement plan, and handled properly on an economically rational basis.

Article 21 The use of land for the construction of any large or medium water resources or hydropower project shall be subject to application and approval formalities according to law, the land shall be applied for at a time and acquired in installments, and compensation fees for land acquisition paid on schedule.

Article 23 The temporary of use land for the construction of any large or medium water resources or hydropower project shall be approved by the land authority of the county or above government.

Article 24 Enterprises, traffic, power, telecom, broadcast and TV facilities, and primary and high schools to be relocated or reconstructed shall be compensated for so that they can be restored to original sizes, standards or functions.

Key provisions of the Regulations of XUAR on the Implementation of the Grassland Law of the PRC:

Article 17 The requisition of collectively owned grassland for state construction shall comply with the Land Administration Law of the PRC and the Regulations of XUAR for the Implementation of the Land Administration Law of the PRC.

The use of the grassland owned by the whole people for state construction shall be allocated with the approval in accordance with the procedure and approving authority of land expropriation for state construction. The construction unit shall properly compensate the original use unit for losses thus incurred and appropriately resettle the living and production of herdsmen, provide them with grassland or arrange the employment of conforming herdsmen. The construction unit shall be responsible for relocation of the original use unit if required.

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

Article 18 When any collective or individual mines, digs sand or soil or sets up a tourism site on grassland, it shall go through approval formalities as stipulated, and compensate the grassland user properly.

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

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

Key provisions of the Notice on Charging Rates Related to Grassland Supervision (XJFZ [1999] No.3):

Any enterprise that acquires (is allocated) or reclams (develops) grassland shall pay grassland compensation fees and resettlement subsidies to the grassland supervision agency at or above the county level. Grassland compensation fees will be used for production, livelihood and employment compensation of herdsmen, and grassland construction. The compensation rate for grassland is 4 times the base compensation rate for acquired (allocated) or reclaimed (developed), and resettlement subsidies are 20-30% of grassland compensation fees.

Grassland compensation fees will be used for production, livelihood and employment compensation of herdsmen, and grassland construction, and resettlement subsidies will be returned to original grassland users.

2.3 Evaluation

The resettlement work of the Project was conducted in accordance with the Land Administration Law of the PRC (2004 Amendment), the Regulations on the Implementation of the Land Administration Law of the PRC (effective from January 1, 1999), Grassland Law of the PRC (effective from March 1, 2003), the Rural Land Contract Law of the PRC (effective from March 1, 2003), the Regulations on Compensation and Resettlement for Land Acquisition in Large and Medium Water Resources and Hydropower Projects (Decree No.471 of the State Council), the Regulations of XUAR on the Implementation of the Land Administration Law of the PRC (effective from October 1, 1999), the Regulations of XUAR on the Implementation of the Rural Land Contract Law of the PRC (effective from October 1, 2005), and the Notice on Charging Rates Related to Grassland Supervision (XJFZ [1999] No.3), and based on Fukang City’s practical conditions.

The goal of the resettlement policies of the Project is to minimize negative resettlement impacts, and the main principles are as follows: (1) Possible measures should be taken to minimize resettlement impacts; (2) Compensation and resettlement programs should be such that the APs’ living standard is restored or higher than the pre-resettlement level; (3) The APs are consulted meaningfully so that they have opportunities to participate in resettlement planning and implementation; and (4) All affected properties should be compensated according to policies.

In sum, the resettlement policies and compensation rates of the Project comply with the laws, regulations and policies of the PRC, XUAR and Fukang City on resettlement, as well as the Bank’s policy on involuntary resettlement.
3 Review of Resettlement Implementation

The task force has held multiple discussions on resettlement with staff of the implementing agencies, and referred to relevant documents and agreements in order to learn the Project’s resettlement impacts, and compensation fees. See Table 3-1.

Table 3-1 Impacts of land occupation impacts of the Project by component

<table>
<thead>
<tr>
<th>Component</th>
<th>Occupation of state-owned pasture land (mu)</th>
<th>Temporary land occupation (mu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reservoir area</td>
<td>848.54</td>
<td>0</td>
</tr>
<tr>
<td>Dam area</td>
<td>1513.96</td>
<td>0</td>
</tr>
<tr>
<td>Traffic</td>
<td>68.73</td>
<td>0</td>
</tr>
<tr>
<td>Power transmission and transformation facilities</td>
<td>23.27</td>
<td>0</td>
</tr>
<tr>
<td>Stockyard</td>
<td>0</td>
<td>600</td>
</tr>
<tr>
<td>Subtotal</td>
<td>2454.5</td>
<td>600</td>
</tr>
</tbody>
</table>

See Table 3-2 for a comparison of the actual and planned resettlement impacts of the Project.

Table 3-2 Comparison of actual and planned resettlement impacts of the Project

<table>
<thead>
<tr>
<th>Item</th>
<th>Occupation of state-owned pasture land (mu)</th>
<th>Acquisition of collective land (mu)</th>
<th>Demolition of residential houses</th>
<th>Temporary land occupation</th>
<th>Enterprise</th>
<th>Traffic facilities</th>
<th>Power transmission &amp; transformation facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned</td>
<td>2337.57</td>
<td>53.96</td>
<td>4</td>
<td>26</td>
<td>485.78</td>
<td>One</td>
<td>1.77km</td>
</tr>
<tr>
<td>Actual</td>
<td>2454.5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>600</td>
<td>One</td>
<td>1.77km</td>
</tr>
<tr>
<td>Diff.</td>
<td>+116.93</td>
<td>-53.96</td>
<td>-4</td>
<td>-26</td>
<td>+114.22</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

In addition, the acquisition of some collective land and the demolition of some houses have been avoided through optimization:

1. Acquisition of collective land

   Based on field investigation, the 53.96 mu of cultivated land of the 4 AHs in Baiyanghe Village, Shanghugou Xiang close to the Baiyang River Reservoir has an average altitude of 1,022m, while the normal pool level of the Baiyang River Reservoir is 1,011m and its checked flood level (highest water level) is 1,012.28m, so the reservoir will not affect the cultivated land and agricultural production of the above 4 AHs, and the acquisition of rural collective land has been avoided. See Figure 3-1. To protect the 4 AHs’ production activities after the impoundment of the reservoir, the project owner plans to build a check dike beside the living space of the 4 AHs. The dike will be constructed using local materials, with a budget of 200,000 yuan, which will be included in the budget of the Project. The dike will be constructed by the Gezhouba Dam Xinjiang Engineering Bureau from October 2013 to November 2013.
(2) Demolition of residential houses

Based on field investigation, the houses, attachments and cultivated land of the 4 AHs in Baiyanghe Village, Shanghugou Xiang close to the Baiyang River Reservoir has an average altitude of 1,022m, while the normal pool level of the Baiyang River Reservoir is 1,011m and its checked flood level (highest water level) is 1,012.28m, so the reservoir will not affect the above 4 AHs, and the demolition of residential houses has been avoided. See Figure 3-2. The project owner plans to build a check dike beside the living space of the 4 AHs.

3.1 Occupation of state-owned pasture land

3.1.1 Impacts of pasture land occupation

The land used for the Project is allocated state-owned land, where 2,454.5 mu of Class II, Grade 4 state-owned pasture land will be occupied, 116.93 mu more than the Resettlement Plan. See Table 3-3 for a comparison.

<table>
<thead>
<tr>
<th>Planned</th>
<th>Actual</th>
<th>Diff.</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pasture land</td>
<td>Pasture land</td>
<td>Pasture land</td>
<td>No acquisition of collective land</td>
</tr>
<tr>
<td>2337.57</td>
<td>2454.5</td>
<td>+116.93</td>
<td></td>
</tr>
</tbody>
</table>

The occupation of state-owned land will affect 25 households with 137 persons in grazing areas of Baiyanghe Village, Shanghugou Xiang and Dishuiyan Village, Ziniquanzi Town, as shown in Table 3-4.
Table 3-4 State-owned pasture land occupied and impacts

<table>
<thead>
<tr>
<th>No.</th>
<th>City</th>
<th>Township</th>
<th>Village</th>
<th>Occupied (mu)</th>
<th>Affected Pasture land</th>
<th>HHs</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fukang</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>792</td>
<td>10</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td></td>
<td>1662.5</td>
<td>15</td>
<td>67</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>2454.5</td>
<td>25</td>
<td>137</td>
<td></td>
</tr>
</tbody>
</table>

There is extensive pasture land in the project area. The occupied land area accounts for 20% of all summer pasture land of the affected village groups and 5% of their year-round pasture land, so the herdsmen’s stockbreeding will be affected slightly, as shown in Table 3-5. After land occupation, the APs will graze in the south summer pasture; besides, compensation fees were paid timely and the APs are highly satisfied.

Table 3-5 Analysis of land occupation impacts (village level)

<table>
<thead>
<tr>
<th>Township</th>
<th>Village</th>
<th>Affected pasture land area (mu)</th>
<th>Total pasture land area (mu)</th>
<th>Impact rate Grassland (summer/fall) / pasture land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>792</td>
<td>16902</td>
<td>4.69%</td>
</tr>
<tr>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>1662.5</td>
<td>34780</td>
<td>4.78%</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>2454.5</td>
<td>51682</td>
<td>4.75%</td>
</tr>
</tbody>
</table>

The average occupied land area per household is 98.18 mu, while the average pasture land area per household is 2,089.04 mu, so land occupation rate ranges from 0.99% to 9.41%, 4.7% on average. Land occupation affects each household slightly. See Table 3-6.

