China
Western Poverty Reduction Project

Implementation Plan for
Land Acquisition and Compensation

Inner Mongolia Project Management Office
Design Institute for Agriculture and Animal Husbandry Engineering,
Inner Mongolia Institute of Agriculture and Animal Husbandry

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Forward

The Inner Mongolia Project of the Western Poverty Reduction Project aided by the World Bank involves 15 banners and counties and contains 5 sub-projects. The sub-project of agriculture and animal husbandry accounts for a very large percentage and does not require land acquisition. Only a rural road construction in the sub-project of infrastructure relates to land requisition, i.e., the land use for the rural tertiary road in Damao Banner.

Damao Banner is one of the 31 state-identified poverty banners and counties in Inner Mongolia Autonomous Region. It was determined as the World Bank Loan Aid-the-poor Program Zone of the Autonomous Region in July 1997.

The remote location and inconvenient communication are the main reason for limiting the economic development of the animal husbandry area in Damao Banner, and for leading to poor living condition for a large number of farmers and herdsmen. The tertiary road from the banner government location-Bailingmiao Town to Eerdengaobao Sumu (Township) is designed in the sub-project of infrastructure. After its completion, the road will play an important role in easing the communication intense, improving the living standards of the local people and shaking off quickly their poverty.

The construction of Bailingmiao-Eerdengaobao road involves land acquisition. According to the regulations of land requisition of Chinese Government and the World Bank policy and directive on involuntary resettlement, the project management has prepared a Land Acquisition Implementation Plan among the steps in preparation for the road construction.

1 General

1.1 Introduction

Damao Banner is located in the northeast of Baotou Municipality of Inner Mongolia, bordering on the Peoples Republic of Mongolia in the north and adjoining the capital city of the Autonomous Region-Huhehaote in the southeast. Bailingmiao-Eerdengaobao road is located to the southeast of Bailingmiao Town of Damao Banner, running from northwest to southeast. Bailingmiao-Eerdengaobao road is the extension project of a tertiary road. It starts at Bailingmiao town, and connects Huhehaote-Bailingmiao road at the point of 168 km. It runs to southeast to connect Dasuji Township and the tourism site-Xilamuren Sumu of Damao Banner, and ends at Eerdengaobao Sumu. The total length of the road is 45 km, passing through one sumu of Damao Banner and 583 barns (breeding bases). It will benefit directly 27 thousand people including 9432 people in poverty in Damao Banner.
Damao Banner is a remote area of agriculture and animal husbandry and a state-identified poverty banner with inconvenient communication and backward economy. The poor population accounts for 31.4% of the total population there. Gullies, rivers and deserts spread broadly in the areas along the road. The people's contact with outside is limited and their living conditions are backward due to inconvenient communication with outside world. Although there is large area of grassland and abundant products of animal husbandry, because of communication difficulties and high transportation costs, the development of local economy is very slow. The local people all hold active attitudes to the construction of the road and wish its early construction, which is viewed as one of the opportunities to shake off their poverty and get rich.

There are abundant products of animal husbandry and mineral resources. The known mineral is fluorite, which has big potentials in processing and development there. The inconvenient communication and information blocking heavily have limited development of local economy. The implementation of the project will greatly enhance the development of the mining and processing industries, and make a favorable environment for poverty alleviation.

The products of animal husbandry in Damao Banner are fairly abundant. The people in the program zone mainly live on animal husbandry and the domestic animals include cattle, sheep, camel, horse and donkey. The total number of domestic animals are up to 280 thousands and the number of full-grown domestic animals is 90 thousands annually. Because of inconvenient communication and information blocking, the transportation of domestic animals to the outside is severely limited. At present, only 50 thousands can be transported to outside annually, which greatly restrains the development of local economy. The construction of the highway is an urgent need of the local people.

The areas along the highway are all natural grassland areas for animal husbandry. The type of grassland is desert texture grassland of light chestnut-brown or chestnut soil. The dominant plants include Stipa Gobica, Stipa Breviflora, Artemicia frigida and Allum Spp.. The coverage rate of grass is 12~22%. The height of leaves layer and the height of branch are 13 cm and 13 cm respectively. There are 10 kinds of plants per square meters and the average fresh grass yield is 20 kg/mu, belonging to grade 7-8 of class 3, of which 30 mu can feed 1 sheep on average.

The implementation of the program will build a channel connecting and exchanging with outside for the southeast area of Damao Banner where more poor people live, and make the fast tempo of poverty reduction of local people. It will also provide a favorable condition for perfection of aid-the-poor highway network designed in the general plan of Damao Banner, as well as for enhancement of general highway service level in this Banner.
The project belongs to road construction of county. Its purposes are to aid the local people to shake off their poverty and increase their living standard and health level. It is foreseen that the vehicles on the road in the future will be mainly trucks and tractors and the social profit will be higher than the economic profit. In combination with the plan for local socio-economic development, the technical standard of the road is determined as tertiary road. Based on the topography and geological condition of the lands along the road, the area is considered as light hilly plain. The designed bed width of the road is 8.5 m and the designed surface width of the road is 7 m constructed with 10 cm thick refined gravel soil. The width of bridge and culvert is the same as the road bed. The design standard for bridge and culvert is Truck-20 and Trailer-100.

