Shandong FGD Project - Laiwu Power Plant

RESETTLEMENT ACTION PLAN
Shandong Laiwu Power Plant Preparation Office

September 28, 2006
# Table of Contents

1 **INTRODUCTION** ................................................................................................................. 4  
1.1 Project Background ........................................................................................................ 4  
1.2 Project Description ........................................................................................................ 4  
1.3 Project Land Acquisition and Resettlement Impacts ..................................................... 5  
1.4 Preparation of RAP ....................................................................................................... 5  

2 **SCOPE OF RESETTLEMENT IMPACTS** ......................................................................... 6  
2.1 Minimization of Land Acquisition and Resettlement ..................................................... 6  
2.2 Types of Losses ............................................................................................................. 6  
2.3 Impact Identification ....................................................................................................... 6  

3 **LEGAL AND POLICY FRAMEWORK** .............................................................................. 8  
3.1 Chinese Laws and Regulations ...................................................................................... 8  
3.2 The World Bank Policy on Involuntary Resettlement .................................................... 9  
3.3 Objectives and Principles of Land Acquisition .............................................................. 10  
3.4 Principles of Compensation ........................................................................................... 10  
3.5 Definition of DPs and Compensation Eligibility ............................................................ 11  
3.6 Basis of Compensation Rates ....................................................................................... 11  
3.7 Entitlements Matrix ....................................................................................................... 13  

4 **SOCIO-ECONOMIC PROFILE OF AFFECTED PERSONS** ............................................ 15  
4.1 Demographic Characteristics of the DPs ....................................................................... Error! Bookmark not defined.  
4.2 Occupation and Household Income ............................................................................. Error! Bookmark not defined.  
4.3 Preferred Options for Compensation and Resettlement .............................................. Error! Bookmark not defined.  
4.4 Willingness to Be Retrained ......................................................................................... Error! Bookmark not defined.  
4.5 Knowledge about Project and Land Acquisition ......................................................... Error! Bookmark not defined.  
4.6 Understanding and Attitudes ....................................................................................... Error! Bookmark not defined.  
4.7 Safeguard Entitlements ................................................................................................. Error! Bookmark not defined.  

5 **ECONOMIC REHABILITATION** ...................................................................................... 17  

6 **DISCLOSURE, CONSULTATION AND PARTICIPATION** Error! Bookmark not defined.  

7 **INSTITUTIONAAL ARRANGEMENT** Error! Bookmark not defined.  

8 **GRIEVANCE PROCEDURES** Error! Bookmark not defined.  

9 **RESETTLEMENT BUDGET** ............................................................................................ 24  
9.1 Costs and Budget ......................................................................................................... 24  
9.2 Flow of Funds ............................................................................................................. 25  
9.3 Administrative Costs ................................................................................................. 25  
9.4 Contingencies ............................................................................................................. 25
1 INTRODUCTION

1.1 Project Background

Laiwu City is located in the east side of Taishan Mountain. It borders Jinan City to the north, Zibo City to the east, and Tai’an City to the west. It is made of 2 districts and 1 economic development zone with 19 townships or sub-districts. They include Laicheng District, Gangcheng District, and Laiwu Economic Development Zone. Laiwu City was established in 2002, and its centre – Laicheng District is 112 kilometers from Jinan – capita city of Shandong Province. The total area of Laiwu City amounts to 2,246 square kilometres.

Laiwu power grid is located in the middle of Shandong Province. The current power grid has capacity to provide electricity of 1000MW to Zibo City power grid. According to the power development plan of Shandong Province, Shandong power grid will construct a 500kV power transmission ring from Zouxian through Laiwu to Huangdao. The construction of 500kV substation in Laiwu will create conditions for Laiwu city to provide electricity to the neighboring power grids. The construction of proposed new Laiwu Power Plant Project with two 300MW generation units could meet the needs of load growth in the central part of Shandong Province, and improve power transmission reliability and stability.

With installed capacity of two 300MW units, the project could raise proportion of large generation units in the provincial power grid, which will be beneficial by avoiding construction of small thermal power plants and improve thermal power source structure. In addition, the proposed power plant will also provide heat supply in Laiwu City, which not only resolve the heat supply shortage in the city, but also improve its air quality by replacing many small boilers. According to the preliminary estimate, the proposed power plant would replace 107 small boilers with total 300 ton capacity, which could reduce emission of SO2 by 2,204 ton each year. Such development could enhance the city image, better the investment environment, and improve living quality of the people.