Table 3-6 Analysis of land occupation impacts (household level)

<table>
<thead>
<tr>
<th>No.</th>
<th>Township</th>
<th>Village</th>
<th>Group</th>
<th>Head of household</th>
<th>Acquired land area (mu)</th>
<th>Former pasture land area (mu)</th>
<th>Impact rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Junishan</td>
<td>150</td>
<td>2357</td>
<td>6.36</td>
</tr>
<tr>
<td>2</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Awua’er</td>
<td>137.5</td>
<td>2654</td>
<td>5.83</td>
</tr>
<tr>
<td>3</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Jiaylaw</td>
<td>87.5</td>
<td>2869</td>
<td>3.71</td>
</tr>
<tr>
<td>4</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Kamaliba</td>
<td>100</td>
<td>1210</td>
<td>4.24</td>
</tr>
<tr>
<td>5</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Bazahan</td>
<td>37.5</td>
<td>1687</td>
<td>1.59</td>
</tr>
<tr>
<td>6</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Tuspuhan</td>
<td>87.5</td>
<td>989</td>
<td>3.71</td>
</tr>
<tr>
<td>7</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Hazaz</td>
<td>57.61</td>
<td>1101</td>
<td>2.44</td>
</tr>
<tr>
<td>8</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Mawthian</td>
<td>44.81</td>
<td>1357</td>
<td>1.90</td>
</tr>
<tr>
<td>9</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Hazi</td>
<td>38.41</td>
<td>2678</td>
<td>1.63</td>
</tr>
<tr>
<td>10</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Dadayi</td>
<td>51.21</td>
<td>544</td>
<td>2.17</td>
</tr>
<tr>
<td>11</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Wulazba</td>
<td>204.44</td>
<td>2650</td>
<td>8.67</td>
</tr>
<tr>
<td>12</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Wulaliba</td>
<td>127.78</td>
<td>2455</td>
<td>5.42</td>
</tr>
<tr>
<td>13</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Bahet</td>
<td>127.78</td>
<td>2441</td>
<td>5.42</td>
</tr>
<tr>
<td>14</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Malai</td>
<td>102.22</td>
<td>2351</td>
<td>4.34</td>
</tr>
<tr>
<td>15</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Shawlet</td>
<td>102.22</td>
<td>2698</td>
<td>4.34</td>
</tr>
<tr>
<td>16</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Ganatigl</td>
<td>25.56</td>
<td>2571</td>
<td>1.08</td>
</tr>
<tr>
<td>No.</td>
<td>Township</td>
<td>Village</td>
<td>Group</td>
<td>Head of household</td>
<td>Acquired land area (mu)</td>
<td>Former pasture land area (mu)</td>
<td>Impact rate (%)</td>
</tr>
<tr>
<td>-----</td>
<td>----------------</td>
<td>---------</td>
<td>------------</td>
<td>-------------------</td>
<td>------------------------</td>
<td>------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>17</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibayi</td>
<td>Wulaliba</td>
<td>72.5</td>
<td>2698</td>
<td>3.08</td>
</tr>
<tr>
<td>18</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuan</td>
<td>Nurlan</td>
<td>179.97</td>
<td>2598</td>
<td>7.64</td>
</tr>
<tr>
<td>19</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuan</td>
<td>Shahati</td>
<td>154.28</td>
<td>2689</td>
<td>6.55</td>
</tr>
<tr>
<td>20</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuan</td>
<td>Saishan</td>
<td>102.86</td>
<td>1568</td>
<td>4.36</td>
</tr>
<tr>
<td>21</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuan</td>
<td>Matan</td>
<td>102.86</td>
<td>2554</td>
<td>4.36</td>
</tr>
<tr>
<td>22</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuan</td>
<td>Hazail</td>
<td>51.46</td>
<td>1036</td>
<td>2.18</td>
</tr>
<tr>
<td>23</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuan</td>
<td>Zyahan</td>
<td>128.56</td>
<td>1896</td>
<td>5.45</td>
</tr>
<tr>
<td>24</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuan</td>
<td>Kenjie</td>
<td>25.71</td>
<td>1986</td>
<td>1.09</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>2454.5</strong></td>
<td><strong>52226</strong></td>
<td><strong>4.70</strong></td>
</tr>
</tbody>
</table>

![Figure 3-3 Construction site of the Project (left), present situation of affected state-owned pasture land (right)](image)

### 3.1.2 Resettlement subsidy for pasture land occupation

According to the Notice on Charging Rates Related to Grassland Supervision (XJFZ [1999] No.3), any enterprise that acquires (is allocated) or reclaims (develops) grassland shall pay grassland compensation fees and resettlement subsidies to the grassland supervision agency at or above the county level.

The pasture land affected by the Project is Class II, Grade 4 state-owned pasture land, and the base resettlement subsidy rate for grassland is 69 yuan/mu, so the resettlement subsidy rate for grassland is 69×4×30%=82.8 yuan/mu.

The compensation rate for grassland is 4 times the base compensation rate for acquired (allocated) or reclaimed (developed), namely 69×4=276 yuan/mu.

### 3.1.3 Review of implementation

On May 10, 2010, the resettlement team entered the site to grant compensation fees for state-owned pasture land.

On October 15, 2010, all compensation fees for state-owned pasture land were paid to the heads of the affected village groups for further payment to each AH.

As of October 30, 2010, all compensation fees for state-owned pasture land had been fully paid to the AHs.

As of June 20, 2012, no woman in the affected population had applied for any small-amount secured loan.

Grassland compensation fees totaling 677,400 yuan will be paid by BRCMO to the Stockbreeding Bureau of Fukang City by September 15, 2012.

See Appendix 1 for the roster of herdsmen receiving compensation fees for occupation of state-owned pasture land.
3.1.4 Income restoration measures

In order to restore the income of the APs, and minimize impacts of land acquisition and temporary land occupation, the Stockbreeding Bureau of Fukang City, Poverty Reduction and Development Office of the Women’s Federation, and Ziniquanzi Town and Shanghugou Xiang Governments have organized the stockbreeding and farming support, skills training, small-amount secured lending for women and other projects. Costs for income restoration total 56.4222 million yuan, in which costs from the stockbreeding bureau and agriculture bureau total 56.2822 million yuan, accounting for 99.75%, and training costs total 140,000 yuan, accounting for 0.25%. See Table 3-7.

Table 3-7 Summary of assistance funds for income restoration

<table>
<thead>
<tr>
<th>Item</th>
<th>Costs (0,000 yuan)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockbreeding and agriculture</td>
<td>5628.22</td>
<td>99.75</td>
</tr>
<tr>
<td>Training</td>
<td>14</td>
<td>0.25</td>
</tr>
<tr>
<td>Total</td>
<td>5642.22</td>
<td>/</td>
</tr>
</tbody>
</table>

(1) Stockbreeding and agricultural support

From January to December 2012, the Stockbreeding Bureau of Fukang City implemented the Two-storied Housing and Infrastructure Project for Farmers and Herdsmen in Baiyanghe and Digou Villages, Shanghugou Xiang, with a budget of 21.5009 million yuan, benefiting 4,000 persons. From 2009 to 2011, the Finance Department of XUAR, and Land and Resources Department of XUAR implemented the XUAR Land Development and Rehabilitation Project, and other agricultural support projects, with a budget of 34.7813 million yuan, benefiting over 10,000 persons. See Table 3-8.

Table 3-8 Stockbreeding and agricultural support projects of Fukang City

<table>
<thead>
<tr>
<th>No.</th>
<th>Agency responsible</th>
<th>Project</th>
<th>Scope</th>
<th>Starting time</th>
<th>Ending time</th>
<th>Amount (0,000 yuan)</th>
<th>Beneficiary units</th>
<th>Beneficiary population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stockbreeding Bureau of Fukang City</td>
<td>Two-storied Housing &amp; Infrastructure Project for Farmers and Herdsmen in Baiyanghe and Digou Villages, Shanghugou Xiang</td>
<td>Construction of 35 two-storied houses for 70 households and supporting infrastructure, with a total building area of 15,210 m²</td>
<td>Jan. 2012</td>
<td>Dec. 2012</td>
<td>2150.09</td>
<td>Baiyanghe and Digou Villages, Shanghugou Xiang</td>
<td>4000</td>
</tr>
<tr>
<td>2</td>
<td>Finance Dept., Land and Resources Dept. of XUAR, Shanghugou Xiang Government</td>
<td>XUAR Land Development &amp; Rehabilitation Project</td>
<td>Ensuring the timely development and rehabilitation of basic farmland in 3 villages of Shanghugou Xiang</td>
<td>Oct. 2010</td>
<td>Oct. 2010</td>
<td>2162.74</td>
<td>3 villages of Shanghugou Xiang (Baiyanghe, Digou etc.)</td>
<td>5000</td>
</tr>
</tbody>
</table>
On November 24, 2011, the Finance Department of XUAR issued the Notice on the 2011 financial budget for the XUAR land development and rehabilitation project (XCJ [2011] No.329), identifying the budget for expenditure on land rehabilitation, as shown in Appendix 2.