1.2 Acreage of Requisitioned Land

According to the initial investigation design, the area of requisitioned land for Bailingmiao-Eerdengaobao road is calculated as 612 mu (including permanent acquired land area 8.5×45000÷666.7=573.5 mu, temporary requisitioned land area 38.5 mu).

1.3 The Land Acquisition Unit

The use rights and the ownership of new road all belong to the state. The Communication Bureau will be the land acquisition unit. The World Bank Program Office of Damao Banner (Banner PMO) will act as the implementation agency of the land acquisition. After completion of the road construction, the road will be managed by the Communication Bureau. The main technical specifications of the road are shown in Table 1.

Table 1: Main Technical Specification

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed</td>
<td>Km/h</td>
<td>60</td>
</tr>
<tr>
<td>Bed width</td>
<td>M</td>
<td>8.5</td>
</tr>
<tr>
<td>Road surface width</td>
<td>M</td>
<td>7</td>
</tr>
<tr>
<td>Sight distance</td>
<td>M</td>
<td>75</td>
</tr>
<tr>
<td>Minimum curvature radius</td>
<td>M</td>
<td>300</td>
</tr>
<tr>
<td>Max. bed slope</td>
<td>%</td>
<td>0</td>
</tr>
<tr>
<td>Bridge and culvert design load</td>
<td></td>
<td>Truck-20, Trailer-100</td>
</tr>
<tr>
<td>Road surface texture</td>
<td></td>
<td>Refined gravel soil, 10cm hick</td>
</tr>
</tbody>
</table>
2 Purposes and Principles of the Land Acquisition

2.1 Purposes of Land Acquisition

Bailingmiao-Eerdengaobao road is an extension project of a tertiary road. Connecting Huhehaote-Bailingmiao road at the point of 168 km. The road starts at Bailingmiao Town, then runs to southeast to connect Dasuji Township and the tourism site-Xilamuren Sumu of Damao Banner, and finally ends at Eerdengaobao Sumu. With a total length of 45 km and a bed width of 8.5 m, it will occupy an area of 578.5 mu of land. Taking into account the temporary construction area of 38.5 mu, the total area the road construction will take is 612 mu. Because the land belongs to Gacha communities (villages) in Durongaobao Sumu (township) and Eerdenaobao Sumu and the road will be handed over to the Banner on behalf of state after its completion, land acquisition must go through all the formal formalities required by laws and regulations.

2.2 Principles of Land Acquisition

1) The plane layout design of the road should adhere to the principles of rational land use and land-saving, and efficient use the original road surface and reduce the use of grassland.

2) It should avoid or reduce involuntary resettlement by considering all possible alternative schemes, such as changing the road layout to reduce considerably involuntary resettlement.

3) In case resettlement cannot be avoid, the resettlement action plan must be drawn up, in compliance with the World Bank OD 4.30. Sufficient funds and opportunities benefiting from the project should be provided to resettlers, and the project should ensure to improve or at least restore the affected people’s original living standards, production level, and income capacity.

3 Policies and Laws of Land Requisition and Compensation

3.1 In Compliance with the World Bank OD 4.30

In line with the World Bank OD.4.30 document, all involuntary resettlement should be considered and implemented as development program. Sufficient funds and opportunities benefiting from the project should be provided to resettlers, who need to be assured that:

* they can obtain compensation for the their loss before actual removal;
* they obtain help during removal and transition period in settlement area; and
* their living standards, income capacity, and production level should be improved, or at least restored as they had before resettlement; and more attention should be paid for the
needs of poor people.

During the planning and implementation of land acquisition, people to be affected will be encouraged to participate in decision-making on the appropriate levels. The project implementation agency will establish suitable social organization, or support and make use of the social and cultural organizations already existed among the people in question, for mobilizing up and consulting with them in designing the land acquisition methods, land compensation measures, and land reallocation necessity. The project will ensure that all kinds of people affected, including poor farmers, minority nationalities, herdsmen, women, are supported to gain land, housing, infrastructure, as well as other compensation properly. All their loss from the land requisitioned will be compensated at the local market prices or the replacement costs. Since the people have the traditional rights for land and they are entitled to share other local resources, they have to be compensated for all of these when they are affected in these aspects. In addition, those among the affected people who do not have lawful entitlement for the land also will not be kept from compensation.

3.2 Domestic Laws and Regulations

The land requisition and compensation will be conducted also according to the Land Administration Law of the People’s Republic of China, the Grassland Law of the People’s Republic of China, the Implementation Measures of Inner Mongolia Autonomous Region for the Land Administration Law of the People’s Republic of China, and other laws, regulations and rules. The concrete legal background for land acquisition in China is fully taken into account in the land acquisition design.

1) Article 23 of Land Administration Law of the Peoples Republic of China: When the state requisitions land, the land-requisitioned units should meet the needs of the state and must not obstruct it.

2) Article 24 of the Land Administration Law of the Peoples Republic of China: The ownership of collective-owned land that is requisitioned by the state for constructions belongs to the state, and the land use unit only has the use right of it.

