WESTERN PROVINCES RURAL WATER SUPPLY,
SANITATION AND HYGIENE PROMOTION PROJECT

SHAANXI PROVINCE

Resettlement Action Plan

December 2006
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Part A. Resettlement Action Plan for the 20% Project

A. Project Objectives and Description

1. Project Background

   a) Significance of the project construction

   The Shaanxi Province Rural Safe Drinking Water, Sanitation and Hygiene Project is a social development project, which makes use of a World Bank loan and an international grant to improve water, latrines and health education in rural areas as the main construction content. Since the reform and open policy, the social economy in our country has greatly developed in the rural areas, but the low environmental sanitation level is still a main issue which threatens the peoples physical and mental health. Guanzhong (Central Shaanxi) and North Shaanxi in Shaanxi Province are both areas seriously lacking water in China. At present, in the Shaanxi Province countryside, there are still 10.53 million people who have to drink high-fluorine water, salty water, polluted water or have not enough drinking water. Among them, 8.6 million people have to drink unsafe water. At the same time, intestinal disease is the main disease harming the heath of rural residents in Shaanxi Province. Therefore, improving water and changing latrines are a social revolution to help the people in rural areas to say goodbye to the traditional customs, to accept healthy lifestyles, and to change existing habits and customs.

   The fourth plenary session of the Sixteenth CPC National Congress explicitly proposed that China must persist "humanist" approaches and set up a comprehensive, coordinated and sustainable economic and social development model to promote the economy and society and human development. General Secretary Hu Jintao has also made the important written comment on the rural areas drinking water issue: ‘however difficult it is, we must try to find ways to solve it in order that people don’t drink high-fluorine water again’. In order to carry out the party scientific development mode and General Secretary Hu's important written comment, and in order to fundamentally change the backwardness of Shaanxi Province countryside environmental sanitation and the drinking water conditions, in 2006, Shaanxi Province government proposes to designate 15 counties to implement the rural safe drinking water and the environmental sanitation and the health education, called "the three-in-one" project (RWSSHP for short). The project development goal is to improve water supply, water quality, water volume as well as the environmental sanitation services. The project implementation is not only to improve the local
inhabitant’s environmental sanitation level, but also to provide an impetus to solve local resident’s drinking water security problem. Furthermore, the project will fundamentally enhance people’s physical quality and the health level, and then, the project will have a positive influence on the material living standards and well-being in project areas.

**b) Scale and basic types of the project construction**

The project mainly includes the following components: 1) water supply: multi-village water supply pipe network project, dug deep wells, collecting rain water and other suitable technical methods; 2) Hygienic Latrines, drainage ditches and other environmental improvement measures; 3) Hygiene Promotion: by means of brochures, broadcasting, television and other mass media, family and community activities; 4), to strengthen the management system: to strengthen national and provincial level systems and the management ability, training and capacity building at the provincial and local government levels and community’s technical assistance.

Shaanxi Province selected the following 15 counties (districts) from 6 cities to implement this project, respectively, Fufeng County, Qianyang County and Changwu County in Baojin City; Bin County, Wugong County in Xianyang City; Yintai District and Yaozhou District in Tongchuan City, Heyang County, Chengcheng County and Lingwei District in Weinan City; Suide County and Yuyan District in Yulin City; Baota District, Zichang County and Zhidan County in Yan’an City. The construction of the project include the supply of 21454m³/d water, to build 74,075 hygienic latrines (including public latrines), to provide safe drinking water and hygienic latrines for 74,642 rural families in 335 villages. After the project is completed, it will favor a total of 321,000 people. The total investment of the project is 304 million Yuan (Renminbi, similarly hereinafter). The investment contains: 1). the water supply construction 198 million Yuan, accounting for 65.14% of the total investment ; 2. the latrine construction, 87 million Yuan, accounting for 28.6%; 3. the hygiene promotion 19 million Yuan, accounting for 6.3%.

**Table 1**

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Guanzhong Plain</th>
<th>North Shaanxi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project counties</td>
<td>Qianyang,Fufeng,Wugong,Bingxian, Changwu,Yaozhou,Yintai,Linwei, Chengcheng,heyang</td>
<td>Yuyang,Suide,Baota, Zichang,Zhidan</td>
</tr>
</tbody>
</table>
c) Investment and implementation arrangement of the project

The average estimated investment in each county (district) is 2.5 million US dollars (approximately 20.5 million RMB Yuan). The total estimated investment of the project is 37.5 million US dollars (304.24 million RMB Yuan). The fund is from three sources: the World Bank loan, DFID grants aid and domestic investment. Namely, the proportion is one third respectively, that is, World bank loans 12.5 million US dollar, DFID grants aid 12.5 million US dollar and domestic investment 12.5 million US dollars. In 12.5 million US dollar of the domestic investment, 6.25 million US dollars is from the provincial authorities, the other is from the construction work by the rural residents in these project areas. The project is about to begin in November, 2005 and complete thoroughly in 2009, that is, the construction period is three years.

d) Economical and technological feasibility research and earlier stage work

The earlier stage preparatory work has already launched. Shaanxi Province Project Consultation Center is entrusted to undertake the provincial feasibility study report of the project. Other qualified units are entrusted separately to finish the feasibility study of all 15 counties (districts). The first-implemented counties, Zhidan County in Yan’an City, Yintai District and Yaozhou District in Tongchuan City, and Bin County in Xianyan City, have completed the first drafts of the feasibility study of all the project spots. The social appraise of the project is undertaken by Qinghua Project Consultation Company, LTD. The environmental effect appraise is done by Shaanxi Province Environmental Science Research Institute. The resettlement of relocated people report is finished by Shaanxi Province Kexin Consultant Company. The social appraise research report of 18 sample villages of 11 project spots in Zhidan County, Yintai District, Yaozhou District and Bin County have completed thoroughly. The draft of environmental effect appraise report and resettlement of relocated people report also have completed.

e) Latent negative influence

Without doubt, the implementation of Shaanxi Province Rural Safe Drinking Water and Environmental Sanitation Project will have a positive sense to improve the local resident's environmental sanitation level and solves local resident's safe drinking water problem. The population who directly benefits from the project will reach 321,000. However, according to other implementations areas of similar project, we should pay attention to several problems specially in the project: One is the project fund should arrive in full amount and in time to guarantee the smooth implementation; Next, we should guarantee the quality of various construction to avoid possible inconvenience and security problem for the later use. Third, we should handle all the possible problems during the constructing process and any unexpected situation, with the attitude of being open, just, transparent, consultative and consistent. And we should avoid any negative influence to the project caused by the policy deviation and the responsibility oversight.
f) Projects implementation agency

This project implementation agency is Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Project Office.

2. Project Distribution

a) Affected areas of the project

a-1 Regional natural environment and economic basis

The project implementation area is in Shaanxi Province, which locates in east part of Northwest China. The middle reaches of the Yellow River flows through Shaanxi, which lies between 105°29' and 111°15' east longitude, and between 31°42' and 39°35' north latitude with the total area of 205,800 square kilometers. The topography is higher in the north and the south, and lower in the middle, and also, higher in the west and lower in the east. From the north to the south, there are the Loess Plateau in North Shaanxi, the Guanzhong Plain in the middle which is known as “800 li Qinchuan”, and Qinba Mountainous Area in the south. There is a geography intermediate belt called Weibei Dry Plateau between the Guanzhong Plain and the Loess Plateau. Shaanxi has 10 province-administrate cities, namely, Xi’an, Tongchuan, Baoji, Xianyang, Weinan, Yan’an, Hanzhong, Yulin, Ankang and Shanglouo, and Yangling Agricultural High and New Technology Industry Model District, and three county-level cities, 80 counties and 23 municipal districts, 1,580 towns, 167 subdistrict offices.

The climate in Shaanxi Province is the continental monsoon climate. In North Shaanxi it is the temperate zone but dry, Guanzhong the temperate zone but half dry, and South Shaanxi the subtropics humid and half humid climate. Annual average temperature in Shaanxi is between 9.1 and 15.5. The rainfall amount is between 1,067 millimeters and 436 millimeter. The distribution of the rainfall is not even, mostly concentrating from June to September and an obvious difference between the south and the north.

Shaanxi owns rich natural resources, especially minerals, which shows the kinds are various and the reserves are great. There are more than 50 kinds of ascertained minerals which occupy the top ten in China. The latent value of ascertained minerals is 42,000 billion Yuan, which ranks the first in China.

The water resources distribution is extremely unbalanced in Shaanxi Province. In the south Shaanxi it is rich, but in Guanzhong and the North Shaanxi, the average per capita water resources possessive amount respectively is 388 cubic meters and 946 cubic meters, both belonging to the areas which is seriously lack of water in China and cannot satisfy human’s and livestock’s normal demand for drinking water.
Shaanxi is an agricultural province. The entire population is 37.05 million, with 24.83 million rural residents. In 2004, the entire gross domestic product is 288.351 billion Yuan. The first, second, and third industries respectively are 394.98, 1416.82, and 107.171 billion Yuan.

a-2 Project area scope

According to the construction content, this project is divided into three parts: countryside safe drinking water, improvement of environmental sanitation, and countryside health education. And according to the implementation area, the project covers three region belts: the Guanzhong Plain, the Weibei Dry Plateau, and the North Shaanxi Loess Plateau, which involves 15 counties (districts) in six cities. The project benefits 321,000 people. The project implementation area lies in Xianyang City (Bin County and Wugong County), Weinan City (Heyang County, Chengcheng County and Linwei District), Tongchuan City (Yintai District and Yaozhou District), Baoji City (Fufeng County, Qianyang County and Changwu County). Among them, Bin County, Changwu County, Qianyang County, Heyang County, Chengcheng County, Yintai District and Yaozhou District are in the Weibei Dry Plateau. The implementation area also includes Yan’an City (Baota District, Zhidan District and Zichang County) and Yulin City (Suide County and Yuyang District). All the above 15 project counties (districts) are dry area or high-fluorine water area.

Table 2

<table>
<thead>
<tr>
<th>Area</th>
<th>City</th>
<th>County (district)</th>
<th>Town</th>
<th>Affected village and family</th>
<th>Benefited person</th>
</tr>
</thead>
<tbody>
<tr>
<td>the Guanzhong Plai n</td>
<td>Xianyang</td>
<td>Wugong</td>
<td></td>
<td>16 villages, 5130 families</td>
<td>24549</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bingxian</td>
<td>Yahewan, Yaochitou, Min gyuchi</td>
<td>21 villages, 6020 families</td>
<td>27969</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Changwu</td>
<td></td>
<td>46 villages, 5363 families</td>
<td>22844</td>
</tr>
<tr>
<td>Weinan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Heyang</td>
<td></td>
<td>17 villages, 5193 families</td>
<td>20288</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chengcheng</td>
<td></td>
<td>54 villages, 5180 families</td>
<td>22012</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Linwei</td>
<td></td>
<td>22 villages, 6235 families</td>
<td>25348</td>
</tr>
<tr>
<td>Tongchuan</td>
<td></td>
<td>Yintai</td>
<td>Xiyuan, Chenlu</td>
<td>26 villages, 6915 families</td>
<td>27316</td>
</tr>
</tbody>
</table>
b) Social and economical survey of project affected areas(six cities)

The Shaanxi Province Countryside Safe Drinking Water and Environmental Sanitation Project covers 15 counties (districts) in six cities in Shaanxi Province. The following shows their social and economical surveys.

b-1 Xianyang City: locates in the middle of Guangzhong Plain in Shaanxi Province. The area is 10,119 square kilometers. Its administrative area is 2 districts, 10 counties and 1 county-level city, namely, Xingping City, Qindu District, Weicheng District, Yangling District, Wugong County, Jingyang County, Sanyuan County, Liquan County, Qianxian County, Yongshou County, Binxian County, Changwu County, Xunyi County and Chunhua County, altogether with 216 towns, 8 subdistrict offices, 3,843 villages, 163 residents' committees. The population is 4.83 million. The transportation in Xianyang is convenient as a joint of Longhai Railway and Xibao Railway, together with 4 expresss highways, 11 nationall arterial highways and provincial highways, which form a dense land route communication network. Xi’an Xianyang International Airport is only 9 kilometers from the urban district, which is one of six biggest aviation key positions in China.

The topography in Xianyang assumes a stepped appearance from the southeast to the northwest, totally three units: namely, the Weihe River and Jinghe River Plain in the south, highland in the middle, plateau and hilly land in the north. Within the boundaries, there are 11 earth or stone hills, concentrating in the north, while mountains concentrating in the
middle and in the north. The Jinghe River and the Weihe River is the two main rivers. Because of the terrain characteristic, there are two different climate region: in the south plain, the climate is temperate and the four seasons are distinct; in the north plateau and gully area, the climate is slightly colder, and the winter and spring are slightly longer. The yearly average rainfall is 500--600 millimeters. The resources of land, minerals and traveling are rich in Xianyang, while water resource is deficient.

Xianyang has 415,400 hectares cultivated land and is the main producing area of grain, cooking oil, fruit, vegetable, livestock, and birds in Shaanxi. Also, Xianyang is the important large-scale commodity grain base in five northwest provinces and the famous large-scale high quality apple production base in China. The per capita grain production ranks the first in Shaanxi. Xianyang provides more than 500 million kilograms commodity grain every year. In 2004, Xianyang’s GDP is 33.856 billion Yuan, 35.4% more than 25 billion Yuan in 2001. Three big industrial proportions are 22.1: 43.5: 34.4. The rural per capita net income is 1,775 Yuan.

b-2 Weinan City locates in the east of the Guanzhong Plain. Weinan locates in the important position of the New Asian-European Land Bridge. Weinan is the “east gate” to the middle and east China from Shaanxi Province and other western areas. Taking Weihe River as an axis, the topography is two mountains and two plateaus in the north and in the south, a plain in the middle. The Weihe River alluvial plain is the widest part of the “800 li QinChuan”. The climate is the eastern continental monsoon climate. It’s cold, clear and dry in winter, while burning hot and rainy in the summer. The four seasons change distinctively. The average annual precipitation is 570 millimeters. The administrative area is one district (Lingwei), two county-level counties (Han Cheng and Huayin), eight counties (Huaxian, Tongguan, Dali, Pucheng, Chengcheng, Baishui, Heyang and Fuping), 184 towns, 3,236 administrative villages. The total population is 5.339 million and the total area is 13,000 square kilometers. Among them, Heyang County, Pucheng County and Baishui County are national key anti-poverty and development counties. Chengcheng County, Dali County, Huaxian County and Huayin County are provincial key anti-poverty and development counties.

