World Bank Financed
China Shaanxi Yan’an Water Supply Project

Resettlement Action Plan

Shaanxi Province Yan’an World Bank Project Management Office

Nov 20, 2011
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Commitment Letter

Shaanxi Yan'an World Bank Project Management Office applies for loan from the World Bank for the Yan'an Water Supply Project (hereafter referred to as the Project). The implementation of the project must meet the requirements of WB's social safeguards policy. The plan is a key requirement of WB and is the basis of land acquisition, housing demolition and relocation of the project. The plan complies with the laws and regulations published by the Chinese government, Shaanxi Province, and Yan'an municipality. In order to better implement the resettlement issue, the plan also includes some measures for implementation and monitoring, as required by WB.

Yan'an Water Supply Project Office hereby confirms the contents of the RAP and promises that land acquisition, housing demolition, resettlement, compensation, and budget plan will be carried out in accordance with this report. The resettlement plan is made based on the data of feasibility study report and the primary socioeconomic survey data. If the actual construction contents are inconsistent with those in the feasibility study report and such inconsistency causes impacts to the RAP, this report will be updated and submitted to WB for approval before implementation.

Director of Yan'an World Bank Project Management Office

__________________ (signature)

__________________ (date)
Executive Summary

A. Background

Yan’an is a city with insufficient water resources. The water resources per capita is only 463 m³, which is 35% of that of the provincial level and 21% that of the state level. In recent years, with the quick economic development and the improvement of urbanization, the lack of water hinders the socioeconomic development of Yan’an seriously. To meet the water supply and to guarantee the sustainable socioeconomic development, the Government of Yan’an City plans to implement the water supply project, which consists of two subprojects: the first is Yan’an Water Supply Project supported by the WB’s loan (Gaojiawan Water Supply Plant----Dongchuan Water Supply Plant), the second is a related project (the intake from the Yellow River--- Gaojiawan Water Supply Plant). The estimated static investment of the project is 1,032.6769 million yuan, and the total investment is 1,098.39 million yuan, including WB’s loan interest 23 million yuan, front-end fees 0.9721 million yuan, and domestic banks’ loan interest 41.74 million yuan. The estimated implementation period is 38 months. The project area is located in Baota District and Yanchuan County of Yan’an City. The implementation of the project will offer stable water supply for the above area and solve the medium-term and long-term water supply for Yan’an City.

B. Project Impacts

According to the project feasibility report and the field investigation, 9 villages, or 810 villagers in 176 households will be affected by land acquisition. 70 villagers in 12 households will be affected by housing demolition. The project will affect 2,126.45 mu land, among which 414.65 mu land will be permanently acquired, accounting for 11.94% of the total land of the nine affected villages. The buildings involved cover an area of 2,130 m², including residents’ housings of 1,680 m². The attachments on ground include 35,747 trees and young crops of 1,964.16 mu.

C. Policy and Legal Framework

To protect relocated people's legal rights and to ensure resettlement quality are the basic principles shared by the Chinese laws and WB's resettlement policy. In accordance with legal regulations for land acquisition and relocation published by the national and local governments and the guiding principles of WB resettlement, , the Project shall be implemented in a way that it will improve, or at least not low down the production conditions and living standards of the affected people. In doing so, the project will abide by the following laws and regulations, Decision on Furthering Reform of Land Management published by the State Council (Guofa [2004] No. 28), Notice on Completing Compensation and Relocation System of Land Acquisition published by the Ministry of Land Resources of the People's Republic of China (Nov. 3, 2004, Guotuzifa [2004] No. 238), and Notice on Land Prices Based on Unified Annual Production Output and Location of Land Areas published by Yan’an municipal government [No. 228 Yanzhengbanfa (2010)].

D. Cost estimates for Land Acquisition Fees

The total costs of the land acquisition, housing demolition and resident resettlement
compensation are RMB 83.9965 million yuan, of which the basic cost being RMB 54.8745 million yuan. The cost of land acquisition is RMB 20.452 million yuan, and the contingency cost and other cost are RMB 8.67 million yuan. Land acquisition, relocation compensation fees shall be paid to the village committee and affected individuals by the /County/District Project Management Office through banks by the implementation agency.

E. Arrangement of relocation

The project plans to begin in January 2013. In order to better relocate the affected persons and units, all the land acquisition and relocation should be finished before project begins.

F. Institutional arrangements

The executing agency for resettlement work is Yan’an World Bank Project Management Office, which is in charge of organizing, applying for WB's loan, coordinating in relocation, monitoring and inspecting the payment and usage of the fees for land acquisition and resettlement. Yan’an Water Resources Investment Co. Ltd. is the implementing agency of resettlement work. The affected county/district will have its own office in assisting the land acquisition and resettlement work.

G. Public Participation

As a vital social activity for land acquisition, resettlement and compensation, information and consultation should be well-prepared with the aim to make every affected individual acquainted with the significance, processes, appropriation, compensation issues and way of making complaints and addressing problems arising from construction. The draft RAP of the project was finished in July 2011, and was then printed and distributed to affected county/district project management office. At the same time, information handbook (draft version) about policies and compensation rate was distributed to all the affected villagers through publicity. In all the stages of the relocation, information disclosure will be held in order that all the villagers can know the procedure of the project, understand and support the construction of the project. Besides efficient information and consultation, people’s governments at all levels and representatives of affected individuals will be invited to take part in the Project implementation so that they are well informed about the whole process, including land survey and design, project implementation, selection of the new location sites, construction of new houses, redistribution of land, work plan for compensation fees, allocation of people, investigation, coordination and monitoring of complaints. At the same time, various PMOs and village committees should set up an office for inquiries from the public with regard to project objectives, scope, land acquisition and resettlement policies, compensation rate, payment method, executive agency and implementation plan. RAP

H. Monitoring and Evaluation

In order to guarantee the smooth process of the land acquisition, housing demolition and resident resettlement compensation, we adopt two kinds of supervision: an internal supervision system set up by the government (the city, county/district project management office) to monitor according to RAP terms. Separately, sociology experts will form an external monitoring agency to supervise and assess the resettlement through surveys.
Figure 1 Location of Yan’an Water Supply Project
1. Project description

1.1 Project background

1 Yan’an City of Shaanxi Province is an area lack of water. The water resources per capita is only 463 m$^3$, which is 35% of that of the province and 21% of that of China. Yan’an City is an area seriously lack of water in Shaanxi Province. Recent years, with the quick economic development and the improvement of urbanization, the lack of water hinders the socioeconomic development of Yan’an seriously. To meet the water supply and to guarantee the sustainable socioeconomic development, the Government of Yan’an City plans to implement the water supply project, which consists of two subprojects: the first is Yan’an Water Supply Project supported by the WB’s loan (Gaojiawan Fourth Pumping Station ----Dongchuan Water Supply Plant), the second is a related project (the intake from the Yellow River--- Gaojiawan Fourth Pumping Station). The project area is located in Baota District and Yanchuan County of Yan’an City. The implementation of the project will offer stable water supply for the above area and solve the medium-term and long-term water supply for Yan’an City.

1.2 Project introduction

1.2.1 Contents of the project (see Figure 2)

2 Yan’an City Water Diversion from the Yellow River Project is located in Baota District and Yanchuan County, and is a Class III, medium-size water supply project, which consists of two subprojects: the first is Yan’an Water Supply Project supported by the WB’s loan (Gaojiawan Fourth Pumping Station ----Dongchuan Water Supply Plant), the second is a related project (the intake from the Yellow River--- Gaojiawan Fourth Pumping Station). The construction of the project consists of nine parts: water intake junction, pumping station, water pipe (channel), desilting system, reservoir, water treatment plant, water distribution plant, engineering system and information system. The length of channel and tunnel of the project is about 82.98 km.

3 The project will intake water from Wangjiaqu Village, Yanshuiguan Town of Yanchuan County, and after desilting, flow to Gaojiawan Fourth Pumping Station in the south part of Yanchuan County through Zhaojiahe Village of Chengguan Town from east to west and then through 11.34km-long Yangjiashan Tunnel. The line is 19.20km. Two waterlines will be built. One is to Yanchun County. The other is to Dongchuan Water Plant through Gaojiawan Water Plant, Caojiayuan, Wen’anyi Town, and Yaodian Town. This line is 63.78km. The quality of the water in the intake has been tested to meet the requirement of potable water, and the quantity of the water is sufficient.

1.2.2 Project funds and implementing schedule

4 The estimated fixed investment of the project is 805.7 million yuan, and the total investment is 854.6 million yuan, including loan interests of 48.02 million yuan. The implementation period is 5 years, including:
   The project feasibility research : 10 months, June---March 2012.
   The first draft design : 7 months, December 2011---June 2012. 014.
   The draft design : 8 months, July 2012---February 2013. ction site.
   The bidding : 16 months, September 2012---December 2013.
   The construction : 38 months, January 2013---February 2016.
1.2.3 Land acquisition status for this project (see Table 1)

A. Impact of land acquisition
### Data of Yan’an Water Supply Project

<p>| relatedsection: intake site of the Yellow River——Gaojiawan Fourth Pumping Station |
| --- | --- |
| <strong>name</strong> | <strong>design scale</strong> | <strong>affected village</strong> | <strong>permanently acquired land (mu)</strong> | <strong>temporarily occupied land (mu)</strong> | <strong>affected persons from land acquisition</strong> | <strong>demolished housing</strong> | <strong>affected persons from housing dismantling/Information about special devices and structures</strong> |
| water intake center | water draw rate 2.83m³/s | Yanshuiguan | 46 | 0 | 124/27 | brick and concrete (㎡): 140 | 5 persons/1 household |
| Wangjiaqu water intaking center—Gaojiawan Fourth Pumping Station (first, second, third pumping station) | first station 2.83m³/s second station 48m³/s third station 2.46m³/s | Fengjiaya Yanshuiguan Zhangjiache | 0 | 0 | 150/33 | brick and concrete (㎡): 150 brick and wood (㎡): 60 |
| water pipe project | the Yellow River ~ second station: 2.83m³/s second station ~ Gaojiawan Fourth Station: 2.48 m³/s | Fengjiaya Yanshuiguan Baishuga Gaojiawan Zhangjiache | 0 | 288 (19.2km) | | |
| silt | Baishuga | 40 | 0 | 82/18 | |
| reservoir (Baishugua Reservoir) | 8.524 million m³ | Baishuga | 150.29 | 0 | 99/21 | stone cave-house (㎡ /each): 1110/37 earth cave-house (㎡ /each): 220/8 |
| total | 5 | 271.29 | 288 (1680㎡) | 455/99 | brick and concrete (㎡): 290 brick and wood (㎡): 60 stone cave-house (㎡) |</p>
<table>
<thead>
<tr>
<th>Name</th>
<th>design scale</th>
<th>affected vilage</th>
<th>permanently acquired land (mu)</th>
<th>temporarily occupied land (mu)</th>
<th>affected persons/HHs</th>
<th>demolished housing</th>
<th>affected persons/HHs</th>
<th>special facilities and affiliated facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaojiawan Fourth Pumping Station</td>
<td>0.48m³/s</td>
<td>Gaojiageda</td>
<td>8.6</td>
<td>0</td>
<td>29/6</td>
<td>120/4</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Gaojiawan Fourth Pumping Station —</td>
<td>0.62m³/s</td>
<td>Gaojiageda</td>
<td>0</td>
<td>1423.8</td>
<td>0</td>
<td>240/8</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Dongchuan Water Plant — water pipe</td>
<td>0.62m³/s</td>
<td>Gaojiageda</td>
<td>0</td>
<td>1423.8</td>
<td>0</td>
<td>240/8</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>pressure station</td>
<td>0.62m³/s</td>
<td>Gaojiageda</td>
<td>0</td>
<td>1423.8</td>
<td>0</td>
<td>240/8</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Dongchuan Water Plant</td>
<td>50 thousand m³/d</td>
<td>Xuejiagou</td>
<td>25</td>
<td>0</td>
<td>91/21</td>
<td>60/2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>kajiagou Reservoir</td>
<td>2.889 million m³</td>
<td>Kangjiagou</td>
<td>92.66</td>
<td>0</td>
<td>151/32</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>143.36</td>
<td>1423.8</td>
<td>355/77</td>
<td>450/15</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

| Total | 9 | 414.65 | 1711.8 | 810/176 | brick and concrete (㎡): 290 | brick and wood (㎡): 60 | stone cave-house (㎡/each): 1660/52 | earth cave-house (㎡/each): 220/8 | 1072.8 |

**WB’s loan project: Gaojiawan Fourth Pumping Station——Dongchuan Water Plant**
A. Impact of Land Acquisition
According to the project feasibility report and the field investigation, 2126.45 mu land will be acquired, among which 414.65 mu land is permanently acquired, and 1711.8 mu land is temporarily acquired.

B. Impact of housing demolition

6 2230 m² housing will be demolished, among which 290 m² is brick and concrete building, 60 m² is brick and wood, 1660 m² is 52 stone cave-houses and 220 m² is 8 earth cave-houses.

C. Impact of relocated persons

7 9 villages are affected by land acquisition, housing demolition and relocation. 810 persons of 176 households are affected by land acquisition. 70 villagers of 12 households are affected by housing demolition, among which 66 persons of 11 households are affected both by land acquisition and housing demolition.

The details of the impact is in 2.2.

1.3 Social affect and mitigation measures

1.2.3 Project affect
The implementation of Yan’an Water Supply Project will benefit the socioeconomic development, supply stable water source for the people in Baota District and Yanchuan County, and solve the medium-term and long-term water supply for Yan’an City. However, the construction will acquire some land and demolish some buildings, which affect the production and life of the local people. Meanwhile, during the implementation of the project, due to the technical requirement and safe measures, the project will affect some infrastructure such as transportation, telecommunication and water sources, for example, the enclosure of the construction site will affect or damage some highways. The above-mentioned will affect the local people’s production and life more or less.

1.2.4 Measures to avoid or minimize land acquisition and house demolition

1.3.2.1 PRINCIPLES

The basic principle of the project implementation is to minimize project impacts to the socioeconomic development and people's life, and the preparation work of the project shows the principal. During the stage of survey and design, the project is discussed by local government and experts. The project will not decrease its technical standard and environment protection standard, and then, the location and direction of the project is decided according to the following principles:

1. The design institute should design the project to occupy farmland as less as possible, taking advantage of barren hill, barren land and barren beach to minimize land acquisition.

2. To avoid humane scenery (including temples for religious activities) and the key protection unit of cultural relics.

3. To avoid densely inhabited area to minimize affected persons.

1.3.2.2 MEASURES

1. At the stage of feasibility study, when choosing the project place, we first decide key area and key place to avoid, and decide the project area taking construction, environment, resettlement into consideration.

2. To have a fieldwork survey of the project area, to collect topography, landforms, cultural relics, mineral resource and economy development program, and to solicit local government and residents’ opinion of the position scope.

3. To have field measure of land acquisition and resettlement, survey of residents’ opinion and social economy. According to the relevant laws and policy of our country, to determine the compensation standards of land and proper handling of labor resources, to survey all kinds of land and building, and to survey land, farmland, population construction, economic condition, etc.

4. To collect detailed data of cultural relics in the affected area.

5. To negotiate with villages in the affected area and plan department, and to choose places to construct, and not to occupy the high-quality farmland.

6. According to the results of the survey, to compute the total expenses of land acquisition and resettlement and the project (including the environmental protection fee). To have a joint meeting with three parties of engineering, environmental protection and resettlement, to consider local development program, government, and residents’ opinions, to analyze and compare the survey result as follows.

-----Comparison of construction investment

-----The possibility of the labor force setting, the analysis of environment capacity in certain areas

-----The project affection to irrigation and domestic water, if it is easy to resume

-----From the point of local economy develop potential, to analyse if it is easy to resume production or raise the living level of local residents after land acquisition and to make sure the production and living level will not decrease after land acquisition.
The analysis and comparison of the construction benefit and social benefit of the project

12 By comparing the above items, improving the plan, soliciting local residents' ideas, the final draft is decided.

13 In the stage of survey, the construction unit will make further survey on the implementation area to choose the best option and to minimize land acquisition. In the stage of implementation, the project owner and supervision engineers will check construction design of the construction unit to minimize land occupation and farmland damage; in the stage of resettlement, by taking into consideration the opinions and the affected households and working units, the resettlement unit will minimize fertile land occupation when they choose place for rebuilding housing and other buildings.