3) Article 47 of the Land Administration Law of the Peoples Republic of China: The one requisitioning land should give compensation according to the original usage of the requisitioned land.

The compensation fee of arable land requisition includes land compensation fee, arrangement allowance and compensation fee for the things and young crops on the land. The land compensation fee for the requisitioned land is 6 to 10 times of the annual average production value within three years before the arable land is requisitioned. The arrangement allowance for the requisitioned land is calculated according to the number of farmers needed
to arrange. The number of farmers needed to arrange is calculated with dividing the requisitioned arable land area by the average arable land area per capita in the land-requisitioned unit before the land is requisitioned. The standard of arrangement allowance for one farmer needed to arrange is 4 to 6 times of the annual average production value within tree years before the arable land is requisitioned. However, in no case the arrangement allowance per hectare of the land requisitioned will exceed 15 times of the annual average production value within tree years before the arable land is requisitioned.

The standards of land compensation fee and arrangement allowance for other land requisition are stipulated by province, autonomous region and municipality directly under the Central Government according to that of arable land requisition.

The standards of compensation fees for things and young crops on the requisitioned land are stipulated by province, autonomous region and municipality directly under the Central Government.

For the vegetable land requisition in the suburb of a city, the land use unit should pay the funds of development and construction of new vegetable land according to the regulations concerned of the state.

If the land compensation fee and the arrangement allowance are paid according to the second clause of this article and the farmers needed to arrange can not reach their previous living standard, the arrangement allowance may be increased after the approval of province, autonomous region or municipality directly under the Central Government. However, the sum of land compensation fee and the arrangement allowance can not exceed 30 times of the annual average production value within tree years before the arable land is requisitioned.

According to the social and economic development level, in some special cases, the State Council may increase the standards of land compensation fee and arrangement allowance.

4) Article 48 of Land Law of the Peoples Republic of China: After the schemes of land compensation and arrangement are decided, the local government should make it public and listen to the opinions of the land-requisitioned organizations of rural collective economy and farmers.

5) Article 49 of Land Administration Law of the Peoples Republic of China: The land-requisitioned organization of rural collective economy should inform the members of it the compensation fee and its expenditure of the land requisition and accept supervise of them.

6) Article 57 of Land Administration Law of the Peoples Republic of China: The temporary land use of state-owned land or collective-owned land by the construction of project and geological investigation should be approved by the department of land administration of county government or higher governments. The temporary land use in the
planed area of cities should firstly be approved by the department of municipal planning of the city before submitting for approval. The user of the land should make contracts of temporary land use with department of land administration or rural collective economic organization, committee of farmers according to the ownership of the land and pay the land composition fee according to contract.

The user of the temporary land should utilize the land according to contract and can not build permanent structures.

The period of temporary land use normally will not exceed 2 years.

7) Article 4 of Grassland Law of the Peoples Republic of China: Grassland is owned by the state, i.e. owned by all people of the state, excluding the grassland that is owned by collective organization stipulated by laws.

The state-owned grassland can be used by collective for a long period. The state-owned grassland, collective-owned grassland and collective-used grass land for a long period can be contracted by collective or individual for animal husbandry production.

8) Article 17 of Grassland Control Regulations of Inner Mongolia Autonomous Region: If the state construction needs to requisition collective-owned land, compensation should be offered. The Government of Inner Mongolia Autonomous Region can formulate the practical measures with referring to the Land Requisition Regulations of State Construction.

4 Basic Social and Economic Situations

4.1 Land-Requisitioned Units

The land acquisition for the road project will take place in Eerdengaobao Sumu (township) and Durongaobao Sumu of Damao Banner. Eerdengaobao Sumu consists of 5 administrative villages, with a total population of 2798 people. The rural population, rural laborers, minority nationality population and poverty population there are 2191, 1518, 1 758 and 1640 people respectively. There are 1755 thousands mu of grassland and 24.2 thousands mu of forestry land. The big domestic animals and small domestic animals are 1741 and 49772. The annual average net income per capita is 1896 yuan (RMB) in recent three years. Durongaobao Sumu consists of 4 administrative villages with a total population of 2717. The rural population, rural laborers, minority nationality population and poor population are 2137, 1326, 1886 and 1507 respectively. There are 188.92 thousands mu of grassland and 33.9 thousands mu of forestry land. The big domestic animals and small domestic animal are 1106 and 39094 head. The annual average net income per capita is 1494 yuan (RMB) in recent three years (see Table 2).
Table 2  Sumu (township) Basic Situations of Damao Banner in the Road Project

<table>
<thead>
<tr>
<th>Sumu</th>
<th>Number of Gacha</th>
<th>Total Population</th>
<th>Minority Nationality Population</th>
<th>Poor People Population</th>
<th>Grassland (mu)</th>
<th>Forestry Land (mu)</th>
<th>Big Domestic Animals (head)</th>
<th>Small Domestic Animals (head)</th>
<th>Income per Capita (yuan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eerdengaobao</td>
<td>5</td>
<td>2798</td>
<td>1738</td>
<td>1640</td>
<td>1755</td>
<td>24.2</td>
<td>1741</td>
<td>49772</td>
<td>18.2</td>
</tr>
<tr>
<td>Durongaobao</td>
<td>4</td>
<td>1838</td>
<td>1836</td>
<td>1507</td>
<td>1389.2</td>
<td>33.9</td>
<td>1106</td>
<td>39094</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>5515</td>
<td>3594</td>
<td>2147</td>
<td>3144.2</td>
<td>58.1</td>
<td>2847</td>
<td>88886</td>
<td>16.12</td>
</tr>
</tbody>
</table>