1.2 Project Description

The existing Laiwu Power Plant was built in 1972 with install capacity being three 125MW generation units. Following the requirement of building a wartime power plant, Laiwu Power Plant was located to the edge of southern mountain areas, in a narrow river valley. The proposed new power generation units will be located to the north of the existing power plant, bordering Diaogu Mountain to the south, Lianhua River to the west, and Diaogushan Village to the northeast. It will consist of two
300MW generation units, ash yard, and FGD facility. The annual power generation is 3.3 billion kwh and annual heat supply is 4.26 million Ger.

On August 12, 2003, the project feasibility study for the new power plant project was completed and submitted to Shandong Provincial Development and Reform Commission. Following the review and approval by Shandong PDRC in 2004, the project has been listed by NDRC in No. 1083 (2005) as 2007 power plants projects. The project feasibility study had been completed and approved by Electric Power Planning General Institute in February 2006. All relevant documents for project confirmation had been completed in April 2006, and ready to be submitted to NDRC for confirmation.

1.3 Project Land Acquisition and Resettlement Impacts

The construction of Laiwu Power Plant will involve with certain amount of land acquisition. According to the preliminary survey, the project including power plant, access road and ash yard as well as FGD facility will acquire a total of 20.5 ha or 307.8 mu of land areas. One village from one sub-district will be affected due to land acquisition. During project construction, another 6.1 ha or 90.9 mu of land areas will be occupied temporarily. Along with land acquisition, a total of 46,452 square meters of houses and other attachments will be demolished causing relocation for 308 households and 736 persons in Duishanmen Village.

1.4 Preparation of RAP

For the amount of land acquisition, a Resettlement Action Plan (RAP) has been developed by Shandong Laiwu Power Plant Project Preparation Office in line with the Bank’s Involuntary Resettlement Policy and the relevant laws, regulations and guidelines issued by the Government of China (GoC). The RAP is based on a series of information sources, including:

(i) relevant project reports: particularly the Project Feasibility Study Report;
(ii) detailed survey of resettlement impacts;
(iii) socio-economic survey;
(iv) discussions with the related officials of district land resources bureau and construction bureau;
(v) consultations with various local governments, village leaders and individuals.
2 SCOPE OF RESETTLEMENT IMPACTS

2.1 Minimization of Land Acquisition and Resettlement

During the design stage of the projects, efforts made to minimize scope of land acquisition and resettlement. The following principles were observed in selecting the project sites: 1) Avoid major infrastructure and industrial enterprises; 2) Avoid or minimize existing human settlements; 3) Avoid or minimize the occupation of good-quality cultivated land; 4) Utilize existing roads to provide access to proposed project sites; 5) Avoid or minimize the use of areas with dangerous topographic features or poor geological conditions; and 6) Avoid or minimize the occupation of environmentally sensitive areas. For example with efforts made in site planning, total amount of land acquisition was reduced from 28.6 ha to 20.5 ha, a reduction of 28.3%.

2.2 Types of Losses

From the impact survey, the following categories of losses have been identified: 1) permanent loss of land: farmland and non-farmland; 2) temporary loss of land: farmland; 3) demolition of houses and attachments; and 4) other productive assets, such as fruit trees, and standing crops.

2.3 Impact Identification

According to the survey, the Project will acquire a total of 20.5 ha (307.8 mu) of land areas, including 10.9 ha or 163.2 mu as farmland with 111.4 mu as cultivated land and 51.8 mu as vegetable land. The remaining land areas are residential land (133.5 mu), road space (2.6 mu) and waste land (8.5 mu). Of the total amount of permanent land acquisition, 207.8 mu will be used for the power plant, 8 mu will be used for the access road, and 92 mu will be used for the ash yard. All of these land areas belong to one village – Duixianmen Village from Gaozhuang Sub-district from Leicheng District. During project construction, another 6.1 ha or 90.9 mu of land areas will be occupied temporarily and most of these land areas are cultivated land, which will affect Duixienmen Village and Diaogushan Village in Gaozhuang Sub-district. Table 2-1 provides a summary of different land areas for the land acquisition.