In 2004, Weinan’s GDP is 24.77 billion Yuan, 36.2% more than 18.18 billion Yuan in 2001. Three big industrial proportions are 21.2: 42.6: 36.2; The rural per capita net income is 1,578 Yuan.

b-3 Tongchuan City locates in the middle of Shaanxi Province. Its location is a transitional zone from the Guanzhong Plain to the North Shaanxi Loess Plateau. Tongchun is an important constituent of the Guanzhong economical belt. The climate is the warm temperate zone continental climate. The average annual precipitation is 555.8--709.3 millimeters. The whole population is 840,000, and the area is 3,882 square kilometers. The administrative area is Wangyi District, Yintai District, Yaozhou District, Xinqu District and Yijun County.

The rich natural resources in Tongchuan is good for the development of agriculture, forest and animal husbandry. Presently, there are 2.4445 million mu forest land, and 1.5207 million mu pastures. Apples are planted in 400,000 mu, which is the best place
for apples in China. Among various mineral resources, coal reserves are more than 3 billion tons, and the annual production of raw coal is 11 million tons, accounting for 30% of total production of Shaanxi. At present, Tongchuan has formed a complete industry system of more than 30 kinds of industries. The prop ones are coal, building materials, ceramics, aluminum smelting, the spinning and weaving, mechanical and electrical, the medicine, food, and chemical industry.

In 2004, Tongchun’s GDP is 0.589 billion Yuan, 44% more than 0.409 billion Yuan in 2001. Three big industrial proportions are 8.9: 50.1: 40.5. The rural per capita net income is 1,560 Yuan.

b-4 Baoji locates in the west of "800 li Qinchuan". It is the west gateway of the Guanzhong Plain. The area is 18,172 square kilometers. The administrative area is Jintai District, Weibin District, Baoji County, Fengxiang County, Qiishan County, Fufeng County, Meixian County, Longxian County, Qianyang County, Fengxian County, Taibai County, and Lingyou County, altogether with 182 towns, 12 subdistrict offices, 2,114 villages, 389 residents' committees. The population is 3.67 million. The topography is mountains in the south, west and north, while plain in the middle. The landform is mountains, plains and plateaus, largely mountains and hills. It can be roughly regarded as "six mountains, one water and three land". Because of the terrain influence, the temperature between mountainous region and plain is dramatically different. The microclimate difference is big. The annual mean precipitation is 710 millimeters, known as "the Guanzhong water cock". Its mineral resources and the geothermal resources are rich. 23 minerals have been found such as lead, zinc, copper, gold, aluminum, silver, coal and so on. Nonferrous metal is its advantage.

There are plateaus, plains and mountains in Baoji, so it is a suitable place for many kinds of plants to grow. There are 405,000 hectares farmland, and 643,000 hectares forest land. The production is wheat, corn, rape, vegetables and so on. Baoji is an important production base of crop, cooking oil and the agricultural and subsidiary products in Shaanxi. Also, Baoji is an important industrial base in northwest China. Baoji is a hub of communications which links middle China, southwest China and northwest China. Longhai Railway, Baocheng Railway and Baozhong Railway connect here. Taking the urban district as a center, 5 skeleton highways make up of a radiated transportation network. The transportation superiority is prominent.

In 2004, Baoji’s GDP is 32.03 billion Yuan, 31.9 more than 21.815 billion Yuan in 2001. Three big industrial proportions are 21: 43: 36. The rural per capita net income is 1,683 Yuan.

b-5 Yan’an locates in the south part of North Shaanxi, with the area of 36,712 square kilometers. Its administrative area is one district and 12 counties: namely, Baota District, Wuqi County, Zhidan County, Ansai County, Zichang County, Yanchuan County, Yanchang County, Yichuan County, Ganquan County, Fuxian County, Huanglong County, Luochuan County and Huangling County, together with
193 towns, 4 subdistrict offices, 3,354 villages, 145 residents’ committees. The population is 2.06 million. The topography is the Loess Plateau knoll gully area. It’s higher in the northwest and lower in the southeast. The average elevation is 1,200 meters. The landform mainly is loess plateau, ridge, loess hill and gully. The climate is the plateau continental monsoon climate. It is windy and dry in spring, rainy and warm in summer, rainy and cool in fall, cold and dry in winter. The average annual precipitation is more than 500 millimeters. Drought, hail and frost are the main disasters to agriculture.

The land area is vast in Yan’an. The per capita land amounts to 27 mu. The forest area is 27.697 million mu. The underground resources are extremely rich. More than 10 underground mineral resources have been verified. The prospective reserves of oil is 750 million tons, coal 7.1 billion tons, and natural gas 3.3 billion cubic meters. Yan’an has formed an industry system which takes energy development as the main body, and petroleum, coal, cigarette, electric power as the backbone industrial system. Yan’an has become the key energy chemical industry base in Shaanxi. Petroleum, coal, cigarette and electric power are the four big leading industries of Yan’an’s economy.

Yan’an is one of most serious areas of soil erosion of the Yellow River upper and middle reaches. The soil erosion area is 28,800 square kilometers, accounting for 78.4% of the total area. Through positive implementation of “Beauty the Mountains and Rivers Project”, strengthening to return farmland to forest or grassland, comprehensively carrying out banning herding on the mountains, feeding livestock in stalls, the speed, scale and quality of environmental treatment are enhanced greatly. At present, the worsening tendency of ecological environment begins to stop, and the ecology in some key treatment area starts to restore.

In 2004, Yan’an’s GDP is 19.176 billion Yuan, 61.6% more than 11.87 billion Yuan in 2001. Three big industrial proportions are 20: 51: 29. The urban per capita disposable income is 5,994 Yuan, while the rural per capita net income is 1,597 Yuan.

b-6 Yulin City is in the northeast part of Shaanxi, that is, in the north part of the Loess Plateau, and to the south edge of Maowusu Desert, and to the west of the Yellow River. Its area is 43,578 square kilometers. The administrative area is one district and 11 counties, namely, Yuyan District, Shenmu County, Fugu County, Hengshan County, Jingbian County, Dingbian County, Suide County, Mizhi County, Jiaxian County, Zizhou County, Wubao County and Qingjian County, altogether with 262 towns, 4 subdistrict offices, 5,775 villagers’ committees, 164 residents' committees. The population is 3.2 million. The topography is higher in the northwest and lower in the southeast. The landform is different in the south and north of the Great Wall. In the north of the Great Wall, it’s windy and sandy grassland, accounting for 42% of the total area. In the south, it’s loess knoll gully area, accounting for 58%. Yulin locates in the transition area where the south edge of Maowusu Desert and the Loess Plateau meet. The wind erosion and the soil erosion is serious. The climate is the temperate zone continental monsoon climate. Within the boundaries, the
temperature difference is big. The annual precipitation is 412.4 millimeters. The natural disaster are frequent, such as drought, frost, wind, hail, and so on.

The natural resource is abundant in Yulin. The potential value of the 48 kinds of proved reserves is up to 6000 billion Yuan. The farmland is 0.641 million hectares and the forest is 108.6 million hectares. The prospective reserves of coal in Yulin is up to 271.4 billion tons, which is one of the seven biggest coal mines in the world. The prospective reserves of natural gas is 5000 billion cubic meters, which is the biggest gas land in mainland in China. The prospective reserves of oil is 0.5—0.6 billion tons. Up to now, the country and local governments have invested 20 billion Yuan and a energy heavy chemical industry base has already been set up. There are Yujing Express Highway and two national arterial highways (National Arterial Highway 210 and National Arterial Highway 307), and Yufu Highway, Yujia Highway, Yujing Highway and some more highway to connect Inner Mongolia in the south, Ningxia in the west, Shanxi in the east. The construction of Shenyan Railway and Shenhua Railway bring active influence to Yulin’s economical construction.

In 2004, Yulin’s GDP is 18.504 billion Yuan, 66.2% more than 11.136 billion Yuan in 2001. Three big industrial proportions are 14:62:24. The rural per capita net income is 1,328 Yuan.

**Table 3**

**Affected area social economy figure(2004)**

<table>
<thead>
<tr>
<th>city</th>
<th>area (square km)</th>
<th>population (thousand persons)</th>
<th>GDP(billion Yuan)</th>
<th>industrial proportion %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>first</td>
<td>second</td>
</tr>
<tr>
<td>Xianyang</td>
<td>10119</td>
<td>4897.5</td>
<td>33.856</td>
<td>22.1</td>
</tr>
<tr>
<td>Weinan</td>
<td>13000</td>
<td>5367.5</td>
<td>24.770</td>
<td>21.2</td>
</tr>
<tr>
<td>Tongchuan</td>
<td>3882</td>
<td>843.3</td>
<td>5.890</td>
<td>8.9</td>
</tr>
<tr>
<td>Baoji</td>
<td>18172</td>
<td>3692.0</td>
<td>32.030</td>
<td>12.4</td>
</tr>
<tr>
<td>Yan'an</td>
<td>36712</td>
<td>2088.0</td>
<td>19.176</td>
<td>12.3</td>
</tr>
<tr>
<td>Yulin</td>
<td>43578</td>
<td>3367.9</td>
<td>18.504</td>
<td>13.6</td>
</tr>
<tr>
<td>total</td>
<td>125463</td>
<td>1254630</td>
<td>25092.6</td>
<td>15.1</td>
</tr>
</tbody>
</table>

c) Impoverished region and impoverished population

Shaanxi is a developing inland province, but locates in the center of China. In this position, Shaanxi can connect the north, the south, the east and the west. So, Shaanxi may become the first choice where the elements of production shifts from the east to the west, and also may become starting point where the elements of production shift to the great northwest and even the entire western area. Our country began an organized, planned and large-scale development to help the impoverished from 1986. Especially since the implementation "National" 87 "Anti-poverty Plan" in 1994, and "China Countryside Anti-poverty Development Outline" in 2001, the social economy situation has greatly changed in the impoverished region of Shaanxi. People’s
production and living condition has improved a lot. The problem of the impoverished rural residents’ food and shelter has basically been solved. In 2004, the rural per capita net income is up to 1,867 Yuan, 191 Yuan more compared to the last year’, that is, growing 11.4%, the speed-up rate 6.4% more compared to the last year’, and it is the fastest increase in the past ten years. To the end of 2004, Shaanxi Province still has 5.94 million impoverished population, 0.6168 million less than in 2003. Among them, 2.32 million people haven’t solved the problem of food and shelter, and in 2004, 410 thousand people have solved the problem. In the 77 national and provincial anti-poverty counties, the rural per capita net income is 1,612 Yuan, 11.98% more than last year’s, which is higher than the average growth level of the province. The per capita grain is 387 kilograms in Shaanxi, 13% more than last year’s. Table 4 reflects the contrast of living standard and impoverished condition of the rural residents in Shaanxi Province from 1997 to 2004.

Table 4

<table>
<thead>
<tr>
<th>item</th>
<th>year</th>
<th>1997</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita net income (Yuan)</td>
<td></td>
<td>1285</td>
<td>1520</td>
<td>1596</td>
<td>1676</td>
<td>1867</td>
</tr>
<tr>
<td>Per capita grain (kg)</td>
<td></td>
<td>372.6</td>
<td>348</td>
<td>360</td>
<td>374.6</td>
<td>450</td>
</tr>
<tr>
<td>Per capita net income (Yuan)</td>
<td></td>
<td>600</td>
<td>1235</td>
<td>1285</td>
<td>1230</td>
<td>1409</td>
</tr>
<tr>
<td>Per capita grain (kg)</td>
<td></td>
<td>300</td>
<td>387.6</td>
<td>396</td>
<td>312</td>
<td>430</td>
</tr>
<tr>
<td>Number of poor counties</td>
<td></td>
<td>95</td>
<td>77</td>
<td>77</td>
<td>77</td>
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</tr>
<tr>
<td>Number of poor towns</td>
<td></td>
<td>406</td>
<td>308</td>
<td>271</td>
<td>232</td>
<td>158</td>
</tr>
<tr>
<td>Poor household (thousand)</td>
<td></td>
<td>4259</td>
<td>1740</td>
<td>1610</td>
<td>1500</td>
<td>1370</td>
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<tr>
<td>Poor people(thousand)</td>
<td></td>
<td>18794</td>
<td>7650</td>
<td>7060</td>
<td>6560</td>
<td>5940</td>
</tr>
<tr>
<td>Food and shelter unsettled(thousand)</td>
<td></td>
<td>9210</td>
<td>3500</td>
<td>3110</td>
<td>2730</td>
<td>2320</td>
</tr>
<tr>
<td>Total investment of helping the poor (million Yuan)</td>
<td></td>
<td>1112</td>
<td>1230</td>
<td>1410</td>
<td>1760</td>
<td>2437</td>
</tr>
</tbody>
</table>

However, compared with other areas in China, the impoverished condition in
Shaanxi is still a restriction to the social economy development. Especially in recent years, some areas have suffered the rare natural disaster in the history, which damaged the local social and economical development and affected people’s production and life. So, in these areas, the impoverished problem is more prominent at present.

At present, there are still 50 state-level poor counties and 26 province-level poor counties. In 2004, the rural per capita net income is 1,867 Yuan, only 63.6% of the national level, and ranking the ninth in the 12 western provinces.

According to the principle of improving water, latrines and health education as "the three-in-one" in this project, the objective of the project is to solve the problem of safe drinking water and environmental sanitation in the impoverished rural areas in western China. Therefore, the implementation areas are all in the poor counties(districts) in the above mentioned six cities in Shaanxi.

d) State of minority nationalities

The survey result about the minority nationalities shows that there are no towns or villages where minority nationalities live in a compact communities in the 15 project counties(districts). Only in Qianyang county, there are 340 Hui and Man families living scattered in more than 20 villages in 4 project towns. These minority nationalities residents are used to living as Han. And the public products they need are the same as Han. So, there are no special minority nationalities problems. The residents in the project area all speak Chinese.