There are 3 administrative villages in the two sumus from which land is requisitioned. They are Alatengaobao Gacha (village), Eerdengaobao Gacha in Eerdengaobao Sumu, and Dabuxilatu Gacha in Durongaobao Sumu. Alatengaode Gacha, with a total population of 292, is an administrative village of animal husbandry of Eerdengaobao Sumu. The minority nationality population is 210, accounting for 71.92% of the total population, and the poverty population is 80 people. There are 468495 mu of grassland and 9540 mu of forestry land. The big domestic animals and small domestic animal are 185 and 6950 respectively. The average domestic animals per capita are 23.8 and the average grassland per capita is 1604.4 mu. The annual average income per capita is 1396 yuan (RMB) in recent three years.

Eerdengaobao Gacha, with a total population of 377, is also an administrative village of animal husbandry of Eerdengaobao Sumu. The minority nationality population is 310, accounting for 82.23% of the total population, and the poverty population is 100 people. There are 638500 mu of grassland and 7350 mu of forestry land. The big domestic animals and small domestic animal are 179 and 9538 respectively. The average domestic animals per capita are 25.3. The annual average income per capita is 1396 yuan (RMB) in recent three years.

Dabuxilatu Gacha, with a total population of 480, is an administrative village of animal husbandry of Durongaobao Sumu. The minority nationality population is 320, accounting for 66.67% of the total population, and the poor population is 120 people. There are 553060 mu of grassland and 11700 mu forestry land. The big domestic animals and small domestic animal are 248 and 11898 respectively. The average domestic animals per capita are 24.78 and the average grassland per capita is 1752.3 mu. The annual average income per capita is 1494 yuan (RMB) in recent three years (see Table 3).
Table 3 Gacha (village) Basic Situations of Damao Banner in The Highway Project

<table>
<thead>
<tr>
<th>Gacha</th>
<th>Total Population</th>
<th>Minority Population</th>
<th>Poor People Population</th>
<th>Grassland (mu)</th>
<th>Forestry Land (mu)</th>
<th>Big Domestic Animals (head)</th>
<th>Small Domestic Animals (head)</th>
<th>Domestic Animals per Capita</th>
<th>Grassland per capita (mu)</th>
<th>Income per Capita (yuan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dubuxilatu</td>
<td>480</td>
<td>320</td>
<td>120</td>
<td>553080</td>
<td>11700</td>
<td>246</td>
<td>118898</td>
<td>24.78</td>
<td>1152.3</td>
<td>1494</td>
</tr>
<tr>
<td>Alatengaobao</td>
<td>292</td>
<td>210</td>
<td>80</td>
<td>468495</td>
<td>9450</td>
<td>185</td>
<td>6950</td>
<td>23.8</td>
<td>1604.4</td>
<td>1396</td>
</tr>
<tr>
<td>Eerdengaobao</td>
<td>377</td>
<td>310</td>
<td>100</td>
<td>538500</td>
<td>7350</td>
<td>179</td>
<td>9538</td>
<td>25.8</td>
<td>1426.4</td>
<td>1396</td>
</tr>
<tr>
<td>Total</td>
<td>1149</td>
<td>840</td>
<td>300</td>
<td>1560075</td>
<td>28500</td>
<td>612</td>
<td>28356</td>
<td>24.7</td>
<td>1357.8</td>
<td>1444</td>
</tr>
</tbody>
</table>

4.2 Land Ownership
The three gachas, Alatengaobao, Eerdengaobao and Dubuxilatu, have the rights of the grassland to be requisitioned by the road project. This land is not contracted to individual households, and still belongs to the gacha collectives.

4.3 General Schedule of the Land Acquisition
The land acquisition is to be completed by the end of May, 1999 to give an assurance for the construction of the road in 2000.

5 Compensation Standards and Impact Scope

5.1 Compensation Standards
1) The compensation standards are determined based on Article 47 of Land Administration Law of the Peoples Republic of China (see 3.2), Article 30 of Implementation Measures of Inner Mongolia Autonomous Region for the Land Control Law of the Peoples Republic of China, which is “The compensation fee for the requisition of grassland or forestry land is stipulated by the Government of the Autonomous Region”,

   Article 34, which is “For the land requisition of collective-owned land, the user should pay the compensation fee as well as the arrangement allowance”.