On June 21, 2012, the Traffic Bureau of Changji Hui Autonomous Prefecture issued the Reply on the construction design of the 2012 accessibility project of Fukang City (CPTB [2012] No.137), as shown in Appendix 3.

(2) Skills training

In 2011 and 2012, the Ziniquanzi Town Government has organized 11 training courses, benefiting 3,700 persons in total. See Table 3-9.

Table 3-9 Summary of skills training in Ziniquanzi Town

<table>
<thead>
<tr>
<th>No.</th>
<th>Townships</th>
<th>Villages group</th>
<th>Training course</th>
<th>Scope</th>
<th>Time</th>
<th>Amount (yuan)</th>
<th>Trainees</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Skills training of farmers / herdsmen</td>
<td>Production of green farm products</td>
<td>Nov. 2011</td>
<td>1500</td>
<td>300</td>
<td>Enabling farmers and herdsmen to better master production skills of green farm products</td>
</tr>
<tr>
<td>2</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Skills training of farmers / herdsmen</td>
<td>Systematic cultivation</td>
<td>Nov. 2011</td>
<td>1500</td>
<td>300</td>
<td>Improving systematic cultivation skills of farmers and herdsmen</td>
</tr>
<tr>
<td>3</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Skills training of farmers / herdsmen</td>
<td>Cattle/sheep fattening and breed improvement</td>
<td>Nov. 2011</td>
<td>1300</td>
<td>300</td>
<td>Enabling farmers and herdsmen to better master cattle/sheep fattening and breed improvement skills, increasing their income</td>
</tr>
<tr>
<td>4</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Skills training of farmers / herdsmen</td>
<td>Common disease prevention &amp; treatment</td>
<td>Nov. 2011</td>
<td>1300</td>
<td>300</td>
<td>Increasing the survival rate of crops, and farmers' and herdsmen's income</td>
</tr>
<tr>
<td>5</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Skills training of farmers / herdsmen</td>
<td>Policies and regulations on stockbreeding</td>
<td>Dec. 2011</td>
<td>1300</td>
<td>300</td>
<td>Enabling farmers and herdsmen to solve production difficulties according to law</td>
</tr>
<tr>
<td>6</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Skills training of farmers / herdsmen</td>
<td>Proper use of farm machinery and tools</td>
<td>Jan. 2012</td>
<td>800</td>
<td>300</td>
<td>Increasing the availability of farm machinery and tools, and sowing rate in the project area, and promoting mechanized farming</td>
</tr>
<tr>
<td>7</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Skills training of farmers / herdsmen</td>
<td>Unified cultivation</td>
<td>Feb. 2012</td>
<td>800</td>
<td>300</td>
<td>Enabling farmers and herdsmen to further understand new cultivation skills</td>
</tr>
<tr>
<td>8</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Skills training of farmers / herdsmen</td>
<td>Mechanical harvest</td>
<td>Feb. 2012</td>
<td>500</td>
<td>300</td>
<td>Spreading mechanical farming techniques to farmers and herdsmen, strengthening the management of farm machinery and tools</td>
</tr>
<tr>
<td>9</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Skills training of farmers / herdsmen</td>
<td>Policies and regulations on water resources</td>
<td>Mar. 2012</td>
<td>500</td>
<td>300</td>
<td>Improving water management and utilization knowledge of farmers and herdsmen, and increasing the availability of water resources</td>
</tr>
<tr>
<td>10</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Skills training of farmers / herdsmen</td>
<td>Drip irrigation management</td>
<td>Mar. 2012</td>
<td>500</td>
<td>300</td>
<td>Improving drip irrigation management skills in the project area, increasing the output of crops</td>
</tr>
<tr>
<td>11</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Training on integrated agricultural</td>
<td>Proper operation of farm machinery</td>
<td>Feb. – Dec. 2011</td>
<td>60000</td>
<td>700</td>
<td>Training technicians among farmers and herdsmen, choosing exemplary technology households, and</td>
</tr>
<tr>
<td>No.</td>
<td>Township</td>
<td>Village group</td>
<td>Training course</td>
<td>Scope</td>
<td>Time</td>
<td>Amount (yuan)</td>
<td>Trainees</td>
<td>Effect</td>
</tr>
<tr>
<td>-----</td>
<td>----------</td>
<td>---------------</td>
<td>----------------</td>
<td>-------</td>
<td>------</td>
<td>---------------</td>
<td>---------</td>
<td>--------</td>
</tr>
<tr>
<td>1</td>
<td>Shanghugou Xiang Labor &amp; Social Security Station</td>
<td>Dongcaozi</td>
<td>Hand knitting training</td>
<td>Hand knitting</td>
<td>Apr. 18-28, 2012</td>
<td>1000</td>
<td>19</td>
<td>enhancing their exemplary role in farming and stockbreeding</td>
</tr>
<tr>
<td>2</td>
<td>Shanghugou Xiang Labor &amp; Social Security Station</td>
<td>Huangshan</td>
<td>Automobile repair training</td>
<td>Automobile repair</td>
<td>Apr. 22 – May 12, 2012</td>
<td>3000</td>
<td>100</td>
<td>Improving farmers’ professional skills, and promoting their future employment and business startup greatly</td>
</tr>
<tr>
<td>3</td>
<td>Shanghugou Xiang Labor &amp; Social Security Station</td>
<td>Baiyanghe</td>
<td>Business startup training</td>
<td>Business startup</td>
<td>Mar. 5-14, 2012</td>
<td>2000</td>
<td>100</td>
<td>Improving all-around competencies and market response of startup entrepreneurs</td>
</tr>
<tr>
<td>4</td>
<td>Shanghugou Xiang agricultural economic station</td>
<td>Various villages</td>
<td>Agricultural economic management training</td>
<td>Agricultural economic management</td>
<td>Apr. 15-25, 2012</td>
<td>2000</td>
<td>50</td>
<td>Helping local villagers become rich, and promoting rapid rural economic development</td>
</tr>
<tr>
<td>5</td>
<td>Shanghugou Xiang agricultural technical station</td>
<td>Various villages</td>
<td>Pest control training</td>
<td>Pest control</td>
<td>Feb. 20 – Mar. 1, 2012</td>
<td>2000</td>
<td>100</td>
<td>Increasing the survival rate of crops, and farmers’ and herdsmen’s income</td>
</tr>
<tr>
<td>6</td>
<td>Shanghugou Xiang</td>
<td>Dongwan</td>
<td>Training on integrated agricultural development technology</td>
<td>Proper operation of farm machinery; water-saving irrigation skills</td>
<td>Feb. – Dec. 2010</td>
<td>60000</td>
<td>700</td>
<td>Training technicians among farmers and herdsmen, choosing exemplary technology households, and enhancing their exemplary role in farming and stockbreeding</td>
</tr>
</tbody>
</table>

In 2011 and 2012, the Shanghugou Xiang Government, labor and social security station, agricultural economic station, etc. organized 6 training courses, benefiting 1,069 persons in total. See Table 3-10.

Table 3-10 Summary of skills training in Shanghugou Xiang

<table>
<thead>
<tr>
<th>No.</th>
<th>Organizer</th>
<th>Village</th>
<th>Training course</th>
<th>Scope</th>
<th>Time</th>
<th>Amount (yuan)</th>
<th>Trainees</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shanghugou Xiang Labor &amp; Social Security Station</td>
<td>Dongcaozi</td>
<td>Hand knitting training</td>
<td>Hand knitting</td>
<td>Apr. 18-28, 2012</td>
<td>1000</td>
<td>19</td>
<td>enhancing their exemplary role in farming and stockbreeding</td>
</tr>
<tr>
<td>2</td>
<td>Shanghugou Xiang Labor &amp; Social Security Station</td>
<td>Huangshan</td>
<td>Automobile repair training</td>
<td>Automobile repair</td>
<td>Apr. 22 – May 12, 2012</td>
<td>3000</td>
<td>100</td>
<td>Improving farmers’ professional skills, and promoting their future employment and business startup greatly</td>
</tr>
<tr>
<td>3</td>
<td>Shanghugou Xiang Labor &amp; Social Security Station</td>
<td>Baiyanghe</td>
<td>Business startup training</td>
<td>Business startup</td>
<td>Mar. 5-14, 2012</td>
<td>2000</td>
<td>100</td>
<td>Improving all-around competencies and market response of startup entrepreneurs</td>
</tr>
<tr>
<td>4</td>
<td>Shanghugou Xiang agricultural economic station</td>
<td>Various villages</td>
<td>Agricultural economic management training</td>
<td>Agricultural economic management</td>
<td>Apr. 15-25, 2012</td>
<td>2000</td>
<td>50</td>
<td>Helping local villagers become rich, and promoting rapid rural economic development</td>
</tr>
<tr>
<td>5</td>
<td>Shanghugou Xiang agricultural technical station</td>
<td>Various villages</td>
<td>Pest control training</td>
<td>Pest control</td>
<td>Feb. 20 – Mar. 1, 2012</td>
<td>2000</td>
<td>100</td>
<td>Increasing the survival rate of crops, and farmers’ and herdsmen’s income</td>
</tr>
<tr>
<td>6</td>
<td>Shanghugou Xiang</td>
<td>Dongwan</td>
<td>Training on integrated agricultural development technology</td>
<td>Proper operation of farm machinery; water-saving irrigation skills</td>
<td>Feb. – Dec. 2010</td>
<td>60000</td>
<td>700</td>
<td>Training technicians among farmers and herdsmen, choosing exemplary technology households, and enhancing their exemplary role in farming and stockbreeding</td>
</tr>
</tbody>
</table>

(3) Small-amount secured lending for women

According to the Notice of the Administrative Office of Hami Prefecture, XUAR on Implementing the Small-amount Secured Lending Discount Policy to Promoting Women’s Business Startup and Employment, all women affected by the Project may apply for small-amount secured loans with local women’s federations for business startup from February 2010. The highest limit available to an individual is 80,000 yuan and that available to the partners of a business 100,000 yuan. No AP has applied for any small-amount secured loan for business startup to date.