Table 2-1 Scope of Land Acquisition for Laiwu Power Plant Project (mu)

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Total Land Areas</th>
<th>Farm Land</th>
<th>Vegetable Land</th>
<th>Road</th>
<th>Housing Land</th>
<th>Waste Land</th>
<th>Affected Villages</th>
</tr>
</thead>
</table>

6
Along with land acquisition, a total of 46,452 square meters of houses would be demolished with relocation of 308 households and 736 persons. Among demolished houses, 64% are brick concrete structures and 36% are brick wood structures. All of them belong to Duixianmen Village. Following extensive consultation between the power plant and the village, a rehabilitation plan has been developed. According to the plan, all relocated households will be resettled into the existing living quarter of the power plant with a couple of kilometers from the existing site. Each affected household will be provided with replacement housing with modern facilities. The affected people seem to be pleased with such arrangements.

For the loss of farmland, all 308 households in Duixianmen Village will be affected, averaging 0.53 mu per household. Table 2-2 provides an analysis for the land loss impact for the affected village. According to the preliminary survey, the land acquisition will cause about 58% land reduction in Duixianmen Village. The average per capita land holding will be reduced from 0.38 mu before land acquisition to 0.16 mu after land acquisition. In spite of such loss, the actual economic impact would be limited according to the interview with village officials, since most villagers are working either in the power plant or providing coal transport services for the power plant, as well as other non-farm activities. According to village statistics, due to limited land holding, agricultural income accounted for only 2.7% of total village income in 2005, with planting income accounting for only 0.8%. Majority income for Duixianmen Village came from industrial activities (54%), transport activities (24%), and other non-farm activities, such as construction, retail and other service activities (19.3%). Therefore, the farmland loss will not cause significant economic impact among affected villagers.

Table 2-2: Farming Land Loss Impact Among Affected Village

<table>
<thead>
<tr>
<th>Village</th>
<th>No. of Total HH</th>
<th>No. of Total Person</th>
<th>Total Farmland Areas (mu)</th>
<th>Farmland To be Acquired (mu)</th>
<th>Per Capita Farmland before land Acquisition (mu)</th>
<th>Per Capita Farmland after land Acquisition (mu)</th>
<th>Percent Change of farmland holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duixianmen</td>
<td>308</td>
<td>736</td>
<td>280</td>
<td>163</td>
<td>0.38</td>
<td>0.16</td>
<td>58.2%</td>
</tr>
<tr>
<td>Total</td>
<td>308</td>
<td>736</td>
<td>280</td>
<td>163</td>
<td>0.38</td>
<td>0.16</td>
<td>58.2%</td>
</tr>
</tbody>
</table>

Source: Project feasibility study report.
3 LEGAL AND POLICY FRAMEWORK

There are two sets of regulatory and policy requirements that are applicable to the land acquisition and resettlement of the Project. One is relevant Chinese laws and regulations at national and provincial levels, and the other is the World Bank policies on involuntary resettlement. These regulatory and policy requirements are summarized in the following sections.

3.1 Chinese Laws and Regulations

1) Land Administration Law of PRC, 1998

The Land Administration Law of the People’s Republic of China was newly amended and brought into force on January 1, 1999. It is stipulated in Clause 2, Article 1 of the land administration law that the state can acquire collective-owned land according to the law for the sake of public interests. The law requires that agreement from two thirds of villagers or two thirds of the villagers' representatives be obtained before making adjustments to the land, and be verified by the agricultural administration department of the county or township government.

Article 47 stipulates that in case land acquisition shall take place, compensation shall be made in accordance with the original usage of the acquired land, which shall include a land compensation fee, a resettlement subsidy and a compensation fee for the attachment of the land and standing crops. The land compensation fee for the acquired cultivated land is 6-10 times the average annual output value (AAOV) of the land in the previous three years before land acquisition. The resettlement subsidy of acquired farmland shall be calculated according to the agricultural population to be resettled. The agricultural population to be resettled is computed with the quantity of acquired farmland divided by farmland quantity per person of the acquired unit. The resettlement subsidy for the agricultural population to be resettled shall be 4-6 times the AAOV in the previous three years. But the resettlement subsidy for farmland shall not exceed 15 times the AAOV. However, in special cases a higher resettlement subsidy may be given to a maximum of 15 times the AAOV over the last three years. The provinces or municipalities directly under the central authority shall determine the standards of compensation for the attachment of the land and standing crops.