In the stage of construction, the following measures will be employed:

-----to reduce negative affect by implementing this RAP
-----the contractors will build road to the affected people’s living and production area
-----to distribute the information book to all the affected people so that they are aware of their rights
-----to set up a supervision and assessment system on the project social benefits with the participation of the public

1.3.2. A Comparison of the plans

14 Case 1: The line from the intake from the Yellow River to Gaojiawan Fourth Pumping Station: the South Line Plan and the North Line Plan.

Table 2 shows the data of the South Line Plan and the North Line Plan from the following aspects: construction land, direct fee, water pipe, pumping station and engines, annual operating fee, difficulty of construction, administration condition, etc.

<table>
<thead>
<tr>
<th>No.</th>
<th>project</th>
<th>unit</th>
<th>south line</th>
<th>north line</th>
<th>south-north</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>total length of water</td>
<td>km</td>
<td>24.98</td>
<td>32.90</td>
<td>-7.92</td>
</tr>
<tr>
<td>2</td>
<td>tunnel</td>
<td>km</td>
<td>4.1</td>
<td>4.05</td>
<td>0.05</td>
</tr>
<tr>
<td>3</td>
<td>pipe</td>
<td>km</td>
<td>20.88</td>
<td>28.85</td>
<td>-7.97</td>
</tr>
<tr>
<td>4</td>
<td>pumping station</td>
<td></td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>pumping length</td>
<td>m</td>
<td>381</td>
<td>479</td>
<td>-98</td>
</tr>
<tr>
<td>6</td>
<td>total capacity</td>
<td>kw</td>
<td>8030</td>
<td>9860</td>
<td>-1830</td>
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<tr>
<td>7</td>
<td>power charge</td>
<td>thousand</td>
<td>1850.6</td>
<td>2326.7</td>
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<tr>
<td>8</td>
<td>estimated investment</td>
<td>thousand</td>
<td>13610</td>
<td>14952</td>
<td>-1342</td>
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<tr>
<td>9</td>
<td>difficulty of construction</td>
<td></td>
<td>easy</td>
<td>difficult</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>administration</td>
<td></td>
<td>good</td>
<td>so so</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>getting water</td>
<td></td>
<td>easy</td>
<td>Easy</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>reliability</td>
<td></td>
<td>high</td>
<td>so so</td>
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<tr>
<td>13</td>
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<td>374.7</td>
<td>493.5</td>
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<tr>
<td>14</td>
<td>demolished housing</td>
<td>m²</td>
<td>3544</td>
<td>5856</td>
<td>-2312</td>
</tr>
</tbody>
</table>

Table 2 shows that except for some technical differences, the South Line Plan needs less land acquisition and housing demolition and the negative affect to the local people's land and housing is less, so the South Line Plan becomes the preferred option.

15 Case 2: According to the previous design, Gaojiawan Fourth Pumping Station is located in the Gaojiawa Water Plant and occupies 75 mu land. Because the construction of a
water plant needs special conditions, that is, the plant will acquire a 75mu vegetable greenhouse. The output value of greenhouse is 3—4 times as the ordinary farmland. According to the previous design, the construction of water plant will cause heavy loss for the local villagers and high compensation fees for the project. After research, the previous design is deleted and Gaojiawan Fourth Pumping Station will be built. The station only need acquire 8.6 mu land, so the station affect local villagers little.

1.4 RAP and preparation for supervision and assessment

1.4.1 Affected objects survey

16 The field survey on the project is carried out in two sections: From December 2008 to May 2011, when Yan’an Water Supply Project Office were doing the feasibility study to this project, they carried on a preliminary socioeconomic survey of the affected area, and solicited the local government and some villagers’ opinions in certain scope. In June of 2011, Yan’an Water Supply Project Management Office, along with the consultant experts, had a total investigation on the socioeconomic condition of the project affected villages, and affected persons, land, houses and attached facilities. According to different affect, the affected objects are: land occupation, affected people, housing demolition, and special facilities relocation.

1.4.2 Socioeconomic survey

17 In order to analyze the affect of the project and make a practical RAP, in June 2011, the survey panel made a detailed socioeconomic survey on the affected villages and households. Sample survey is employed in the survey. 6 villages under the project among 45 villages of 7 towns in the affected area were chosen as sample villages, accounting for 13% of the total number. 20 households in each village are chosen as sample households, accounting for 15% at of total 3467 households at the six villages. Concrete survey method adopts both collecting materials in room and visiting villages and families outside, both having an informal discussion and questionnaire survey. That is to say, we collect relevant characteristics, report form and drawing materials from project implementation bureau and other relevant bureaus. At the same time, we have an informal discussion with the project implementation area villagers, observe and survey on the spot, and fill out fixed tables. All these make the survey as practical as possible.

18 The project impact survey and socio-economic survey mainly covered following items:

(i) The project affected area socioeconomic survey and survey of villagers’ living style, the main contents are as follows:
   a. administrative area, including the basic situation of county, city and province affected by the project
   b. Main economic index in 2008—2010 in the above affected area
   c. The impoverished population distribution in the above affected area
   d. The living conditions of women and ethnic minority groups in the above affected area
   e. the highway condition in the project affected area
   f. The information of the affected villages, including population, farmland, per capita income
   g. The information of the sample households, including the percentage of income from planting, breeding, sideline and industry
   h. The working construction and average property of the sample households
   i. The living condition, drinking water condition and life style at the affected village
   j. The affected individuals’ attitude and opinion to the project, the compensation policy of land expropriation, housing demolition and resident relocation, and economic resume plan

(ii) Land expropriation, housing demolition and resident relocation affection impact survey, the main contents are:
   a. The quality, output per mu and output value of occupied farmland of the project
   b. The construction value and rebuilt value of demolishing buildings of the project
The economical situation of the affected households
d. The economical situation of the affected villages and ente
e. The sustainability of the affected people to land expropriation, housing demolition and resident relocation of the affected area
f. The opinions and attitude of the project given by people

Yan'an Water Supply Project Office, along with the consultant expert panel, analyzing and discussing the data from the survey, worked out the RAP of Yan'an Water Supply Project according to the relevant policies of the World Bank and China.

1.5 The target of working out RAP

19 ------To employ engineering, technical and economic measures in order to avoid or minimize the quantity of land acquisition, housing demolition and relocation. If land acquisition and housing demolition are inevitable, any possible and effective measure should be employed to minimize the impact to the local people’s life and production.

-------in the preparation stage, socioeconomic survey and making-out of RAP should be carried out.
-------the base of relocation and resettlement is quantity of objects and compensation standard, the purpose of which is to raise or at least maintain the existing life and production standard of the relocated people.

-------The relocated people are encouraged to take part in the making-out of RAP.
-------Whether the affected building is legal or not, the compensation standard is its replacement cost.

-------The original people in the affected area will benefit from the project.

2. Project Impact

2.1 The definition of project impact

20 The scope of the survey area affected by the project is the actual occupied land based on the project design organ. The scope is the land occupied by two subprojects ---WB’s loan project, namely Yan’an Water Supply Project (Gaojiawan Fourth Pumping Station---Dongchun Water Plant and the related project (the intake from the Yellow River---Gaojiawan Fourth Pumping Station). During the object survey, the project is on the design stage and the design organ may optimize the design, so the scope of the occupied land may be changed. The Project Management Office will fulfill the relocation according to the final design. Meanwhile, any great changes about the project will be submitted to the World Bank before the implementation, along with the reason for the change. The relocation policies in the RAP will also be applied to the added affected people and villages.

22 The definition of the project impact is as follows:

(1) The permanently occupied land: any land within the project area which is occupied permanently.

(2) The temporary occupied land: any land which is occupied temporarily during the construction and will be resumed after the construction.

(3) The demolished building: all the buildings within the project area which will be demolished, including brick and concrete, brick and wood, stone cave-house, and earth cave-house.

(4) The affected ground attachment: any ground attachment within the project area, mainly including housing for animals and fowls, and fruit trees, etc.

(5) The affected households: any household whose land, building or ground attachment are within the project area or affected directly by the project.

(6) The affected village: any village whose land, building or ground attachment is within the project area or affected directly by the project.

(7) The affected person: any person or household who is affected by land acquisition, housing demolition and relocation.

(8) The affected housing: any housing within the project area.
(9) The vulnerable group: The vulnerable group refers to the people who lack the ability to deal with the problems in the society and are easy to suffer because of their inability, poverty or physical disability. The vulnerable group often consists of the following people: households enjoying five guarantees, elderly person with no kids to take care of them, orphan, poor family, and the disabled, etc.

2.2 Number and kinds of the project impact

According to the implementation plan of the project, in June of 2011, the implementation agency surveyed the affected number and kinds. The detailed information is shown in Table 4. However, the final number and kinds will be finalized according to the measure and check before implementation of land acquisition and resettlement.

2.2.1 TYPES OF PROJECT IMPACTS

(1) 5 kinds of occupied land: dry plain land, orchard land, dry slope land, vegetable greenhouse land and housing land

(2) 4 kinds of houses: Brick and concrete, brick and wood, stone cave-house and earth cave-house

(3) ground attached facilities: Fruit trees, useful woods, nursery garden, young crop, heatable adobe sleeping platform, housing for domestic animals and fowls, water closet, etc

(4) 4 kinds of special facilities: transport facilities, telecommunication facilities, electricity facilities and power facilities,

2.2.2 NUMBER AND QUANTITY (SEE TABLE 4)

(1) Building
The project needs to be demolished is 2130 square meters of buildings, among which, brick and concrete building being 290 square meters, brick and wood building 60 square meters, 52 stone cave-houses (1560 square meters), and 8 earth cave-houses (220 square meters).

(2) Land
The Project will expropriate 2,126.45 mu of land area, among which 414.65 mu being permanently acquired land, including 79.23 mu dry plain land, 158.99 mu orchard land, 155.73 dry slope land, 17.4 mu vegetable greenhouse, and 3.3 mu housing land. The temporarily occupied land is 1711.8mu.

(3) Ground attachments
THE AFFECTED GROUND ATTACHMENTS IN THIS PROJECT CONTAINS: 25,626 FRUIT TREES, 10,121 useful trees, 31 mu nursery garden, and 1964.16 mu young crops.

(4) Special facilities
The affected special facilities are as follows: 10 km electricity wire, 7.5 km telecommunication wire, 8.1 km cable line, 1 km asphalt road, 3 km stone road, 29 oil wells.

(5) Other facilities
Other affected facilities are: 15 stoves, 25 heated sleeping platforms, 8 cellars, 10 housing for domestic animals, 50 square meters of 10 housing for domestic fowls, and 25 square meters of 6 water closets

2.2.3 TOTAL NUMBER OF AFFECTED PERSONS

According to survey, during the project implementation, a total of 810 persons of 176 households in 9 villages will be affected by land acquisition. A total of 70 persons of 12 households will be affected by housing demolishment, among which 66 villages of 11 households will be affected both by land acquisition and housing demolition.

According to the line plan by the design organ and the survey, 31 persons of 9 households belong to the vulnerable group, accounting for 5.1% and 3.8% respectively of the total persons and households affected by land acquisition. There is no poor family in the 12
households affected by housing demolition and relocation. See Table 3.

### Table 3  name list of vulnerable group (9 households)

<table>
<thead>
<tr>
<th>group</th>
<th>householder</th>
<th>age</th>
<th>sex</th>
<th>reason for poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zhangjiahe</td>
<td>Wang Baocai</td>
<td>62</td>
<td>male</td>
<td>widower, ill, children as a heavy burden</td>
</tr>
<tr>
<td></td>
<td>Wang Mingchong</td>
<td>68</td>
<td>male</td>
<td>ill for years, no income</td>
</tr>
<tr>
<td>Yanshuiguan</td>
<td>Du Shangren</td>
<td>51</td>
<td>male</td>
<td>ill for years, in heavy debt, no income</td>
</tr>
<tr>
<td>Kangjiagou</td>
<td>Cao Yuanhai</td>
<td>60</td>
<td>male</td>
<td>widower, aged, no family supportor</td>
</tr>
<tr>
<td>Yaodianzi</td>
<td>Liu Shiqi</td>
<td>58</td>
<td>male</td>
<td>widower, aged, no income</td>
</tr>
<tr>
<td>Xuejiagou</td>
<td>Yang Guangxing</td>
<td>45</td>
<td>male</td>
<td>3 family members, only part time employee, wife ill for years</td>
</tr>
<tr>
<td>Gaojiageda</td>
<td>Mao Xiaolan</td>
<td>47</td>
<td>female</td>
<td>2 family members, husband died years ago, domestic difficulties</td>
</tr>
<tr>
<td></td>
<td>Ma Shuanghu</td>
<td>51</td>
<td>male</td>
<td>3 family members, wife died, daughter going to university, domestic difficulties</td>
</tr>
<tr>
<td>Gaojiawan</td>
<td>Xu Junsheng</td>
<td>42</td>
<td>male</td>
<td>disabled (the second class), 4 family members, domestic difficulties</td>
</tr>
</tbody>
</table>
Table 4  Types and quantity of occupied land
## First Part: Intaking Site ~ Gaojiawan Fourth Station Water Pipe Project (19.20KM)

<table>
<thead>
<tr>
<th>Acquired Land (mu)</th>
<th>Dry Land: 71.13</th>
<th>Slope Land: 62.87</th>
<th>Vegetable Greenhouse 0</th>
<th>Orchard Land: 133.99</th>
<th>Housing Land: 3.3</th>
<th>Temporary Occupied Land: 288</th>
</tr>
</thead>
</table>

### Total Acquired Land: 271.29

## Second Part: Gaojiawan Fourth Station ~ Dongchuan Water Plat (63.78km)

<table>
<thead>
<tr>
<th>Acquired Land (mu)</th>
<th>Dry Land: 8.1</th>
<th>Slope Land: 92.86</th>
<th>Vegetable Greenhouse: 17.4</th>
<th>Orchard Land: 25</th>
<th>Housing Land: 0</th>
<th>Temporary Occupied Land: 1423.8</th>
</tr>
</thead>
</table>

### Total Acquired Land: 143.36

### Total Occupied Land: 2126.45

### Total Acquired Land: 414.65

## Affected Village

<table>
<thead>
<tr>
<th>Fengjiaya</th>
<th>Yanshuiguan</th>
<th>Baishugua</th>
<th>Gaojiawan</th>
<th>Zhangfjiahe</th>
<th>Gaojiageda</th>
<th>Xuejiagou</th>
<th>Kangjiagou</th>
<th>Yaodianzi</th>
</tr>
</thead>
</table>

### Total: 9

## Affected Persons

| Affected Persons/HHs: 3151 persons/685 HHs | Affected by LA: 455 persons/99 HHs | Affected by Relocaion: 2636 persons/570 HHs | Affected by LA: 355 persons/77 HHs | Affected by Relocaion: 0 |

### Total: 450

## Demolished Building

<table>
<thead>
<tr>
<th>Brick Concrete: 290</th>
<th>Brick Wood: 60</th>
<th>Stone Cave-House (m²/each): 1110/37</th>
<th>Each Cave-House (m²/each): 220/8</th>
<th>Brick Concrete: 0</th>
<th>Brick Wood: 0</th>
<th>Stone Cave-House (m²/each): 450/15</th>
<th>Earth Cave-House (m²/each): 0</th>
</tr>
</thead>
</table>

### Total: 1680

## Attachment

<table>
<thead>
<tr>
<th>Fruit Tree</th>
<th>Useful Tree</th>
<th>Young Crop (mu)</th>
<th>Garden Nursery (mu)</th>
<th>Fruit Tree</th>
<th>Useful Tree</th>
<th>Young Crop (mu)</th>
<th>Garden Nursery (mu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7360</td>
<td>4136</td>
<td>272.05</td>
<td>3.1</td>
<td>18266</td>
<td>5985</td>
<td>1692.11</td>
<td>27.9</td>
</tr>
</tbody>
</table>

## Special Facilities

<table>
<thead>
<tr>
<th>Oil Well</th>
<th>Telecommunication Wire</th>
<th>Cable</th>
<th>Asphalt Road</th>
<th>Stone Road</th>
<th>Oil Well</th>
<th>Telecommunication Wire</th>
<th>Cable</th>
<th>Asphalt Road</th>
<th>Stone Road</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1.5</td>
<td>1</td>
<td>11.1</td>
<td>0</td>
<td>0</td>
<td>29</td>
<td>8.5</td>
<td>6.5</td>
<td>7</td>
</tr>
</tbody>
</table>

## Other Affiliated Building

<table>
<thead>
<tr>
<th>Stove</th>
<th>Heatable Platform</th>
<th>Cellare</th>
<th>Housing for Fowls (m²)</th>
<th>Housing for Animals (m²)</th>
<th>WC (m²)</th>
<th>Stove</th>
<th>Heatable Platform</th>
<th>Cellare</th>
<th>Housing for Fowls (m²)</th>
<th>Housing for Animals (m²)</th>
<th>WC (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2.3 Introduction of project affected areas

The project area locates in Yan’an City, Shaanxi Province, a part of North Shaanxi Loess Plateau. It is in north temperate zone and the average latitude is about 1,000m. Yan’an enjoys 170 annual frost-free days with an average annual temperate of 9.2°C. The annual precipitation is about 500mm. In dry plain land, wheat or corn can be harvested once a year and the annual output value is 400 yuan. Yan’an also enjoys full sunshine, which is suitable for beans or pumpkins. After harvesting the grain crops, some cash crops can be planted for more income and the annual output value per mu is about 1,000 yuan. The output value of dry slope land is about 1/2---2/3 of that of dry plain land.