3. Project Monitoring

The project affected area survey is hosted by Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Project Office, and respectively undertaken by Shaanxi Province Project Consultation Center, the expert panel of Shaanxi Kexin Consultant Company and the local governments in the project area. The work needs 260 person-time survey staff and 30 person-time material statisticians. Among them, the expert panel from Shaanxi Kexin Consultant Company is in charge of the make-out of the plan of land acquisition, housing demolition and resident resettlement and the main part of monitoring.

a) Introduction of monitoring organ

Entrusted by Bureau of Communications of Shaanxi Province, Shaanxi Academy of Social Sciences set up the World Bank loan project ———Shaanxi Jiangtangfa expressway project (project 1: Shannxi Province Jiangzhang—Famensi--Tangyu expressway)—— resettlement consultation expert panel to undertake the external supervision and evaluation in 1994. Later, in order to strengthen the management, Shaanxi Kexin Consultant Company was set up on the basis of the expert panel. The company continued to undertake the external supervision and evaluation of land acquisition, housing demolition and resettlement of project 1. After the Project 1 was finished, the company made out some plans of resettlement in succession of the expressway projects which used the loan from World Bank and Asian Development Bank in Shaanxi and Shanxi province. And the company also undertook the
The management of resettlement. The main work includes Asian Development Bank loan project Shaanxi Yanyu expressway (project 2: 1997—2005), World Bank loan project Shannxi anti-poverty highway(1997—2001), Asian Development Bank loan project Shanxi Houyu expressway (2000—2005), and Asian Development Bank loan project Xian city development project (Xian 3rd Circle system). Every year the company will hand in some monitoring and evaluating reports to World Bank and Asian Development Bank. The company receives affirm and appraise from the owners, World Bank and Asian Development Bank. The company owns more than 20 consulting experts and information investigators, among whom 10 have advanced title. At present, Shaanxi Kexin Consultant Company has become a famous consulting organ of land acquisition, housing demolition and resident resettlement in northwest of China.

b) Introduction of earlier-stage monitoring on the project

b-1 Survey process:

The earlier-stage monitoring on the project is carried out in two sections: From October to November in 2005, when Shaanxi Province Project Consultant Company was doing the feasibility study to this project, they carried on a preliminary survey to the social economy of the affected area, and solicited the local authority and some villagers' opinions in certain scope. In December, 2005 to February, 2006, the expert panel from Shaanxi Kexin Consultant Company and Shaanxi Province Using Overseas Loan Project Office organize the local governments of the first batch implementation project area to carry on a comprehensive project affection survey. Among them, the land area and cultivated land output value survey were carried on in 3 cities, 4 counties, 6 towns, 8 villages; the social economy survey at 8 villages and 197 households, accounting for 11.6% of the affected 69 villages and 1.8% of the 11,227 affected households in the 4 counties.

b-2 The source of materials and survey methods

Because the time of this survey is short and the coverage range is wide, the materials and datum of the province and the counties rely mainly on consulting files and documents in relevant functional bureaus, collecting and arranging survey and statistical datum of local governments and relevant bureaus. Other complemented methods are to hold informal discussion and to observe directly in order to affirm above-mentioned materials and datum.

The survey of households in 4 counties, which are first involved in the project, we adopt the random sampling survey. The choice of sampling unit also adopts the same method. That is, in each county of the 4 counties(districts), we select 2 villages at random in the above 4 counties. And furthermore, we select 25 resident families at random as sampling unit, altogether, we select 200 households in 8 villages as sampling unit and 4 villages as collective sampling unit.

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 characters, report form and drawing materials from project implementation bureau and other relevant bureaus. At the same time, we have an informal discussion with sampling village residents and families,
observe and survey on the spot, and fill out fixed tables. All these make the survey as aimed as possible.

b-3 The kinds and main contents of the project affection survey

--------- The social economy level and residents’ basic living style survey in the project affected areas. The main contents are:

★administrative area, including the basic situation of the six cities and their 15 counties affected by the project
★main economic index in 2001—2004 in the above affected area
★the impoverished population distribution in the above affected area
★the living condition of minority nationality and women in the above affected area
★the highway condition in the above affected area
★the information of the affected villages, including population, farmland, per capita income
★the information of the sample households, including the percentage of income from planting, breeding, sideline and industry
★the working construction and average property of the sample households
★affected villages and their residents’ living condition, drinking water condition and sanitation custom
★the affected individuals’ attitude and opinion to the project, the compensation policy of land acquisition, housing demolition and resident resettlement, and economic resume plan

--------- project affection survey. The main contents are:
★the quantity of affected land acquisition, housing demolition and all kinds of special-purpose facilities, the number of affected individuals caused by the Countryside Safe Drinking Water and Environmental Sanitation Project
★the quality, output per mu and output value of occupied farmland of the project
★the construction value and rebuilt value of demolishing buildings of the project
★the economical situation of the affected households
★the economical situation of the affected villages and enterprises
★the duration to the land acquisition, housing demolition and resident resettlement of the affected
★the opinions and attitude of the project given by people

For the survey, please see Appendix II "Shaanxi Province Countryside Security Drinking Water and Environmental Sanitation Project Affected Area Social Economy Investigation Data sheet (Cardinal number)".

c) Analysis of the survey data

The social economy survey results in the 4 first batch project implementation counties show that the basic living standard in the project area is lower than the average living standard of the province and the country. At the end of 2004, the per capita income of the project area is about 1,500 Yuan, which is only 80% as per capita income of the province (1867 Yuan) and 63.6% of the country (2380 Yuan). The
resource of income is breed, planting crops and part-time job. The project area is all seriously lack of water. During a year, there are 2-4 months lacking of water in most counties. The most severe is Zhidan county, where some villages are lack of water for six months. Is some project area (such as Zhidan county), the peasants have to spend 2-3 hours in walking three kilometers to fetch water. In other areas, the peasants have to walk two kilometers to fetch water in water-lacking season, while one kilometer in other seasons. In addition, the unsafe water is bad for the residents’ life and health. For example, colon bacillus is above the normal level, fluorine is about the normal level, oil pollution (in Zhidan county and Baota District), salty water (in Bingxian county and Baota district, Yaozhou district and Yintai district). Because of natural and historical condition and low income, the residents in the project area cannot improve their living condition. The following is a brief summary of the main problems and reasons of the drinking water and sanitation and health of the residents in the project areas.

c-1 the main problems and reasons in water supply in the project area:

------There is no enough water source. For example, Yaolian village, Xinbuzi Town in Bingxian county, locates on the highland. The loess is so deep that there is no water source and well. The only water source is in the ditch 200 meters below the plateau. The pool is almost dry for 5 months is water-lacking season every year. Some villages in the project area own a few wells, most of which are private. Another example, Qianyuan Village, Yintei Town in Yintai District locates on the highland. The water source there is cellar water and rain water. There used to be a well in the ditch, which is useless because of bad water quality.

------It is difficult for the peasants to fetch water. It’s waste of time and hard work. In project area of Bingxian county, more than 80% of the peasants have to walk a long way to fetch water, which needs labor and time. The poor families and women families suffer most. Some families with strong men can fetch water with big water cases, however, the women and the old have to fetch water with bottles. Some families without strong men have to fetch the polluted water in the nearby ditch. The most difficult time is the rainy or snowy days, when the old and the children often fall down and hurt themselves. To fetch water need a lot of labor force, so it is difficult for young men to go out to find a part-time job. In the project area of Yaozhou District, some peasants have to by water 5 kilometers away in water-lacking season.

------The springs, rivers and streams are all open on the air without any protection. In summer, heavy rain carries plenty of soil and sand into them and the water is polluted. To drink such water causes some diseases. In resent years, some project villages near the county town suffer from the polluted water from the city and industry, because the water source is polluted and the water quality declines.

------The quality of well water is bad, which hurts the peasants’ health for a long time. That is a common problem in the project area. The residents of the project area in Yintai District have to drink cellar water or rain water. There are a lot of bacteria, especially, the colon bacillus. The villagers there suffer from intestines disease all the year round. In some villages, disease all the year round. In some villages, many middle-aged and aged catch hepatitis. In the project area of Yaozhou
District, the villagers have to drink cellar water, which is bad kin water quality, so many villagers is bad in water quality, so many villagers suffer from intestines disease and Kaschin-Beck disease.

------- The lack of water seriously affects villagers’ sanitation habit. Most people cannot take a bath all the year round. The women take a bath or only clean their hair with rain water in summer, but in other seasons it is impossible for them to bathe.

------- The lack of water seriously affects agriculture production and peasants’ income. Without irrigation, there is no rich harvest. In addition, the soil erosion is more and more serious in recent years. The soil cannot preserve the moisture, so the product of crops is low for a long time. In some villages, the best labor force have to fetch water, which hinders them to take care of the fruit trees. Because of lack of water, the agricultural production is low, which seriously affects peasants’ income.

c-2 The main problems and reasons in sanitation and health in the project counties:

------ The lavatory is too simple and crude. In summer, there are a lot of flies and maggots. The smell is terrible. Flies spread diseases. Some families (for example, Mazhui village in Yaozhou District), because of lack of water, these lavatories cannot be in use.

------ There is no sewage and rubbish treatment facilities. The sewage water is everywhere. The production and domestic rubbish is everywhere, and the excrement and urine of livestock is everywhere.

------ The environment is bad. The bacteria in drinking water is above the healthy level. These cause all kinds of diseases, especially the intestines disease.

------ There is no sanitation knowledge. The peasants have no good sanitation habit. They don’t wash their hands after going to lavatory and before meal. And they often eat uncooked food.

------ There is little medical facilities. There are clinics in the villages of the project counties, but the doctors are not good enough. The facilities are simple, and the medicine are not enough. The villagers don’t know how to keep healthy and prevent from diseases. And because of lack of money, it is common that they don’t see a doctor if the illness is not serious and they don’t get help from doctors in time if the illness is serious.

------ In some project area, the environment pollution is terrible. For example, in Yujiagou Village of Bingxian County, a coal mine causes serious pollution.

------ The housing conditions are bad in some project villages, which is common in the project area. For example, in Honghuagou Village in Bingxian County, more than half of the families live in the cave dwelling. Both the poverty and the housing conditions cause the bad condition of sanitation and environment.

c-3 Analysis of the need, fee payment and participation in the project of rural families

------ Water supply in rural area

According to the survey data in the project counties, the interview with the villagers and the questionnaire, we find out:
the need of water supply: more than 80% of the rural families in Zhidan County hope to get 24-hour sufficient and clean water all the year round. 100% of the rural families in Bingxian County hope to get sufficient and clean water.

gay payment for water: 60%--80% of the families are willing to pay for water for 2-4 Yuan/m^3, 20%-30% of the families hope water price is below 2 Yuan/m^3. About 80% of the families wants to pay according to month. The others want to according to season.

gay the payment for the water :In Zhidan County, the rural families are willing to spend 60-100 Yuan on a separate water meter, 200-300 Yuan connecting their own pipe to the main pipe. 80% of the families can pay at once, 14.3% of the families can pay within a year. In Bingxian County, the families are willing to pay 91.2Yuan for a separate water meter, 200-300 Yuan connecting their own pipe to the main pipe. 53.7% of the families can pay at once, 31.7% of the families can pay within a year.-
gay to reduce fee for extraordinarily poor families: about 5% poor families in the project villages cannot afford the fee for connecting the water pipe or having a water meter the survey results show that the village will help these poor families, who can get a discount. But how to reduce the fee remains a problem.

gay future consumption of water: peasants interviewed in Zhidan County think “if they can get reliable and clean water, and they should pay themselves”, 11.4% of the families will reduce their water consumption, 54.3% of the families will consume the same water as before, and 34.3% of the families will increase their water consumption. More than 90% of the families will use other water source for other activities. The peasants in Bingxian County are a bit different. 39% of the families will reduce their water consumption, 39% of the families will reduce their water consumption, 53.7% of the families will consume the same water as before, and 7.3% of the families will increase their water consumption. Also, more than 90% of the families will use other water source for other activities.

-----Sanitation facilities

According to the questionnaire data in the project counties, we find out:

gay desire to change lavatory: more than 70% of the families in the project area are willing to change their lavatories. Among them, the number in seven counties are more than 90%. The number in two counties (Changwu County and Chengcheng County) are 100%.

gay the kinds of lavatories the peasants want to use: according to the percentage (from high to low) of the kinds of lavatories the peasants want to use in the project counties: methane-generating pit lavatory, double-jar lavatory and hygienic lavatory. Some villagers in three counties don’t make sure what kinds of lavatories they want to use. They are: 40% in Baota District, 50% in Suide County and 8% in Zhidan County.

gay the desire to build lavatory and raising money: 100% of the families in all the project counties are willing to work for lavatory; in raising money, 100% of the families in 9 counties of the total 15 project counties are willing to, however, 66% in Zhidan County, 63% in Qianyang County. These two counties are the lowest.

gay to reduce the fee for the poor families: almost all the project counties agree to reduce the relevant fee for the poor families.
the reasons why some families don’t want to change lavatories: most families think they have no enough money to do so. Some families have no time or they are disabled, so they can’t do such a job.

d) Evaluation

d-1 Drinking water, lavatory and sanitation should be improved at once. The survey results show that the problem of drinking water, lavatory and sanitation is serious. Drinking water is difficult and unclean. Lavatory is simple and dirty. This situation hurts most villagers’ health and life. The poor families and women suffer most. So, the living condition and sanitation should be improved immediately. In recent years, our governments in different levels have struggled to invest more and more, but the general situation is similar as before. Therefore, the implementation of this project is very feasible. This year is the start year of our country’s 11th 5-year development plan. This project also begins this year. So, this project is significant to construct new rural area and to improve villagers’ living quality.

d-2 To solve the drinking water for the villagers living on the highland. The project villages on highland, especially on north Shaanxi, owns complex topography. The villagers live scattered. About 10% of the villagers living on highland can not connect their pipes with the main pipe. So, we need build some economical structure to solve the problem. For example, to build highland water container to supply water, in order to obey the fairness of using water.

d-3 The types of lavatories should be diverse. Many families are willing work and raise money to build methane-generating pit lavatories. In fact, only a small part of the villagers (no more than 10%)can afford the fee they should pay because of poverty. So the choice of the types of lavatories should be careful. We suggest that in different places, we should take the relevant choices. Some poor families can build simple but clean lavatories at first. When they can afford later, they can improve their lavatories. But in some areas where the natural situation is good and economy is enough, the villagers are eager to build methane–generating pit lavatories. Because this kind of lavatory is not only clean, but also can save energy and supply fertilizer. The villagers can save a lot of money for fuel and fertilizer. We suggest that we should meet the desire in the project design.

d-4 To make sure that the construction can be used for a long time. Now, our country are reforming the government administration system. We suggest that the local governments at different levels take the open and cooperative method for their work. The community and villagers can participate the project design, implementation and management. That will make the villagers work for the project voluntarily and become the main part of construction and sustenance of the project will be improved. The project will show its social benefit and economical benefit.
B. First Batch Project Implementation Affected Counties

4. Social economy survey of the first batch project implementation counties (4 counties)

a) Yintai District, Tongchuan City

Yintai District is to the south of the urban district and the north of Yijun County. Its administrative area is 12 townships, villages and subdistrict offices. The area 626.8 square kilometers and the population is 230,000, among which 140,000 are urban population. This district situates in the south rim of middle Shaanxi Loess Plateau. The annual average temperature is 10℃ and the annual average precipitation is approximately 600 millimeters. In this district, the soil layer is deep, the illumination is sufficient, the diurnal temperature difference is big, and the rain and hot season in at the same time. All the above reasons are extremely good for the production of high quality apples. The apple planting is more than 50 years and becomes a superiority industry of Yintai District. There are 12 industrial enterprises in electron, pot clay, chemical industry, machinery, smelting five big class of areas to be the industrial enterprise 12 households and more than 2,000 staff. The gross asset is approximately 58.9 million Yuan.

b) Yaozhou District, Tongchuan City

Yaozhou District is in the southwest of Tongchuan City. The administrative area is 10 towns, 6 townships, and 191 villages. The population is 253,000 people (among them, agricultural population 216,000). The area is 1,551 square kilometers. The climate is warm temperate zone continental half arid half moist but easy to be drought. The annual mean precipitation is 567.8mm. Yaozhou is a treasure house of rare species resources in the Weibei Plateau. The verified floristic component is more than 800 kinds. The forest coverage fraction reaches 41.4%. Coals, iron, pot clay, kleit, bituminous rock, clay, calcium carbide and natural gas are quite rich.