3.1.5 Effects of implementation

The total amount of compensation for grassland of the Project is 203,200 yuan, and has been fully paid to the AHs, as detailed in Table 3-11. In addition, the stockbreeding and farming support, skills training, small-amount secured lending for
women and other projects organized by the Stockbreeding Bureau of Fukang City, Poverty Reduction and Development Office of the Women’s Federation, and Ziniquanzi Town and Shanghugou Xiang Governments have facilitated the income restoration of the APs, and their income is being restored.

Table 3-11 Summary of compensation fees for state-owned pasture land

<table>
<thead>
<tr>
<th>No.</th>
<th>Township</th>
<th>Village</th>
<th>Group</th>
<th>Head of household</th>
<th>Population</th>
<th>Pasture land area</th>
<th>Amount of compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Junishan</td>
<td>8</td>
<td>150</td>
<td>12420</td>
</tr>
<tr>
<td>2</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Awua’er</td>
<td>7</td>
<td>137.5</td>
<td>11385</td>
</tr>
<tr>
<td>3</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Jialaw</td>
<td>7</td>
<td>87.5</td>
<td>7245</td>
</tr>
<tr>
<td>4</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Kamaliba</td>
<td>8</td>
<td>100</td>
<td>8280</td>
</tr>
<tr>
<td>5</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Bazahan</td>
<td>3</td>
<td>37.5</td>
<td>3105</td>
</tr>
<tr>
<td>6</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Heilasbayi</td>
<td>Tuspuhan</td>
<td>7</td>
<td>87.5</td>
<td>7245</td>
</tr>
<tr>
<td>7</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Hazai</td>
<td>Hazai</td>
<td>9</td>
<td>57.61</td>
<td>4770</td>
</tr>
<tr>
<td>8</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Hazai</td>
<td>Mawthian</td>
<td>7</td>
<td>44.81</td>
<td>3710</td>
</tr>
<tr>
<td>9</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Hazai</td>
<td>Hayizar</td>
<td>6</td>
<td>38.41</td>
<td>3180</td>
</tr>
<tr>
<td>10</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Hazai</td>
<td>Dadayi</td>
<td>8</td>
<td>51.21</td>
<td>4240</td>
</tr>
<tr>
<td>11</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Wulazba</td>
<td>8</td>
<td>204.44</td>
<td>16928</td>
</tr>
<tr>
<td>12</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Wulaliba</td>
<td>5</td>
<td>127.78</td>
<td>10580</td>
</tr>
<tr>
<td>13</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Bahet</td>
<td>5</td>
<td>127.78</td>
<td>10580</td>
</tr>
<tr>
<td>14</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Malai</td>
<td>4</td>
<td>102.22</td>
<td>8464</td>
</tr>
<tr>
<td>15</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Shawliet</td>
<td>4</td>
<td>102.22</td>
<td>8464</td>
</tr>
<tr>
<td>16</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Ganatigil</td>
<td>1</td>
<td>25.56</td>
<td>2116</td>
</tr>
<tr>
<td>17</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Wulazibai</td>
<td>Wulaliba</td>
<td>5</td>
<td>72.5</td>
<td>6003</td>
</tr>
<tr>
<td>18</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuhan</td>
<td>Muhalimuhan</td>
<td>7</td>
<td>179.97</td>
<td>14903</td>
</tr>
<tr>
<td>19</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuhan</td>
<td>Shahati</td>
<td>6</td>
<td>154.28</td>
<td>12774</td>
</tr>
<tr>
<td>20</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuhan</td>
<td>Nurlan</td>
<td>6</td>
<td>154.28</td>
<td>12774</td>
</tr>
<tr>
<td>21</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuhan</td>
<td>Saishan</td>
<td>4</td>
<td>102.86</td>
<td>8517</td>
</tr>
<tr>
<td>22</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuhan</td>
<td>Matan</td>
<td>4</td>
<td>102.86</td>
<td>8517</td>
</tr>
<tr>
<td>23</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuhan</td>
<td>Hailat</td>
<td>2</td>
<td>51.46</td>
<td>4261</td>
</tr>
<tr>
<td>24</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuhan</td>
<td>Zyahan</td>
<td>5</td>
<td>128.56</td>
<td>10645</td>
</tr>
<tr>
<td>25</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>Muhalimuhan</td>
<td>Kenjie</td>
<td>1</td>
<td>25.71</td>
<td>2129</td>
</tr>
</tbody>
</table>

Subtotal 137 2454.5 203235

3.2 Temporary land occupation

3.2.1 Summary of impacts

In the Project, temporary land occupation is caused by the storage of raw materials and the construction of temporary housing by the construction agency. 600 mu of land was occupied, 114.22 mu more than planned, affecting 10 households with 72 persons. See Figure 3-4.
See Table 3-12 and Table 3-13 for the temporary occupation of state-owned pasture land.

<table>
<thead>
<tr>
<th>No.</th>
<th>City</th>
<th>Township</th>
<th>Village</th>
<th>Occupied (mu)</th>
<th>Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Pasture land</td>
<td>HHs</td>
</tr>
<tr>
<td>1</td>
<td>Fukang</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>450</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>Zinquanzi Town</td>
<td>Dishuiyan</td>
<td></td>
<td>150</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>600</td>
<td>10</td>
</tr>
</tbody>
</table>

### 3.2.2 Compensation rates

Compensation for the temporary occupation of state-owned pasture land is based on the Notice on Charging Rates for Grassland Supervision (XJFZ [1999] No.3). The pasture land affected by the Project is Class II, Grade 4 state-owned pasture land, and the base resettlement subsidy rate for grassland is 69 yuan/mu, so the resettlement subsidy rate for grassland is 69×4×30%=82.8 yuan/mu.

### 3.2.3 Review of implementation

On May 10, 2010, the resettlement team entered the site to conduct resettlement and compensation. Compensation fees totaling 49,700 yuan were paid to 10 households with 72 persons.

On October 15, 2010, all compensation fees for state-owned pasture land were paid to the heads of the affected village groups for further payment to each AH.

As of October 30, 2010, all resettlement subsidies for state-owned pasture land had been fully paid to the AHs.

See Appendix 4 for the roster of recipients of compensation fees for temporary land occupation.

### 3.2.4 Effects of implementation

The total amount of compensation for grassland is 49,700 yuan, and has been fully paid to the AHs, as detailed in Table 3-14.
<table>
<thead>
<tr>
<th>No.</th>
<th>Township</th>
<th>Village</th>
<th>Group</th>
<th>Head of household</th>
<th>Population</th>
<th>Pasture land area</th>
<th>Amount of compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Junishan</td>
<td>Junishan</td>
<td>8</td>
<td>90</td>
<td>7452</td>
</tr>
<tr>
<td>2</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Junishan</td>
<td>Awur</td>
<td>7</td>
<td>78.75</td>
<td>6520.5</td>
</tr>
<tr>
<td>3</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Junishan</td>
<td>Jiaylaw</td>
<td>7</td>
<td>78.75</td>
<td>6520.5</td>
</tr>
<tr>
<td>4</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Junishan</td>
<td>Kamalbay</td>
<td>8</td>
<td>90</td>
<td>7452</td>
</tr>
<tr>
<td>5</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Junishan</td>
<td>Bazahan</td>
<td>3</td>
<td>33.75</td>
<td>2794.5</td>
</tr>
<tr>
<td>6</td>
<td>Shanghugou Xiang</td>
<td>Baiyanghe</td>
<td>Junishan</td>
<td>Tusphan</td>
<td>7</td>
<td>78.75</td>
<td>6520.5</td>
</tr>
<tr>
<td>7</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>/</td>
<td>Ehan</td>
<td>5</td>
<td>23.44</td>
<td>1941</td>
</tr>
<tr>
<td>8</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>/</td>
<td>Shashan</td>
<td>9</td>
<td>42.19</td>
<td>3493</td>
</tr>
<tr>
<td>9</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>/</td>
<td>Tuohe</td>
<td>9</td>
<td>42.19</td>
<td>3493</td>
</tr>
<tr>
<td>10</td>
<td>Ziniquanzi Town</td>
<td>Dishuiyan</td>
<td>/</td>
<td>Ahemait</td>
<td>9</td>
<td>42.19</td>
<td>3493</td>
</tr>
</tbody>
</table>

Subtotal | 72          | 600             | 49680                |

After the completion and acceptance of the Project, BRCMO will restore the temporarily occupied land to the original size, standard and function, and restoration costs will be disbursed from the construction budget of the Project.