2.4 Evaluation of project impact

According to the design draft and fieldwork survey, the land acquisition of the project will not affect local residents’ farmland seriously. There are 5,787 persons in 9 villages affected by land acquisition. The farmland per capita before land acquisition is 0.6 mu, and the project will acquire 414.65 mu land, which accounts for 11.94% of the total 3,472.2 mu farmland. After land acquisition, the farmland per capita is 0.51 mu, which is 0.09 mu less than before land acquisition. According to the survey, the income per capita in 2007---2010 is RMB 4,500 yuan. And the agricultural income from crops such as potato, corn and pumpkin is only about RMB 1000 yuan (see Table 5), which is only 22% of the total annual income. The loss of 0.09 mu land per capita will result in loss of income of 90 yuan/year, which is only 2% of the total annual income of 4,500 yuan. So, the impact is not significant.

<table>
<thead>
<tr>
<th>Type</th>
<th>output per mu (jin)</th>
<th>average price for the past three years (yuan)</th>
<th>total income (yuan)</th>
<th>cost (yuan)</th>
<th>*net income (yuan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>700</td>
<td>1.05</td>
<td>735</td>
<td>300</td>
<td>**435</td>
</tr>
<tr>
<td>wheat</td>
<td>600</td>
<td>1.1</td>
<td>660</td>
<td>300</td>
<td>**360</td>
</tr>
<tr>
<td>pumpkin</td>
<td>2500</td>
<td>0.5</td>
<td>1250</td>
<td>500</td>
<td>750</td>
</tr>
<tr>
<td>potato</td>
<td>4000</td>
<td>0.4</td>
<td>1600</td>
<td>600</td>
<td>1000</td>
</tr>
<tr>
<td>Watermelon</td>
<td>2000</td>
<td>0.5</td>
<td>1000</td>
<td>400</td>
<td>600</td>
</tr>
<tr>
<td>Bean</td>
<td>400</td>
<td>2.5</td>
<td>1000</td>
<td>300</td>
<td>700</td>
</tr>
<tr>
<td>Rapeseed</td>
<td>400</td>
<td>2.0</td>
<td>800</td>
<td>300</td>
<td>500</td>
</tr>
<tr>
<td>garden nursery (mu)</td>
<td></td>
<td></td>
<td>3000</td>
<td>1000</td>
<td>2000</td>
</tr>
</tbody>
</table>

* not including labor cost.

During the implementation of the project, 2130 m² building will be demolished, and 70 persons in 12 households will be affected by the demolition, which account for 0.96% of the total 5,787 persons in 1,255 households in the 9 affected villages. The two affected village committees of Yanshuiguan Village and Zhangjiahe Village, Yanshuiguan Town of Yanchuan County, after discussing with all the villagers, especially the affected villagers, decided on two options---to redistribute housing land and to supply housing land in two different sites for the 11 affected households who have to remove. Another household does business, and the original site is near the highway, so the household does not move but is only affected by temporarily occupied land. When the transition period comes to an end, the project will pay the replacement fee for the household to build the house in the original site. During the transition period, the household will get transition fee according to the RAP. So, the construction of the project will not affect seriously the villagers who are affected by the housing demolition.
2.4 Treatment of waste residue

During the implementation of the project, there will be some waste earth and waste residue. According to the survey, the laying of water pipe, the mixture of cement, the choosing of dinas, and other construction may cause some construction waste residue. The littering of the waste residue around the construction site will cause water loss and soil erosion and pollute the environment. So, the construction organ should carry the waste residue to some special site or valley, and cover with some soil. Below are some of the measures we design to take at different location sites.

(1) Water pipe area

a. Excavation and protection of the water pipe

According to the laying design of the water pipe, the earth should be put on the one side of pipe line. To keep from earth erosion, the outer side of the earth should be kept within straw bags. In windy days, the earth should be covered with straw mat.

After the laying of water pipe, the earth should be backfilled and re-covered the straw bags. The land along the construction line should be leveled, loosened, fertilized and then delivered to local people. For the slope land, grass should be planted after the land is leveled.

b. Tunnel protection

In the construction of tunnel, the earth should be carried out for a long distance. The earth will be carried out with battery cart to the mouth of the tunnel and put outside the tunnel temporarily, then carried by lorry to the appointed residue site. The site is temporarily occupied land, not acquired land. After the construction, the vegetation damaged by the residue around the mouth of the tunnel should be recovered. When the project finishes, the land of the temporary residue site outside the mouth of the tunnel should be leveled, loosened, fertilized, and then the vegetation should be recovered.

c. Protection measures where construction has to cross ditch or river

The main body construction, the water pipe, crosses the Yan River for 74 times in Yan’an and ditches for 34 times. The construction of inverted siphon through the river need cofferdam. According to the length and the cross section of the cofferdam in the design, the construction of the cofferdam needs 71,900 m³ embankment material, part of which is from digging the ditch across the river, and other of which is from digging the pipe line ditch. During the construction, some loose residue remains. In order to keep from water loss and soil erosion, the riverbed affected by the construction should be cleared and leveled, and then recover the riverbed as it was.

(2) Station and water plant area

For these areas, the main waste soil is produced as a result of construction, dumping and transportation activities. Most of the waste soil occurs in places like cleaning water pool, store pool, pumping station, absorbing well, chlorination station, administration building, storehouse and other facilities; the main buildings at Xuejiagou and Gaojiageda Pressure Station are intaking pool, pumping station, and other facilities just as those of the Plant; the main buildings of the Reservoir are dam and water tower.

After analyzing, the main reason for residue is digging, stacking and carrying during the construction. The digging of the clearing pool, the store pool, the intaking pool and the water tower may produce much residue.

To guarantee that there is no water during the construction of the station and the plant, and to keep the digging section from the surface runoff, the design organ plans to dig temporary drainage along the road and low lying area. The water in the temporary drainage will flow into the drainage system outside the plant and the station.

(3) Waste residue site

a. revetment

To prevent the residue from collapsing or sliding due to flood, a revetment will be built at the foot of the residue. The rate of height and width is 1:1.5, the thickness of the stone pitching is 0.25—0.35m, and there is a 2-cm dilatation joint every 10 meters.
b. baffle wall
Due to limit of landform, the residue site is located at wider gentle slope in the valley. The residue is easy to collapse or slide because of the flood, so it is necessary to build baffle wall.

c. drainage system
To keep the residue from the slope runoff, catch-water drain should be built 10 meter away from the residue site in order to guide the flood downstream. The catch-water drain is built with stones.

d. leveling and afforesting of the surface of the residue site
After storing the residue, in order to keep from water loss and soil erosion, some measures are employed such as leveling of the residue, covering with earth and afforestation. The covering earth is from the waste earth when digging catch-water drain. After storing the residue, the bulldozer is used to level the residue site, to cover with earth, and then to plant grass.

(4) temporarily occupied land
The temporarily occupied land of the project is 1711.8 mu. After the construction, the building should be demolished, and the residue should be cleared, the rubbish landfilled. Then, the surface pits should leveled with earth.

The temporary road in the construction area is very important for the transportation, so the vehicles should run along the road in order not to damage other surface. The drainage should be built outside of the road to keep the road from the surface runoff during rainy season.

During the construction, the road and the affected area are compacted hard. After the construction, the temporary road should be loosened and covered with plants. Lucerne should planted for one or two years to improve the soil condition.

2.5 Protection and administration of raw water source

32 The project will supply water for the downtown of Yan’an, Yanchang Oil Field [Phase 2] and the downtown of Yanchuan County [Phase 2], so, it is important to protect the water head site. In order to prevent the water pollution, to guarantee the smooth operation of the water supply project, based on Water Law of the People’s Republic of China, Law on Prevention and Control of Water Pollution of the People’s Republic of China, Regulation on Water Supply in Cities by the State Council, and other laws and regulations, the water head site should be protected in three class, that is, the first class protection area, the second class protection area and the quasi-protection area.

33 The protection area of the reservoir of the project is chosen according to Regulations on Environment Protection of Urban Drinking Water Head Site Protect Area of Shaanxi Province; the protection area of the intake site from the Yellow River is decided according to Technical Standard on Drinking Water Head Site Protection. Within the area of the protection, the regulations of Law on Prevention and Control of Water Pollution of the People’s Republic of China, and the Implementing Rules of Law on Prevention and Control of Water Pollution of the People’s Republic of China, should be abided by.

34 The definition of the protection area of the intake site from the Yellow River:
The first class protection area is 1000m upper reaches and 100m lower reaches from the intake site, 100m wide land from both sides of the river. The second class protection area is 2000m upper reaches and 100m lower reaches from the intake site, 200m wide land from both sides of the river. The protection area-to-be is 3000m upper reaches and 100m lower reaches from the intake site, 300m wide land from both sides of the river.

35 The definition of the protection area of the reservoir: Due to the small drainage area and narrow distance of the divide of Baishugua Reservoir and Kangjiagou Reservoir, the definition of the protection area of the reservoirs is as follows:
The first class protection area is 100m outside the normal water line.
The second class protection area is 30m outside the normal water line, and 2000m upper reaches and 200m both sides of the river which flows into the reservoir.

The quasi-protection is 30m outside the second class protection area, and 5000m upper reaches and 300m both sides of the river which flows into the reservoir.

The details of the protection area of the Yellow River, Baishugua Reservoir and Kangjiagou Reservoir are in Figure 3.

**Figure 3**

*Plan of protection area of water source site from the Yellow River*
Figure 4  Plan of protection area of water source site of Baishugu Reservoir

Figure 5  Plan of protection area of water source site of Kangjiagou Reservoir
In June 25---30 and November 13---18, 2011, the maker of the RAP took a field survey of the protection area of the intake site of the Yellow River, Baoshugua Reservoir and Kangjiagou Reservoir. The makers confirm:

1. They found 29 oil wells of Yanchang Oil Field within the water source protection area of Kangjiagou Reservoir, and no other possible pollution sources and residents’ activity of life and production are found there. By now, Yanchang Oil Field (Party B) signed contract with the Project Leading Group (Part A) and promised that they will abandon the 29 oil wells permanently in time. That is, Party B will abandon 3 oil wells which are located in the site of the dam before June 2012, and other 26 oil wells be abandoned before end of January 2013. Party B also promised that they will abandon all the oil wells according to the standard procedure in order to keep from the possible pollution (see appendix).

2. At the first class and the second class protection area of the water source site of Baishugua Reservoir, there is no possible pollution source and residents’ activities of life and production.

3. At the first class water source site protection area of the intake site, there is a dredging site without official permission. The government of Yanshuiguan Town asked the dredging site to stop and move at once and the head of the dredging site promised that they would move within 2011.

At the second class water source site protection area of the intake site, there are 18 households of Yanshuigua Village but no other pollution source such as enterises or tomb. November 17, 2011, the staff of the Project Office and the consultant experts held an information disclosure and consultation. 16 local villagers including 4 women villagers and 3 village leaders took part in the activity and they were willing to support the construction of the project, and to arrange their life and production according to the policies of the second class water source site protection area. Because the village is near the river, there is no production activity, and the villagers promised that they would not deal with the activities which might cause pollution. For the three household who failed to attend the activity, the village leaders promised to introduce the project and the protection policies of the water source site, and if there were any different opinions, they would report to the Project Office.

4. For the above three protect area of water source site, the Project Office will protect according to relevant laws and regulations such as Law of Water of People’s Republic of China, Law on Prevention and Control of Water Pollution of People’s Republic of China, Regulation on Municipal Water Supply by the State Council, Regulation on Environment Protection for Municipal Water Source Protection Area, and other laws and regulations.

   (1) The following activities are banned at the drinking water protection area:

   —— to damage the trees to nourish the water source, to protect the bank, and vegetation relevant to water source protection;
   —— to dump industrial residue, rubbish, dejecta, and other residue into the waters;
   —— to use extremely poisonous and high-persistent pesticide;
   —— to hunt fish and other creatures with explosive and poison;
   —— to carry oil, dejecta, and other poisonous or damaging material through the water source protection area in the vehicles which are not qualified to carry such kind of things;
   —— to ban vehicles carrying dangerous chemicals through the water source protection area. If it is necessary to pass through the protection area, the Regulation on the Safety Administration of Dangerous Chemicals by the State Council should be obeyed.

   (2) The first class protection area is 100 hundred outside the normal water line. In this area, the following activities are banned:

   —— to build any project not relevant to water supply facilities and water source protection;
   —— to dump pollutants into the waters;
   —— to exploit and extract mineral resources;
   —— to feed domestic animals or fowls and to plant crops;
   —— to develop tourism;
   —— to stack industrial solid residue, rubbish, dejecta, and other poisonous and harmful materials;
   —— to set up tomb or to bury animals’ body;
other activities resulting in polluting water resource.

—drain before the implementation should be demolished; the tourism facilities and mining facilities should be put down; tomb should be removed and harmful materials should be cleared.

(3) The third class protection area is 300 hundred outside the normal water line, and 2000m upstream the intake site, and 200m away from the bank. In this area, the following should be obeyed:

— not to build to rebuild the project which will result in polluting the waters;

— sewage causing by all the organs should meet the requirement of laws and regulations. The solid residue should be carried out of the protection area. When any project concerning rebuilding or technical reform, the total discharge of the pollutants should be reduced to control the total discharge of the pollutants.

— to control the scale of aquiculture according to the quality and quantity of the water.

(4) The protection area-to-be is 300m outside the second class protection area, and 5000m upstream the rivers flowing into the reservoir. In the protection area-to-be, the discharge of pollutants is within the the control of concentration and that of total quantity. In fact, there is no discharge of pollutants to the waters in the water source protection area.

3. Socioeconomic Information and Profile

Yan’an Water Supply Project Office, the implementing organ, and the social development consultant experts are in charge of the socioeconomic survey, supervision and preparing the plan of land acquisition, housing demolition and resident resettlement over the affected area of the Project.

3.1 Introduction of earlier-stage Survey on the project

The earlier-stage survey on the project is carried out in two sections: From December 2008 to May 2011, when Yan’an Water Supply Project Office was doing the feasibility study to this project, they carried on a preliminary socioeconomic survey of the affected area, and solicited the local government and some villagers’ opinions in certain scope. In June of 2011, Yan’an Water Supply Project Office, along with the consultant experts, had a total investigation on the socioeconomic condition of the project affected villages, and affected persons, land, houses and attached facilities. The investigation involves 45 villages of 7 towns in the affected 2 county/district. After analyzing and processing the data and information under the surveys, the Office has compiled the “Land Acquisition, Relocation and Resettlement Plan under the Project of Yan’an Water Supply supported by World Bank's loan.