   For the arable land requisition, the arrangement allowance for one rural person is calculated according to 6 to 10 times of the annual average production value per mu within the last 5 years. For the grassland requisition, the arrangement allowance for one person of animal husbandry should be higher than that for farmer. The standard is determined based on Article 13 of Implementation Measures of Grassland Administration of Damao Banner, which is “The land requisition and land use, if less than 10 mu, should be approved by the government of banner, if larger than 10 mu but less than 100mu, should be approved by
league administration, if larger than 100 mu but less than 2000 mu, should be approved by the Government of the Autonomous Region, and if larger than 2000 mu, should be approved by the State Council”, and Article 14, which is “For grassland requisition and land use by state construction, the land user should pay the grassland compensation fee”. The standards are calculated according to: (1) 5 times of annual average production value within the last 3 years, for the requisition of state-owned land that collective uses for a long period or the state-owned grassland that is contracted by farmers and herdsmen. (2) 10 times of annual average production value in the last 3 years, for the requisition of collective-owned land or its grassland which is contracted by farmers or herdsmen.

The calculated compensation payment for the land requisition is 100 yuan/mu (for both permanent and temporary land requisition, according to the estimated value and occurrence value of land requisition by the Land Administrative Bureau of Damao Banner)

The Bailingmiao-Eerdengaobao road will occupy natural grassland of 578.5 mu. This area, with the low quality grass and grass coverage rate, is a desert texture grassland and the road will mainly be constructed on the track of an original informal road. The production value of the grass is very low. The perennial average yield of grass is only 20 kg/mu and the price of the grass is 0.3 yuan/kg (according to the Grass Management Station of Damao Banner). There is no people living in this area, hence there will be no resettlement to take place here. The grass compensation payment is calculated as 20 x 0.3 x 10=60 yuan/mu. The temporary land requisition is also the Gobi grassland and the compensation standard for grass is the same as above, i.e. 60 yuan/m.

5.2 Impact of Land Requisition
5.2.1 Impact on Grass Land
The construction of the road will reduce some area of natural Gobi grass. However, the impacts on the grass land is not considerable because 1) the area of requisitioned land is small (only accounting for 0.0392% of the total grassland area of Eerdengaobao Sumu and Durongaobao Sum, see Table 4), 2) the production capacity of the desert texture grassland is low (the annual average grass yield is less than 20kg/mu, from Inner Mongolia Grassland Resources, Inner Mongolia Peoples Press; this area is low hilly desert texture grassland and 30 mu can only feed 1 sheep, from Regional Plan for Overall Agriculture and Animal Husbandry of Daerhanmingan Banner of Inner Mongolia, Office of Leading Group of Agriculture and Animal Husbandry Regional Planning of Damao Banner), 3) After the completion of the highway, although the vehicles on the highway will have certain impacts on grazing, the land-requisitioned units will use the compensation fee to construct fenced pastoral, hence the detrimental impacts will be greatly reduced. The original Bailingmiao-
Eerdeng road was naturally formed. With a length of 50 km and a width of 60 to 100 m, it makes no grass can grow on 4500–7500 mu of grassland. The new highway will occupy only 612 mu grassland after its completion, hence the construction of the high will play an active role in the protection of grassland and lead to a favorable condition for the grassland.

5.2.2 Impact on Land Owners

The requisitioned land is owned by gacha collectives and not contracted to herdsmen households. The three gachas are all located in the project area and they are the target of the poverty reduction project. The designed road is mainly based on the trace of an original road on which there are no grasses, therefor there are no detrimental impact on grazing. Moreover, there are no residents and no structures on the land, so there is no impact on private property by the land acquisition.

<table>
<thead>
<tr>
<th>Table 4 Situations of the Grassland Acquisition in the Three Gachas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunu</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Eerdengaobao</td>
</tr>
<tr>
<td>Eerdengaobao</td>
</tr>
<tr>
<td>Durongaobao</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

5.2.3 Others

There are no cultural & historical relics in this area to be requisitioned; and there basically is no impact of the road construction on the ecological environment.

6 Measures for Production Development

6.1 The use of Land Compensation Payments

The compensation payment for each gacha is calculated according to the acreage of the requisitioned land. The payment can only be used for production development. It will be paid fully in one time by the land use units through the land management department (Land Administration Bureau of Damao Banner).

6.2 Measures of Production Development

According to local experience of grassland construction and the wishes of the herdsmen of the three gachas, the land compensation will all be used for the construction of pastoral fence. Starting from April, 1999, 81334 m of fence will be constructed and 28654.18 mu
pastoral will be covered, on which 3133 concrete columns will be built. The grassland rehabilitation work will be completed within three months. The fence can reduce the damage to the grassland by men and domestic animals, and increase the grass yield and maintain a sustainable development.

7 Budget and Fund Management

7.1 The Sources of Compensation Funds

The land compensation funds will be disbursed from the investment of the road construction according to the Budget Estimation Quota of Highway Project No. 612 [1996] promulgated by the Communication Ministry of the Peoples Republic of China.

7.2 Compensation Budget

1) Land compensation payment: \( 573.5 \times 100 = 57850 \) yuan.
2) Grass compensation payment: \( 573.5 \times 60 = 34410 \) yuan.
3) Temporary land use compensation.