Mountains, rivers and plateaus are alternated with in Yaozhou District. The regional agricultural development prospect is broad. The total cultivated land is 2.42 million Chinese acres. The area of the north mountainous and canyon accounts for 56.2% of the total area, which is an ideal region for forest and herd and agricultural diversified management. In the middle, it is plateau and hilly region, which is suitable for agriculture, forestry, animal husbandry, grazing and fishing industry. In the south, it is plain and plateau which are good for commodity grain, vegetables and foreign trade agricultural product, because smooth plain, deep soil, and easy irrigation. The
agricultural products are various, such as hot pepper, the Chinese prickly ash, garlic, apple, walnut, honey and some precious traditional Chinese medicine.

Yaozhou is a key communication line connecting Guanzhong Plain and the North Shaanxi. Xitong Highway, Xiangtong Railway and Meiqi Railway cover through the whole district, so the transportation is extremely developed. At present, Yaozhou has already formed energy industry mainly in coal, building materials industry mainly in cement and cement processing industry, light chemical industry mainly in papermaking, ceramics and chemical industry, agricultural and subsidiary products processing industry mainly in hot pepper, Chinese prickly ash, apple, legumes, and traditional Chinese medicine processing industry and the medical healthy product industry mainly in Yaowang Mountain.

c) Binxian County, Xianyang City

Binxian County locates in the northeast of Xianyang City. It is a dry plateau in Weibei Plateau. Binbian connects Xunyi County and Chunhua County in the east, Yongshou County and Lingyou County in the south, Changwu County and Lintai County in the west, and Huining County of Gansu Province in the north. It is an important point to connect Shaanxi and Gansu Province. Its geographical position is quite special, so the geographical superiority is relatively obvious. Jinghe River flows from west to east in the county and the length in the county is 104 kilometers. The river divides the county into two plateaus and a plain. The area is 1,183 square kilometers. The administrative area is 8 towns, 8 townships and 292 villages.

Binxian County has a model continental warm temperate zone half dry climate. The yearly average precipitation is 579 millimeters. The frost-free period is 180 days. The underground mineral resource mainly is coal, pottery clay and quartz sand and so on, about 10 kinds. Among them, coal reserves is 3.26 billion tons, so the county is an important coal production county in China. The coal mine covering Binxian County and Changwu County is the second largest coal mines in Shaanxi Province. Binxian County also is a big industrial county in Xianyang City. In 2004, the industrial output surpasses the agricultural output value for 13 years continuously.

d) Zhidan County, Yan’an City

Zhidan County locates in the north of Shaanxi Province and in the northwest of Yan’an. It connects Ansai County in the east, Jingbian County in the north, Gansu Province in the northwest, Ganquan County and Fuxian County in the south. The county seat is 97 kilometers away from the urban district of Yan’an City, and 400 kilometers from Xian. The administrative area is 6 towns, 5 townships and one subdistrict, 192 villages and 3 communities. The population is 130,263, among whom the agricultural population is 105,006. Xingzi River, Zhouhe River and Luohe River divide the county into central, west and east parts. It has the temperate zone continental monsoon climate and the yearly average precipitation is 524.5 millimeters.
Zhidan County has rich resources, especially land, forest, grassland, agricultural product and mineral resource. At present, there is 370,000 Chinese acres farmland, that is, 3 Chinese acres average per person; 3.028 million Chinese acres forest land, 23 Chinese acres average per person; 963,000 Chinese acres artificial lawn, 7 Chinese acres average per person. The forest and grass coverage rate is 69.5%. The agricultural product mainly are sheep, apricot, legumes, buckwheat, millet and so on. Sheep and apricot are the leading agricultural products. The mineral resource mainly is petroleum, natural gas, mineral water and argil. And petroleum is the main resource whose exploited area is 2,916 square kilometers and the storage approximately 100 million tons.

**Table 5**

Social economy basic data of the four affected counties of Shaanxi Province

<table>
<thead>
<tr>
<th>Country Environmental Sanitation Project content</th>
<th>villa ge</th>
<th>popul ation ( thous and )</th>
<th>Land area ( km² )</th>
<th>Farmland area ( thousand mu )</th>
<th>Net income per farmer ( Yuan )</th>
<th>Annual land output value ( Yuan )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yaozhou District, Tongchuan City</td>
<td>191</td>
<td>2530</td>
<td>1551</td>
<td>2420</td>
<td>1583</td>
<td>1193</td>
</tr>
<tr>
<td>Binxian County, Xianyang City</td>
<td>292</td>
<td>3180</td>
<td>1183</td>
<td>455</td>
<td>1837.2</td>
<td>1110</td>
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<tr>
<td>Yintai District, Tongchuan City</td>
<td>57</td>
<td>2300</td>
<td>626.8</td>
<td>175</td>
<td>1395</td>
<td>992</td>
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<tr>
<td>Zhidan County, Yan'an City</td>
<td>192</td>
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<td>3781</td>
<td>370</td>
<td>1698</td>
<td>1030</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>9310</strong></td>
<td><strong>7141.8</strong></td>
<td><strong>3420</strong></td>
<td><strong>6513.2</strong></td>
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<td></td>
</tr>
</tbody>
</table>

5. Affected Quantity and Kinds of the First Batch Project Implementation (land, attachment and population)

According to the project implementation plan, we carried on the inventory registration to this project influence in November and December in 2005, for details please see Appendix III □ Affected quantity and kind of the first batch implement area of Shaanxi Province Countryside Safe Drinking Water and Environmental Sanitation
Project Area. Because the project implementation does not have large-scale land acquisition and building and facility demolition, therefore, the project construction implements only has some temporary or limited influence on the local residents’ production and life, such as small-scale land acquisition for water works and reservoir construction, the materials yard and the temporary land acquisition for construction place and life location, the influence to the ground and some attachments at both sides of the water conservation pipeline, and so on. These limited influences mainly include two aspects:

a) Influence types

The construction is carried on at unused land or deserted land in order not to affect residents’ production or life. However, some pipelines establishment have to acquire farmland temporarily, which may cause short-time adverse effect to the residents.

a-1 to acquire a little farmland and to occupy some land temporarily for the construction

a-2 compensation for the young crop

b) affected quantity

### Table 6

**Affected situation of 4 counties of the first batch project implementation**

<table>
<thead>
<tr>
<th>Project county</th>
<th>Project village</th>
<th>Total affected land (mu)</th>
<th>Acquired land (mu)</th>
<th>Temporarily occupied land (mu)</th>
<th>Young crop (mu)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bingxia</strong></td>
<td>Mingyuc hi</td>
<td>32.5</td>
<td>2.5</td>
<td>30</td>
<td>32.5</td>
</tr>
<tr>
<td></td>
<td>Yahewan</td>
<td>32.5</td>
<td>2.5</td>
<td>30</td>
<td>32.5</td>
</tr>
<tr>
<td></td>
<td>Yaochit ou total</td>
<td>38</td>
<td>3.0</td>
<td>35</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Baocon</td>
<td>10</td>
<td>0</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Mazhui</td>
<td>10</td>
<td>0</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>20</td>
<td>0</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td><strong>Yaozh ou</strong></td>
<td>Chenlu</td>
<td>95</td>
<td>0</td>
<td>95</td>
<td>95</td>
</tr>
<tr>
<td></td>
<td>Xiyuan</td>
<td>90</td>
<td>0</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>-------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Niugou</td>
<td>1.5</td>
<td>0</td>
<td>1.5</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Zhidan</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Siwa</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Suncha</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Wangzhu zi</td>
<td>5.5</td>
<td>0</td>
<td>5.5</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>total</td>
<td>313.5</td>
<td>8</td>
<td>305.5</td>
<td>313.5</td>
<td></td>
</tr>
</tbody>
</table>

Description: the acquired land and temporarily occupied land are dry land.

C. Resettlement Policy

6. The Laws and Formulations of Land Acquisition, Housing Demolition and Resident Resettlement of China

According to the following laws and formulations, the construction units have the right to use the occupied land of the project after the resettlement and compensation for the affected enterprises and individuals are finished.

a) The Land Administration Law of the People’s Republic of China
   Main contents: formulations on land ownership, land using overall plan, farmland protection, land for construction, supervision and inspection, legal responsibility, including land acquisition compensation, subsidy standard for resettlement, and resettlement way of relocated people.


c) 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.

d) 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.


f) 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.

g) The Decision of the State Council on Deepening the Reform and Strictly Enforcing Land Administration

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 acquisition and resident resettlement system, the decision puts forward the guide principle and way to perfect the compensation of land acquisition. 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, resettlement 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 resettlement 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 resettlement compensation. If the sum of land compensation and resettlement 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 acquisition should be the same land the same price. The national key construction project should take the expense of land acquisition 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 acquisition compensation and resettlement system. There are :A. to formulate unified annual output value standard. The province land and resources administrative organ along with relevant organs 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.

7. Guiding Principle of Resettlement of World Bank

World Bank formulated a policy, which is called OP4.12(hereafter short for Term 4.12), for involuntary relocated people cause by its construction project. It is similar with our country’s relevant policy and laws, but a few articles are different from our country’s “Term 4.12”. The policy target on involuntary relocated people in Term 4.12 is: (1) find out all possible project draft in order to avoid or lessen involuntary relocated people. (2) if possible, resettlement activity should be designed and carried out as a sustainable problem. Enough fund should be offered to help relocated people share the benefits of the project. The project party should hold sincere discussion with relocated people, who have the chance to take part in the design and implementation of resettlement draft. (3) The project party should help
relocated people increase living and production level, at least, to help them reach their original or higher living level before resettlement or project implementation.

Term 4.12 formulates the concerning measures and procedure of how to work out a policy of an involuntary relocated people, including (1) the project party should work out a resettlement plan or draft plan, which makes sure that the relocated people have the right to get enough compensation according to rebuying price, and the right to get help, employment training during the resettlement and during the transitional period after resettlement. (2) the plan should give a standard of relocated people and measures to help relocated people to better their living level, at least reach their original level. At the same time, the time should make sure the sustainable development of relocated people and solve the possible conflict with relocated people. (3) Term 4.12 pays a special attention to the need of disadvantaged groups, especially, those below the poverty line, having no land, the aged, women, children, the native people, the minorities, and those who may not be protected by the national land compensation laws. (4)For implementation and supervision of resettlement, there are also formulations in Term 4.12. The term asks the credit side to report the process of resettlement to World Bank in time during project implementation. The term also asks the credit side to be in charge of supervision assess of resettlement activities. And World Bank supervises resettlement activities in regular intervals in order to make sure if the resettlement activities conform to the resettlement plan.

D. Land acquisition compensation standard and resettlement program in project implementation area (land acquisition, temporary occupied land, ground attachment).

a) Policy principle

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 world Bank’s resettlement policy for the relocated people. The implementation of this project need no large-scale land acquisition, building demolition and resident resettlement. The project construction will bring some trouble to the resident’s production and life, and expropriate a little land and occupy some land temporarily for the construction, although the influence is limited and temporary. According to our country’s relevant policy and laws and World Bank’s basic requirement of resettlement policy for relocated people, that is, the project construction should raise or not decline affected individual’s production and living condition, and the affected individual have the right to get relevant compensation from the project implementation party, and the project implementation party should assist the affected individuals to resume or raise their original income and living level. In order to fulfill these basic principles, the project executive organ, Shaanxi Province Development and Reform Commission, Shaanxi Province Using Overseas Loan Office, Shaanxi Province Bureau of Land and Resources, and other relevant bureaus, formulate relevant policy and measures in connection with this project. These policy and measures are ready for province and city government’s permission and then the province government will submit them to the State Council for permission.
In order to do the land acquisition, building demolition and resident resettlement compensation well, the Project should insist on the following principles.

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

a-2 The compensation of land acquisition, temporarily occupied land and young crops should be formulated in the legal limits and considering the affected peasants’ opinions.

a-3 Any damage of peasants’ life and production caused by construction should be paid according to the damage level. The compensation should remain their original life and production level.

a-4 The farmers who lose their land can get land again by land redistribution at their own village. If there is no enough land for them in their own village, they can get land from their town or county. The new land is no more than 3,000 meters from their home.

a-5 Land acquisition compensation should be completed at least one month before the project construction begins. Otherwise, the project cannot begin.

b) compensation standard of affected land

b-1 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.

b-2 If the land don’t change its ownership (the land occupied by village public facilities, villager sanitation, drinking water facilities), the land will not be expropriated and paid compensation.

b-3 After the land acquisition, the town government must be in charge of redistributing land to the affected individuals who lose their land in line with the per capita land. In the area of each village, the village redistributes land to every household, taking advantage of the land for emergency use, and according to the term “when the country’s basic construction needs to expropriate land, to redistribute land according to relevant regulations”.

b-4 Standard of land compensation and resettlement subsidy. According to <the decision of the state council on deepening the reform and strictly enforcing land administration>(sc[2004]No.28) and Ministry of Land of Resources P.R.C.<The announcement of on perfect land acquisition compensation and resettlement system>(mlr[2004]No.238), the legal upper limit of the sum of land compensation and resettlement subsidy is 30 times as average annual output value in the project area, Shaanxi Province Development and Reform Committee, Shaanxi Province Using Overseas Loan Office, Shaanxi Province Bureau of Land and Resources, and Shaanxi Province Bureau of Statistics formulate the compensation standard of this project. Please see Table 7.

Table 7

<p>| Crop annual output value in affected area (according to the average value from 2002-2005) | unit: Yuan/mu |</p>
<table>
<thead>
<tr>
<th>Type</th>
<th>Irrigated land</th>
<th>Dry land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual output value</td>
<td>1193</td>
<td>500</td>
</tr>
</tbody>
</table>

Notes: the annual output value is based on the standard of Yaozhou District, where the value is the highest in 4 counties.

Table 8

<table>
<thead>
<tr>
<th>Construction land compensation standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>unit: yuan/mu</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>type</td>
</tr>
<tr>
<td>Compensation</td>
</tr>
</tbody>
</table>

b-5 the compensation of young crops is as same as average purchase price in three years before land acquisition (a bit higher). The compensation standard is as table 9.