In July 2011, the sample survey method was employed in the socioeconomic survey of the project area of Yan’an Water Supply Project. According to the quantity and time limit, 6 villages of the total 45 villages in one county and one district were chosen as sample villages, accounting for 13% of the total 45 villages. And 20 households in each village were chosen as sample households, and the total 120 sample villages account for 15% of the total 3467 households of the 6 villages. Concrete survey method adopts both collecting materials in room and visiting villages and families outside, both having an informal discussion and questionnaire survey. That is to say, we collect relevant characteristics, report form and drawing materials from project implementation bureau and other relevant bureaus. At the same time, we have an informal discussion with the project implementation area villagers, observe and survey on the spot, and fill out fixed tables. All these make the survey as aimed as possible.

The project impact survey and socio-economic survey mainly covered following ite

(i) The project affected area socio-economic survey and survey of villagers’ living style, the main contents are as follows:

a. administrative area, including the basic situation of county, city and province affected by the project
b. Main economic index in 2006—2009 in the above affected area  
c. The impoverished population distribution in the above affected area  
d. The living condition of women e. the highway condition in the project affected area  
f. The information of the affected villages, including population, farmland, per capita income  
g. The information of the sample households, including the percentage of income from planting, breeding, sideline and industry  
h. The working construction and average property of the sample households  
i. The living condition, drinking water condition and life style at the affected village  
j. The affected individuals’ attitude and opinion to the project, the compensation policy of land expropriation, housing demolition and resident relocation, and economic resume plan  

(ii) Land expropriation, housing demolition and resident relocation affection impact survey, the main contents are:  
a. The quantity of affected land expropriation, housing demolition and all kinds of special-puose facilities, the number of affected individuals caused by the Project  
b. The quality, output per mu and output value of occupied farmland of the project  
c. The construction value and rebuilt value of demolishing buildings of the project  
d. The economical situation of the affected households  
e. The economical situation of the affected villages and enterprises  
f. The duration to the land expropriation, housing demolition and resident relocation of the affected  
g. The opinions and attitude of the project given by people  

3.2. Socioeconomic overview of project affected areas  
3.2.1. Introduction of project affected areas  

41 The Project area, Yan’an City, locates in the North Shaanxi Loess Plateau. The city administrate 3,396 village committees, 166 towns, 1 district and 12 counties. The area is 37,000 square kilometers with a population of 2.152 million. The average latitude is about 1000m. It enjoys 170 frost-free days with an average annual temperate of 9.2℃. The annual precipitation is 500mm.  
42 Yan’an is rich in mineral resources, which is a solid base for energy chemical industry. By now, It is found that there are 11.5 billion ton coal, 1.38 billion ton crude oil, 200-300 billion m3 natural gas, and 50 million ton pule sand. Yan’an is the first place for oil industry in China. The first oil well is in Yanchang County, Yan’an City. The exploitation of oil is over 100 years. Now, oil industry and coal industry are the mainstay industry.  
43 Yan’an is a good place to develop modern ecological agriculture, where the best apple in the world grows. The area of forest is 43.386 million mu, and the coverage of forest and grass is 57.9%. The land per capita is up to 27 mu, of which 2.48 mu is farmland. The loess is thick, the sunshine full, the temperature difference between day and night large, so, its best-quality apple, jujube, pear, minor cereals and mutton sell well at home and abroad. The fruit, livestock and greenhouse are the main income resource of the local farmers.  
44 Since the reform and open policy, especially the Development of Western Region, the socioeconomic development of Yan’an is the best and quickest in its history. In 2010, the GDP of Yan’an is more than RMB 88.54 billion yuan, and the fiscal revenue is up to RMB 33.65 billion yuan, of which 10.52 billion yuan is local fiscal revenue.  
45 In 2010, the disposable income per capita of town people is 17,880 yuan, and the net income per capita of farmers is 5,173 yuan. The GDP per capita is the second place in Shaanxi. The fiscal revenue per capita is the first place of Shaanxi for 8 years. All the indexes is better than the average of Shaanxi Province.  

3.2.2. Investigation data of affected villages  

(1) Population of affected villages  
45 The 6 sample villages are Kangjiagou Village, Fangzi Village of Yaodian Town,
Gaozhuang Village of Fengzhuang Town, Baota District, and Hejiahe Village of Yanshuiguan Town, Gaojiawan Village of Gaojiawan Town, Zhong Village of Hejiabu Town, Yanchuan County. The population is 3,467 persons in 788 households, among which, 1829 persons are male and 1639 are female, and the rate is 1: 0.8966. The population per household is 4.4. There are 486 children, 689 persons older than 60, and 2292 adults. The portion in the total population is 14.01%, 19.87%, and 66.11% respectively.

46 According to the sample investigation data, about 21.4% of the total population, 742 persons received elementary education. 52%, 1803 persons received junior middle school education. 12.2%, 423 persons received senior middle school education. 7.5%, 260 persons received no education at all.

(2) Socioeconomic condition

47 According to household survey, by the end of 2010, there are no village enterises or individual enterises in the 6 affected villages in the project area. Villagers' income is from agriculture, part-time job and household aquaculture and animal husbandry. At present, more than 1490 persons (65% of the labor force) get part-time jobs, and the part-time job income accounts for 58% of the total household income. They work mainly in Yan’an, Xi’an or other cities of Shaanxi, and about half of the labor force of Zhong Village of Hejiabu Town work abroad. 16 families undertake transportation for passengers and to transport agricultural products. All other people only undertake agricultural work. There are 3120 mu farmland in the affected villages and the farmland per capita is 0.9 mu. They plant crops such as corn, bean and economical crop such as pumpkin, jujube and apple. Some housewives manage household animal husbandry such as chicken, pig and cow. In 2010, the income per capita in 6 affected villages was 4684.4 yuan. See details in Table 6.

Table 6 Socioeconomic data of the sample villages

<table>
<thead>
<tr>
<th>project county/district</th>
<th>Village committee</th>
<th>Household</th>
<th>Population</th>
<th>Poor persons/households</th>
<th>Farmland (mu)</th>
<th>Net income per capita</th>
<th>Total income (ten million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baota</td>
<td>Yandianzhen</td>
<td>Kangjiagou</td>
<td>153</td>
<td>680</td>
<td>17/6</td>
<td>280</td>
<td>4300</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fangzicun</td>
<td>137</td>
<td>566</td>
<td>14/6</td>
<td>400</td>
<td>4500</td>
</tr>
<tr>
<td></td>
<td>fengji xiang</td>
<td>Gaozhuang</td>
<td>126</td>
<td>505</td>
<td>31/10</td>
<td>120</td>
<td>4500</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>3</td>
<td>416</td>
<td>62/22</td>
<td>800</td>
<td>4251</td>
</tr>
<tr>
<td>Yanchuan</td>
<td>yanshui guan</td>
<td>Hejiahe</td>
<td>148</td>
<td>789</td>
<td>36/11</td>
<td>620</td>
<td>5200</td>
</tr>
<tr>
<td></td>
<td>gaojiawan</td>
<td>Gaojiawa</td>
<td>127</td>
<td>530</td>
<td>18/8</td>
<td>264</td>
<td>5000</td>
</tr>
<tr>
<td></td>
<td>Hejiabao</td>
<td>zhongcun</td>
<td>97</td>
<td>397</td>
<td>11/6</td>
<td>578</td>
<td>5024</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>3</td>
<td>372</td>
<td>65/25</td>
<td>1462</td>
<td>5097.5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>6</td>
<td>788</td>
<td>127/47</td>
<td>2262</td>
<td>4684.4</td>
</tr>
</tbody>
</table>

(3) Investigation data of the sample households

48 In the project area, 20 households in each village are chosen as sample households, accounting for 15% of the total households, and the total sample households are 120. The data are in Table 7.

Table 7 Basic data of the 120 affected sample households

<table>
<thead>
<tr>
<th>item</th>
<th>Affected 120 households</th>
</tr>
</thead>
<tbody>
<tr>
<td>time</td>
<td>End of 2008</td>
</tr>
<tr>
<td>population</td>
<td></td>
</tr>
<tr>
<td>Labor force</td>
<td></td>
</tr>
</tbody>
</table>
According to the investigation, in 2010, the average income per household is 22,910 yuan a year for the 120 sample households in the 6 project affected villages, and income per capita is 5,211 yuan, which is a bit higher than 4684.4 yuan for that of the 6 villages. The farmland output value contains dry plain land and slope land average annual output value. The average annual value is 1100 yuan from 2007 to 2009. The above two figures are a little bit different from that of the village, for example, 10% different for the income per capita. The reason may be the villagers' expectation, and so on. However, the data are nearly the same.

### 3.2.3 Data Analysis

The investigation data from the sample households show that the life standard in the affected villages is a bit higher than that of Yan’an City, that of Shaanxi Province, and that of China. Table 8 shows that the life standard of the affected villages in affected area is 20.53% and 2.48% higher respectively. In 2010, the income per capita in the project affected villages is 5320 yuan (USD 818). The main income source is planting, poultry, part-time job, and a little the third industry.

#### Table 8 Comparison of income between affected area and other places in 2010

<table>
<thead>
<tr>
<th>Item</th>
<th>country</th>
<th>Shaanxi</th>
<th>Chencang</th>
<th>sample household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disposable income for town people</td>
<td>19019</td>
<td>15695</td>
<td>17880</td>
<td></td>
</tr>
<tr>
<td>Rate compared with (%)</td>
<td>100</td>
<td>82.13</td>
<td>93.57</td>
<td></td>
</tr>
<tr>
<td>Net income for rural people</td>
<td>5919</td>
<td>4105</td>
<td>5173</td>
<td>53.2</td>
</tr>
<tr>
<td>Rate compared with (%)</td>
<td>100</td>
<td>69.35</td>
<td>87.4</td>
<td>89.88</td>
</tr>
</tbody>
</table>

### 3.3 Poverty
By the end of 2010, the minimum living population is 127 persons in 47 households in the 6 sample villages in the Yan'an Water Supply Project, accounting for 5.96% of the total rural households and 3.66% of the total rural population. The main reasons for being poor are: a. the main labor of the family is weak or ill, b. lack of labor (working age adults), and c. high expense on the sick. 31 persons in 9 households are affected by the land acquisition of the Yan'an Water Supply Project, accounting for 5.1% of the total rural households and 3.8% of the total rural population affected by land acquisition. There is no poor household of 12 households affected by housing demolition and relocation. So, the Project will affect the poor households seriously.

3.4 Minorities

There are no minorities living in the area, and all residents speak Chinese.

4. Legal Framework

4.1 National Laws and Regulations Concerning Acquisition and Relocation

In accordance with the following legal documents, the construction unit is entitled to the land acquired upon compensating the affected units and people.


Main contents: formulations on land ownership, land using overall plan, farmland protection, land for construction, supervision and inspection, legal responsibility, including land expropriation compensation, subsidy standard for relocation, and relocation way of relocated people.

(2) Regulations on the Protection of Basic Farmland (No. 257 Decree of the State Council of The People's Republic of China on December 27, 1998)

Main contents: in line with Agriculture Law of the People's Republic of China and the Land Administration Law of the People's Republic of China, concrete formulations for the country's protection of basic farmland, including delimitation, protection, supervision and management, legal responsibility, and so on.

(3) Interim Regulations of Farmland Use Tax of the People's Republic of China (No. 27 Document of the State Council on April 1, 1987)

Main contents: formulations about tax contribution standard and contribution range of state construction occupied farmland.


(5) Detailed Implementation Regulations on Regulations on the Protection of Basic Farmland of Shaanxi Province (No. 30 Decree of the People's Government of Shaanxi Province on April 4, 1996)

Main contents: in line with the Land Administration Law of the People's Republic of China, Regulations on the Protection of Basic Farmland by the State Council, relevant laws
and regulations, and the reality in Shaanxi Province, concrete formulations on the protection of the basic farmland in Shaanxi Province.

(6) Decision on Furthering Reform of Land Management of the State Council (Guofa [2004] No. 28)
Main contents: In order to use the land properly, to protect the legal rights of the peasants whose land is expropriated, to maintain social stability, and to perfect the land expropriation and resident relocation system, the decision puts forward the guide principle and way to perfect the compensation of land expropriation. The decision asks all the county, city and province governments to take useful measures to make sure that the peasants' living standard will not decrease after their land is expropriated, and that according to laws in force, the land compensation, relocation compensation, ground attachment and young crop compensation are paid in full and in time. If according to laws in force, after the payment of land compensation and relocation compensation, the peasants whose land is expropriated cannot maintain the original living standard, and their social security can not be paid, the province, autonomous region and municipality government should agree to add relocation compensation. If the sum of land compensation and relocation compensation reaches the legal upper limit, but the peasants whose is expropriated couldn't remain the living standard as before, the local people's government can subsidy with the state-owned land income. The government of province, autonomous region and municipality should work out and promulgate the standard of output value or price of land. The land expropriation should be the same land the some price. The national key construction project should take the expense of land expropriation into its budget.

The main contents: to put forward how to carry through 《The Decision of the State Council on Deepening the Reform and Strictly Enforcing Land Administration》especially aiming at some problems during the land expropriation compensation and relocation system. There are two aspects:
A. To formulate unified annual output value standard. The provincial land and resources administration along with relevant agencies woks out the lowest unified annual output value of every county in the province, then announce and carry out it after the approval of the province government. The workout of unified annual output value standard should consider the type and quality of expropriated land, the investment on the land, the price of agricultural products, the grade of land, and so on.
B. The affirmation of unified annual output value times. The unified annual output value times of land compensation and resettlement subsidy should ensure the peasants whose land is expropriated remain a standard no lower than before and be worked out within the legal limit. According to the legal unified annual output value times, if the land compensation and resettlement subsidy couldn't ensure the peasants whose land is expropriated couldn't remain the original living level and couldn't pay for their social security, the times can be increased after the approval of province government. If the sum of land compensation and resettlement subsidy is 30 times as the unified annual output value, the peasants whose land is expropriated couldn't remain the original living standard, the local government can subsidy from the state-owned land income. If the basic farmland is expropriated by the legal approval, the land compensation should be carried out according to the highest compensation standard announced by the local government.

(8) Real Right Law of the People’s Republic of China (Order of the President of the People’s Republic of China No. 62, effective as of October 1, 2007)
Main contents: In accordance with the Constitution Law, the present Law is enacted with a view to maintaining the basic economic system of the state, protecting the socialist market economic order, clearly defining the attribution of the res, bringing into play the utilities of the res and safeguarding the real right of the right holder. The civil relationships incurred from the attribution and utilization of the res shall be governed by the present Law.
(9) Regulations on Land Acquisition for Construction Project of Shaanxi Province. No. 78 document issued and effective as of January 8, 2002 by Shaanxi Provincial Government.

Main contents: to regulate the land acquisition in Shaanxi Province. According to The Land Administration Law of the People’s Republic of China and Regulations on the Implementation of the Land Administration Law of the People’s Republic of China of Shaanxi Province, the regulations puts forward the principal and method to protect, explore and use land reasonably, and to guarantee construction land environment and to balance the land use and supplement.

(10) Notice on Printing the Average Standard of Unified Annual Output Value and Section Comprehensive Land Price on Land Acquisition in Shaanxi Province [No. 36 Shaanzhengbanfa (2010)]

Main contents: A. to publish the standard of the unified annual output value of all the cities in Shaanxi Province. B. to publish the times of unified annual output value for land acquisition and relocation subsidy of all the cities in Shaanxi Province. C. to put forward that the principle on land acquisition compensation should be based on same price of same land, coordination and balance, and openness.

(11) Notice on Printing the Average Standard of Unified Annual Output Value and Section Comprehensive Land Price on Land Acquisition in Yan’an City [No. 228 Yanzhengbanfa (2010)]

Main contents: A. to publish the standard of the unified annual output value of all the counties/districts in Yan’an City. B. to publish the times of unified annual output value for land acquisition and relocation subsidy of all the counties/districts in Yan’an City. C. to put forward that the principle on land acquisition compensation should be based on same price of same land, coordination and balance, and openness.