The temporary land occupation is estimated as 38.5 mu and the land is also desert texture grassland. Compensation for temporary land use is determined by referring to the criteria for land compensation (100 yuan/mu) and grassland compensation payments (60 yuan/mu), and it hence is \( 38.5 \times 160 = 6160 \) yuan.
4) Land management fee

The land management fee is calculated according to Article 2, Part 1 of Document No. 62 [1995] promulgated by the Price Bureau and Land Administration Bureau of Inner Mongolia Autonomous Region, which is “For arable land less than 66.7 hectare and other land less than 133.34 hectare, the land management fee should not exceed 4%”, i.e. \( 91780 \times 4\% = 3670.4 \) yuan. The land management fee for temporary land use is calculated according to Article 1, Part 3 of the same document above, which is “If a project temporarily uses collective-owned land due to construction needs of material square, transportation road, laying underground pipe and line, building underground works, conducting geological investigation and other temporary facilities, the land management fee of temporary land use for arable land is 1.0~1.5 yuan/m2, the land management fee of temporary land use for non-arable land is 0.5~1.0 yuan/mu. Here 0.5 yuan/mu is selected, then the land management fee is \( 38.5 \times 666.7 \times 0.5 = 12833.5 \) yuan.

The sum of above two items is 16503.9 yuan.
5) Contingency and inflation fees

According to Article 4, Part 1 of the same document above, which is “For the land
requisition of full responsibility, 7% or lower of the total cost of the land requisition can be taken as the contingency fee, and the actual percentage can be decided by the departments of price and land administration.” The contingency fee is determined by taking 5% of the total land requisition payments here (decided by the Price Bureau and Land Administration Bureau of Damao Banner), i.e. 91763 x 5%=4588 yuan.

The inflation fee is determined according to the local price rise index. Since the price rise index of Damao Banner this year is 1% (Price bureau and Land Administration Bureau of Damao Banner), the price rise fee is 91760 x 1%=917.6 yuan.

The sum of above two items is 5505.6 yuan

6) Total estimated compensation for the land acquisition

The total compensation for land acquisition is the sum of the above five items, i.e. 57850+34410+6160+16503.9+5505.6=120429.5 yuan. (see Appendix 2)

7.3 Allocation of the Compensation Funds

According to the acreage of requisitioned land, 103425.6 yuan from the total land compensation are allocated to three gachas and 16503.7 yuan are allocated to the land administration bureaus as the land management fee.

8 Public Participation

With a length of 45 km, the Bai-ern road of Damao Banner needs totally an investment of 5830 thousand yuan. The acreage of its land requisition is 612 mu, involving three gachas within two sumus, namely, Alartengaodu Gacha, Eerdengaobao Gacha of Eerdengaobao Sumu and Dabuxilatu Gacha of Durongaobao Sumu. Necessary propaganda was conducted at the beginning of the project design and preparation, and the public showed an active response toward the road construction. The Government and the Peoples Congress of Damao Banner and that of the sumus all paid great attention to the construction of the road. They all consider that the construction of the road is a key link for easing the traffic blocking and promoting the local economic development, and an important step toward realization of the aim of connecting the locations of banner and sumus. After the completion of the road, the number of the sumus having no road connection among the 21 sumus of the banner will reduce 2 from 3. In order to know the responses of herdsmen in this area to the road construction, the Office of the World Bank Program of Damao Banner has sufficiently consulted land-requisitioned gachas and herdsmen, discussing about the purposes, contents, scope, date, state policies, compensation standards and implementation measures of the land requisition. It has held 5 consultation meetings participated by 150 herdsmen in the three gachas and carefully listens to the opinions of the herdsmen. It has also disbursed 50 copies
of questionnaire to the three gachas, of which 48 feed back with “yes” to the road construction and 2 with “don’t care.” The most of the herdsmen consider that the construction of the highway is a great event contributing to their descendants, has no detrimental impacts on animal husbandry production, while only taking a small part of their grassland. The herdsmen have signed land requisition agreement with land requisition units and are expecting an early completion of the highway.

To sufficiently reflect the requirements of the local herdsmen, the office and department concerned, during construction period of the project and after its completion, will keep inquiring the opinions of the local herdsmen on the construction, operation and management of the road, and transfer them to the road construction and management authorities and the banner government. All these local herdsmen’s views and evaluations will be reflected in the monitoring report of the road project.

9 Appeal of Land-requisitioned Units

9.1 Appeal Procedure

When having questions and objections to the land requisition and compensation, the land-requisitioned unit has the rights to make appeal to the local or higher department of land administration and juridical bodies according to Article 10 and Article 11 of Grassland Administration Regulations of Inner Mongolia Autonomous Region as given below.

Article 10: When dispute of grassland ownership occurs, the ones concerned should resolve it reasonably through coordination with a spirit favorable to the unity of nationalities and production development, and of mutual understanding. In case that an agreement can not be reached, the governments at various levels can conduct mediation and arbitration.

Article 11: After the arbitration for the grassland ownership is made, if the litigant refuses it, he or she, within 15 days after receiving the arbitration paper, can make appeal to the peoples court with jurisdiction to try the case according to law. If the stipulated date is exceeded without making appeal, the arbitration by the government at any level will come into effect at once and the one concerned must strictly execute it. If the litigant does not execute it, an application of compulsory execution can be made to the people’s court with jurisdiction.

9.2 Appeal Channel

1) When having objections to land requisition and compensation, the land-requisitioned unit can directly make appeal to banner government and applies for mediation and arbitration.

2) If the land-requisitioned unit refuses the mediation or arbitration, it can make appeal
to the people’s court of banner to conduct mediation according to law within 15 days after the treatment is informed.