### 3.3 Enterprises

#### 3.3.1 Summary of impacts

The Project affects one enterprise with 30 employees, namely the Baiyang River secondary hydropower station. Living facilities (masonry concrete) of 2,139.72m², a 2.53km power generation diversion canal, a power plant and optical communication cables with a total length of 2.9km of this enterprise are affected. See Figure 3-5.

![Living facilities for the Baiyang River secondary hydropower station](image)

![Power generation diversion canal](image)

See Figure 3-6 for the power plant of the Baiyang River secondary hydropower station.
3.3.2 Compensation rates

The Project affects 30 employees of the Tianhe Hydropower Station: 1) Among the 11 employees aged below 45 years, 8 will work at local water management stations under the municipal water resources bureau, and 3 will work at BRCMO. These employees will become contractual employees of the water resources system and be paid accordingly. 2) The compensation rate for resettlement of 6 employees aged 45-55 years will be calculated pursuant to Document XRGO [2002] No.143, and this amount will be contributed to the labor and social security bureau at a time. 3) Winter charcoal allowances have been paid in social security benefits and will not be otherwise paid. 4) 6 employees subject to early retirement and 7 retirees will be resettled and compensated pursuant to Document FDC [2010] No.19.

3.3.3 Review of implementation

1) On April 15, 2009, the Fukang Municipal Government (FMG) discussed the compensation program for the Tianhe Hydropower Station with its shareholders, and the members of the Project Construction Coordination Leading Group were present.

2) On September 1, 2010, BRCMO entered into the Compensation Agreement for Demolition of the Tianhe Hydropower Station, with a compensation amount of 5.01 million yuan.

3) On October 31, 2010, the Tianhe Hydropower Station entered into the Agreement for the Certification of Termination of Labor Relations with the APs.

4) On March 28, 2011, FMG, the Fukang Municipal CPC Committee and other departments concerned discussed the resettlement and remuneration of the affected employees of the Tianhe Hydropower Station with its representatives. See Appendix 5 for the minutes.

5) On June 18, 2011, the Water Resources Bureau of Fukang City and BRCMO organized a survey team to survey the satisfaction of the 30 employees of the Tianhe Hydropower Station with resettlement and compensation, and it was found that these employees were highly satisfied.

3.3.4 Effects of implementation

Among the 30 affected employees: 1) Among the 11 employees aged below 45 years, 8 will work at local water management stations under the municipal water resources bureau, and 3 will work at BRCMO. These employees will become contractual employees of the water resources system and be paid accordingly. Their average pay is 2,068 yuan/month and average income 3,000 yuan/month (including travel allowance and other benefits). They were paid from November 2010 from the public finance of Fukang City, and their average income is almost the same as their former income.
2) For the 6 employees subject to early retirement for the period until statutory retiring age, their wages total 499,654 yuan, premiums of endowment and medical insurance total 137405 yuan, and contributions to the housing provident fund total 71,206 yuan, totaling 708,264.85 yuan. After early retirement, retirement remuneration will be paid from the social security fund in a unified manner, and no further contribution will be made to endowment insurance but contribution to medical insurance will continue (not by individuals).

The number of retirees has risen from 6 to 7, and the total amount of medical insurance premiums has risen from 541,902 yuan to 632,219 yuan pursuant to Document XRGO [2002] No.143, which will be contributed to the labor and social security bureau at a time. Winter charcoal allowances have been paid in social security benefits and will not be otherwise paid. 6 employees subject to early retirement and 7 retirees will be resettled and compensated pursuant to Document FDC [2010] No.19.

The amount of resettlement subsidies payable to the 6 employees subject to early retirement and the 7 retirees has been adjusted from 1.177 million yuan to 1.3405 million yuan.

3) The 6 employees aged 45-55 years will work at the Tianhe Sand Yard, which will bear all relevant costs itself.

3.4 Special facilities

3.4.1 Summary of impacts

1) Transport facilities

The Project affects a 1.77km driveway from National Highway 216 to the first branch of the Dahuang Mountain coal mine, which is a two-lane Class III highway managed by the Traffic Bureau of Fukang City, with asphalt pavement. Its pavement is seriously damaged and rugged. This highway is the only access road for the first branch of the Dahuang Mountain coal mine, and should be reconstructed after the completion of the reservoir. See Figure 3-7.

![Figure 3-7](image)

Figure 3-7 Junction of rerouted 1# road of the Baiyang River Reservoir (left), aerial photograph (right)

2) Power transmission and transformation facilities

The Project affects 0.5km of 35kV Ganxi and Baizi lines, and 4km of 10kV Xihe line, managed by the Power Supply Bureau of Fukang City. Both lines are overhead lines with reinforced concrete poles, and steel-reinforced aluminum stranded wires. These lines will be interrupted after the completion of the reservoir, and should be reconstructed. See Figure 3-8.
3.4.2 Compensation rates
BRCMO consulted with the traffic and power bureaus about compensation and restoration under FMG's coordination, and the results are as follows:

(1) Letter of opinions on impacts of the Project on the reconstruction scheme of special roads
The Project affects a 1.77km driveway from National Highway 216 to the first branch of the Dahuang Mountain coal mine, which is a two-lane Class III highway. Its pavement is seriously damaged and rugged. It will be interrupted after the completion of the reservoir, and should be reconstructed.

(2) Letter on impacts of the Project on our restoration and reconstruction scheme for power facilities
The Project affects 0.5km of 35kV Ganxi and Baizi lines, and 4km of 10kV Xihe line. Both lines are overhead lines with reinforced concrete poles, and steel-reinforced aluminum stranded wires. These lines will be interrupted after the completion of the reservoir, and should be reconstructed.

3.4.3 Review of implementation

(1) Traffic facilities
According to the Highway Rerouting Program of the Project prepared by Xinjiang New Era Highway Design Co., Ltd. in March 2009, the reconstruction cost per kilometer is 3,673,107 yuan (28,025 men-days, 1,044t of cement, 2t of steel and 63t of asphalt), and the gross investment in highway reconstruction 10.8724 million yuan.

On August 27, 2009, the Traffic Bureau of Fukang City issued the Letter of opinions on impacts of the Project on the reconstruction scheme of special roads to BRCMO, advising it to restore and reconstruct the driveway from National Highway 216 to the first branch of the Dahuang Mountain coal mine, and approved BRCMO to appoint Xinjiang New Era Highway Design Co., Ltd. to perform restoration design for this highway, as shown in Appendix 6.

In July 2010, the reconstruction work broke ground and was constructed by BRCMO, and the reconstructed highway was put into operation in May 2011.

(2) Power transmission and transformation facilities
According to the Relocation and Reconstruction Program of the Project proposed by the Power Supply Bureau of Fukang City, the investment in the reconstruction of the 10kV power transmission line is 103,880 yuan/km and that in the reconstruction of the 35kV power transmission line 230,000 yuan/km.

On August 27, 2009, the Traffic Bureau of Fukang City issued the Letter on impacts of the Project on our restoration and reconstruction scheme for power facilities to BRCMO, approving the reconstruction scheme for the power facilities affected by the Project, as shown in Appendix 7.

On August 27, 2009, BRCMO agreed with the Power Bureau of Fukang City that the power transmission and transformation facilities were to be reconstructed by the power bureau with subsidies from superior authorities. The reconstruction work broke ground in July 2010 and was completed in September 2010.
3.4.4 Effects of implementation
After the construction of the Project began: 1) The highway has been reconstructed and put into operation; and 2) The affected power transmission and transformation facilities have been restored.

3.5 Total resettlement costs
3.5.1 Resettlement costs
All resettlement costs will be from state appropriations, self-raised funds and domestic bank loans. The resettlement budget of the Project is 9.3503 million yuan, in which compensation fees for state-owned pasture land total 203,200 yuan, accounting for 2.17%; resettlement subsidies for state-owned pasture land total 677,400 yuan, accounting for 7.24%; compensation fees for temporary land occupation total 49,700 yuan, accounting for 0.53%; resettlement subsidies for temporary land occupation total 165,600 yuan, accounting for 1.77%; resettlement subsidies for the Tianhe Hydropower Station total 7.2842 million yuan, accounting for 77.09%; reconstruction costs of power transmission and transformation lines total 292,800 yuan, accounting for 3.13%; and grassland compensation fees total 677,400 yuan, accounting for 7.24%. See Table 3-15.