4.2 Involuntary resettlement policies of the World Bank

The operational policy and business procedure of the World Bank on involuntary resettlement (OP4.12 and BP4.12) has clearly specified the policies for involuntary resettlement. The main policies related to this project are as follows:

- Goal of resettlement policy
  1. Explore all the feasible project design schemes, and avoid or minimize involuntary resettlement.
  2. If the resettlement is unavoidable, the resettlement work shall be conceived and executed as sustainable development program, provided with sufficient investment fund, and ensure the relocated people can share the benefits brought by the project. Sincere consultations shall be conducted with relocated people to get them involved in the planning and execution of resettlement plan.

- Measures to achieve the goal
  3. The resettlement program or framework shall incorporate corresponding measures to ensure:
    1. Relocated people are aware of their options and other rights concerning resettlement;
    2. Consult with relocated people on the feasible alternatives at technical and financial level, and provide them with options and these alternatives;
    3. Make use of all the relocation cost to provide relocated people with prompt and effective compensation and offset the direct property loss caused by the project.
  4. If the project involves relocation, the resettlement program or framework shall incoorate corresponding measures to ensure:
    1. Provide assistance to relocated people during the relocation process (e.g. relocation subsidies);
    2. Provide relocated people with housing or house site, or provide the site for agricultural production if required. The production potential, geographical advantage and other factors of
the site for agricultural production shall be no worse than the favorable conditions at the original site.

5. If required to achieve the goal of the policy, the resettlement program or policy framework shall also incorporate corresponding measures to ensure:

(1) Reasonably estimate the transitional period after relocation according to the time that may need to restore the livelihood and living standard of relocated people, and provide support to relocated people during this transitional period;

(2) Provide relocated people with development assistance, e.g. site preparation, credit service, training or job opportunities.

- Give special attention to the need of vulnerable groups among relocated people, especially those people under the poverty line or without land, elderly people, women and children, indigenous people and minority groups, or other relocated people that are not under the protection of national land compensation regulations.

- For those relocated people who used to make their living on the land, give priority to resettlement strategy on the land basis. These strategies may include resettlement on the public land or purchased private land. Whenever the alternative land is provided, the production potential, geographical advantage and other factors of the land shall be no worse than the favorable conditions of their original land. If the land has not been given priority to in the resettlement strategy, or the provided land may have adverse impact on the sustainability of the park or protection zone, or it is impossible to obtain adequate land at a proper price, it is required to provide both monetary compensation for land and other property loss and employment or self-employment programs. In case of insufficient land, the case shall be described and recorded as required by the bank.

- Monetary compensation for property loss may apply to: (a) relocated people make their living on the land, but the requisitioned land is only a small part of their property damaged by the project, the rest of their property are financially independent; (b) relocated people can make use of active land, housing and labor markets, and ensure the sufficient supply of land and housing; or (c) relocated people do not make their living on the land. The monetary compensation shall substitute the cost in full amount on the local market, and compensate for land and other property loss.

- Resettlement information shall be provided to relocated people and their communities in time. Consult with them on the resettlement program, provide them with the opportunities to get involved in planning, implementing and monitoring resettlement process, and establish corresponding convenient appeal mechanism for these groups.

- Necessary infrastructure and public service shall be provided on the new resettlement site or main communities, so as to improve, restore or maintain the communication system and service level of the community. Alternative or similar resources shall be provided to compensate the loss of community resources (e.g. fishing area, pasturing area, fuel or fodder).

- The new community model shall be established according to the choice of relocated people. The existing social and cultural system of relocated people shall be preserved as much as possible, and respect shall be shown to the opinions of relocated people on moving to the new community.

Table 9 Differences between WB’s and China’s policies

<table>
<thead>
<tr>
<th></th>
<th>China’s policies</th>
<th>WB’s policies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose</strong></td>
<td>ensure the timely and effective construction, and ensure the stability and harmony of the society</td>
<td>avoid or minimize involuntary resettlement. involuntary resettlement economic and social future will generally be at least as favorable with the project as without it</td>
</tr>
<tr>
<td><strong>Focus</strong></td>
<td>significance of organization, administration and monitoring</td>
<td>significance of the public</td>
</tr>
<tr>
<td><strong>Compensation Way</strong></td>
<td>● currency compensation mostly, or material compensation sometimes. ● when material compensation, resettlement site and building are decided</td>
<td>● affected persons choose currency or material compensation. ● affected persons choose the site</td>
</tr>
</tbody>
</table>
### 4.3. Entitlements, Compensation and Benefits

To protect relocated people's legal rights and to guarantee relocated quality of the relocated people are both our country’s relevant policy and laws and WB's resettlement policy for the relocated people. The implementation of this project inevitably needs some land expropriation, building demolition and resident relocation. In accordance with legal regulations concerning land acquisition and relocation by the national and local governments and guiding principles of WB concerning relocation and resettlement, and especially in order to carry out the construction of the Project, the Project shall be implemented in adherence to improving or not lowering the production conditions and living standard of the affected people. The affected residents are entitled to get compensations from the implementation party that should help the affected residents to resume or improve the level of their income and life.

In conformity to the above principles, Yan’an Water Supply Office of Shaanxi Province, the executing agencies, together with Yan’an Department of Land Resources and other related departments, draw out relative policies and measures in respect of the Project. In accordance with the reality in Shaanxi Province, the project will base on the spirit and demand of Decision on Furthering Reform of Land Management of the State Council (Guofa [2004] No. 28) and Notice on Printing the Suggestions for Completing Compensation and Relocation System of Land Expropriation by the Ministry of Land Resources of People's Republic of China (Nov. 3, 2004, Guotuzifa [2004] No. 238), Notice on Printing the Average Standard of Unified Annual Output Value and Section Comprehensive Land Price on Land Acquisition in Shaanxi Province [No. 36 Shaanzhengbanfa (2010) ] , and Notice on Printing the Average Standard of Unified Annual Output Value and Section Comprehensive Land Price on Land Acquisition in Yan'an City  [No. 228 Yanzhengbanfa (2010) ] and work out the plan of compensation.

In order to do the land expropriation, building demolition and resident relocation compensation well, the Project will apply the following principles.

1. To make sure the affected individual people can raise, or at least resume, their original production and living level in the shortest time.

2. The compensation of land acquisition, temporarily occupied land, young crops, attached facilities and affected houses should be formulated based on replacement value and considering the affected persons’ opinions.

3. Any damage of villagers’ life and production caused by construction should be paid according to the damage level. The compensation should restore or improve their original life and production level.

4. The farmers who lose their land can get land again by land redistribution at their own village in line with the per capita land. The village redistributes land to every household according to the term “when the country's basic construction needs to expropriate land, to redistribute land according to relevant regulations”. If there is not enough land in their own village, other land can be given to them in the same town or county, but, the land cannot be more than 3000m from their own house.
(5) Anyone who lose his house should get a new one, the resettlement site should be around the original site, no more than 1,000 meters at most. The new houses should be built by villagers themselves. However, if there are any difficulties, the local government or village committee should help them.

(6) The compensation of all the affected houses and other facilities should be calculated according to the latest price, and without any depreciation.

(7) Land expropriation, building demolition and resident relocation compensation should be completed at least one month before the project construction begins. Otherwise, the project cannot begin.

(8) In line with the principle of guaranteeing the country’s construction land and saving farm land at most, don’t occupy farm land as far as possible if deserted land or hillside fields are available.

5. Compensation Standards

5.1 Land Compensation Standard

69 Standard for land compensation fee and resettlement subsidy – In line with the spirit and requirement of the Decision on Furthering Reform of Land Management of the State Council (Guofa [2004] No. 28), the Notice on Printing the Suggestions for Completing Compensation and Relocation System of Land Expropriation (Guotuzifa [2004] No. 238) released by the Ministry of Land and Resources, and Notice on Printing the Average Standard of Unified Annual Output Value and Section Comprehensive Land Price on Land Acquisition in Yan’an City [No. 228 Yanzhengbanfa (2010)]: the total amount of the compensation fee and resettlement subsidy shall be calculated according to the times of unified annual output value in Baota District and Yanchuan County, the project area.

70 According to the Implementation of ‘Land Administration Law of the People’s Republic of China’ of Shaanxi Province: compensation for farmland shall be made according to four to six times of the average annual output of the medium-sized arable land in the local county (city or district) with expropriated land in the first three years; land compensation for other lands shall be calculated according to one to four times of the average annual output of the medium-sized arable land in the local county (city or district) with expropriated land in the first three years; compensation for orchard shall be calculated according to six times of the legal maximum of the average output of dry land within the project area in the local county (city or district) with expropriated land in the first three years; compensation for residential base shall be calculated according to four times of the average output of the dry land within the project area.

71 During the public consultation, most local people think that the regulation is out of date and the compensation standard is somewhat low. According to the term of Decision on Furthering Reform of Land Management of the State Council (Guofa [2004] No. 28): if the compensation and relocation subsidy cannot offer the farmers whose land is acquired maintain the original living standard and cannot pay the fee of social security according to the current law, the people’s government of relevant province should approve of the rise of the relocation subsidy, the project implementing organ decides that the compensation standard of orchard land and residential land is 41,076 yuan per mu, which is the standard of farmland.

72 The vegetable greenhouse needs large investment, so the land added value is much higher than the original land output value. The compensation standard for vegetable greenhouse is 30 times of 6,600 yuan per mu of the field assessment according to Notice on Printing the Average Standard of Unified Annual Output Value and Section Comprehensive Land Price on Land Acquisition in Yan’an City [No. 228 Yanzhengbanfa (2010) ], that is , 200,000 yuan per mu. Yan’an Water Supply Office, Yan’an Administration of Land and Resources and Yan’an Bureau of Statistics formulate the compensation standard of the project. See Table 10.
Table 10

<table>
<thead>
<tr>
<th>area</th>
<th>Baota District</th>
<th>Yanchuan County</th>
<th>vegetable greenhouse</th>
<th>orchardland</th>
<th>housingland</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>dry land</td>
<td>slopeland</td>
<td>dry land</td>
<td>slopeland</td>
<td></td>
</tr>
<tr>
<td>AOV</td>
<td>1467</td>
<td>1195</td>
<td>1434</td>
<td>1190</td>
<td>6600</td>
</tr>
<tr>
<td>compensation times</td>
<td>28</td>
<td>26</td>
<td>30</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>compensation standard</td>
<td>41076</td>
<td>31070</td>
<td>43020</td>
<td>30940</td>
<td>200000</td>
</tr>
</tbody>
</table>

5.2 House Compensation

There are a few houses or cave-house affected by the demolition and resettlement. The total area of the affected housing is 2130 m², of which 290 m² is brick and concrete, 60 m² is brick and wood, 1560 m² is 52 stone cave-houses, and 220 m² is 8 earth cave-houses. The demolition will affect 11 households. The compensation of demolished housing will base on the following principles:

a. Compensation shall be made in accordance with the actual condition of the demolished houses, in order to ensure that the demolished households can obtain the houses of the same structure, areas and section as their demolished ones stipulated in this RAP. According to the guide for house relocation settlement and the structure and type of houses, the people affected by house demolition shall be compensated directly, and their previous houses shall not be depreciated; besides, the affected residents are entitled to the construction materials of their previous house.

b. For villagers who lose their houses, 11 households have to remove their houses. The village and township government shall allocate land bases for them to build houses by themselves with the assistance of compensation fees and house removal fees; or they can ask the village and township government to build the house. No matter which way of rebuilding is adopted, the house cannot be demolished until the demolished households have removed to their new houses. One household don’t move because of temporary impact, and when the project finishes, the household can build new house in the original site. During the transitional period, the household will get transitional fee (standard in Table 9). The household can find housing by itself or ask the village or the project office to help rent a house.

In accordance with the assessment and approval of the real estate management bureaus of the county or the city, the compensation standard is as shown in Table 11 below.

Table 11

<table>
<thead>
<tr>
<th>brick and concrete (m²)</th>
<th>brick and wood (m²)</th>
<th>stone cave-house (each)</th>
<th>earth cave-house (each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>720</td>
<td>30000</td>
<td>15000</td>
</tr>
</tbody>
</table>

Note: if any item is not included in the table, the compensation will be paid after the evaluation from housing administration above district level.

c. Housing cost in the affected area

Case 1
Mr. F, Yanshuiguan Village, Yanchun County, Yan’an city
Building time: 2010
Type: brick and concrete
Area: 4 cave-houses, 108 m², the first ground
Distance from the county town: 10km
Material fee:
Cement: 380yuan/ton (including fare) × 15 ton=5700yuan, purchase place: county town of Yanchuan, distance: 10KM
sand: 50yuan/m3 (including fare) × 24m3=1200yuan purchase place: county town of
Yanchuan, distance: 10KM
steel: 5000yuan/ton (including fare) × 4ton=20000yuan, purchase place: county town of Yanchuan, distance: 10KM
stone: 60yuan/m³×18m³=1080yuan, purchase place: county town of Yanchuan, distance: 10KM
wood: 860yuan/m³ (including fare) ×3m³=2580yuan
cement cover board: 40 yuan / m³ (including fare) ×100m=4000 yuan
precast slab: 22 yuan /m (including fare) ×150m=3300 yuan
dope: 1000 yuan / room×4=4000 yuan
plastic steel: 160 yuan / ㎡ × 26 ㎡ =4160 yuan, purchase place: county town of Yanchuan, distance: 10KM
brick: 0.4 yuan / each (including fare) ×65000=26000 yuan
floor tile: 70 yuan / each×15=1050 yuan
water proof and heat insulator material: 60 yuan /㎡×120 ㎡=7200 yuan
other material: 1200 yuan (nail, wire, power charge)
water and power material: 540yuan
cost of labor (not including owners' labor) skilled labor: 115 yuan /㎡×108 ㎡=12420 yuan
housing land fee and service fee: 35000 yuan
total price: 93430 yuan
average price not including housing land fee and service fee: 865.09 yuan /㎡

Case 2
Mr. W, Yaodian Town, Yan'an City
Building time: 2009
Type: brick and concrete
Area: 100 ㎡
Distance from the town: 5km
Material fee:
Cement: 427yuan/ton (including fare) × 20 ton=8540yuan, purchase place: Yaodian Town, distance: 5KM
sand: 48 yuan /m³ (including fare) × 45m³=2160 yuan, purchase place: Yaodian Town, distance: 5KM
steel: 4800 yuan / ton (including fare) ×4.5 ton =21600 yuan, purchase place: Yaodian Town, distance: 5KM
stone: 60 yuan / m³ (including fare) ×35 m³=2100 yuan, purchase place: Yaodian Town, distance: 5KM
wood: 850 yuan / m³ (including fare) ×3 m³=2550 yuan
precast slab: 85 yuan / each (0.7m wide) (including fare) ×45=3825 yuan
brick: 0.48 yuan / each (including fare) ×62000=29760yuan
water proof and heat insulator material: 60yuan/㎡×103 ㎡=6180 yuan
other material: 1500 yuan (nail, wire, power charge)
water and power material: 1300yuan
cost of labor (not including owners' labor) skilled labor: 112 yuan /㎡×100 ㎡=11200 yuan
Total price: 90715 yuan.
average price not including housing land fee and service fee: 907.15 yuan /㎡

5.3 Compensation for young crops

According to Item 29 of Regulations on the Implementation of the Land Administration Law of the People's Republic of China of Shaanxi Province, the compensation for young crops is calculated according to the unified annual output value of the land and public consultation. The standard is RMB 1500 yuan per mu, which is based on the unified annual
output value in Baota District, 1467 yuan for dry land, the higher compensation standard.

5.4 Other Affected Facilities

75 Other facilities includes cable TV wire, power, telecommunication wire, road, oil well etc. After the assessment of the relevant authorities, compensation fee for the affected auxiliary facilities shall be fulfilled according to alternative prices of the facilities. See Table 12 below for the compensation standard.

Affiliated building compensation standard is in Table 13.