2) Shandong Management Guidelines for Implementation of the PRC Land Administration Law

Article 25 of the Law stipulates that land acquisition units should pay the land compensation fees according to the following standards: i) The acquisition of farmland land (orchard land, fish pound, and lotus pound) within the urban planned areas should be compensated at 8 to 10 times of the AAOV of last three years before the acquisition; ii) farmland land outside urban planned areas to be expropriated should be compensated at 6 to 8 times of the AAOV of last three years before the
acquisition; iii) other rural lands such as forest land, grassland, and poor, should be compensated at 5 to 6 times of the AAOV; vi) village collectively owned construction land and housing land should be compensated at 5 to 7 times of AAOV; and v) Idle land, waste mountains, and waste land to be acquired should be compensated at 3 times of the AAOV.

The resettlement subsidy is stipulated in Article 26. It states that: i) The acquisition of farmland land (orchard land, fish pound, and lotus pound) should be compensated at 6 times of the AAOV of last three years before the acquisition; ii) Other rural land areas, such as forest land, grassland, pool and housing land, should be compensated at 4 times of the AAOV of last three years before the acquisition.

According to Article 27, the compensation for standing crops is based on the production value of one season’s crops. Trees that can be replanted are compensated as replanting fees and young tree loss fees. Trees that can not be replanted are compensated according to related regulations.

According to Article 39, the compensation for temporary use of farmland, compensation will be based on average annual crop value in the past three years. For non farmland, compensation will be set at 30% of compensation as for farmland.

3) **Shandong Provincial No. 51 Decree on “Readjustment of Annual Crop Value and Compensation Rates for Farmland Acquisition” (2004).**

According to Article 1, for acquisition of farmland, in order to set up the basic average annual crop value, following development economic conditions in different municipalities, the whole province will be divided into four classes. For the areas within urban plan areas, the minimum AAOV will be set at Y1,800 per mu for Class I Area, Y1,600 per mu for Class II Area, Y1,400 per mu for Class III Area, and Y1,200 per mu for Class IV Area. For areas outside urban plan areas, the minimum AAOV will be set at Y1,000 per mu. Different municipal governments could adopt concrete standards based on these rates, which will be approved by provincial price bureau, financial department and land resources department.

3.2 **The World Bank Policy on Involuntary Resettlement**

The World Bank’s policy on involuntary resettlement is aimed to: (i) avoid involuntary resettlement wherever feasible; and (ii) minimize resettlement where population displacement is unavoidable, and ensure that displaced people receive assistance, preferably under the project, so that they would be at least as well-off as they would have been in the absence of the project. Expropriate land, housing, infrastructure, and other compensation, comparable to the without project situation, should be provided to the adversely affected population, including indigenous groups, ethnic minorities, and pastoralists who may have usufruct or customary rights to the land or other resources taken for the project.
According to the Bank policy, the contents and level of detail of a resettlement plan, which may vary with circumstances, especially the magnitude of resettlement, should normally include a statement of objectives, policies and strategy, and should cover the following essential elements: (i) organizational responsibilities; (ii) community participation and integration with host population; (iii) socioeconomic survey; (iv) legal framework, including mechanisms for resolution of conflicts and appeals procedures; (v) identification of alternative sites and selection; (vi) valuation of and compensation for lost assets; (vii) land ownership, tenure, acquisition and transfer; (viii) access to training, employment and credit; (ix) shelter, infrastructure and social services; (x) environmental protection and management; and (xi) implementation schedule, monitoring and evaluation.

The Bank policy also requires that cost estimates should be prepared for these activities; they should be budgeted; and implementation of the activities should be scheduled with time-bound actions in coordination with the civil works for the main investment project. The resettlement plan should have an executive summary.