Table 9

<table>
<thead>
<tr>
<th>Green crop compensation standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>unit: yuan/mu</td>
</tr>
<tr>
<td>Type standard</td>
</tr>
<tr>
<td>standard</td>
</tr>
</tbody>
</table>

b-6 evaluation on compensation standard of affected land and young crops

The compensation standard of affected land and young crops is formulated by Shaanxi Province Development and Reform Committee, Shaanxi Province Using Overseas Loan Office, Shaanxi Province Bureau of Land and Resources, and Shaanxi Province Bureau of Statistics. The formulation is based on the decision of the state council on deepening the reform and strictly enforcing land administration,(sc[2004]No.28), Ministry of Land of Resources P.R.C, and the announcement of on perfect land acquisition compensation and resettlement system,(mlr[2004]No.238), and the characteristics of social economy development level in the project area, especially, paying attention to some suggestions put forward by every cities when they make out the unified annual output value standard. So, the two standards are much higher than the standard of land acquisition and young crops in other construction project in Shaanxi Province, for example, the compensation standard of affected land and young crops is 15 times as the output value in three years before land acquisition in Xian-yumenkou Expressway project. The standard is a bit lower in other projects (some projects in north Shaanxi), because the output value there is far lower than in central Shaanxi. The make-out of the compensation standard
of land acquisition and young crops considers the opinions of local government and residents. When interviewed, the standard receives the affirmation of the local government and residents.

b-7 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 open up the same quantity and quality as the occupied basic farmland; if there is no condition to open up wasteland or the open-up land does not meet the need, people should pay farmland open-up fee according to the concrete formulations of Regulation on the Protection of Basic Farmland of Shaanxi Province.

c) Payment of compensation

The land acquisition compensation is one of the total investment of the project and taken into the total budget. All the compensation is paid to affected individuals by Shaanxi Province Development and Reform committee, Shaanxi Province Using Overseas Loan Office, or the county project administration organ. No other unit or person can hold back or divert. The contract should be signed with the original owner when the land is expropriated. The beneficiary should sign his name when he receives the compensation and all the documents should be stored.

c-1 The land compensation belongs to country collective economic organ, and should be paid directly to villagers’ committee. The land compensation can be used for developing production and resume the economic level of affected individuals, who have the right to discuss about economy resume plan.

c-2 The compensation of house, all the accessory facilities and young crop should be directly paid to the owners.

d) Temporarily occupied land

d-1 Temporary occupied land is the occupied road, material ground, construction ground occupied by construction unit during the project construction, and the land passed by construction pipelines. 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 the original state, or paying some fee to the farmers for recovering it.

d-2 The surface mellow soil 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 can be planted, and then return it to the state that the land can be planted, and then return it to the affected individuals.

d-3 About temporary occupied land, there is only compensation, but no resettlement.

| Table 10 |
| Temporarily occupied land compensation standard |
| unit: yuan/mu.year |
| type | Irrigated land | Dry land |

32
e) Compensation scope of resettlement

Including the Countryside Safe Drinking Water and Environmental Sanitation Project, the project needs 313.5 mu land which is respectively in 4 affected counties. Among them, the permanently occupied land is 8 mu, and the temporarily occupied land is 305.5 mu. The most of the occupied land of the project is dry land, and the occupied land is only a little. The project will not affect local residents’ production and life deeply. The project don’t need to demolish buildings. So, these affected individuals don’t need to resettle. The compensation of land acquisition, temporarily occupied land and young crops are the main part of resettlement compensation. The total amount of resettlement of this project is 1045595 yuan.

f) The extending and monitoring of village-level land compensation

The construction unit will gradually extend land compensation and resettlement subsidy of the project construction through formal routine. According to the formulations of 'The Land Administration Law of the People’s Republic of China', the land compensation should be arranged and spent by the villagers’ committee; The compensation of temporarily occupied land and young crops is arranged and spent by affected people. Nobody can hold back or divert land compensation. The transfer, usage management and monitoring of village-level land compensation and resettlement subsidy will be undertaken as following procedure:

f-1 Inspection and preparation before transferring the fund

------According to society survey data, the affected village should hand in detailed affected situation to higher level project management organ for inspection.

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

------Through relevant departments’ guide and consultant and negotiation with affected individuals, the village-level management department works out the using plan of village-level fund and report it to county-level project office for inspection.

------County-level project office inspect and guide to perfect using plan of the village-level fund. If the using plan of fund is not available, the fund will not be transferred.

f-2 Using management and monitoring of fund

------County-level project office inspects and confirms the using plan of village-level resettlement fund, and then transfers compensation and resettlement fund according to the planned speed.

------Village-level organ reports using situation of compensation and resettlement fund to town and county project office every month. And county-level project office reports to the provincial project office every three months.
Besides monitoring using situation of village-level through report forms, county and town project offices should inspect in site the development of agriculture project or enterprises which use compensation or resettlement fund in regular or irregular interval.

Independent monitoring organ will monitor using situation of compensation and resettlement fund of village-level units, evaluate the using effect of fund, offer consultant to village-level units, and feedback monitoring to all-level project offices, in form of sampling survey, inspection in site, discussion with affected individuals.

f.3 Auditing
The project implementation organ will be audited by auditing authorities according to our country’s formulations. The main content of auditing is resettlement fund.

g.) The implementation of the plan

The resettlement compensation plan begins in September, 2006, and will be finished one month before the construction. The plan is divided into 3 stages: the first, preparation; the second, implementation; the third, inspection/monitoring/assess (internal and external monitoring will be in the all implementation process).

g-1 Preparation stage (November, 2005---November, 2006)
-----To set up project administration organs at different levels. This job is undertaken by Shaanxi Province Development and Reform Committee, Shaanxi Province Using Overseas Loan Office and county government in every project county.

-----To make use of newspapers, radio, TV and poster to make the project known, in order to get understanding and support of affected collective, individuals and the society. The job to explain the policy of resettlement compensation is undertaken by Shaanxi Province Development and Reform Committee, Shaanxi Province Using Overseas Loan Office, and the project office of every county(district).

-----To erect boundary markers of the occupied land. To mark the boundary of the occupied land, measure and erection of the boundary markers are undertaken by every county’s project office.

-----To measure and check kind and quantity of affected land, housing and other facilities in site. This job is undertaken by the project office of every county(district).

g-2 Implementation stage (January 2007 December, 2007)
-----Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Office sign an agreement on land acquisition, housing demolition and resident resettlement compensation with each county (district)
government; then, each county (district) government signs relevant agreements with villagers’ committee and affected individuals.

------Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Office report documents of occupied land.

------Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Office transfer land and housing compensation to each county(district) government through the bank.

------Each county(district) project office transfers resettlement compensation to villagers’ committee though the bank.

------Each county (district) project office pay compensation of housing, young crops to affected individuals.

g-3 Inspection stage (September, 2006—June, 2009)

The main task in this stage is to supervise and assess the work of resettlement compensation, including internal supervision and external supervision. The internal supervision is a continuous work, which begins when the land acquisition begins and finishes when the project completes. The project implementation organ at higher levels can inspect and supervise the work of the project management organ at low levels. The project implementation organ at different levels can set up an organ to undertake daily inspection and supervision in order to guarantee the implementation according to RAP terms.

The first job of external supervision is social economy survey (November, 2005---February, 2006), and will not finish until the project completes, and give a general assess of the resettlement compensation of all items in the project. The details of the external supervision is in Chapter 8.

The contents of inspection stage is:

------payment situation of all affected individuals and collective.

------The payment of all kinds of subsidy to the affected individuals

------The implementation of economy recovery plan and measures

------Deal with and solve the opinions of resettlement from the affected individuals.

Table 11

<table>
<thead>
<tr>
<th>Progress of resettlement action</th>
</tr>
</thead>
<tbody>
<tr>
<td>time</td>
</tr>
<tr>
<td>------</td>
</tr>
</tbody>
</table>
| 2005.12-2006.2 | 15 affected counties’ government Shaanxi Kexin Consultant Company(SKCC) | · set up project office  
· propaganda  
· social economy survey |
| 2006.3-2006.8 | Shaanxi Development and Reform Committee(SDRC) | · work out<land acquisition plan>  
· ask for opinions of government and affected individuals |
<table>
<thead>
<tr>
<th>Time</th>
<th>Organization</th>
<th>Activities</th>
</tr>
</thead>
</table>
| 2006.9-2006.11    | SDRC, SUOLO Governments of each county(district) and town | -propaganda further  
- publish information handbook  |
| 2006.12           | SDRC, SUOLO Governments of each county(district) and town | -erect boundary markers  
- measure and check affected quantity  |
| 2007.1-12         | SDRC, SUOLO Governments of each county(district) and town | -sign compensation contract  
- go through formalities of occupied land  |
| 2007.1-2007.12    | Governments of each county(district) and town, SDRC, SUOLO, SKCC | -transfer land compensation  
- transfer all kinds of compensation to the affected individuals  |
| 2007.7-12         | SDRC, SUOLO, SKCC                 | -inspect the work process  
- supervise and inspect payment of compensation  |

Table 12

Progress table of resettlement action

<table>
<thead>
<tr>
<th>标识号</th>
<th>2006年</th>
<th>2007年</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>第四季度</td>
<td>第一季度</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
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<tr>
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<td>4</td>
<td></td>
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<td>5</td>
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<td>6</td>
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<tr>
<td>18</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

note:
(1) the relevant numbers in the table are: 1. set up project office 2. to propaganda 3. social economy survey 4. to work out plan of

36
resettlement action  5. ask for opinions of government and affected individuals  6. publish information handbook  7. erect boundary markers  8. measure and check affected quantity  9. sign compensation contract  10. go through formalities of occupied land.  11. transfer land compensation  12. transfer all kinds of compensation to the affected individuals  13. inspect the work process  14. supervise and inspect payment of compensation  15. receive all complaints  16. inspect usage of the fund  17. internal and external supervision  18. track survey to the affected villages  

(2) the blue part stands for time arrangement of the task

E. Fund Budget and Compensation Cost

8. Total cost

a) Basic cost

The resettlement compensation is part of the total investment of the project construction and enters in a list of the project annual investment plan. The total cost is 1045595 Yuan, among it, the basic cost is 429500 Yuan.

b) Unexpected cost

The unforeseen resettlement compensation is the unexpected cost, which equals 35% of the basic cost of resettlement compensation of the project.

c) Management cost

The management cost equals 3% of the basic cost of resettlement compensation. This cost doesn’t include in the basic cost of resettlement compensation. Among it, the province, county(district) and villagers’ committee use 1 percent respectively.

Table 13

Resettlement cost

(ten thousand yuan)

<table>
<thead>
<tr>
<th>item</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: basic cost</td>
<td>429500</td>
</tr>
<tr>
<td>1: Land compensation</td>
<td>120000</td>
</tr>
<tr>
<td>2: Temporarily occupied land compensation</td>
<td>152750</td>
</tr>
<tr>
<td>3: Young crop compensation</td>
<td>156750</td>
</tr>
<tr>
<td>B: management cost(3% of the basic cost)</td>
<td>12885</td>
</tr>
<tr>
<td>C: service charge(3% of the basic cost)</td>
<td>12885</td>
</tr>
<tr>
<td>D: supervision and assess cost (including all the 15 project counties)</td>
<td>250000</td>
</tr>
</tbody>
</table>
E. work-out of plan cost (including all the 15 project counties) 190000
F. unexpected cost (35% of the basic cost) 150325
Total 1045595

Note: the standard of supervision and assess cost and work-out of plan cost is according to relevant documents, Document No. 2002-125, formulated by the National Development and Reform Commission and the State Environmental Protection Administration of China.

9. The Fund Procedure

a) The resettlement compensation is transferred from the project implementation unit to the project office of project affected county (district) government. And then from county (district) project office to villagers committee and affected individuals through the bank.

b) Approval of added cost

The project implementation units have the right to use the unexpected cost in the budget. For the unexpected cost and price-up cost out of the budget, Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Office should report it to the National Development and Reform Committee and Ministry of Treasure, and after their approval, they will be added to the budget. The procedure will be no more than one month.

Table 14

Compensation fund process of resettlement action

<table>
<thead>
<tr>
<th>Shaanxi Province Development and Reform Committee Shaanxi Province Using Overseas Loan Project Office (in charge of fund)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
</tr>
<tr>
<td>County (district) project office</td>
</tr>
<tr>
<td>Villagers’ committee (land compensation)</td>
</tr>
<tr>
<td>Villagers (young crop compensation)</td>
</tr>
</tbody>
</table>
table 15

Payment process of resettlement compensation

<table>
<thead>
<tr>
<th>year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total cost (ten thousand yuan)</td>
<td>104560</td>
<td>522798</td>
<td>418238</td>
</tr>
<tr>
<td>proportion</td>
<td>10%</td>
<td>50%</td>
<td>40%</td>
<td>100%</td>
</tr>
</tbody>
</table>

F. Executive Organs and Resettlement Process of the First Batch Implementation Project

10. Executive Organs

According to the related policy of World Bank and the national condition in our country, this kind of project is carried on by the local governments. All levels of governments set up corresponding implementation management organization according to the affected population and the duty size. The project management organization is in charge of forming detailed action plan due to the compensation and placement plan and carrying out the project. According to the plan.

This project implementing agency is Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Office. In order to guarantee the smooth and efficient implementation of the project, Shaanxi Province has established the leading group of Shaanxi Province countryside security drinking water and the environmental sanitation project Using World Bank Loan and DFID (hereafter refers to as project leading group) consisting of the leaders from Shaanxi Province Development and Reform Committee, Bureau of Treasure, Bureau of Water, Bureau of Health. The group leader is the vice governor of Shaanxi province. Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Office, as the group office, are responsible for the daily concrete affairs.
11. Implementation Organs

The 15 local governments of the project implements area are the main bodies of the project implementation, that is the governments of Binxian County, Wugong County, Heyang County, Chengcheng County, Linwei District, Yintai District, Yaozhou District, Fufeng County, Qianyang County, Changwu County, Baota District, Zhidan County, Zichang County, Suide County and Yuyang District. The implementation office is also established in each county(district). The office is the final undertaker of the transferred loan. The project implementation organization in each towns and villages are the concrete implementation organization.

a) Each project county(district) implementation office consists of a county leader and leaders from the beareaus of plan, land management, water, agriculture, environmental protection. The office is in charge of carrying out the decisions of the project, dealing with concerning problems. The duty is:

   a-1 According to the decisions of the leading group, in charge of organizing and arranging land acquisition and compensation of removing, and singing contracts of land acquisition and compensation of removing with the town(village) implementation organization.
   a-2 In charge of surveying the land acquisition, listening to the opinions of affected area and people, accepting all kinds of complaints and requests, and dealing with them in time.
   a-3 In charge of payment and usage of the compensation of land acquisition and removing of the villages.
   a-4 In charge of guiding the towns and villages to formulate economy resume plan and exchange the experiences.
   a-5 In charge of reporting the project process to the county’s and province’s leading group and offices, and handing in relevant statistic data.

b) The project implementation organization of affected villages consists of the village leader and the villager representatives. The duty is:

   b-1 In charge of checking the quantity of affected land, removed buildings, special-purpose facilities and attached materials according to the task and demand from the project leading group and the office.
   b-2 In charge of singing contracts of land acquisition and removing with the affected people.
   b-3 In charge of paying compensation.
   b-4 In charge of the concrete affairs of compensation of land acquisition, assuring the timely progress of all compensation.
   b-5 In charge of surveying the land acquisition, listening to the opinions of affected area and people, accepting all kinds of complaints and requests, and dealing with them in time.
b-6 In charge of guiding the villages to formulate economy resume plan and checking and supervising
b-7 In charge of reporting the project process to the county’s leading group and offices, and handing in relevant statistic data.