<table>
<thead>
<tr>
<th>Grown fruit tree (each)</th>
<th>grown tree (each)</th>
<th>crop and tree compensation (mu)</th>
<th>electric wire (m)</th>
<th>power cable (m)</th>
<th>telecommunication wire (m)</th>
<th>asphalt road (km)</th>
<th>stone road (km)</th>
<th>oil well sealing fee (each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>300</td>
<td>2000</td>
<td>6</td>
<td>12</td>
<td>5</td>
<td>150000</td>
<td>50000</td>
<td>350000</td>
</tr>
</tbody>
</table>

**Table 13**

Affiliated Building Compensation Standard

<table>
<thead>
<tr>
<th>brick stove (each)</th>
<th>heatable sleeping platform (each)</th>
<th>Cellar (each)</th>
<th>housing for domestic fowl (each)</th>
<th>housing for domestic animal (each)</th>
<th>WC (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>300</td>
<td>400</td>
<td>200</td>
<td>80</td>
<td>100</td>
<td>400</td>
</tr>
</tbody>
</table>

5.5 Temporary occupied land

76 Temporary occupied land is the occupied road, material ground, construction ground occupied by construction unit during the project construction. The compensation of temporary occupied land is the average annual output value of the occupied land times the occupied years. When returned, the land should to be restored to the original state by the contractors, or paying some fee to the farmers for recovering it. To make a unified standard and with the public consultation, the compensation for the temporary occupied land is 1500 yuan per mu a year, which is based on 1467 yuan, the unified annual output value in dry plain land in Baota District and the highest compensation standard in the 3 project affected county/district.

77 The topsoil of the occupied land should be stored until the occupied land is due. Then the construction unit should renovate the land to the state that the land so it can be planted, and then return it to the state that the land can be planted, and then return it to the affected individuals.

78 About temporary occupied land, there is only compensation, but no resettlement or permanent impacts.

5.6 Evaluation of the Compensation Standard

79 According to the spirit and requirement of the Decision on Furthering Reform of Land Management of the State Council (Guofa [2004] No. 28), the Notice on Suggestions for Completing Compensation and Relocation System of Land Expropriation (Guotuzifa [2004] No. 238) released by the Ministry of Land and Resources, and Notice on Printing the Average Standard of Unified Annual Output Value and Section Comprehensive Land Price on Land Acquisition in Yan'an City [No. 228 Yanzhengbanfa (2010) ], the compensation standards for affected land and young crops of this Project are proposed by Yan'an Water Supply Office, Yan'an Bureau of Land and Resources, and Yan'an Bureau of Statistics, in the light of the
social and economic development strength and features within the Project area of Yan’an City, incorporating the part of suggestions put forward by every districts when they enact the uniform standard for annual output. Therefore, these standards have been increased in large degree compared with the previous ones. For example, the compensation standard of Xi’an-Yumenkou Expressway is 15 times as the average annual output of the land before expropriation in the first three years. Another example is: In 2008, for the Yan’an BaoXi Railway Project, the land compensation standard is 12,000 yuan per mu for dry plain land, 5000 yuan per mu for dry slope land, and 600 yuan per mu for young crops.

80 The housing compensation standard is based on the survey of replacement price in the project area in September 2011. (See 5.2 (3) “housing cost in the affected area”). The data are objective and exact, and are somewhat higher than the standard formulated and employed since 2003. For example, the standard of brick and concrete housing is from 760 yuan/m² to 1000 yuan/m².

81 Trees are an important element in the project. According to the Field survey, the compensation standard for fruit trees rises from 200 yuan to 500 Yuan each. The standard for other grown trees is from 200 yuan to 300 yuan. The compensation standard is higher than that of other projects in the area.

82 With above measures, the compensation standard for land and young crops of the Project has been stipulated with incorporation of the suggestions of the local government and residents, so it is rated highly by the local government and residents according to the feedbacks.

5.7 Farmland protection

82 According to the regulations of Article 16 of 《Regulations on the Protection of Basic Farmland》 issued by the State Council of the People’s Republic of China, if the construction land is in the protection scope of basic farm land designated by the local government, people should reclaim the same quantity and quality as the occupied basic farmland; if there is no condition to reclaim wasteland or the reclaimed land does not meet the need, people should pay farmland reclamation fee according to the concrete formulations of 《Regulation on the Protection of Basic Farmland of Shaanxi Province》.

5.8 Payment of Compensation Fee

83 Compensation fee for land expropriation takes a part in the total investment of the Project, thus it has already been considered in the budgetary estimation. All the compensation fees are allocated by Yan’an Water Supply Project Office; they shall be given to the affected collectives and people, and no one shall intercept or embezzle them. The land expropriator shall sign contract with the previous owner of the expropriated land; the compensation fee shall be drawn with the signature of the payee; and all the materials shall be kept in archives.

84 Land compensation fee belongs to rural collective economic group, thus it shall be given directly to the village committee in a bid to develop production and restore the economic strength of the affected people. The affected people are entitled to discuss and participate in the economic restoration plan.

85 Compensation fee for house, specialized facilities and auxiliary facilities, as well as young crops shall be directly paid to the entitled people.

5.9 Economic rehabilitation subsidy for the vulnerable group

86 According to field survey and public consultation, the project will offer 10,000 yuan each for the 9 vulnerable households affected by the land acquisition as economic rehabilitation subsidy.

5.10 House Relocation and Transition Subsidies
12 households are affected by housing demolition and relocation, among which 1 household is at Yanshuiguan Village and 11 households are at Zhangjiahe Village. For the 12 affected households, the house relocation and transition subsidies in addition to the house compensation fee should be paid according to the standards, including temporary transition fees and house removal fee.

A. The standard of temporary transition fee

The temporary transition fee is 4 yuan per square meters every month. 12 affected households will demolish their housing, averagely 140m² every household. According to the standard, every household can get 560 yuan transition fee every month. According to the survey at Yanshuiguan Town, the rent fee for a 100—150m² housing is 500—600 yuan per month. So the transition fee of the project is enough for the affected households and is similar with the rent price of local housing.

The transition period is 6 months. Now, the implementing organ are helping to find a transition house. If the implementation agency provides the transition house or the old house is demolished after the new house is ready, no transition fee will be paid.

B. The house removal fee

1000 yuan house removal fee will be paid to each one of the 11 affected households. If the implementation agency provides vehicles for removing, no removal fee will be paid.

5.11 Payment and monitoring of land compensation

The construction unit will pay land compensation and resettlement subsidy of the project construction through administrative procedures. According to the formulations of 《The Land Administration Law of the People's Republic of China》, the land compensation is paid to the land owners or land users, and resettlement subsidy is paid to help settle down the rural residents after the land expropriation. So, the land compensation should be arranged and spent by the village committee; and the compensation for temporary occupied land and the young crops is arranged and spent by people who help settle down the rural residents. The transfer, usage management and monitoring of village-level land compensation and resettlement subsidy will be undertaken as per following procedure:

5.11.1 **Inspection and preparation before transferring the fund**

According to society survey data, the affected village should hand in the results of the detailed affected situation measurement survey to higher level Resettlement Arrangement Office for inspection.

All-level project offices and independent monitor, and local government in affected villages should train village-level management department, and guide them to work out a development program which is suitable for the local reality and using plan of resettlement fund, according to local social economy development reality and prospect.

Relevant departments should guide, inform, consult and negotiate with APs and the village-level management to work out the utilization plan of village-level fund and report it to county-level project office for inspection.

Country-level Resettlement Arrangement Office inspects and gives guidance to perfect the utilization plan of the village-level fund. If the using plan of fund is not available, the fund will not be transferred.

5.11.2 **Management and monitoring of fund utilization**

County-level Resettlement Arrangement Office inspects and confirms the utilization plan of village-level resettlement fund, and then transfers compensation and resettlement fund according to the village bank account.

Village committee will report utilization situation of compensation and resettlement fund to County Resettlement Arrangement Office every month. And county-level Resettlement Arrangement Office reports to the municipal Resettlement Arrangement Office every three months.
Besides monitoring fund utilization situation of village-level through report forms, county project office should inspect on site the development of agriculture infrastructure or enterprises which use compensation or resettlement fund.

Independent monitor will verify the utilization situation of compensation and resettlement fund of village-level units, evaluate the using effect of fund, offer advice to village-level units, and provide feedback monitoring to all-level project offices. Investigations will include sampling survey, site inspection, and discussions with affected individuals.

5.11.3 AUDITING

91 The project implementation agencies will be audited by auditing authorities according to our country's policies. The main content of auditing is land expropriation, housing demolition and resident relocation fund.

6. House Relocation and Income Restoration

92 The objective of the resettlement and rehabilitation plan is to guarantee the affected houses/infrastructures can be restored, the affected laborers can find job again, and the affected persons' incomes and living conditions can be improved or at least as well-off as they would have been in the absence of the project. According to this target, the most important economic rehabilitation measures is to redistribute land fairly, to work out fair distribution plan of the contracted land, and other economy economic resume restoration measures.

6.1 Rehabilitation Planning Principles

93 (1) For the occupied land for construction, the project implementing agency should compensate according to the laws.

(2) The construction unit should compensate according to replacement cost of the houses to be demolished by the project. The local government should distribute land for housing plots free of charge so the affected households can build new houses themselves or entrust the village to build.

(3) For the affected special-purpose facilities, the construction unit should pay the fund, and the township and county governments will help build new facilities; or compensate according to replacement value after the legal house appraisal company provides an assessment.

(4) For all the attached facilities, the construction unit should compensate according to the market or replacement value, whichever is larger. For the trees which can be transplanted, people can transplant them in suitable season before the construction demolition begins.

(5) To redistribute land seriously in consultation with affected villagers. To sign new land contract if the land is acquired.

(6) Guide the affected individuals to join non-agricultural industry to raise their labor income. During the project construction, guide the affected persons, especially the vulnerable group, to provide labor service for construction. When the project finishes, the project should employ local persons who have priority to work for the project maintenance.

6.2 Land Redistribution and Income Restoration Measures

94 In general, for the 9 affected villages, the project will acquire 414.65 mu land, accounting for 11.94% of the total 3472.2 mu farmland. Because the amount of acquired land is very small, every village can redistribute farmland and all the affected persons can get farmland similar to the acquired land. At present, every village confirms above principle through villagers conference and puts forward a plan for land redistribution.(the records of the village conference is in appendix). For the new plan, the village and the villagers will sign new contracts, so the newly redistributed land to the affected persons will be protected by the law.
According to the formulations of 《The Land Administration Law of the People’s Republic of China》, the land compensation is paid to the land owners or land users, and resettlement subsidy is paid to help settle down the rural residents after the land expropriation. The payment and monitoring of land compensation is in 5.2.

During the construction of the project, in order to maintain and raise villagers' living level, the affected villages and the implementing agency reach an agreement. The implementing agency promises that once the project begins, the villagers can take part in the construction if they are willing to, including: (1) In the same condition, the affected villagers have priority to take earthwork, or supply food and drink. (2) When the project completes, the project administrating agency will employ the affected persons to maintain the road and plant trees, etc. The wage or salary will be according to the Law of Labor. (3) In order to take affected women into consideration, if the women are willing, they are encouraged to take part in the construction and implementation of the project. According to the estimate, the above measures will bring at least 200,000 yuan of wages to the affected persons. (4) In addition, systematic skill training will be provided to the affected families. Based on the need of local industry structure, local governments will provide training on planting, agricultural machinery and marketing in order to make each family gain relevant employment skills. When the project will have finished, the affected persons should receive skill training at least three times. See Table 14.

**Table 14  Skill Training Plan (from August 2012 to the completion of the project)**

<table>
<thead>
<tr>
<th>plan</th>
<th>principle and purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Free lecture on repairing the agricultural machinery (3—5 days, for 100 persons)</td>
</tr>
<tr>
<td>2014</td>
<td>Skill training on poultry and gardening skill (3—5 days, for 100 persons)</td>
</tr>
<tr>
<td>2015</td>
<td>A skill training according to affected persons’ request</td>
</tr>
</tbody>
</table>

### 6.3 House Relocation

During the implementation of the project, there are 2130 m² building need to be demolished, and 70 villagers in 12 households will be affected by the demolition. The affected households mainly live at Yanshuiguan Village (one household) and Zhangjiahe Village (11 villages) of Yanshuiguan Town, Yanchuan County. 11 households need to relocate and the other one will settle in the original site. In order to relocate as well as possible, the villagers’ committees of Yanshuiguan Village and Zhangjiahe Village discussed with the Yanshuiguan Town government, negotiated with the affected persons and then decided to distribute a special housing land along the Yanshiu Highway to relocate the 11 relocated households, which should be completed before the construction begins. And another site is prepared at the Yanshuiguan Town for them to choose. The new site is better to live together, easy for daily life and business, near to the highway and more convenient for the transport, medical care and children’s education. Because our country is developing “New Rural Area” Project, the newly-built houses of the affected persons can be part of the construction of New Rural Area Project. In a word, the living condition of the affected persons is better than the original ones. So, the construction of the project will not affect the 12 households seriously. The detailed data of the 12 households are in appendix.
6.4 Economic rehabilitation program for vulnerable groups

For the vulnerable groups, such as the aged, the disabled, the poor and families lacking labor, the project will provide added financial and technical assistance as necessary. For these vulnerable groups, a series of measures will be implemented to decrease the adverse effects, to assist them to relocate and rehabilitate their household economy. In addition, a special rehabilitation fund will be spent on the implementation of the measures for the vulnerable groups:

These are: (i) To provide special consultation; (ii) to choose housing land first; (iii) to send labor to help cultivate the land; (iv) to offer economic rehabilitation special subsidy, 10,000 yuan per household; (v) to give priority to get other economy rehabilitation measures; and (vi) the poor, the disabled, the aged and women will get special attention and priority to receive special education and skill training.

The implementing agency and relevant administrations have reached an initial agreement on the above principles. The relevant local government agencies also promise to assist the vulnerable groups to rehabilitate their economic and living conditions according to the plan.

6.5 Special Measures for Women

China has put the Protection Law of Women and Children of PRC in practice, which means that Chinese government takes women's rights and interests seriously. The law regulates that men and women have the same rights, women should not be looked down upon, and women's rights and interests should not be deprived.

The project takes women's rights and interests seriously. In order to protect affected women's rights and interests, the project puts forward the following measures: (i) In the process of resettlement and economic rehabilitation, women's opinions on choosing new housing site and economic rehabilitation programs will be taken into account. In order to fulfill the target, the representatives of the Women's Union should have a meeting with affected women to get the information on women's concerns and demands. (ii) Women's low training and education level limits their chances to choose way to get more money. The choice of profession and livelihood is vitally important for women. In order to provide convenience of income and life rehabilitation for the affected persons, the project proposes several skill training programs. The project will give 40—60% training chances to affected women. The Women's Union and the Labour Bureau in affected area should assist to formulate and implement training program. (iii) Besides the rights and interests formulated by the laws of China, the project will provide special assistance to the women, such as to propagate on the Marriage Law of PRC and the Protection Law of Women and Children of PRC, to provide medical care to the affected women and elderly, and to promote health condition of affected women and children.

6.6 Rehabilitation program of special facilities

The affected special facilities are electricity line and telecommunication line. In the early stage of feasibility study, the survey of impact on residents from the relocation of the affected special facilities has been done. The project plan takes their opinions and suggestions into account after consulting with affected villages' leaders, relevant agencies and affected families. For example, when rebuilt, the electricity line and telecommunication line poles can be raised; the relevant agencies should design and rebuild the electricity facilities and telecommunication facilities if necessary.