### 3.3 Objectives and Principles of Land Acquisition

The primary objectives of the RAP are to restore the income and living standards of the displaced persons (DPs) within a short period of time after land acquisition and with as little disruptions as possible in their own economic environment. Particular attention will be given to the needs of the poorest and vulnerable groups to be affected. The RAP for this Project has been prepared with these in mind as the guiding principles. To meet the Bank requirements on involuntary resettlement, the following principles and approaches are employed:

i) Land acquisition should be avoided or minimized where feasible from an economic, engineering, social and environmental perspective; ii) The plan should be prepared for those affected; iii) All people residing, cultivating or making a living within the areas acquired for project prior to a formally recognized cut off date should be considered as affected people. They should receive compensation for all losses, including assets and livelihoods regardless of land tenure status, and should be entitled to rehabilitation assistance sufficient to assist them to improve or at least maintain their pre-project living standards, income earning capacity and production levels. vi) DPs should be informed of and consulted on land acquisition and compensation standards; v) Land acquisition should be an integral part of project design. No land acquisition will take place prior to the satisfactory compensation of DPs; and vi) Resettlement monitoring and evaluation should be carried out in accordance with the requirements of the Bank.

### 3.4 Principles of Compensation

In accordance with the legal and policy requirements of the Chinese Government and the World Bank, the principles of the compensation and entitlements established for the project include: 1) Compensation and entitlements provided to DPs are adequate
to at least maintain their pre-project standard of living, with the prospect of improvement; 2) Land temporarily occupied and the period of disruption are kept to a minimum; 3) All DPs, legal and illegal, are taken into consideration and accounted for; 4) The per capita land holding after land acquisition is sufficient to maintain the previous livelihood standards; 5) Where land allocation per capita is not sufficient to maintain previous livelihood standards, other income generating activities are provided for; 6) All DPs are adequately informed on eligibility, compensation standards, livelihood and income restoration plans, and project timing; and 7) No land acquisition will take place prior to satisfactory compensation of the DPs.

3.5 Definition of DPs and Compensation Eligibility

Displaced persons (DPs) refer to all persons whose livelihood or living standard is adversely affected through the loss of land, other assets, income as a consequence of the Project. All DPs losing land, standing crops or sources of income will be compensated or rehabilitated in accordance with the type and amount of their losses and they are included in the final survey to be completed within the deadline specified by the government, or are identified as affected temporarily during construction. The deadline specified by the government is set as the final date for compensation eligibility. DPs cultivate land and other productive assets after the deadline will not be eligible to compensation or subsidies.

3.6 Basis of Compensation Rates

According to the Land Administration Law of PRC and Shandong Provincial Implementation Method of Land Administration Law, and the permanent and temporary land acquisition policy of Laiwu Municipality, the following compensation standards have been adopted based on consultation with affected communities, villages and individuals. They include compensation rates for land, structures, and other assets.

The compensation of land acquisition consists of compensation for land, resettlement subsidy, and compensation for standing crops. For this project, following the national law, provincial regulation, and consultation with local governments and villages, the total compensation for the acquired farmland will be set at 23 times of annual average output value (AAOV), including 8 times for land compensation and 15 times for resettlement subsidy, plus 50% of AAOV for standing crop compensation. Due to limited land holding in the affected village, the highest rates of land compensation and resettlement subsidy are used for the Project.

The average AAOV was set at Y1,300 per mu for cultivated and Y2,400 per mu for vegetable land. For other rural land areas (housing land and road land) is set at 10 times of AAOV for cultivated land. For waste land, the compensation is set at 3 times of AAOV for cultivated land. The resulted total compensation, including land compensation, resettlement subsidy and standing crop will amount to Y30,500 per mu
for cultivated land, Y56,400 per mu for vegetable land, and Y13,000 per mu for other rural lands. The detailed standards of compensation are presented in Table 3-1.

Here, the total compensation rates refer to amount to be delivered to affected villages or individuals. In addition to that, various fees and taxes need to be paid by the project owner to different levels of local governments.

Table 3-1  Compensation Rate of Permanent Agricultural Land Acquisition

<table>
<thead>
<tr>
<th>Type of Land</th>
<th>AAOV (Yuan/mu)</th>
<th>Multiples (AAOV)</th>
<th>Total (RMB/mu)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Land Compensation</td>
<td>Resettlement Subsidy</td>
</tr>
<tr>
<td>Farmland</td>
<td>1,300</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Vegetable Land</td>
<td>2,400</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Other Rural Land</td>
<td>1,300</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Waste Land</td>
<td>1,300</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

For temporary land occupation, the proposed compensation rates for cultivated land will be set at 1.5 times of AAOV for every year of occupation plus compensation for green crop compensation. The specific compensation rates for different types of farmland are provided in Table 3-2. The land reclamation will be responsible by the project owner, otherwise a land reclamation cost of Y13,000 per mu will be provided.