Table 3-15 Summary of compensation fees for resettlement

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (0,000 yuan)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. State-owned pasture land</td>
<td>88.06</td>
<td>/</td>
</tr>
<tr>
<td>Compensation fees</td>
<td>20.32</td>
<td>2.17</td>
</tr>
<tr>
<td>Resettlement subsidy</td>
<td>67.74</td>
<td>7.24</td>
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<tr>
<td>2. Temporary land occupation</td>
<td>21.53</td>
<td>/</td>
</tr>
<tr>
<td>Compensation fees</td>
<td>4.97</td>
<td>0.53</td>
</tr>
<tr>
<td>Resettlement subsidy</td>
<td>16.56</td>
<td>1.77</td>
</tr>
<tr>
<td>3. Enterprise</td>
<td>728.42</td>
<td>77.90</td>
</tr>
<tr>
<td>Demolition costs</td>
<td>728.42</td>
<td>77.90</td>
</tr>
<tr>
<td>4. Rerouting of power transmission lines</td>
<td>29.28</td>
<td>3.13</td>
</tr>
<tr>
<td>5. Grassland compensation fees</td>
<td>67.74</td>
<td>7.24</td>
</tr>
<tr>
<td>Total</td>
<td>935.03</td>
<td>/</td>
</tr>
</tbody>
</table>

3.5.2 Disbursement procedure
In order that compensation fees are paid fully and timely to the APs pursuant to the applicable policies and rates, a sound disbursement procedure, and a strict financial management and supervision mechanism have been established for the Project. All compensation fees have been fully paid to the APs, and compensation has been completed successfully. See Figure 3-9.
3.6 Evaluation

Through literature review, stakeholder interviews and field investigation, the task force thinks that:

1) The compensation policies and working procedures for state-owned pasture land comply with the resettlement policies of the state, XUAR and Fukang City, and are consistent with the Bank’s policy on involuntary resettlement;

2) Compensation fees were secured, and paid timely and fully to the APs, and the fund disbursement procedure was transparent and effective;

3) The local governments attached great importance to the income restoration of the APs. Except compensation fees, they also worked together with the stockbreeding bureau, agriculture bureau, labor and asocial security bureau, women’s federation and other departments concerns to ensure that income was restored as soon as possible and in a sustainable manner.
4 Implementing Agencies

4.1 Implementing agencies
On February 1, 2009, FMG established the Project Construction Coordination Leading Group, as shown in Appendix 8 and Figure 4-1.

![Organizational chart for resettlement implementation](image)

The responsibilities of the above agencies are as follows:
- **FMG**: leading, organizing and coordinating resettlement activities of the Project Resettlement Office of Fukang City (FRO);
- **FRO**: managing, supervising and inspecting resettlement implementation
- **BRCMO**: appointing an agency to prepare the resettlement plan outline and resettlement plan, disbursing and managing funds, conducting resettlement survey and implementation, and socioeconomic survey, negotiating and entering into agreements with the APs on behalf of the displacer, and disbursing compensation fees
- **Land and Resources Bureau of Fukang City**: managing and allocating state-owned land for the Project
- **Traffic Bureau of Fukang City**: managing and maintaining affected roads
- **Water Resources Bureau of Fukang City**: responsible for project declaration, approval and subsequent management
- **Stockbreeding Bureau of Fukang City**: handling matters related to pasture land compensation and compensation fees disbursement based on the progress of the Project
- **XWRHSDRI**: preparing the resettlement plan outline and resettlement plan
- **Shanghugou Xiang and Ziniquanzi Town Governments**: supplying township-level data, and coordinating with the APs in resettlement and compensation
4.2 Working procedure

(1) Occupation of state-owned land

1) On September 14, 2009, the Land and Resources Department of XUAR issued the Opinion on the Pre-examination of Construction Land of the Project (XLRPE [2009] No.54), as shown in Appendix 9.

2) On September 15, 2009, the Land and Resources Bureau of Changji Prefecture submitted the Preliminary Opinion on the Pre-examination of Construction Land of the Project (JPLRB [2009] No.54) to the Land and Resources Department of XUAR.

3) On April 1, 2009, the Grassland Supervision Station of Fukang City provided the Notes on Ratings of Pature Land Acquired or Occupied for the Project, rating pasture land in the project area as Class II, Grade 4, as shown in Appendix 10.

4) On May 22, 2009, the Water Resources Bureau of Fukang City received the Reply on the Master Resettlement Plan of the Project (FMG [2009] No.113) from FMG, as shown in Appendix 11.

5) On October 28, 2010, the Land and Resources Department of XUAR issued the Reply on land use for the Project (XLRPE [2010] No.900), as shown in Appendix 12.

6) On March 25, 2011, BRCMO received the Letter of approval of construction land for the Project, as shown in Appendix 13.

7) On March 29, 2011, BRCMO received the Planning Permit of the Project, as shown in Appendix 14.

(2) Affected enterprise

1) On April 15, 2009, FMG discussed the compensation program for the Tianhe Hydropower Station with its shareholders, and the members of the Project Construction Coordination Leading Group were present.

2) On April 22, 2009, FMG issued the Notes on the Demolition Scheme of the Baiyang River Hydropower Station, as shown in Appendix 15.

3) On September 1, 2010, BRCMO entered into the Compensation Agreement for Demolition of the Tianhe Hydropower Station, with a compensation amount of 5.01 million yuan, as shown in Appendix 16.

4) On October 31, 2010, the Tianhe Hydropower Station entered into the Agreement for the Certification of Termination of Labor Relations with the APs, as shown in Appendix 17.

5) On March 28, 2011, the Fukang Municipal CPC Committee and other departments concerned discussed the resettlement and remuneration of the affected employees of the Tianhe Hydropower Station with its representatives.

6) On June 18, 2011, the Water Resources Bureau of Fukang City and BRCMO organized a survey team to survey the satisfaction of the 30 employees of the Tianhe Hydropower Station with resettlement and compensation. See Appendix 18 for the survey form.

(3) Special facilities

1) Transport facilities

On August 27, 2009, the Traffic Bureau of Fukang City issued the Letter of opinions on impacts of the Project on the reconstruction scheme of special roads to BRCMO, advising it to restore and reconstruct the driveway from National Highway 216 to the first branch of the Dahuang Mountain coal mine, and approved BRCMO to appoint Xinjiang New Era Highway Design Co., Ltd. to perform restoration design for this highway.

2) Power transmission and transformation facilities

On August 27, 2009, the Traffic Bureau of Fukang City issued the Letter on impacts of the Project on our restoration and reconstruction scheme for power facilities to BRCMO, approving the reconstruction scheme for the power facilities affected by the Project.
4.3 Capacity of implementing agencies

The Project Construction Coordination Leading Group is composed of backbone staff members from the municipal water resources bureau, FRO, municipal land and resources bureau, stockbreeding bureau, and other departments concerned. BRCMO are responsible for the resettlement work of the Project together with the Shanghugou Xiang and Ziniquanzi Town Governments. BRCMO has a fixed office, necessary office equipment, and sufficient resettlement implementation funds, and has full-time staff responsible for resettlement implementation. See Table 4-1.

Table 4-1 Resettlement implementing agencies and staffing

<table>
<thead>
<tr>
<th>Resettlement agency</th>
<th>Routine workforce</th>
<th>Peak workforce</th>
<th>Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMG</td>
<td>4</td>
<td>7</td>
<td>Civil servants</td>
</tr>
<tr>
<td>BRCMO</td>
<td>4</td>
<td>6</td>
<td>Civil servants</td>
</tr>
<tr>
<td>Water Resources Bureau of Fukang City</td>
<td>3</td>
<td>6</td>
<td>Civil servants</td>
</tr>
<tr>
<td>Land and Resources Bureau of Fukang City</td>
<td>3</td>
<td>7</td>
<td>Civil servants</td>
</tr>
<tr>
<td>Stockbreeding Bureau of Fukang City</td>
<td>5</td>
<td>8</td>
<td>Civil servants</td>
</tr>
<tr>
<td>FRO</td>
<td>3</td>
<td>10</td>
<td>Civil servants</td>
</tr>
<tr>
<td>Shanghugou Xiang Government</td>
<td>5</td>
<td>9</td>
<td>Civil servants</td>
</tr>
<tr>
<td>Ziniquanzi Town Government</td>
<td>5</td>
<td>10</td>
<td>Civil servants</td>
</tr>
<tr>
<td>XWRHSDRI</td>
<td>7</td>
<td>9</td>
<td>Engineers</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>72</td>
<td></td>
</tr>
</tbody>
</table>

4.4 Evaluation

During resettlement implementation: 1) The members of the leading group are from government departments, and can play a good organizing and coordinating role in resettlement; 2) BRCMO is responsible for developing the Resettlement Plan and resettlement implementation, and has full-time staff; 3) The resettlement agencies are provided with well-trained, knowledgeable and experienced staff, and are able to carry through the resettlement policies of the PRC, XUAR and Fukang City, and perform their duties properly.
5 Resettlement Satisfaction Survey

5.1 Satisfaction survey

In June 2012, with the assistance of the BRCMO staff, the task force conducted a door-to-door questionnaire survey on APs of different ages and genders. 35 copies of the questionnaire were distributed and 35 valid copies recovered. The purpose is to learn the socioeconomic effects of compensation and resettlement, and the APs’ satisfaction with the resettlement process and its results.

35 samples were taken in this survey, including 21 males, accounting for 60%, and 14 females, accounting for 40%. By age, young people account for 31.43%, middle-aged people 57.14% and old people 11.43%. By educational level, those illiterate or semiliterate account for 8.57%, those having received primary school education 74.29%, those having received high school education 14.29%, and those having received junior college or above education 2.86%.