G. Complaint, Appeal and Public Participation

12. Complaint and Appeal

In order not to damage the affected individuals’ benefit, if the affected individuals are not satisfied with the resettlement, they can complain or claim to the county (district) project office. If they can not get satisfied response, they can take lawsuit to county or city people’s court.

a) Accepting organ

The organs which accept complaints and claim are: Shaanxi Development and Reform Committee, Shaanxi Using Overseas Loan Office, county (district) project construction coordination leading group, county (district) project office, town government, and villager’s committee).

Lawsuit organ: affected county’s people’s court, city’s intermediate people’s court. The lawsuit organ and procedure are as following.

Table 16

<table>
<thead>
<tr>
<th>Appeal and lawsuit organ and procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>city’s intermediate people’s court</td>
</tr>
<tr>
<td>county’s people’s court</td>
</tr>
<tr>
<td>Shaanxi Province Development and Reform Committee; Shaanxi Province Using Overseas Loan Project Office</td>
</tr>
<tr>
<td>county project</td>
</tr>
</tbody>
</table>
b) The reason of complaint and claim.
   b-1 Complaint caused by land and young crops compensation.
   b-2 Complaint caused by unsuitable dealing in the process of demolition or forcing the price down on purpose.
   b-3 Complaint that the compensate standard is too low
   b-4 Complaint that the project construction damages others’ benefit.
   b-5 Complaint that the staff damage the affected enterprises or individuals’ interest or damage others benefit.
   b-6 Complaint that the affected individuals think the compensation standard is lower than the replacement value.

c) The procedure of claim
   c-1 If the resident complains about land acquisition, housing demolition and resident resettlement work, first, they can tell it to the villagers committee in written form or in oral, and ask for solve or response. If the problem cannot be solved, the county (district) project office should coordinate and solve. If the resident doesn’t receive any response in three weeks or is not satisfied, he can claim to the project management organ at higher level in written form.
   c-2 The project administration office at all different levels 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.
   c-3 If the affected enterprises or 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 terminal. If the affected individuals or enterprises are still not satisfied, they have to obey the judgment.

13. Public Participation

a) propaganda activity
   The resettlement compensation work is an important social event. It is necessary to propaganda well in advance. The purpose of propaganda is to make all people relevant to this project know the significance of the project, and know how to construct, how to relocate, how to compensate, how to appeal, how to solve the problem caused during the project construction.
   a-1 The propaganda organ and way
The propaganda of resettlement action is divided into two parts: one is to propaganda though social public media, the other is to propaganda by project administration organ at all different levels.

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

-----the project administration office propaganda to affected enterprises and individuals in forms of meeting, document, notice, and so on, before the project begins.

a-2 The contents of the propaganda

-----to propagate the significance of the construction, time of the project.

-----to propagate the principle and procedure of resettlement action in RAP, and plan and measures of economy rehabilitation.

-----to propagate province, county(district), town project administration organ and their duty scope.

-----to propagate compensation standard of land acquisition and ground attachment.

-----to propagate the distributing organ, way and usage of compensation fund.

-----to propagate the way of claim during the resettlement compensation.

-----to propagate the duty and jurisdiction of claim accepting organ at all different levels, and make the affected individuals or enterprises to protect their own benefits and right through legal way.

-----to propagate internal supervision organ and external supervision organ and their activity contents in the compensation work.

-----the information of resettlement action must be told to women, the disabled and so on.

By above mentioned activities, make all the affected individuals and enterprises accept and support the project construction from action to psychology.

a-3 Propaganda time

After the RAP revised edition is passed, that is, in August, 2006, the RAP should be printed and distributed to affected county(district) project office. At the same time, the information handbook of (revised edition) should be distributed to all the affected villages.

b) Public participation

b-1 Besides efficient propaganda, people’s governments at all levels, affected representatives of affected individuals will be invited to take part in the job. They will know the whole process of resettlement compensation. And they will know all the work is undertaken in line with RAP terms and the benefit of affected individuals and enterprises is well considered.

b-2 In form of holding meeting or soliciting individuals’ opinions, the project implementation organ has already solicited opinions and suggestions from the governments at all levels along the project construction line and the representatives of
affected units in the stage of design and preparation. They will take part in the following activities in the process of resettlement.

------survey and design stages
★ comparison of project implementation draft
★ sorting and measuring of affected land
★ the survey and check of other ground attachment

------implementation stage
★ sorting the compensation scope and definition of compensation standard
★ sign of compensation agreement
★ using plan of compensation
★ survey and coordination of claim
★ monitoring and survey

c) Public enquiry

c-1 The contents of public enquiry are about all the aspects such as target, scope, policy of resettlement, compensation standard, payment way, executive organ, implementation plan and so on.

c-2 The accepting organ of public enquiry is the project administration organ at all levels and villagers’ committee. Once the project implementation begins, the person in charge of project administration organ at all levels, office address and telephone number should be announced in the affected areas.

H. Supervision on the Resettlement of the First-implemented Projects

In order to guarantee the smooth process of the resettlement compensation, there are two kinds of supervision carried out simultaneously by two independent organizations in different ways: the first, an internal supervision system by the government to supervise according to RAP terms in the angle of administrative management, the second, an external supervision system by sociologists in the angle of social survey.

14. The Internal Supervision

a) The contents of the internal supervision
The contents of the internal supervision consist of two aspects (1) the supervision to the relevant area administrative management department (including project management organization of city, county and village government), (2) the supervision to the compensation for the affected individuals according to RAP terms.

a-1 The contents of the first kind
------if the land acquisition, housing demolition and resident resettlement compensation is carried out according to RAP terms
------if the affected individuals get enough compensation according to the formulations.
------if more job opportunities are provided to the local residents taking advantage of the project implementation.
------if the affected individuals are satisfied with the compensation program.
------if the living condition of the affected individuals are safe and proper.
------if the propaganda, notification, consultation and coordination are given to the affected individuals or enterprises according to the formulations.
------if the expense is recorded in written form, especially the description of the cause of overspending and resource of supplement.
------if the affected individuals or enterprises are permitted to appeal according to the formulations.
------if the implementation activities are completed in time which should be completed a month before the project begins.

a-2 The contents of the second kind
------if the affected individuals or enterprises, who lose land, are satisfied with the land compensation, living condition and production condition.
------If the affected individuals are satisfied with their income change and rehabilitation situation after land acquisition.
------The opinion, attitude, complaint or resentfulness to the project from the affected individuals or enterprises.
------If the affected individuals and enterprises are satisfied with the project staff’s working method, attitude and effect.
------If the affected individuals or enterprises and satisfied with the results that some staff get punishment because of their possible activities against the law.

b) The method of internal supervision

Different contents of supervision is 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:

b-1 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 10% of the total house holds. The obtained data of the sample households should be restored for the purpose that it can be compared with a new one.

b-2 For some unquantified data such as resident’s opinions, attitude, pointview, complaints and activities, the random discussion or special topic discussion can be used for supervision. The ways of asking questions should not be inductive but be various.

c) The implementation of the internal supervision
According to resettlement compensation program, the internal supervision is at both the preparing stage and implementation stage.

d) The power of supervision organ
   d-1 The supervision organ has the right to investigate the compensation standard, compensation amount and scope carried out by the implementation organ, and the right to assess, investigate and supervise the finished work or finishing work done by county(district)-level project organs.
   d-2 The supervision organ has the right to report or rectify the quantity, unit, and slope which doesn’t accord with the formulations. Furthermore, the supervision organ also has the right to announce to the public what is not correct after rectifying .
   d-3 The supervision organ has the right to report and to help deal with some fierce problems put forward by effected individuals or enterprises or announce it to the public.
   d-4 The supervision organ has the right to prosecute to the local judicial office, if any staff member hurt any individual’s or enterprise’s benefit taking advantage of his power.
   d-5 The supervision organ has the right to 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.

The supervision organ should combine the responsibility to the government with the responsibility to the affected individuals or enterprises, summarize experiences and lessons, and make a work record(log). The supervision organ can have a meeting at regular or irregular intervals and report relevant circumstances. Each season, the supervision organ should give a written report to the project implementation organization about the supervision work and dealing with the supervised incidents. Every six months, a written report of all the supervision work should be handed in to World Bank.

e) The collection and storage of data

The county (district)-level project management organ should collect supervision data from the town(village)-level office and the monthly sample investigation. These data should contain microcosmic data (every affected individual or household) and macroscopic data (every affected village/county). The collected data of every relevant individual/household should be stored in a disk and revised after every supervision investigation.

Report: The internal supervision report will be discussed in every regular meeting of the project implementation organ and the following work will be undertaken.
15. The External Supervision (contents, method, time and right)

In order to do the resettlement compensation well, the project needs not only the internal supervision, but also the external supervision by a public consultant organ which enjoys a good fame. The project executive organ, Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Project Office entrust Shaanxi Kexin Consultant Company to undertake the external supervision of the resettlement compensation of the project. The supervision outline is as following:

**RAP Supervision Outline**

Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Project Office invite Shaanxi Kexin Consultant Company to undertake independent and fair supervision and check in the process of resettlement compensation of the project, in order to fulfill the policy target of World Bank thoroughly and correctly.

a) The contents of supervision
   a-1 To check if the resettlement compensation is carried out according to RAP terms.
   a-2 To ensure if the activities are completed that should be completed before the construction.
   a-3 To determine the general target of resettlement compensation and implementation degree of RAP.
   a-4 To determine if the compensation amount matches the property loss and the affected individuals can resume their original income.
   a-5 To determine how satisfied the affected individuals are with the resettlement compensation and life resume measures.
   a-6 To determine now satisfied the affected individuals are with of the compensation quantity and quality of lost land because of resettlement action.
   a-7 To determine how satisfied the affected individuals are with the compensation standard and ways of ground attachment.
   a-8 To determine, during the process of resettlement, if the concerning organs have sufficient consultant with local government or affected individuals and if there is compulsory demolition.
   a-9 To supervise the process of current funds of resettlement compensation.

b) Measures of supervision
   b-1 To inspect in the resettlement compensation scene and listen to work report by the local project implementation organs.
b-2 The survey measures to the affected individuals are model sampling and track survey. Mainly, the on-the-spot survey measure is adopted. To set up files of model villages and model households. To collect data in regular interval and set up track card. The model survey villages and individuals are no less than 10% of the affected.

b-3 Random sample survey in regular and irregular intervals: we mainly adopt symposium and official family visit to understand the affected individuals’ problems and the causes in the process of resettlement compensation and understand the real information.

Table 17
Compensation supervision of Shaanxi Province Countryside Safe Drinking Water and Environmental Sanitation Project

<table>
<thead>
<tr>
<th>item</th>
<th>village</th>
<th>Construction plan</th>
<th>affected land(㎡)</th>
<th>Land type</th>
<th>affection way</th>
<th>affected people</th>
<th>compensation sum (yuan)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>land compensation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>compensation standard</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>compensation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>young crop</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>total</td>
</tr>
</tbody>
</table>

Signature

(c) Time arrangement of supervision

c-1 The supervision began in December, 2005 and will finish after the whole supervision assess is finished when all the project is completed.

c-2 When a sum of fund comes, we begin to inspect the principle and plan of resettlement action, give an assess, propose improvement ideas, survey and discuss with the affected individuals.

c-3 After the first supervision survey and from the first year of the project implementation, we have an inspect and survey every six months, and later once a year.

-----inspect and supervise the realization of the former inspection conclusion.
-----carry on according to all the terms of this supervision outline.

c-4 If the supervision organ thinks it is necessary, we can inspect and survey at any time.
c-5 The external supervision organ should record every supervision activity in
detail and give a written report. The contents in the report should include the
experiences in the resettlement compensation process, the existing problems. The
report should be given to the executive organ in time. The executive organ should find
way to solve the existing problems to improve their work after they receive the report.

c-6 After the resettlement action are completed, the consultant company should
give a complete, correct, detailed and objective supervision report. Then, the company
should discuss and exchange ideas with the project executive organ, they should hand
in the report to World Bank and prompt the executive organ to improve the
resettlement compensation work.

Part B. Resettlement Policy Framework of 80%

projects

1. Project Objectives and Description in other Project
Areas

a) Project description

Besides the 4 first batch implementation counties, there are still Qianyang
County, Fufeng County, Wugong County, Changwu County, Linwei District,
Chengcheng County, Heyang County, Yuyang District, Suide County, Baota District
and Zichang County which will implement Shaanxi Countryside Safe Drinking Water
and Environmental Sanitation Project. These counties locate in the central part and
north part of Shaanxi Province. Their natural condition and climate are similar with
the 4 first batch implementation counties. The climate there is typical continental
monsoon climate. Yuyang District, Suide County, Baota District and Zichang County
in north Shaanxi are temperate and dry. Qianyang County, Fufeng County, Wugong
County, Changw County, Linwei District, Chengcheng County and Heyang County
are temperate and half dry. The annual average temperate is 9.1--15.5°C. The annual
rainfall amount is 1067-436 m³. The distribution of the rainfall is not even, mostly
concentrating form June to September. The water possess per capita in the project
counties of central Shaanxi and north Shaanxi is 388 m³ 948 m³ respectively. These
project counties are one of the seriously lack of water area of our country.

The average annual income per capita in the project counties is about 1700 Yuan.
The highest is 2225 Yuan in Wugong County, and the lowest is 1420 Yuan in
Changwu County. This number is only 71% as the average annual income per capita
of our country, and is lower than 1867 Yuan--the average annual income per capita of
Shaanxi Province. The main income source in the project counties is farming and
part-time job. The income source is single and the third industry develops slowly, which hinder the improvement of the living level of the project area.