Table 3-2  Compensation Rate of Temporary Land Occupation (RMB/Mu)

<table>
<thead>
<tr>
<th>Type of Land</th>
<th>Compensation for Green Crop</th>
<th>Compensation for Lost Annual Yield for each year</th>
<th>Number of Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmland</td>
<td>650</td>
<td>1.5</td>
<td>1,300</td>
<td>2</td>
</tr>
</tbody>
</table>

Note: The actual compensation will be based on actual length of construction period. The cultivated will be restored by the project owners, otherwise a land reclamation fee of Y13,000 per mu will be provided to the affected people.

In terms of compensation for demolished houses, following extensive consultation, a set of compensation rates that are higher than provincial regulation is adopted, which include Y550/m² for concrete frame structure, Y400 /m² for brick concrete structures, and Y350 /m² for brick wood structure. For moving allowance and transfer assistances, they are based at Y200 /m². For early moving bonus, it is based on Y10,000 per household. For various attached properties, including walls, attached structures, wells, sunning ground, and fruit trees, following Shandong Provincial Regulation, the compensation rates will be based on replacement cost, which are listed in Table 3-3.

Table 3-3  Compensation Rate of Attachments

<table>
<thead>
<tr>
<th>Items</th>
<th>Mature Fruit Tree</th>
<th>Young Fruit Trees</th>
<th>Other Trees</th>
<th>Simple House</th>
<th>Tomb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation Rates (RMB per piece)</td>
<td>200-400</td>
<td>120-260</td>
<td>20-40</td>
<td>50 - 80</td>
<td>80-150</td>
</tr>
</tbody>
</table>
3.7 Entitlements Matrix

From the site survey by the Laiwu Power Plant Preparation Office, the major impacts of land acquisition and resettlement have been identified; and an entitlement matrix has been prepared as a guide to compensation payments. The matrix is presented in Table 3-4.

Table 3-4. Entitlement Matrix

<table>
<thead>
<tr>
<th>Type of Losses</th>
<th>Entitled Persons</th>
<th>Compensation Policy and Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent land acquisition</td>
<td>Affected villages and individuals:</td>
<td>• Compensation will be set at 23 times of AAOV, for farmland including 8 times for land compensation and 15 times for resettlement subsidy. Green crop compensation is set at 0.5 time of AAOV. For other rural lands, it is set at 10 times of AAOV for cultivated land. For waste land it is set at 3 times of AAOV for cultivated land. • Specifically the compensation rate will be Y30,550 per mu for farmland, Y56,400 per mu for vegetable land, Y13,000 for other rural land, and Y3,900 per mu for waste land.</td>
</tr>
<tr>
<td></td>
<td>1. Land compensation and resettlement subsidy will be delivered to affected villages;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Compensation for standing crop will be paid directly to affected individuals.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. The affected villages will provide replacement land to the affected individuals through land readjustment or cash compensation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. The project owner will arrange job training for the land loss farmers among seriously affected villages.</td>
<td></td>
</tr>
<tr>
<td>Temporary Land Occupation</td>
<td>Affected villages and individuals:</td>
<td>• The compensation for lost green crop will be set at 0.5 time of AAOV. For occupation of farmland, the compensation will be set at 1.5 time of AAOV for each year of occupation, or 3 times of AAOV for 2 years of occupation. For land reclamation, if project owners do not restore them, a land reclamation fee of Y13,000 per mu will be provided to the affected villages and individuals.</td>
</tr>
<tr>
<td></td>
<td>2. The project owners will be responsible to restore the land into original condition, otherwise a land reclamation fee will be provided.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. All compensation will be provided to the affected villages and individuals.</td>
<td></td>
</tr>
<tr>
<td>House Demolition and Relocation</td>
<td>Relocated households and individuals</td>
<td>• The compensation for houses is set at Y550/m² for concrete frame structure, Y400 /m² for brick concrete structures, Y350 /m² for brick wood structure. • For various attached properties, including walls, attached structures, wells, sunning ground, and fruit trees, they are based on compensation rates listed in Shandong Provincial Regulation No. 314. • For moving allowance and transfer assistances, they are based at Y200 /m².</td>
</tr>
<tr>
<td></td>
<td>1. They will be provided with compensation for lost houses and other attachments based on replacement value, and rehabilitation package for relocation and rehabilitation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. The rehabilitation package includes replacement housing with complete modern facilities and average unit size is 85 square meters. The average cost for replacement households is</td>
<td></td>
</tr>
<tr>
<td>Other Assets</td>
<td>For affected attachments on land areas, such as trees, irrigation facility, and tombs, they will be paid to affected individuals.</td>
<td>• For early moving bonus, it is based on ¥10,000 per household.</td>
</tr>
</tbody>
</table>
4 SOCIO-ECONOMIC PROFILE OF AFFECTED PERSONS