During compensation and resettlement, 80% and 11.43% of the respondents received information on resettlement from village meetings and village officials respectively. The respondents are largely satisfied with the resettlement policies, in which 80% are very satisfied. 17.14% of the respondents are very satisfied with their present lives and 68.75% are somewhat satisfied.

34.29% of the respondents say their income is higher than before, 62.86% say their income is almost the same as before, and only one says that his income has dropped. The task force has found that this respondent’s income is affected by his inability to work due to illness. See Table 5-1.
<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Options</th>
<th># of respondents</th>
<th>Results</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>How old are you?</td>
<td>①Young; ②Middle-aged; ③Elderly</td>
<td>11 31.43</td>
<td>20 57.14</td>
<td>4 11.43</td>
</tr>
<tr>
<td>2</td>
<td>How many members are there in your family?</td>
<td>①x≥3; ②3&lt;x≤5; ③x&gt;5</td>
<td>2 5.71</td>
<td>3 8.57</td>
<td>30 85.71</td>
</tr>
<tr>
<td>3</td>
<td>What’s your educational level?</td>
<td>①Illiterate or semiliterate; ②Primary school; ③High school; ④Junior college or above</td>
<td>3 8.57</td>
<td>26 74.29</td>
<td>5 14.29</td>
</tr>
<tr>
<td>4</td>
<td>By what means did you know about the Project?</td>
<td>①Newspaper, broadcast or TV; ②Village meeting; ③Village official; ④Others; ⑤Don’t know</td>
<td>2 5.71</td>
<td>28 80.00</td>
<td>4 11.43</td>
</tr>
<tr>
<td>5</td>
<td>Are you satisfied with the DMS results?</td>
<td>①Very satisfied; ②Somewhat satisfied; ③Neither, nor; ④Dissatisfied; ⑤Very dissatisfied</td>
<td>25 71.43</td>
<td>9 25.71</td>
<td>1 2.86</td>
</tr>
<tr>
<td>6</td>
<td>Are you aware of the compensation policies for land occupation?</td>
<td>①Yes; ②Know somewhat; ③Don’t know</td>
<td>29 82.86</td>
<td>4 11.43</td>
<td>2 5.71</td>
</tr>
<tr>
<td>7</td>
<td>Are you satisfied with these policies?</td>
<td>①Very satisfied; ②Somewhat satisfied; ③Neither, nor; ④Dissatisfied; ⑤Very dissatisfied</td>
<td>28 80.00</td>
<td>5 14.29</td>
<td>2 5.71</td>
</tr>
<tr>
<td>8</td>
<td>Are you satisfied with resettlement?</td>
<td>①Very satisfied; ②Somewhat satisfied; ③Neither, nor; ④Dissatisfied; ⑤Very dissatisfied</td>
<td>30 85.71</td>
<td>4 11.43</td>
<td>1 2.86</td>
</tr>
<tr>
<td>9</td>
<td>Which social services did you receive during resettlement?</td>
<td>①Skills training; ②Infrastructure improvement; ③Other; ④None</td>
<td>17 48.57</td>
<td>2 5.71</td>
<td>10 28.57</td>
</tr>
<tr>
<td>10</td>
<td>Was any of your lawful rights infringed on?</td>
<td>①Yes; ②Don’t know; ③No</td>
<td>0 0</td>
<td>10 28.57</td>
<td>25 71.43</td>
</tr>
<tr>
<td>11</td>
<td>By what means did you express personal opinions during resettlement?</td>
<td>①Don’t know; ②Village officials directly or indirectly; ③Government above the village level directly or indirectly; ④Mass media; ⑤Project owner</td>
<td>2 5.71</td>
<td>31 88.57</td>
<td>2 5.71</td>
</tr>
<tr>
<td>12</td>
<td>What about your employment as compared to before?</td>
<td>①Better; ②Almost the same; ③Worse</td>
<td>1 2.86</td>
<td>33 94.29</td>
<td>1 2.86</td>
</tr>
<tr>
<td>13</td>
<td>What about your income as compared to before?</td>
<td>①Better; ②Almost the same; ③Worse</td>
<td>12 34.29</td>
<td>22 62.86</td>
<td>1 2.86</td>
</tr>
<tr>
<td>14</td>
<td>Are you satisfied with your present life?</td>
<td>①Very satisfied; ②Somewhat satisfied; ③Neither, nor; ④Dissatisfied; ⑤Very dissatisfied</td>
<td>6 17.14</td>
<td>24 68.57</td>
<td>2 5.71</td>
</tr>
</tbody>
</table>

Units: N (person), percent (%)
5.2 Interviews

During June 1-20, 2012, the task force conducted interviews and FGDs with representatives of different stakeholders of the Project with the assistance of the PMO, involving government officials, staff of the project owner and PMO, head of the affected enterprise, persons responsible for resettlement, and APs. See Appendix 19 and Figure 5-1.

The interview records are as follows:

**Interview 1: Chen Liang, Section Chief, BRCMO**

The municipal leadership has attached great importance to and all circles of society have been concerned about the Project since its preparation in 2009. In order to facilitate resettlement, FMG has established a leading group and organized backbone staff to work with it. Land approval, and the implementation of the Resettlement Plan, compensation policies and rates were conducted in strict conformity with the relevant procedures. Since the commencement of construction in 2010, we have communicated with the Shanghugou Xiang and Ziniquanzi Town Governments on the occupation of state-owned pasture land, and they have paid a lot of effort and assigned teams to communicate the policies and benefits of the Project household by household. 3,054.5 mu of natural spring-autumn pasture land in two villages of two townships will be occupied, in which 2,454.5 mu of state-owned pasture land will be occupied permanently and 600 mu occupied temporarily. As of October 15, 2010, resettlement subsidies for grassland totaling 200,000 yuan had been paid to the APs.

**Interview 2: Xu Mei, Deputy Head of Shanghugou Xiang**

The Project will fuel our Xiang’s economic development, and the Xiang government is very interested in the Project. In order to cooperate with BRCMO, we have set up a working team for communication on resettlement. At the construction stage in 2010, we were required to support pasture land occupation, and our colleagues responsible for resettlement communicated the policies effectively by means of meeting, FGD and door-to-door communication, so that the APs signed agreements and received compensation happily. Through the joint effort of Xiang and village officials, the APs in our Xiang have received resettlement subsidies for grassland fully and are very pleased.

**Interview 3: Zhang Hua, employee of the Baiyang River secondary hydropower station**

I’ve worked here for over 10 years. I think the Project is good, all resettlement and compensation activities were conducted properly, and the measure for our employment is satisfactory. After resettlement, our income is much higher than before. I’m now working at BRCMO and paid 2,000 yuan per month. We support the Project strongly and have no objection to it. We can report any complaint directly to the officials in charge, but no one has filed any complaint to date. Except the change in employment, family life is almost the same as before.

**Interview 4: Junishan, herdsman, Shanghugou Xiang**

When the Project was constructed in 2010, part of my family's spring-autumn pasture was to be occupied. I think it is good to build a reservoir here, because this area is badly short of water. At the beginning, village and Xiang officials communicated policies and benefits in my home. They worked very hard and sometimes went away without drinking a cup of tea. Since we have a lot of pasture land and little land is occupied, we don’t have to worry about future livelihoods. The DMS was implemented perfectly and satisfactorily. The compensation for occupied pasture land was reasonable, so I signed the agreement without hesitation. My family (8 members) received over 10,000 in total, which was enough to buy several heads of sheep to expand my family’s stockbreeding and earn more money. Some herdsmen have
settled very well over there, I wonder if my family should go with them. Anyway, our future lives will be better and better.

**Interview 5: Shahati, herdsman, Zinquanzu Town**

I was told by the head of our group that FMG planned to construct the Project in 2009. After knowing that, I was very glad, because we had waited for it for a long time. In May 2010, the construction agency proposed to occupy part of my family’s spring-autumn pasture. I know that according to the Grassland Law, pasture land is owned by the state. I supported the Project, like the others of our group. I agreed with the compensation program proposed by the town government, and I was satisfied with the DMS. My family received 12,000 yuan in compensation, which was enough to buy 6 calves to earn more money.

![Figure 5-1 Spots of interview](image-url)

### 5.3 Evaluation

The task force finds that most of the interviewed APs are satisfied with the DMS and the resettlement mode; most of the AHs think that their lawful rights and interests have not been infringed on; the 3 affected villages have a large area of pasture land, and land occupation will affect local herdsmen slightly; the APs are very optimistic about the future development of themselves, their families and the pastoral area.
6 Public Participation and Grievance Redress

6.1 Public participation

According to the policies and regulations of the state, XUAR and Fukang City on resettlement, in order to protect the lawful rights and interests of the APs and the affected entity, reduce grievances and disputes, and implement policies and detailed rules for resettlement effectively, great attention was paid to public participation and consultation at the development and implementation stages of the resettlement policies of the Project.

At the preparation stage and during the feasibility study, the PMO solicited comments and suggestions on the Project and resettlement from the APs and local residents many times.

From March 30 to April 15, 2009, FMG conducted a DMS and a socioeconomic survey together with BRCMO, the Shanghugou Xian Government and departments concerned to learn the land types, houses and ground attachments in the project area. All APs were involved in the surveys, and gave comments on compensation and resettlement, which were incorporated into the project design and the Resettlement Plan.