**Table 18**

**Social economy basic data of 11 affected counties in the project in Shaanxi**

<table>
<thead>
<tr>
<th>item county(district)</th>
<th>Villagers' committee</th>
<th>Population (ten thousand)</th>
<th>Land (km²)</th>
<th>Farmland (ten thousand mu)</th>
<th>Net income Per capita (yuan)</th>
<th>Annual output value per mu (yuan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fufeng County</td>
<td>185</td>
<td>46</td>
<td>750</td>
<td>85 .2</td>
<td>1949</td>
<td>1232</td>
</tr>
<tr>
<td>Qianyang County</td>
<td>132</td>
<td>12 .6</td>
<td>959</td>
<td>36</td>
<td>1957</td>
<td>650</td>
</tr>
<tr>
<td>Changwu County</td>
<td>235</td>
<td>16 .9</td>
<td>538</td>
<td>30 .5</td>
<td>1420</td>
<td>925</td>
</tr>
<tr>
<td>Wugong County</td>
<td>262</td>
<td>41 .1</td>
<td>397.8</td>
<td>42.5</td>
<td>2225</td>
<td>1250</td>
</tr>
<tr>
<td>Heyang County</td>
<td>353</td>
<td>44 .2</td>
<td>1341</td>
<td>93 .2</td>
<td>1580</td>
<td>1400</td>
</tr>
<tr>
<td>Chengcheng County</td>
<td>266</td>
<td>37 .8</td>
<td>1121</td>
<td>89</td>
<td>1490</td>
<td>1215</td>
</tr>
<tr>
<td>Linwei District</td>
<td>496</td>
<td>85</td>
<td>1221</td>
<td>120</td>
<td>1662</td>
<td>1231</td>
</tr>
<tr>
<td>Zichang County</td>
<td>354</td>
<td>24 .54</td>
<td>2405</td>
<td>51</td>
<td>1948</td>
<td>1100</td>
</tr>
<tr>
<td>Baota District</td>
<td>569</td>
<td>33 .5</td>
<td>3556</td>
<td>56 .1</td>
<td>1963</td>
<td>1115</td>
</tr>
<tr>
<td>Suide County</td>
<td>661</td>
<td>34 .5</td>
<td>1878</td>
<td>82 .5</td>
<td>1668</td>
<td>850</td>
</tr>
<tr>
<td>Yuyang District</td>
<td>488</td>
<td>39 .8</td>
<td>7053</td>
<td>123</td>
<td>2340</td>
<td>855</td>
</tr>
<tr>
<td>total</td>
<td>4001</td>
<td>4001</td>
<td>21219.8</td>
<td>809</td>
<td>20202</td>
<td></td>
</tr>
</tbody>
</table>

b) Present situation of water supply in project county

The project counties are seriously lack of water area in our country. The main water source is rain water, river water, cellar water, well water and spring, and some families have to buy water from water merchants. The water-lack time are 2-4 months, mostly from January to March and from June to August. The most water-lack is Zichang County (some villages are lack of water for 6 months, from January to February, July to August, November, December) and Chengcheng County (from April to June, January to June). The water quality exists many safe problems. According to the frequency from high to low, they are super-standard colon bacillus, super-standard fluorine, oil pollution (Baota District in Yan’an), salty water (project counties in central Shaanxi), and so on. The people in the project area have difficult in drinking water, and have to drink super-standard fluorine water, salty water or polluted water,
which seriously threaten people’s life and health. The intestines disease becomes the main disease which hurts the peoples’ health in rural area in Shaanxi.

c) Sanitation facilities and health condition in project counties

Due to geographic environment and economic development, the sanitation facilities is poor and the health education is weak in the rural area in Shaanxi. Especially in central Shaanxi and north Shaanxi, the peasants have little sanitation knowledge and have no good habit of sanitation. The women and children suffer a lot from diarrhea, parasitic disease in intestines, hepatitis. In recent years, with the help of governments in all different levels, the rural area begins to use running water, which help the peasants to build clean lavatories. By the end of 2004, Shaanxi Province had built all kinds of clean lavatories in 2,312,800 families, accounting for 33.33% of all the peasants families.

According to the survey data and other documents, in 4 counties (Changwu County, Linwei District, Chengcheng County, and Yintai District), 100% of the peasants’ families own lavatories in their own house. 3 counties are 91% or below. The lowest one is only 81%. The other counties are between 95% and 99%. The simple lavatory is from 58%～95% in different counties. The methane-generating pit lavatory is below 10%.

More than 90% peasant families didn’t receive any subsidy from government when they change their lavatories (including building lavatories for the first time) in the project area. In Baotao District, about 10% of the peasant families got construction material. In Zichang county, 80% of the peasant families didn’t get any subsidy when they built common lavatory, but when they build methane-generating pit lavatories costing 2500-3000 Yuan, or water-clean lavatory (costing about 1000 Yuan), they get the subsidy about 200~500 Yuan from the government. In Qianyang County, only 2 families in the 50 families we surveyed got the subsidy of 180 Yuan from the government.

At present, there are no facilities for sewage water and rubbish in rural area. Sewage water is poured directly in the courtyard or orchard without any purification. In rural area, there is a lot of solid rubbish, such as dust, soil, leaves, plastic bags, dry grass and excrement of livestock. In highland of central Shaanxi, it is different to exclude sewage or rubbish. In summer and fall, it rains often and heavily, so the sewage water affects the environment seriously.

The peasant families always litter rubbish at will. The effective way to handle the rubbish is to burn it or change it into fertilize. In 4 project counties in north Shaanxi, 65-70% of rubbish is littered at will, 10-20% is changed into fertilize, 10-15% is burnt or buried, and 10-20% is handled. In 7 project counties in central Shaanxi, 90% of the rubbish is littered at will, and only 10% is handled.

In the project area, the people have to drink super-standard fluorine water, salty water or polluted water. The sanitation facilities are poor. The people have no good sanitation habit. The health education is weak. All the above problems threaten the people’s life and health. Therefore, to drink safe drinking water and to change lavatories are the good way to help the people to say goodbye to the traditional bad
habit and to adopt healthy life style. And this is also an urgent task to carry out the scientific development mode, to construct a new rural countryside and to improve the life quality of the peasants in the project area.

2. Affection Quantity and Kinds in 11 Project Counties

According to the project implementation plan, we carried on the inventory registration to this project influence in November and December in 2005, for details please see table 18. Because the project implementation does not have large-scale land acquisition and building and facility demolition, therefore, the project construction implements only has some temporary or limited influence on the local residents’ production and life, such as small-scale land acquisition for water works and reservoir construction, the materials yard and the temporary land acquisition for construction place and life location, the influence to the ground and some attachments at both sides of the water conservation pipeline, and so on. These limited influences mainly include two aspects:

a) affection kinds

The construction is carried on at unused land or deserted land in order not to affect residents’ production or life. However, some pipelines establishment have to acquire farmland temporarily, which may cause short-time adverse effect to the residents.

a-1 a little land acquisition and temporarily occupied land for the construction
a-2 compensation of young crops

b) affection quantity

Table 19

<table>
<thead>
<tr>
<th>Project county</th>
<th>Affected land (mu)</th>
<th>Expropriated land (mu)</th>
<th>Temporaril yoccupie d Land (mu)</th>
<th>Young crop (mu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fufeng County</td>
<td>510  2</td>
<td>10  2</td>
<td>500</td>
<td>510  2</td>
</tr>
<tr>
<td>Qianyang County</td>
<td>134</td>
<td>22</td>
<td>112</td>
<td>134</td>
</tr>
<tr>
<td>Changwu County</td>
<td>175</td>
<td>14</td>
<td>161</td>
<td>175</td>
</tr>
<tr>
<td>Wugong County</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Heyang County</td>
<td>80</td>
<td>24</td>
<td>56</td>
<td>80</td>
</tr>
<tr>
<td>Chengcheng County</td>
<td>27</td>
<td>12</td>
<td>15</td>
<td>27</td>
</tr>
<tr>
<td>Linwei District</td>
<td>14</td>
<td>14</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Zichang County</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baota District</td>
<td>15 33</td>
<td>15 33</td>
<td>0</td>
<td>15 33</td>
</tr>
<tr>
<td>Suide County</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yuyang County</td>
<td>20</td>
<td>20</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>total</td>
<td>975 53</td>
<td>131 53</td>
<td>844</td>
<td>975 53</td>
</tr>
</tbody>
</table>

Note: The expropriated land and temporarily occupied land are all dry land.

3. Resettlement Policy

In line with that the social economy development level, life custom, social background in the 15 counties are similar, the policy is fit for the other project implementation area. For special condition, the policy can be adjusted.

a) The laws and formulations of resettlement of China

According to the following laws and formulations, the construction units have the right to use the occupied land of the project after the resettlement and compensation for the affected enterprises and individuals are finished.

a-1 The Land Administration Law of the People’s Republic of China


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


a-3 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.

a-4 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.


a-6 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.

a-7 The Decision of the State Council on Deepening the Reform and严格 Enforcing Land Administration

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 acquisition and resident resettlement system, the decision puts forward the guide principle and way to perfect the compensation of land acquisition. 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, resettlement 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 resettlement 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 resettlement compensation. If the sum of land compensation and resettlement 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 acquisition should be the same land the some price. The national key construction project should take the expense of land acquisition into its budget.

a-8 The Ministry of Land and Resources P.R.C 《The Announcement of “On Perfecting Land Acquisition Compensation and Resettlement System》

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 acquisition compensation and resettlement system. There are :A. to formulate unified annual output value standard. The province land and resources administrative organ along with relevant organs woks out the lowest unified annual output value of every county in the province, then announce and carry it out 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.

b) Guiding principle of resettlement of World Bank

World Bank formulated a policy, which is called OP4.12(hereafter short for Term 4.12), for involuntary relocated people cause by its construction project. It is
similar with our country’s relevant policy and laws, but a few articles are different
from our country’s “Term 4.12”. The policy target on involuntary relocated people in
Term 4.12 is: (1) find out all possible project draft in order to avoid or lessen
involuntary relocated people. (2) if possible, resettlement activity should be designed
and carried out as a sustainable problem. Enough fund should be offered to help
relocated people share the benefits of the project. The project party should hold
sincere discussion with relocated people, who have the chance to take part in the
design and implementation of resettlement draft. (3) The project party should help
relocated people increase living and production level, at least, to help them reach their
original or higher living level before resettlement or project implementation.

Term 4.12 formulates the concerning measures and procedure of how to work
out a policy of an involuntary relocated people, including (1) the project party should
work out a resettlement plan or draft plan, which makes sure that the relocated people
have the right to get enough compensation according to rebuying price, and the right
to get help, employment training during the resettlement and during the transitional
period after resettlement. (2) the plan should give a standard of relocated people and
measures to help relocated people to better their living level, at least reach their
original level. At the same time, the time should make sure the sustainable
development of relocated people and solve the possible conflict with relocated people.
(3) Term 4.12 pays a special attention to the need of disadvantaged groups, especially,
those below the poverty line, having no land, the aged, women, children, the native
people, the minorities, and those who may not be protected by the national land
compensation laws. (4) For implementation and supervision of resettlement, there are
also formulations in Term 4.12. The term asks the credit side to report the process of
resettlement to World Bank in time during project implementation. The term also asks
the credit side to be in charge of supervision assess of resettlement activities. And
World Bank supervises resettlement activities in regular intervals in order to make
sure if the resettlement activities conform to the resettlement plan.

4. Resettlement Program

a) Policy principle

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 world Bank’s
resettlement policy for the relocated people. The implementation of this project need
no large-scale land acquisition and resettlement. The project construction will bring
some trouble to the resident’s production and life, and expropriate a little land and
occupy some land temporarily for the construction, although the influence is limited
and temporary. According to our country’s relevant policy and laws and World
Bank’s basic requirement of resettlement policy for relocated people, that is, the
project construction should raise or not decline affected individual’s production and
living condition, and the affected individual have the right to get relevant compensation from the project implementation party, and the project implementation party should assist the affected individuals to resume or raise their original income and living level. In order to fulfill these basic principles, the project executive organ, Shaanxi Province Development and Reform Commission, Shaanxi Province Using Overseas Loan Office, Shaanxi Province Bureau of Land and Resources, and other relevant bureaus, formulate relevant policy and measures in connection with this project. These policy and measures are ready for province and city government’s permission and then the province government will submit them to the State Council for permission.

In order to do the resettlement compensation well, the Project should insist on the following principles.

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

a-2 The compensation of land acquisition, temporarily occupied land and young crops should be formulated in the legal limits and considering the affected peasants’ opinions.

a-3 Any damage of peasants’ life and production caused by construction should be paid according to the damage level. The compensation should remain their original life and production level.

a-4 The farmers who lose their land can get land again by land redistribution at their own village. If there is no enough land for them in their own village, they can get land from their town or county. The new land is no more than 3,000 meters from their home.

a-5 Land acquisition compensation should be completed at least one month before the project construction begins. Otherwise, the project cannot begin.

b) compensation standard of affected land

b-1 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.

b-2 If the land don’t change its ownership (the land occupied by village public facilities, villager sanitation, drinking water facilities), the land will not be expropriated and paid compensation.

b-3 After the land acquisition, the town government must be in charge of redistributing land to the affected individuals who lose their land in line with the per capita land. In the area of each village, the village redistributes land to every household, taking advantage of the land for emergency use, and according to the
term “when the country’s basic construction needs to expropriate land, to redistribute land according to relevant regulations”.

b-4 standard of land compensation and resettlement subsidy. According to <the decision of the state council on deepening the reform and strictly enforcing land administration>(sc[2004]No.28) and Ministry of Land of Resources P.R.C<The announcement of on perfect land acquisition compensation and resettlement system>(mlr[2004]No.238), the legal upper limit of the sum of land compensation and resettlement subsidy is 30 times as average annual output value in the project area, Shaanxi Province Development and Reform Committee, Shaanxi Province Using Overseas Loan Office, Shaanxi Province Bureau of Land and Resources, and Shaanxi Province Bureau of Statistics formulate the compensation standard of this project. Please see Table 7.

**Table 20**

**Crop annual output value in affected area**
*(according to the average value from 2002-2005)*

<table>
<thead>
<tr>
<th>type</th>
<th>land</th>
<th>Irrigated</th>
<th>Dry land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual output value</td>
<td></td>
<td>1400</td>
<td>500</td>
</tr>
</tbody>
</table>

Notes: the annual output value is based on the standard of Heyang County, where the value is the highest in 15 counties.

**Table 21**

**Construction land compensation standard**

<table>
<thead>
<tr>
<th>Type</th>
<th>Irrigated land</th>
<th>Dry land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compendation</td>
<td>42000</td>
<td>15000</td>
</tr>
</tbody>
</table>

b-5 the compensation of young crops is as same as average purchase price in three years before land acquisition(a bit higher). The compensation standard is as table 22.