6.7 Arrangement of relocation and rehabilitation

The project plans to begin in January 2013. In order to relocate the affected persons and organs well, all the land acquisition and relocation should be finished before the project begins. The time table of all the work is as follows.
<table>
<thead>
<tr>
<th>contents</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>survey on LA&amp;r</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draft RAP</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>supplementary survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>first negotiation on resettlement plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>revision of RAP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>second negotiation on resettlement plan</td>
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<tr>
<td>improve the resettlement plan</td>
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<tr>
<td>approval of resettlement plan</td>
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<tr>
<td>implementation of resettlement</td>
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</tr>
<tr>
<td>internal supervision</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>external supervision</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.8 Entitlement Matrix
Table 16 Matrix of affected persons’ compensation rights and relocation

<table>
<thead>
<tr>
<th>Type of loss</th>
<th>Applicability</th>
<th>Person/collective with rights</th>
<th>Entitled person/group</th>
<th>Compensation policy</th>
<th>Compensation rights</th>
<th>Implementing item</th>
</tr>
</thead>
</table>
| Permanent loss of farmland    | Land within the implementing line | a) villages owning the land  
  b) villagers using the land | a) 9 affected villages 
  b) 810 persons in 176 households who lose land | a. land compensation paid to villages 
  Baota district: 41076 yuan/mu for dry land, 31070 yuan/mu for slope land, 200000 yuan/mu for vegetable greenhouse, orchard land and housing land are the same as farmland 
  Yanchuan county: 43020 yuan/mu for dry land, 30940 yuan/mu for slope land, 200000 yuan/mu for vegetable greenhouse, orchard land and housing land are the same as farmland | b. redistribute land to APs at affected villages; 
  c. compensate in cash for standing crops according to policy | The village committee will confirm losses and payments. Township authorities approve and monitor |
| Temporary loss of land        | Land used as work site within or near implementing area | Villagers using the land | Defined during construction | Compensate in cash according to loss every year, recover as before construction. APs’ life at least as before compensation standard is 1500 yuan/mu/year | Compensate in full to persons and villages who own or use land at a minimum of 16 times the average annual output value (AAOV), the distribution between those who own or lose land will be decided by the villagers conference | Use is approved and monitored by township officials. Maximum period is 2 years. Land occupation must obtain the consent of the user/owner. Vacant or wasteland should be utilized as much as possible. |
| Loss of scattered trees       | Scattered trees on affected land use permanently | Owner of affected trees |  |  | Full payment directly to owners |  |

Cash compensation based on replacement value  
Small trees will be replanted.
<table>
<thead>
<tr>
<th>Vulnerable group</th>
<th>Owners of all facilities</th>
<th>Compensation in full price according to market</th>
<th>Villages owning land</th>
<th>Compensation in cash</th>
<th>Villagers conference decide how to use the compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged, weak, women, children, disabled, poor, those who cannot work or lack of labor force etc</td>
<td>owners of all facilities</td>
<td>Full compensate in cash to owner of housing, compensation of housing site to village, the villages redistribute housing site</td>
<td>9 affected villages</td>
<td>70 persons in 12 households of 9 villages</td>
<td>Village</td>
</tr>
<tr>
<td>Persons or households who are vulnerable group</td>
<td></td>
<td>Full compensate in cash to APs, including housing site and housing, 500 yuan transition fee every month and 500 yuan removal fee for every household</td>
<td>Persons and households who lose housing</td>
<td>Housing site and property within implementing area or affected by the project</td>
<td></td>
</tr>
<tr>
<td>Loss of housing site /property</td>
<td></td>
<td>Compensation in cash to APs, including housing site and housing, 500 yuan transition fee every month and 500 yuan removal fee for every household</td>
<td>70 persons in 12 households of 9 villages</td>
<td>Housing site and property within implementing area or affected by the project</td>
<td></td>
</tr>
<tr>
<td>Loss of non-farm land</td>
<td>Villages owning land</td>
<td>Compensate in cash</td>
<td>9 affected villages</td>
<td>70 persons in 12 households of 9 villages</td>
<td>Village</td>
</tr>
<tr>
<td>Non-farm land with the project area</td>
<td></td>
<td>Compensate in cash</td>
<td>Villages owning land</td>
<td>Villages owning land</td>
<td></td>
</tr>
<tr>
<td>Affected special facilities</td>
<td>Owners of all facilities</td>
<td>Compensation in full price according to market</td>
<td>Owners of all facilities</td>
<td>Owners of all facilities</td>
<td></td>
</tr>
<tr>
<td>All facilities within project area</td>
<td></td>
<td>Compensate in full price according to market</td>
<td>Owners of all facilities</td>
<td>Owners of all facilities</td>
<td></td>
</tr>
<tr>
<td>Note: all the policies of the project will be carried out after official approval</td>
<td></td>
<td></td>
<td>Villages owning land</td>
<td>Villages owning land</td>
<td></td>
</tr>
</tbody>
</table>

The project will offer help and 10,000 yuan special economic rehabilitation subsidy for each vulnerable household, together with village and town priority to getting compensation and assistance under the same condition. Relevant government supplies assistance.
7. Resettlement Budget and Financing Plan

7.1 Cost estimates

7.1.1 Basic costs

The land acquisition, housing demolition and resident resettlement compensation is part of the total investment of the project construction and is included in the project annual investment plan. The total resettlement cost is RMB 83.9965 million yuan, among it, the basic cost is RMB 54.8745 million yuan.

7.1.2 Contingency cost

The unforeseen physical and price increases in land acquisition, housing demolition and resident resettlement compensation is budgeted as the contingency cost, which equals 10% of the basic cost of land acquisition, housing demolition and resident resettlement compensation of the project.

7.1.3 Management cost

The management cost equals 2.8% of the basic cost of land acquisition, housing demolition and resident resettlement compensation. Among it, the city, county(district) can use 1% respectively, the villagers' committee use 0.8%.

7.2 Fund Flow

Land acquisition, relocation compensation cost shall be paid directly to villager’s committee and affected individual by the /County/District Project Office after the fund is paid to the bank and the County/District Project Office by the implementing agency.

**Figure 6** Fund flow

```
City, county/district government fund

bank

County/district project office

Villagers' committee (land payments)

Villagers (house, trees, etc)

Relevant enterprises (facilities)
```
7.3 Fund sources and use of contingency cost

The implementing agency has the right to use the contingency cost in the budget. For the contingency cost and the rise of the price, the Coutny/District Project Office should report it to the Provincial Development and Reform Committee and Provincial Bureau of Treasurer, and after their approval, they will be added to the budget. The procedure will take no more than one month.

### Table 17  Details of Resettlement Fee

<table>
<thead>
<tr>
<th>No.</th>
<th>item</th>
<th>unit</th>
<th>compensation standard (yuan/unit)</th>
<th>number</th>
<th>cost (ten thousand yuan)</th>
<th>rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Permanently acquired land</td>
<td>mu</td>
<td>414.65</td>
<td>1863.63</td>
<td>22.18</td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Gaojiawan Fourth Station – Donghuan Water Plant</td>
<td>mu</td>
<td>143.36</td>
<td>772.49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.1</td>
<td>Farmland</td>
<td>mu</td>
<td>118.36</td>
<td>669.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dry land</td>
<td>mu</td>
<td>41076</td>
<td>8.1</td>
<td>33.28</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slope land</td>
<td>mu</td>
<td>31070</td>
<td>92.86</td>
<td>288.52</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vegetable greenhouse</td>
<td>mu</td>
<td>200000</td>
<td>17.4</td>
<td>348</td>
<td></td>
</tr>
<tr>
<td>1.1.2</td>
<td>Housing land</td>
<td>mu</td>
<td>41076</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>1.1.3</td>
<td>Orchard land</td>
<td>mu</td>
<td>41076</td>
<td>25</td>
<td>102.69</td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Intake site of the YellowRiver--- Gaojiawan Fourth Station</td>
<td>mu</td>
<td>271.29</td>
<td>1091.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2.1</td>
<td>Farmland</td>
<td>mu</td>
<td>134</td>
<td>500.52</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dry land</td>
<td>mu</td>
<td>43020</td>
<td>71.13</td>
<td>306</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slope land</td>
<td>mu</td>
<td>30940</td>
<td>62.87</td>
<td>194.52</td>
<td></td>
</tr>
<tr>
<td>1.2.2</td>
<td>Housing land</td>
<td>mu</td>
<td>43020</td>
<td>3.3</td>
<td>14.2</td>
<td></td>
</tr>
<tr>
<td>1.2.3</td>
<td>Orchard land</td>
<td>mu</td>
<td>43020</td>
<td>133.99</td>
<td>576.42</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Temporarily occupied land</td>
<td>mu</td>
<td>1500</td>
<td>1711.8</td>
<td>256.77</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Demolished housing (including cave-house)</td>
<td>m³</td>
<td>2130</td>
<td>201.32</td>
<td>2.4</td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Brick and concrete building</td>
<td>m³</td>
<td>1000</td>
<td>290</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brick and wood building</td>
<td>m³</td>
<td>720</td>
<td>60</td>
<td>4.32</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stone cave-house</td>
<td>each</td>
<td>30000</td>
<td>52 (1560 m³)</td>
<td>156</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Earth cave-house</td>
<td>each</td>
<td>15000</td>
<td>8 (220 m³)</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>3.2</td>
<td>Removal fee</td>
<td>household</td>
<td>1000</td>
<td>11</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>3.3</td>
<td>Transition fee</td>
<td>household/m³/month</td>
<td>4</td>
<td>2130×6</td>
<td>5.11</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Other ground attachment</td>
<td></td>
<td></td>
<td>1914.41</td>
<td>22.79</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>item</td>
<td>unit</td>
<td>compensation standard (yuan/unit)</td>
<td>number</td>
<td>cost (ten thousand yuan)</td>
<td>rate (%)</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------</td>
<td>------</td>
<td>----------------------------------</td>
<td>--------</td>
<td>--------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>5</td>
<td>Affiliated building</td>
<td></td>
<td></td>
<td></td>
<td>2.62</td>
<td>0.03</td>
</tr>
<tr>
<td>6</td>
<td>Special facilities</td>
<td></td>
<td></td>
<td></td>
<td>1239.7</td>
<td>14.76</td>
</tr>
<tr>
<td></td>
<td>Power wire</td>
<td>km</td>
<td>60000</td>
<td>10</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Power cable</td>
<td>km</td>
<td>120000</td>
<td>8.1</td>
<td>97.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Telecommunication wire</td>
<td>km</td>
<td>50000</td>
<td>7.5</td>
<td>37.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oil well</td>
<td>each</td>
<td>350000</td>
<td>29</td>
<td>1015</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Asphalt road</td>
<td>km</td>
<td>150000</td>
<td>1</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stone road</td>
<td>km</td>
<td>50000</td>
<td>3</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Special subsidy for vulnerable group</td>
<td>yuan</td>
<td>10000</td>
<td>9</td>
<td>9</td>
<td>0.11</td>
</tr>
</tbody>
</table>

**Total of 1~7 Basic cost** 5487.45 65.33

| 8   | Other cost                |      |                                  |        | 867                      | 10.32    |
|     | Plan preparation cost     |      | Percentage of the basic cost     | 0.3%   |                          |          |
|     | Administration Cost       |      | Percentage of the basic cost     | 3%     |                          |          |
|     | Skill training cost       |      | Percentage of the basic cost     | 1%     |                          |          |
|     | External Monitoring and Evaluation Cost | Percentage of the basic cost | 1.5% | 82.31                     |
|     | Contingency cost          |      | Percentage of the basic cost     | 10%    |                          |          |

| 9   | LA cost                   |      | Percentage of the basic cost     | 2.8%   | 153.65                   |          |
|     | New construction land use fee | m² | 32 276447.16                      | 884.63 |
|     | Farmland reclamation fee  | m²  | 7 168248.41                       | 117.77 |
|     | Farmland occupation tax (farmland) | m² | 40 168248.41                      | 673    |
|     | Farmland occupation tax (other agricultural land) | m² | 20 108198.75                      | 216.4  |
|     | LA administration cost    |      | Percentage of the basic cost     | 2.8%   | 153.65                   |          |

**Total** 8399.65 100

### 8. Institutional Arrangements

8.1 Executing agency

The executing agency is Yan’an Water Supply Project Office. In order to ensure the smooth implementation of the project, Yan’an City set up the Yan’an Water Supply Project Leading Group consisting of the leaders from the City Development and Reform Committee, the City Bureau of Treasures, the City Bureau of Water Resources, and the head of the Office is a vice mayor. Yan’an Water Supply Project Office, on behalf of the Yan’an Water Supply Project Leading Group, is in charge of organizing, applying for WB’s loan, coordinating relocation, monitoring and inspecting the payment of usage of the compensation for land acquisition and resettlement.

Yan’an Water Supply Project Office is in charge of formulating the RAP of the project. In order to formulate the Rap in a professional way, the Office invites a consultant expert to formulate the RAP on behalf of the Office. The expert is approved by the World Bank, and the
service time of the expert will be discussed according to the reality. The duties of the expert are:

a. to formulate the RAP.

b. to train the ability for the Office and the project implementing organs.

8.2 Implementing agency

Yan’an Water Resources Investment Co. Ltd. is the implementing agency of this Project, and the staff will work in the project county/district project offices. The agency is also the contractor of the loan.

8.3 Implementing agencies for LA&R

Figure 7 Institutional arrangements

The project implementing agency will be in charge of organizing and coordinating land acquisition and resettlement. The duty is as follows:

(i) According to WB’s and PRC’s policies for land acquisition, demolition and resettlement of construction projects, in charge of checking the quantity of affected land, removed buildings, special-purpose facilities and attached materials, in charge of assessing and formulating compensation standard of affected special-purpose facilities, and in charge of signing the contract on land acquisition and resettlement with the affected villages and persons.
(ii) In charge of survey and research on the land acquisition and resettlement, listening to the opinions of affected people, accepting all kinds of complaints and requests, and dealing with them in time.

(iii) In charge of the concrete affairs of compensation of land acquisition, assuring the building of new houses and the timely progress of all compensation and payment and utilization of the compensation of land acquisition and removing.

(iv) In charge of guiding villages to establish economic recovery planning as well as summarize and exchange experience.

(v) In charge of reporting work progress to municipal project office regularly and submitting related statistical data timely.

(vi) Nie Tao, Deputy District Mayor of Baota District, is assigned to serve as the head of Baota District Project Resettlement Leading Group, and Wang Youming, Director of Baota Water Conservancy Bureau, is assigned to serve as Director of the office and takes charge of routine work.

Yan Ming, Deputy District Mayor of Yanchuan County, is assigned to serve as the head of Yanchuan Project Resettlement Leading Group, Liu Shihua, Director of Yanchuan Water Conservancy Bureau, is assigned to serve as Director of office and takes charge of routine work.

8.4 Village Committees and Village Groups

Authorized by villagers’ convention, affected villagers’ committees and villager groups are in charge of right use of resettlement compensation and payment to the affected persons; to take part in the socio-economic survey and project impact survey; assist to work out the “Land Acquisition, Relocation and Resettlement Plan”; to organize the villagers to take part in the project and to explain the relevant policies; to implement, check, supervise and record land acquisition and resettlement activities in their village; to organize villagers to build new houses and help to get building approvals; to choose resettlement place and distribute housing land for relocated families; to adjust land distribution and implement economy rehabilitation; to supervise land acquisition, housing and attached facilities demolishing and reconstruction; to deal with grievances and appeals, to investigate and fulfill the relevant work; to help relocated persons to solve all the problems during relocation; to report the progress in land acquisition and resettlement; and to help vulnerable families to relocate.

8.5 Internal supervision agency

Yan’an Water Supply Project Office set up an internal supervision office for land acquisition and resettlement, consisting of 3 persons. The duty of the office is to guarantee all the land acquisition and resettlement officers can fulfill their tasks, carry out the terms in “Land Acquisition, Relocation and Resettlement Plan”, and guarantee all the affected persons can get their rights and interests.

9. Information Disclosure, Consultation, and Participation

9.1 Information Disclosure and Consultation

As a vital social activity for land acquisition, resettlement and compensation, information and consultation should be well-prepared with the aim to make every affected individual acquainted with the significance, processes, appropriation, compensation, appeal and the way of settlement and problems existing in the project construction. Therefore, consultation shall be carried on before hand.

9.1.1 Information disclosure and consultation process
Land acquisition, resettlement and compensation shall be carried out by two methods: first, social medium; second, correspondent management mechanism.

a. Make good use of newspaper, radio, TV, and bulletin in order to get understanding and support from every aspects of the society.

b. The project administration office consultation to affected individuals in forms of meeting, document, notice, and so on, before the project begins.

9.1.2 Contents of the information and consultation

118 a. To explain the significance of the construction and timing of the project.

b. To explain the principles and procedures of land acquisition, housing demolition and resident resettlement in RAP, and plan and measures of economic rehabilitation.

c. To explain all levels of project administration and their duty scope.

d. To explain compensation standard of land acquisition, housing, other property and all kinds of specialized facilities.

e. To explain the distribution and usage of compensation fund.

f. To explain the way of submitting a grievance claim during the land acquisition, housing demolition and resident resettlement compensation.

g. To explain the duty and jurisdiction of claim accepting agency at all different levels, and inform the affected individuals or enterises how to protect their own benefits and right through legal way.

h. To explain internal supervision agency and external monitor and their activity contents in the compensation work.

i. The information of land acquisition, housing demolition and resident resettlement must be explained to women, the disabled and other vulnerable groups.