The proposed Laiwu Power Plant is located in Laicheng District, Laiwu Municipality, Shandong Province. Laicheng District has a total land area of 1,861 square kilometers with 941,200 persons by the end of 2005. Among them, there are 339,200 urban residents, accounting for 36% and 602,200 rural residents, accounting for 64%. The whole district is made of three sub-districts covering most of urban or suburban areas and twelve townships or towns covering most of rural areas. In 2005, the GDP for the whole district reached Y14.7 billion, which was 16% higher than that in 2004. Among the total GDP, the share of primary sector was Y1.55 billion, accounting for only 10.5%; the share of secondary sector was Y8.2 billion or 55.6%; and the share of tertiary sector was Y5 billion or 33.9%. The average rural per capita income was Y4,670 in 2005, which was 10.5% higher than that in 2004.

In the concerned Gaozhuang Sub-district, there are 6 administrative units and 90 villages. In 2005, there are 31,795 households and 94,159 persons in the sub-district. Located in the suburbs of Laiwu central city, there are 8,976 enterprises and institutions with 26,724 persons in the sub-district. In rural areas of Gaozhuang, there are 22,545 households and 66,361 persons in 90 villages. Total rural labor amounted to 40,627 persons, accounting for 61% of total rural population. Of these rural labors, 45% of them are working in agricultural sector, 21% in industrial sector, 19% in construction and transport activities, 4% in wholesale, and 11% in various service activities. There are 3,689 ha or 55,332 mu of farmland in Gaozhuang, averaging 0.83 mu per person. In terms of per capita income, it was Y4,676 in 2005, which is 19% higher than the provincial average (Y3,930). The gross output value in Gaozhuang had reached Y1.56 billion in 2005, averaging Y23,500 per person. Among them, only 12.7% came from planting activities, and 7.3% came from other agricultural activities, such as forest, animal husbandry and fishing. The remaining 80% of gross output value came from industrial (44.6%), construction (15.9%), transport (10.6%), retail (4.6%), and other service activities (3.7%).

For the Project, only two villages will be affected by land acquisition and resettlement. They are Duixianmen Village and Diaogushan Village, with majority of resettlement impact taking place in Duixianmen Village. In order to have a better understanding of basic social economic conditions in the affected villages, social economic survey were conducted and basic result is presented in Table 5-1. According to the survey, there are 643 households and 2,188 persons in these two villages. The average family size is 3.4 persons per family. There are 1,119 rural labors in these two villages, averaging 1.7 persons per household. About 28% of them are involved in farming activities and 72% are involved in various non-farm activities.

There are 1,201 mu of farmland in these villages averaging 0.55 mu per person with 0.38 mu in Duixianmen Village and 0.63 mu in Diaogushan Village. According to
local communities, the common crops include wheat, corn and peanut with average yield being Y1,100 per mu. In these two villages, the average per capita net annual income stood at Y4,511 in 2005 with Y4,550 for Duixianmen Village and Y4,491 for Diaogushan Village. Due to the development of industrial and non-farm activities, more and more rural labors are engaging in non-farm activities. Among these two villages, only 28.2% of labors are engaging in farming activities, with 12.5% in Duixianmen and 36.4% in Diaogushan. In Duixianmen Village, about 90% of labors are working on various non-farm activities. Among them, there are 160 persons working in Laiwu Power Plant, 60-80 persons working on transport activities, 60 persons in village enterprises, and the remaining working on various retail or service activities. As a result, majority of their income came from non-farm activities, with farming accounted for less than 1% of total village income. Under such conditions, land acquisition will not cause any significant economic impacts for the affected villagers.