9.3 Flowchart of Appeal

10 Implementation Organization

10.1 The Project Management Office of Damao Banner

The owner of the tertiary road of Bailingmaio-Eerdengaobao is the Communication Bureau of Damao Banner, while the implementation agency of land acquisition for the road construction is the banner PMO. The Communication Bureau is responsible to draw up the feasibility report of the road project, make technical design for road construction, and prepare the preliminary document of land requisition and compensation, blueprint, application document for land requisition in the road project. PMO is responsible for verifying the construction design, preparing land acquisition plan, and managing the land acquisition process.

10.2 Land Administration Bureau of Damao Banner

1) The Land Administration Bureau of Damao Banner is responsible for examining the application report of land requisition, verifying the land area, being in charge of the signing of agreement of land acquisition unit with land-requisitioned unit, drawing up the land requisition documents and submitting it to the government for approval. It also responsible for issuing the land use license, supervising land acquisition process in cooperation with the banner PMO.

2) The project implementation stations and land administration stations at township level (sumus) assist township and village authorities in project propaganda and farmer/herdsmen consultation on the ground.
11. Implementation Schedule

11.1 Procedure of Land Requisition

1) The land requisition is carried out according Article34, Article 44 and Article 45 of Land Administration Law of the Peoples Republic of China as shown below.

Article 34: Any unit or individual in need of land must makes application for using state-owned land according to law, excluding the ones who are approved to use collective-owned land of collective economic organization for the purpose of setting up township enterprise and building farmer house, or who is approved to use collective land for the purpose of building facilities of township (town)and village and public warfare construction.

The state-owned land which is applied to use according to law in this clause includes state-owned land and state-requisitioned land which originally owned by rural collective.

Article 44: The one who involves land transformation of agricultural land to construction land must go through examination procedure of transformation of agricultural land.

The land use for construction of road, pipe and line works and large type infrastructure approved by governments of province, autonomous region and municipality directly under the Central Government, and the land use of project approved by the State Council, if they involve transformation of agricultural land to construction land, must be approved by the State Council.

Within the range of land for city, village and town construction defined in the general plan of land use, the transformation of agricultural land to construction land for implementing the general plan should be approved by the department who approved the general plan of land use according to annual schedule of land use one after another. Within the range of transformation of agricultural land to construction land, the land use of specific project should be approved by the government of municipality or county.

The land use of construction outside the second clause and third clause, if it involves
transformation of agricultural land to construction, should be approved by the government of province, autonomous region or municipality directly under the Central Government.

Article 45: The requisition of land as follows should be approved by the State Council:
(a) Basic farmer field.
(b) The arable land other than the basic field larger than 35 hectare,
(c) Other land larger than 70 hectare.

The requisition of land which is not stated in above clause should be approved by government of province, autonomous region or municipality directly under the Central Government and reported to the State Council for the recorder

The one who requisitions agricultural land, should first go through the examination and approval of the transformation of agricultural land to construction land according to Article 44 of the law. The one whose transformation of agricultural land has been already approved by the State Council, can start the procedure for examination and approval of land requisition. at the same time, no longer needs to do so later. The one whose transformation of agricultural land has been already approved by the government of province, autonomous region or municipality directly under the Central Government within their power of land requisition approval, can start the procedure for examination and approval of land requisition at the same time, no longer needs to do so later. If their power of land requisition approval is exceeded, he or she should go through the examination and approval again according to the first clause of this article.

2) The specific procedure follows the stipulations in Article 23 of Implementation Rules for Land Administration Law of the Peoples Republic of China and Article 11 of Implementation Measures of Inner Mongolia Autonomous Region for Land Administration Law of the Peoples Republic of China as shown below.

Article 23 of Implementation Rules for Land Administration Law of the Peoples Republic of China: The specific project in need of land must make application for using state-owned construction land within the range of city construction land defined in the general plan of land use. Projects of energy resources, communication, water resources, mines and military facility, which have to use the land outside the city construction land defined in the general plan of land use and involves agricultural land, should do as follows:
(a) At the feasibility evaluation of the project, the department of lands administration exams the matters of land use of the project and draw up the preliminary examination report. When the feasibility evaluation is submitted for examination and approval, the preliminary examination report by the department of land administration must be shown.
(b) With the approval document of the project, the construction unit makes application for land use to the department of land administration under the government of municipality
or county. The department of land administration under the government of municipality or county examines the application, draws up the plan of transformation of agricultural land, plan of arable land replenishment, plan of land requisition and plan of land supply (for the one which involves state-owned agriculture land, the plan of land requisition is not necessary).

After the examination and approval by the government of municipality or county, they are reported to the government of with the approval power for approval. Among them, the plan of arable land replenishment is approved by government which can approve the plan of transformation of agricultural land at the same time when the plan of transformation of agricultural land is approved; the plan of land supply is approved by government which can approve the plan of land requisition at the same time when the plan of land requisition of is approved (for the one which involves transformation of agricultural land, the plan of land supply is approved by government which can approve the plan of transformation of agricultural land at the same time when the plan of transformation of agricultural land is approved).