**Table 22**

**Young crop compensation standard**

<table>
<thead>
<tr>
<th>Type</th>
<th>vegetable</th>
<th>Other young crops</th>
</tr>
</thead>
<tbody>
<tr>
<td>standard</td>
<td>1000</td>
<td>500</td>
</tr>
</tbody>
</table>
b-6 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 farmland designated by the local government, people should open up the same quantity and quality as the occupied basic farmland; if there is no condition to open up wasteland or the open-up land does not meet the need, people should pay farmland open-up fee according to the concrete formulations of Regulation on the Protection of Basic Farmland of Shaanxi Province.

b-7 Evaluation on compensation standard of affected land and young crops.

The compensation standard of affected land and young crops is formulated by Shaanxi Province Development and Reform Committee, Shaanxi Province Using Overseas Loan Office, Shaanxi Province Bureau of Land and Resources, and Shaanxi Province Bureau of Statistics. The formulation is based on the decision of the State Council on deepening the reform and strictly enforcing land administration (sc[2004]No.28), Ministry of Land of Resources P.R.C (mlr[2004]No.238), and the characteristics of social economy development level in the project area, especially, paying attention to some suggestions put forward by every cities when they make out the unified annual output value standard. So, the two standards are much higher than the standard of land acquisition and young crops in other construction projects in Shaanxi Province, for example, the compensation standard of affected land and young crops is 15 times as the output value in three years before land acquisition in Xian-yumenkou Expressway project. The standard is a bit lower in other projects (some projects in north Shaanxi), because the output value there is far lower than in central Shaanxi. The make-out of the compensation standard of land acquisition and young crops considers the opinions of local government and residents. When interviewed, the standard receives the affirmation of the local government and residents.

c) Payment of compensation

The land acquisition compensation is one of the total investment of the project and taken into the total budget. All the compensation is paid to affected individuals by Shaanxi Province Development and Reform Committee, Shaanxi Province Using Overseas Loan Office, or the county project administration organ. No other unit or person can hold back or divert. The contract should be signed with the original owner when the land is expropriated. The beneficiary should sign his name when he receives the compensation and all the documents should be stored.

c-1 The land compensation belongs to country collective economic organ, and should be paid directly to villagers’ committee. The land compensation can be used
for developing production and resume the economic level of affected individuals, who have the right to discuss about economy resume plan.

c-2 The compensation of house, all the accessory facilities and young crop should be directly paid to the owners.

d) Temporarily occupied land

d-1 Temporary occupied land is the occupied road, material ground, construction ground occupied by construction unit during the project construction, and the land passed by construction pipelines. 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 the original state, or paying some fee to the farmers for recovering it.

d-2 The surface mellow soil 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 can be planted, and then return it to the state that the land can be planted, and then return it to the affected individuals.

d-3 About temporary occupied land, there is only compensation, but no resettlement.

Table 23

<table>
<thead>
<tr>
<th>Type</th>
<th>Irrigated land</th>
<th>Dry land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>600</td>
<td>500</td>
</tr>
</tbody>
</table>

e) Compensation scope of resettlement

Including the Countryside Safe Drinking Water and Environmental Sanitation Project, the project needs 313.5 mu land which is respectively in 4 affected counties. Among them, the permanently occupied land is 8 mu, and the temporarily occupied land is 305.5 mu. The most of the occupied land of the project is dry land, and the occupied land is only a little. The project will not affect local residents’ production and life deeply. The project don’t need to demolish buildings. So, these affected individuals don’t need to resettle. The compensation of land acquisition, temporarily occupied land and young crops are the main part of resettlement compensation. The total amount of this project is 1375450 yuan.

f) The extending and monitoring of village-level land compensation

The construction unit will gradually extend land compensation and resettlement subsidy of the project construction through formal routine. According to the
formulations of The Land Administration Law of the People’s Republic of China, the land compensation should be arranged and spent by the villagers’ committee; The compensation of temporarily occupied land and young crops is arranged and spent by affected people. Nobody can hold back or divert land compensation. The transfer, usage management and monitoring of village-level land compensation and resettlement subsidy will be undertaken as following procedure:

f-1 Inspection and preparation before transferring the fund

------According to society survey data, the affected village should hand in detailed affected situation to higher level project management organ for inspection.

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

------Through relevant departments’ guide and consultant and negotiation with affected individuals, the village-level management department works out the using plan of village-level fund and report it to county-level project office for inspection.

------County-level project office inspect and guide to perfect using plan of the village-level fund. If the using plan of fund is not available, the fund will not be transferred.

f-2 Using management and monitoring of fund

------County-level project office inspects and confirms the using plan of village-level resettlement fund, and then transfers compensation and resettlement fund according to the planned speed.

------Village-level organ reports using situation of compensation and resettlement fund to town and county project office every month. And county-level project office reports to the provincial project office every three months.

------Besides monitoring using situation of village-level through report forms, county and town project offices should inspect in site the development of agriculture project or enterprises which use compensation or resettlement fund in regular or irregular interval.

------Independent monitoring organ will monitor using situation of compensation and resettlement fund of village-level units, evaluate the using effect of fund, offer consultant to village-level units, and feedback monitoring to all-level project offices, in form of sampling survey, inspection in site, discussion with affected individuals.

f-3 Auditing
The project implementation organ will be audited by auditing authorities according to our country’s formulations. The main content of auditing is resettlement fund.
5. The Implementation of the Plan

The resettlement compensation plan begins in September 2006, and will be finished one month before the construction. The plan is divided into 3 stages: the first, preparation; the second, implementation; the third, inspection/monitoring/assessment (internal and external monitoring will be in the all implementation process).

a) Preparation stage (November, 2005—November, 2006)

a-1 To set up project administration organs at different levels. This job is undertaken by Shaanxi Province Development and Reform Committee, Shaanxi Province Using Overseas Loan Office and county government in every project county.

a-2 To make use of newspapers, radio, TV and poster to make the project known, in order to get understanding and support of affected collective, individuals and the society. The job to explain the policy of resettlement compensation is undertaken by Shaanxi Province Development and Reform Committee, Shaanxi Province Using Overseas Loan Office, and the project office of every county (district).

a-3 To erect boundary markers of the occupied land. To mark the boundary of the occupied land, measure and erection of the boundary markers are undertaken by every county’s project office.

a-4 To measure and check kind and quantity of affected land, housing and other facilities in site. This job is undertaken by the project office of every county (district).

b) Implementation stage (January 2007—December, 2007)

b-1 Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Office sign an agreement on resettlement compensation with each county (district) government; then, each county (district) government signs relevant agreements with villagers’ committee and affected individuals.

b-2 Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Office report documents of occupied land.

b-3 Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Office transfer land and housing compensation to each county (district) government through the bank.
b-4 Each county (district) project office transfers land acquisition, housing demolition and resident resettlement compensation to villagers’ committee though the bank.

b-5 Each county (district) project office pay compensation of housing, young crops to affected individuals.

c) Inspection stage (September, 2006—June, 2009)

The main task in this stage is to supervise and assess the work of resettlement compensation, including internal supervision and external supervision. The internal supervision is a continuous work, which begins when the land acquisition begins and finishes when the project completes. The project implementation organ at higher levels can inspect and supervise the work of the project management organ at low levels. The project implementation organ at different levels can set up an organ to undertake daily inspection and supervision in order to guarantee the implementation according to RAP terms.

The first job of external supervision is social economy survey (November 2005—February, 2006), and will not finish until the project completes, and give a general assess of the resettlement compensation of all items in the project. The details of the external supervision is in Chapter 4.

The contents of inspection stage is:

c-1 Payment situation of all affected individuals and collective.
c-2 The payment of all kinds of subsidy to the affected individuals
c-3 The implementation of economy recovery plan and measures
c-4 Deal with and solve the opinions of resettlement from the affected individuals.

6. Executive Organs and Resettlement Process

a) Executive organs

This project implementing agency is Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Office. In order to guarantee the smooth and efficient implementation of the project, Shaanxi Province has established the leading group of Shaanxi Province countryside security drinking water and the environmental sanitation project Using World Bank Loan and DFID (hereafter refers to as project leading group) consisting of the leaders from Shaanxi Province Development and Reform Committee, Bureau of Treasure, Bureau of
Water, Beareau of health. The group leader is the vice governor of Shaanxi province.
Shaanxi Province Development and Reform Committee and Shaanxi Province Using
Overseas Loan Office, as the group office, are responsible for the daily concrete
affairs.

One RP should be prepared for all schemes in a annual work plan and will be
approved by the PPMO itself.

The responsibilities of approval on the RPs for the 80% will be shifted to the
PPMO, who has to strengthen is capacity through engaging a resettlement specialist,
qualified and agreed by the Bank. The specialist will mainly organize the RPs
preparation, review and approve the RPs, and otherwise duties in the following:

a. preparing progress report and supervising resettlement implementation.
b. training staff on resettlement implementation and supervision.

b) Implementation organs

The 11 local governments of the project implements area are the main bodies of
the project implementation, that is the governments of Wugong County, Heyang
County, Chengcheng County, Linwei District, Fufeng County, Qianyang County,
Changwu County, Baota District, Zichang County, Suide County and Yuyang
District. The implementation office is also established in each county(district). The
office is the final undertaker of the transferred loan. The project implementation
organization in each towns and villages are the concrete implementation
organization..

7. Cost and Fund Procedure

a) total cost

a-1 basic cost

The resettlement compensation is part of the total investment of the project
construction. The total cost is 4064627 Yuan, among it, the basic cost is 2882715
Yuan.

a-2 Unexpected cost

The unforeseen resettlement compensation is the unexpected cost, which equals
35% of the basic cost of resettlement compensation of the project.

a-3 Management cost

The management cost equals 3% of the basic cost of resettlement compensation.
This cost doesn’t include in the basic cost of resettlement compensation. Among it,
the province, county(district) and villagers’ committee use 1 percent respectively
Table 24
Land acquisition, housing demolition and resident resettlement cost
(ten thousand yuan)

<table>
<thead>
<tr>
<th>Item</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: basic cost</td>
<td>2882715</td>
</tr>
<tr>
<td>1. Land compensation</td>
<td>1972950</td>
</tr>
<tr>
<td>2. Temporarily occupied land compensation</td>
<td>422000</td>
</tr>
<tr>
<td>3. Young crop compensation</td>
<td>487765</td>
</tr>
<tr>
<td>B: management cost (3% of the basic cost)</td>
<td>86481</td>
</tr>
<tr>
<td>C: service cost (3% of the basic cost)</td>
<td>86481</td>
</tr>
<tr>
<td>D: unexpected cost (35% of the basic cost)</td>
<td>1008950</td>
</tr>
<tr>
<td>Total</td>
<td>4064627</td>
</tr>
</tbody>
</table>

Note: Supervision and assess cost and work-out of plan cost are already in the table 13 of the 4 first batch counties, so they are no in this table.

b) The fund procedure

b-1 The resettlement compensation is transferred from the project implementation unit to the project office of project affected county (district) government. And then from county (district) project office to villagers committee and affected individuals through the bank.

b-2 Approval of added cost

The project implementation units have the right to use the unexpected cost in the budget. For the unexpected cost and price-up cost out of the budget, Shaanxi Province Development and Reform Committee and Shaanxi Province Using Overseas Loan Office should report it to the National Development and Reform Committee and Ministry of Treasure, and after their approval, they will be added to the budget. The procedure will be no more than one month.

Table 25
Fund procedure of land acquisition, housing demolition and resident resettlement

Shaanxi Province Development and Reform Committee Shaanxi Province Using Overseas Loan Project Office (in charge of fund)

Bank
8. Project Supervision

a) In order to guarantee the smooth process of the resettlement compensation, there are two kinds of supervision carried out simultaneously by two independent organizations in different ways: the first, an internal supervision system by the government to supervise according to RAP terms in the angle of administrative management, the second, an external supervision system by sociologists in the angle of social survey. The contents and ways are as table 27:

Table 26
Payment process of resettlement compensation

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009 □</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>203231</td>
<td>1625848</td>
<td>1219387</td>
<td>812924</td>
<td>203231</td>
<td>4064627</td>
</tr>
<tr>
<td>Proportion</td>
<td>5%</td>
<td>40%</td>
<td>30%</td>
<td>20%</td>
<td>5%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Note:
A: Supervision on resident relocation in 11 project counties;
B: Internal supervision
C: External supervision
D: Supervision on relevant administration (including city and county project organs)
E: Supervision on compensation to the affected individuals according to RAP terms
F: Contents:
1. To check if the resettlement compensation 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 resettlement compensation and implementation degree of RAP.
4. To determine if the compensation amount matches the property loss and the affected individuals can resume their original income.
5. To determine how satisfied the affected individuals are with the land acquisition, housing demolition and resident resettlement compensation and life resume measures.
6. To determine how satisfied the affected individuals are with the compensation quantity and quality of lost land because of resettlement.
7. To determine how satisfied the affected individuals are with the compensation standard and ways of ground attachment.
8. To determine, during the process of resettlement, if the concerning organs have sufficient consultant with local government or affected individuals and if there is compulsory demolition.
9. To supervise the process of current funds of resettlement compensation.
G: Measures:
1. To inspect in the resettlement compensation scene and listen to work report by the local project implementation organs
2. The survey measures to the affected individuals are model sampling and track survey. Mainly, the on-the-spot survey measure is adopted. To set up files of model villages and model households. To collect data in regular interval and set up track card. The model survey villages and individuals are no less than 10% of the affected.
3. Random sample survey in regular and irregular intervals: we mainly adopt symposium and official family visit to understand the affected individuals' problems and the causes in the process of resettlement compensation and understand the real information.

b) Time arrangement of supervision
b-1 When the first sum of fund comes, we begin to inspect the principle and plan of resettlement, give an assess, propose improvement ideas, survey and discuss with the affected individuals.

b-2 After the first supervision survey and from the first year of the project implementation, we have an inspect and survey every six months, and later once a year.

------inspect and supervise the realization of the former inspection conclusion.
------carry on according to all the terms of this supervision outline.

b-3 If the supervision organ thinks it is necessary, we can inspect and survey at any time.

b-4 The external supervision organ should record every supervision activity in detail and give a written report. The contents in the report should include the experiences in the resettlement compensation process, the existing problems. The report should be given to the executive organ in time. The executive organ should find way to solve the existing problems to improve their work after they receive the report.

b-5 After the resettlement action are completed, the consultant company should give a complete, correct, detailed and objective supervision report. Then, the company should discuss and exchange ideas with the project executive organ, they should hand in the report to World Bank and prompt the executive organ to improve the resettlement compensation work.

Appendix
1. Relevant laws and documents
2. Countryside social economy of sampling survey of the project affected areas (2005)
3. Sampling household data of Shaanxi Province Countryside Safe Drinking Water and Environmental Sanitation Project
4. Resident sampling survey table of Shaanxi Province Countryside Safe Drinking Water and Environmental Sanitation Project (2005) (one sheet each village, main items for each household)
5. Distribution of Shaanxi Province Countryside Safe Drinking Water and Environmental Sanitation Project
6. Photographs of present situation of countryside drinking water and environmental sanitation