By above mentioned activities, make all the affected individuals aware of impacts and their entitlements so they are more willing to accept and support the project.

9.1.3 Timing of information disclosure and consultation

119 The draft RAP of the project was finished in July 2011, and then was printed and distributed to affected county/district project office. At the same time, the information handbook of land acquisition, housing demolition and resident resettlement was distributed too all the affected villagers in the form of publicity. In all the stages of the relocation, information disclosure will be held in order that all the villagers can know the procedure of the project, understand and support the construction of the project. （See Table18）

Figure 8  Public Consultation in the Affected Village by the Staff of the Project Office
### Table 18  Procedure of Information Disclosure

<table>
<thead>
<tr>
<th>document</th>
<th>disclosure way and language</th>
<th>Yan’an Water Supply Project</th>
<th>disclosure place</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>affected villages in Baota District, Yan’an</td>
<td>affected villages in Yanchuan County, Yan’an</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>disclosure place</td>
</tr>
<tr>
<td>RAP</td>
<td>bulletin, data inquiry</td>
<td>inspected and approved by WB</td>
<td>inspected and approved by WB</td>
</tr>
</tbody>
</table>

### Table 19  Adoption of villagers’ feedback

<table>
<thead>
<tr>
<th>item</th>
<th>original plan</th>
<th>villagers’ feedback</th>
<th>final plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>housing compensation</td>
<td>brick and concrete 780/m²</td>
<td>brick and concrete 1000/m²</td>
<td>brick and concrete 1000 m²</td>
</tr>
<tr>
<td>employment of labor force</td>
<td>construction organ decides</td>
<td>participate in the construction</td>
<td>local labor force first</td>
</tr>
<tr>
<td>housing resettlement</td>
<td>currency compensation</td>
<td>more choices</td>
<td>compensation, redistribute housing land, or new site resettlement</td>
</tr>
</tbody>
</table>
9.2 Public participation

Besides efficient information and consultation, people’s governments at all levels and representatives of affected individuals will be invited to take part in the Project implementation. They will know the whole process of land acquisition, housing demolition and resident resettlement compensation. They can monitor whether all the work is undertaken in line with RAP terms and ensure that the benefit of affected individuals is well considered.

In terms of holding meetings or soliciting individuals’ opinions, the project implementation agency has already solicited opinions and suggestions from (a) the governments at all levels along the project construction line, (b) the representatives of affected units in the stage of design and preparation, and (c) affected villagers. They take the following activities in the process of land acquisition, housing demolition and resident resettlement.

a. Survey and design stages:(have done)
   ------Comparison of project implementation draft
   ------Sorting and measuring of affected land and housing
   ------The survey and check of trees, young crops, enclosures, etc.
   ------The survey and check of irrigation, electricity, communication and other facilities

b. Implementation stage:
   ------Sorting the compensation scope and definition of compensation standard
   ------Sign of compensation agreement
   ------Choosing new relocation spot and building the new houses
   ------Redistribution of land
   ------Rehabilitation plan (by use of compensation funds)
   ------Resettlement of affected persons and enterises
   ------Survey and coordination of grievance claim and appeal measures
   ------Monitoring and evaluation of resettlement implementation and results.
   ------Survey and coordination on complained issues;
   ------Monitoring and survey

(See Table 19 and Table 20)

Table 20 Procedure of Public Participation

<table>
<thead>
<tr>
<th>project</th>
<th>city, county/district</th>
<th>participant</th>
<th>method</th>
<th>contents and time</th>
<th>main conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yan’an Water</td>
<td>BaotaDistrict and</td>
<td>Yan’an Water Resources Investment CO Ltd., affected persons (including leaders, women representatives, poor household), relocation group, design organ</td>
<td>interview, villager meeting, questionnaire</td>
<td>field survey 2011.6, socioeconomic survey and resettlement method survey 2011.6, compensation and resettlement policy 2011.6-8, resettlement plan consultation 2011.8</td>
<td></td>
</tr>
<tr>
<td>Supply Project</td>
<td>Yanchuan County, Yan’an City</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9.3 Village Meetings

(1) The contents of village meetings are about all the aspects such as target, scope, policy of land acquisition, housing demolition and resident resettlement, compensation
Each affected village has held the village meetings from June 2011, which invited the leaders of the village, the representatives of affected individuals, the representatives of the poor to take part in, discussing the policy of resident resettlement, the implementation plan, etc. from August 10---25, the second village meeting was held at the affected villages. The minutes of village meetings indicate that local communities and villagers strongly support the construction of the Project, and agree the compensation rates provided in the resettlement plan.

(2) The responsible agency of village meetings is the land administration bureau at all levels, with close coordination with the village committee. Once the project implementation begins, the key persons in charge of resettlement administration at all levels, office address and telephone contact numbers should be announced in the affected areas. (See Table 21)

<table>
<thead>
<tr>
<th>organ</th>
<th>address</th>
<th>Contact</th>
<th>mobile phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yan'an Water Supply Project Yanchuan LA&amp;R Office</td>
<td>Yanchuan Bureau of Water Resources</td>
<td>Tuo Xinghai</td>
<td>15209112351</td>
</tr>
<tr>
<td>Yan'an Water Supply Project Baota LA&amp;R Office</td>
<td>Baota Bureau of Water Resources</td>
<td>Liu Dong</td>
<td>15009116278</td>
</tr>
<tr>
<td>Yan'an Water Resources Investment Co. Ltd</td>
<td>Yan'an Water Resources Investment Co. Ltd</td>
<td>Du Wei</td>
<td>15991552271</td>
</tr>
</tbody>
</table>

10. Grievance Redress Mechanisms

In order to protect the affected individual's interest, if anyone feels dissatisfied about the allocation work, he or she may make complaint and appeal to the project offices at correspondent levels. Further, he or she may take judicial proceedings to the People’s Court of county or municipal level.

10.1 Agencies handling complaints and appeals

Agencies transacting complaints and appeals are: the provincial, city, county/district project offices, People’s Government of the town and the villagers’ Committee.

The appeal transaction agencies are People's Court of the County/District and the Municipal Intermediate People's Court. The appeal transaction agencies and procedures are listed as follows:
10.2 Appeal procedures

(i) If the resident complains about land acquisition, housing demolition and resident resettlement work, first, they can tell it to the village committee in written form or orally, and ask for a solution or response. If the problem cannot be solved, the county (district) project office should coordinate and resolve. If the resident doesn’t receive any response in three weeks or is not satisfied, he/she can claim to the project management office at higher level in written form.

(ii) The project management office at upper level should solve in three weeks after receiving claims from the affected individuals. If the problem is not solved in three weeks or the affected individuals are not satisfied, they can make a lawsuit to county (district) people’s court according to legal procedure.

(iii) If the affected individuals are not satisfied with the judgment made by county(district ) people’s court, they can appeal to the city intermediate people’s court. The judgment made by the intermediate people's court is final; the affected individuals must obey the judgment.

10.3 Contents and means of reply to complaints

10.3.1 Content of reply

- Brief introduction of the grievance of the complainant.
- Investigation of the grievance and its result.
- Solutions and its specific basis.

10.3.2 Means of reply to grievance

- For some unique grievance, replies will be sent directly in written form to complainants.
- For some grievance frequently heard, we will inform the community they belong to by means of holding residents meeting or issuing announcements.
No matter what means is adopted, the reply materials should be sent to the resettlement organizations the complainants belong to.

10.4 Records and feedback of grievance and appeals

129 During the resettlement, relocation departments should register and manage the information of grievance and their solutions, and submit these information in written form to the Resettlement Office, which will conduct regular inspection to the registration.

130 To completely record the grievance of affected people and solutions to related problems, the Resettlement Office drafts the registration form of grievances and appeals about resettlement. The form refers to Table 22.

Table 22  Registration form of grievance and appeals about resettlement

<table>
<thead>
<tr>
<th>Receiving unit:</th>
<th>Time:</th>
<th>Place:</th>
</tr>
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<tbody>
<tr>
<td>Appealer's name</td>
<td>Appeal</td>
<td>Required solution</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Appealer (signature)</th>
<th>Recorder (signature)</th>
</tr>
</thead>
</table>

Notes: 1. Recorder should record the grievance and requirements of appealers faithfully.
2. The process of appeal should not be disturbed and interfered by anything.
3. Appealers should be informed of the proposed solutions within the stipulated time.

11. Monitoring and Evaluation

131 In order to guarantee the smooth process of the land acquisition, housing demolition and resident resettlement compensation, there are two kinds of supervision to be carried out simultaneously by two separate organizations in different ways: the first, an internal supervision system by the government (the city, county/district project office) to monitor according to RAP terms in the angle of administrative management; and the second, an independent external monitoring and evaluation system by sociologists to assess whether resettlement objectives have been met.

11.1 Internal Supervision

11.1.1 CONTENTS OF INTERNAL SUPERVISION

132 The contents of the internal supervision consist of two aspects: (i) the supervision to the relevant area administrative management department, including project management organization of city, county/district and village government; and (ii) the supervision of the compensation for the affected individuals according to RAP terms.

133 The basic contents of the work:
   a. If resident resettlement is carried out according to RAP terms
   b. If the affected individuals get enough compensation according to the formulations.
   c. If more job opportunities are provided to the local residents taking advantage of the project implementation.
   d. If the affected individuals are satisfied with the new land for housing
   e. If the affected individuals are satisfied with the compensation program.
   f. If the living condition of the affected individuals are safe and proper
g. If the affected individuals get the redistributed land according to relevant regulation
h. If the effected individuals, who lose land, are satisfied with the quantity and quality of redistributed land, living condition and production condition.
i. If the affected individuals are satisfied with their income change and rehabilitation situation after land acquisition.
j. If the affected individuals are satisfied with the project staff's working method, attitude and effect.
k. If the information, notification, consultation and coordination are given to the effected individuals according to the formulations.
l. If the expense is recorded in written form, especially the description of the cause of overspending and resource of supplement.
m. If the effected individuals are permitted to appeal according to the formulations.
n. If the effected individuals or enterises and satisfied with the results that some staff get punishment because of their possible activities against the law.
o. If the implementation activities are completed in time which should be completed a month before the project begins.

11.1.2 THE METHOD OF INTERNAL SUPERVISION

134 Different contents of supervision are carried out in different ways. The local project management organization should provide all kinds of data about land acquisition, housing demolition and resident resettlement compensation:

11.1.3 THE IMPLEMENTATION OF THE INTERNAL SUPERVISION

135 According to land acquisition, housing demolition and resident resettlement compensation program, the internal supervision is at both the preparation stage and implementation stage.

11.1.4 THE RESPONSIBILITIES OF SUPERVISION AGENCIES

136 (i) The supervision agencies should investigate the compensation standard, compensation amount and scope carried out by the implementation agency, and the right to assess, investigate and supervise the finished work or finishing work done by county-level project agencies
(ii) The supervision agencies should report or rectify the quantity, unit, and slope which doesn't accord with the formulations. Furthermore, the supervision agency also has the right to announce to the public what is not correct after rectifying.
(iii) The supervision agencies should report and to help deal with some fierce problems put forward by effected individuals or enterises or announce it to the public.
(iv) The supervision agencies should prosecute to the local judicial office, if any staff member hurt any individual's or enterise's benefit taking advantage of his power.
(v) The supervision agencies should announce any incident which has been dealt with but didn't get enough effect and to prosecute again any activities against the law which doesn't get concerning punishment.

11.1.5 PROCEDURE AND DEMAND OF SUPERVISION AGENCIES

137 The supervision agencies should combine the responsibility to the government with the responsibility to the affected individuals. They should summarize experiences and lessons, and make a work record(log). The supervision agencies can have a meeting at regular or irregular intervals and report relevant circumstances. Each season, the supervision agency should give a written report to the project implementation organization about the supervision work and dealing with the supervised incidents. Every three months, a brief progress report of all the Project supervision work should be submitted to WB; summary of progress on resettlement should be included as applicable.
The city-level project management office should collect supervision data from the town (village)-level office and the monthly sample investigation. These data should contain both household level and village level data. The collected data of every relevant individual/household should be stored electronically and revised after every supervision investigation.

The internal supervision report will be discussed in every regular meeting of the project implementation agency.

11.2 External monitoring and evaluation

In order to do the land acquisition, housing demolition and resident resettlement compensation well, the project needs not only the internal supervision, but also the external supervision by qualified and independent monitors who own rich experiences in dealing with the projects of the World Band and Asian Development Bank. The project executive agency, Yan’an Water Supply Project Office has decided to entrust the independent consultant experts to undertake the external supervision of the land acquisition, housing demolition and resident resettlement compensation of the Project, including other subcomponents of the Project.

11.2.1 The contents of monitoring and evaluation

1) To check if the land acquisition, housing demolition, compensation and residential relocation and economic rehabilitation is carried out according to RAP terms.

2) To ensure if the activities are completed that should be completed before the construction.

3) To determine the general target of land acquisition, housing demolition and resident resettlement compensation and implementation degree of RAP.

4) To determine if the compensation amount matches the property loss and whether the affected individuals can resume their original income levels.

5) To determine how satisfied the affected individuals are with the land acquisition, housing demolition, compensation, residential relocation, economic rehabilitation and living conditions.

6) Satisfaction degree of affected individuals about land acquisition and resettlement and quality and quantity of redistribution land.

7) Satisfaction degree of affected individuals about location of resettlement and difference of environment with the original location.

8) Satisfaction degree of affected individuals about compensation standard and method of dismantled houses, buildings, ground attachment.

9) Satisfaction degree of affected individuals about subsidy standard and amount in resettlement.

10) In the course of acquisition and resettlement, whether correlative institution and local government consult fully with and assist affected individuals and whether any forced/rushed dismantling and resettlement happened.

11) Supervision on fund flow of land acquisition and resettlement.

<table>
<thead>
<tr>
<th>Table 23 Monitoring on compensation of Yan’an Water Supply Project</th>
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<tbody>
<tr>
<td>town</td>
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<td>project</td>
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11.2.2 Monitoring Approaches

1) To inspect in the land acquisition, housing demolition, compensation, residential resettlement and economic rehabilitation progress and listen to review reports prepared by the local project implementation agencies.

2) The survey measures to the affected individuals are based on sampling and tracer surveys. According to some quantified data such as land area, compensation standard, compensation amount, resident's income, questionnaire survey is adopted and the sample households should not be lower than 20% of relocated households and 10% of the total affected households. The obtained data of the sample households should be stored for the purpose that it can be compared with a new one.

3) For some qualitative data such as resident’s opinions, attitude, complaints and activities, the random interview or focused group discussions can also be used for supervision. The ways of asking questions should be scientific.

4) Random sample survey in regular and irregular intervals: mainly adopt symposium and official family visit to understand the affected individuals’ problems and the causes in the process of land acquisition, housing demolition and resident resettlement compensation and understand the real information.

11.2.3 Schedule of Monitoring, Evaluation and Reporting

1) When the first batch of fund is ready, the Independent consultant experts will assess the principles and plan of LA&R, and put forward suggestions, then discuss with the affected persons.

2) After the first monitoring survey, the Independent consultant experts will conduct investigations and survey every six months during peak time of resettlement implementation and submit monitoring report to the World Bank.

---Inspect and supervise the realization of the previous issues, recommended actions and follow-up on the results.

---Carry on according to all the terms of this supervision outline.

3) If the supervision agencies think it is necessary, the Independent consultant experts can inspect and survey more frequently.

4) The external supervision agencies should record every supervision activity in detail and prepare a written report for submission to the EA and ADB. The contents in the report should include the experiences in the land acquisition, housing demolition compensation, residential resettlement, economic rehabilitation, living conditions, and the existing or remaining problems. The executive agency should find way to solve the existing problems to improve their work after they receive the report.

5) After resettlement is completed, the Independent consultant experts should prepare a complete, correct, detailed and objective completion report. Then, the company should
discuss and exchange ideas with the EA; the Independent consultant experts should then finalize and submit the report to WB and prompt the construction unit to address any remaining problems.