On June 1, 2010, the resettlement team and staff of BRCMO entered the site. Their working hours were 9:30 to 20:00, during which they accepted inquiries from APs.

On November 26, 2010, the announcement on resettlement of the employees of Fukang Tianhe Hydropower Co., Ltd. was published on Jichang Daily, as shown in Figure 6-1.

Figure 6-1 Announcement on resettlement of employees of Fukang Tianhe Hydropower Co., Ltd.

On October 20, 2011, the Water Resources Bureau of Fukang City and BRCMO organized a survey team to survey the satisfaction of the 30 employees of the Tianhe Hydropower Station with resettlement and compensation, and it was found that these employees were highly satisfied.

In June 2012, with the assistance of BRCMO, the task force interviewed FRO, the land and resources bureau, labor and social security bureau, bureau for letters and visits, and Shanghugou Xiang Government to learn the policies and agencies of the Project, and compensation and resettlement information, and held FGDs with AHs.

6.2 Grievance redress

During resettlement implementation, a sound grievance redress mechanism is in place,
including village committees, township and municipal land and resources bureaus, bureaus for letters and visits, courts, etc. The appeal handling process is as follows:

- **Stage 1:** If any AP is dissatisfied with the Resettlement Plan, he/she may file an oral or written appeal to the village committee. In case of an oral appeal, the village committee shall handle such appeal and keep written records. Such appeal should be solved within 2 weeks.
- **Stage 2:** If the AP is dissatisfied with the disposition of Stage 1, he/she may file an oral or written appeal to the township government after receiving such disposition. In case of an oral appeal, the township government shall handle such appeal and keep written records. Such appeal should be solved within 2 weeks.
- **Stage 3:** If the AP is still dissatisfied with the disposition of Stage 2, he/she may file an appeal to the municipal land and resources bureau, bureau for letters and calls or FRO; the land and resources bureau shall make a disposition within 2 weeks; the bureau for letters and calls or FRO shall make a disposition within one week or forward it to the land and resources bureau.
- **Stage 4:** If the AP is still dissatisfied with the disposition of the land and resources bureau, he/she may file a suit in a civil court in accordance with the Civil Procedure Law of the PRC after receiving such disposition.

The APs may file an appeal about any aspect of resettlement, including the DMS, compensation rates, resettlement program, etc. The above appeal channel will be notified to APs at a meeting or otherwise, so that APs are fully aware of their right of appeal. Mass media will be utilized for publicity, and opinions and advice about resettlement will be compiled into messages for study and disposition by the resettlement agencies. The appeal handling hotline is 0994-3222425.

In practice, the compensation rates of the Project complied with the applicable policies and regulations, compensation fees were paid fully, and the APs were highly satisfied, so there was no record of grievance or appeal; some minor mistakes, such as error or omission in the DMS, could be corrected at the village level immediately, and would not result in any significant grievance.

### 6.3 Evaluation

By the time when the task force left the work site, the appeal handling agency had not received any complaint; during the whole resettlement process, no lawsuit arising from resettlement occurred. The task force thinks that the public participation and grievance redress mechanisms of the Project played a good role during resettlement.
7 Conclusions and Suggestions

7.1 Conclusions

The overall resettlement work of the Project was successful, and the land approval procedures were lawful, the resettlement plan outline and Resettlement Plan were prepared and approved lawfully, the compensation rates and resettlement programs complied with the state and Bank policies on resettlement, compensation fees for the APs were paid timely and fully, the affected enterprise employees were resettled properly, the affected special facilities were well restored, the public participation and grievance redress mechanisms functioned as desired, and the APs were satisfied. The resettlement work of the Project complies with the state laws, regulations and policies on resettlement, as well as the Bank’s policy on involuntary resettlement.

1) The land use approval procedures are lawful.

According to the Land Administration Law of the PRC, any organization or individual must apply for the use of state-owned land in order to use land for construction purposes. The land approval and temporary land occupation application procedures of the Project comply with the regulations of XUAR and Fukang City on the occupation of state-owned land; the resettlement plan outline and Resettlement Plan were approved according to laws and regulations on domestic large and medium water resources and hydropower projects.

2) The compensation policies and rates are normative.

The basic goal of the resettlement policies of the Project is to ensure that the income of the APs is restored or improved. During resettlement implementation, the applicable policies, compensation rates and resettlement programs were complied strictly with. The resettlement policies of the Project comply with the state laws, regulations and policies on resettlement, as well as the Bank’s policy on involuntary resettlement.

3) The resettlement implementing agencies are efficient.

The resettlement agencies are provided with well-trained, knowledgeable and experienced staff, and are able to carry through the resettlement policies of the PRC, XUAR and Fukang City, and perform their duties properly.

4) The APs are highly satisfied.

Compensation fees for the occupation of state-owned pasture land were fully and timely paid, and resettlement was effective and satisfactory to the APs; the affected enterprise employees were resettled effectively and satisfactorily; the affected special facilities were restored to original sizes, standards or functions.

5) Public participation and grievance redress has played a good role.

During resettlement, the resettlement implementing agencies attached great importance to public participation and consultation. The appeal handling channel was transparent and effective, and there has been no leftover issue.

7.2 Suggestions

1) Grassland compensation fees should be paid as soon as possible.

According to the Notice on Charging Rates Related to Grassland Supervision (XJFZ [1999] No.3), any enterprise that acquires (is allocated) or reclaims (develops) grassland shall pay grassland compensation fees to the grassland supervision agency at or above the county level. The compensation rate for grassland is 4 times the base compensation rate for acquired (allocated) or reclaimed (developed), namely 69×4=276 yuan/mu.

Grassland compensation fees totaling 677,400 yuan will be paid by BRCMO to the Stockbreeding Bureau of Fukang City by September 15, 2012.
2) Income restoration measures

Income restoration measures dominated by local governments are being implemented, and the APs’ income is being restored. It is advised to implement livelihood restoration measures more practically, and include them in the scope of monitoring.

3) Monitoring and evaluation

An agency experienced in Bank-financed projects was appointed to conduct the baseline survey, monitor resettlement implementation by the resettlement implementing agencies and the effectiveness of income restoration, and report difficulties and issues arising from resettlement implementation, fund disbursement and income restoration timely. At least one monitoring and evaluation report (Chinese and English) will be prepared, and submitted to the Bank by the time required by the Bank.
Appendixes

Appendix 1 Roster of herdsmen receiving compensation fees for occupation of state-owned pasture land

Appendix 2 Notice on the 2011 financial budget for the XUAR land development and rehabilitation project
Appendix 3 Reply on the construction design of the 2012 accessibility project of Fukang City

Appendix 4 Roster of recipients of compensation fees for temporary land occupation
Appendix 5 Minutes of resettlement meeting of the Tianhe Hydropower Station

Appendix 6 Letter of opinions on impacts of the Project on the reconstruction scheme of special roads
Appendix 7 Letter on impacts of the Project on our restoration and reconstruction scheme for power facilities

Appendix 8 Notice on the Establishment of the Project Construction Coordination Leading Group
Appendix 9 Review Opinion of the Water Resources Dept. of XUAR on the Proposal of the Project

Appendix 10 Notes on Ratings of Pature Land Acquired or Occupied for the Project provided by the Grassland Supervision Station of Fukang City
Appendix 11 Reply of FMG on the Master Resettlement Plan of the Project

Appendix 12 Reply on land use for the Project
Appendix 13 Letter of approval of construction land for the Project

Appendix 14 Planning Permit of the Project
Appendix 15 Notes of FMG on the Demolition Scheme of the Baiyang River Hydropower Station

Appendix 16 Compensation Agreement for Demolition of the Tianhe Hydropower Station
Appendix 17 Certificate of Termination of Labor Relations of the Baiyang River Hydropower Station

Appendix 18 Satisfaction Survey Form of Employees of the Baiyang River Hydropower Station (Sample)
### Appendix 19 Summary of FGDs and Door-to-door Interviews

<table>
<thead>
<tr>
<th>No.</th>
<th>Time</th>
<th>Location</th>
<th>Participant agencies</th>
<th>Scope of work</th>
<th># of participants</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jun. 5, 2012</td>
<td>BRCMO</td>
<td>FIADO, FRO, Water Resources Bureau of Fukang City, BRCMO</td>
<td>Satisfaction survey of resettled employees of the Tianhe hydropower station</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Jun. 7, 2012</td>
<td>Urban area of Fukang City</td>
<td>FIADO, FRO, Water Resources Bureau of Fukang City, BRCMO</td>
<td>Satisfaction survey of resettled employees of the Tianhe hydropower station</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Jun. 13, 2012</td>
<td>Shanghugou Xiang</td>
<td>FIADO, FRO, Stockbreeding Bureau of Fukang City, Shanghugou Xiang Government</td>
<td>Satisfaction survey of compensation for pasture land occupied by the Project</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Jun. 15, 2012</td>
<td>Shanghugou Xiang</td>
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<td>Satisfaction survey of compensation for pasture land occupied by the Project</td>
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<td>Preparation for on-site survey</td>
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<td>Coordination &amp; summary</td>
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