(c) After the approval of the plan of transformation of agricultural land, plan of arable land replenishment, plan of land requisition and plan of land supply, the government of municipality or county will be responsible for putting them into operation and promulgate approval document of construction land use to the construction unit. For the state-owned land use with compensation, the department of land administration of municipality or county makes land use and compensation contracts with land user. For the state-owned land use of transfer, the department of land administration of municipality or county makes land transfer resolutions with land user.

(d) The land user should make application of land registration.

The project in needs of land outside the range of city land defined in the general planning of land use and involves rural collective owned but not used land, only reports plan of land requisition and plan of land supply.

Article 11 of Implementation Measures of Inner Mongolia Autonomous Region for the Land Administration Law of the people’s Republic of China: Land requisition of state construction is conducted according to the following procedure:

(a) For the project enlisted in the plan of state fix assets investment, is allowed to construct and enlisted in the control quota of non agricultural land use, the construction unit can make application for land requisition to the department of land administration under government of banner and county or municipality where the construction unit is situated.

(b) The department of land administration organizes the land use unit, land-requisitioned unit as well as other departments concerned to carry out the verification
of area, ownership, and type of land being requisitioned, the average production value of the land within 5 years before the land is requisitioned and the average arable land per capita.

(c) The department of land administration calls the land use unit, land-requisitioned unit and other department concerned to determine the compensation fee and arrangement scheme and sign the land requisition agreement according to the stipulations of these implementation measures.

(d) The department of land administration transfers the land after the approval of the government.

(e) The bank transfer funds based on the approval document of government at various levels.

(f) After the completion of the project, the department of land administration conducts land use registration and grants land use certificate.

After the formal approval of initial design of the project, land use unit makes application for construction with the approval documents, general plan layout and design explanation manual. The department of land administration organizes land use unit and land-requisitioned unit as well as other departments concerned to draw up the compensation plan, and be in charge of the sign of the land requisition agreement according to article 44, Article 45 of Land Administration Law of the Peoples Republic of China.

Finally, It is reported to the government of Inner Mongolia Autonomous Region, for approval according to Article 18 of implementation Measures of Inner Mongolia Autonomous Region for the Land Administration Law of the Peoples Republic of China and to Article 13 of implementation Measures for Grassland Administration of Damao Banner.

Article 18 of Implementation Measures of Inner Mongolia Autonomous Region for the Land Administration Law of the peoples Republic of China: the acreage of grassland or forestry land and transfer of grassland or forestry land should be approved by the government of Banner and county or municipality or higher government according to the regulations for grassland and forestry land concerned.

3) After the approval of land acquisition plan, the department of land administration transfer the land and urges the land-requisitioned unit to hand over the land and in the meantime to fulfil their production development plan with the land compensation payment.

4) Availability of certificate of construction funds given by bank.

11.2 Implementation Schedule

1) To meet the requirement of the PMO of the Autonomous Region, the design Bailingmiao-Eerdengaobao road will be completed by March 1999. At the same time, the location and acreage of the requisitioned land will be accurately defined.
2) At present, the feasibility report of the highway has been verified. And the Land Administration Bureau of Damao Banner has conducted the examination of the construction of the road and drawn up preliminary examination report. The PMO of Damao Banner has made formal application for land requisition.

3) The Land Administration Bureau has consulted land-requisitioned unit. The Land-requisitioned unit agrees with land requisition and compensation plan of the project, and has signed the agreement of land requisition.

4) According to above procedure, the Land Administration Bureau of Damao Banner has reported the land requisition application to the Land Administration Bureau of Inner Mongolia Autonomous Region for examination and approval.

5) It is planed that to complete the land requisition and compensation works by May 1999 by following the procedures defined by law.

6) the construction of net fence pasture will start in April 1999 and be completed in June 1999.

The Implementation schedule is shown in Appendix 1.

12 Monitoring and Report

The internal monitoring of the road project will be conducted by the PMO system, integrated into the monitoring system of the West Poverty Reduction Project in the Inner Mongolia Region as a whole. In the meantime, there is also an independent monitoring designed for the land acquisition as follows:

1) The Supervisory/monitoring Section of Land Administration of Inner Mongolia Autonomous Region will be invited as the independent monitoring unit for the road project. It is required that all the departments related to the land requisition and compensation strictly obeys the stipulations of the World Bank program. The ones who violate them will be dealt with according to Article 39 of Land Administration Law of the Peoples Republic of China, Which is “The ones who take or use land compensation fees, of the land requisition, crime is formed, will investigate and affix criminal responsibility, if chime is not formed, will be given administrative punishment.”

2) The monitoring unit will monitor the payments of land compensation and grass compensation to be handed to the gachas in time and in full. It will also monitor the use of the land acquired.

3) The Land-requisitioned units have made their own plan for use of the land compensation and the monitoring unit will check the use of the land compensation payments. and accept the supervise of the supervisory unit (see Appendix 3).

4) The monitoring unit will conduct overall monitoring of the public participation during
the implementation of the project, and collect the opinions of the herdsmen to the road construction and the project management.

5) the monitoring unit will submit to the PMO and the World Bank supervision mission the first half-year report by July 31, 1999 and second half-year report by January 1, 2000.