Table 5-1 Social Economic Conditions among Affected Villages

<table>
<thead>
<tr>
<th>Village</th>
<th>No. Total HH</th>
<th>No. of Total Person</th>
<th>Total Rural Labors</th>
<th>Per Capita Farmland (mu)</th>
<th>Per Capita Income (RMB)</th>
<th>Plant Income as percent of Total Income</th>
<th>Percent of Labors in Planting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duixianmen</td>
<td>306</td>
<td>736</td>
<td>383</td>
<td>0.38</td>
<td>4,550</td>
<td>0.8%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Diaogushan</td>
<td>337</td>
<td>1,452</td>
<td>736</td>
<td>0.63</td>
<td>4,491</td>
<td>5.6%</td>
<td>36.4%</td>
</tr>
<tr>
<td>Total</td>
<td>643</td>
<td>2,188</td>
<td>1,119</td>
<td>0.55</td>
<td>4,511</td>
<td>3.1%</td>
<td>28.2%</td>
</tr>
</tbody>
</table>
5  RESETTLEMENT AND REHABILITATION

5.1 Rehabilitation for Land Acquisition

The construction of Laiwu Power Plant Project will involve acquisition of 163 mu farmland from Duixianmen Village, which would account for 58% of total farmland in the village (280 mu). After land acquisition, the average per capita land holding in the village will be reduced from 0.38 mu to 0.16 mu. In spite of such losses, according to consultation with village officials, the land acquisition would have limited economic impact in the village. The main reason is that most of village members are no longer rely on farming as their main sources of income. Over 50% of village labors are working for Laiwu Power Plant or related activities, such as transporting or unloading coals, cleaning, and landscaping. The incomes from these activities accounted for about 80% of the total village income in 2005. In contrast, due to limited land holding, farming income in Duixianmen Village accounted for less than 1% of total village incomes in 2005. Under such conditions, land loss will not have significant economic impacts for the affected village.

Following discussion with local officials and affected people, the basic approach of economic rehabilitation includes (1) expanding employment opportunities for village members by setting up a construction company to participating in construction of the power plant; (2) investing all land compensation funds into the power plant construction which guarantees 6-7% of dividend each year, much higher than bank interest; and (3) redistributing the remaining farmland among all village members. Through such rehabilitation measures, the limited adverse impact on individual households will be mitigated, and incomes of villagers will not only restore but also increase.

5.2 Rehabilitation for Temporary Land Occupation

For temporary land occupation, the affected households will be provided with compensation for the lost yield and green crop, which is based on 1.5 times of AAOV for the occupation of less than 1 year. The project owner will be responsible for restoration of cultivated land into their original productive conditions, otherwise a land reclamation fee of Y13,000 per mu will be provided to the affected people.

5.3 Rehabilitation for Relocated Households

Along with land acquisition, a total of 46,452 square meters of houses would be demolished with relocation of 308 households and 736 persons. All of them belong to Duixianmen Village. Following extensive consultation with affected villagers, a relocation and rehabilitation plan has been developed. According to the plan, general compensations will be paid for demolished houses plus with generous moving allowance and early moving bonus. For example, compensation rates are set at Y550 per square meter for concrete framework structure, Y300-450 per square meter for
brick concrete structure and Y250-400 per square meter for brick wood structure. The moving and transfer allowance is set at Y200 per square meter, which is significantly higher than the rate specified in local regulation. In addition, each household will be provided with Y10,000 as early moving bonus. Overall, the total building compensation averages Y700 per square meter or Y106,480 per household.

In terms of rehabilitation, all relocated households will be resettled into the existing living quarter of the Laiwu Power Plant. The living quarter is made of several dozen apartment buildings located only a couple of kilometers from the existing village site, which is equipped with modern facilities and various community services. A total of 318 apartment units have been provided to the relocated households with 26,944 square meters, averaging 85 square meters per unit. To smooth the process of rehabilitation, the power plant has agreed to set the purchasing price for replacement housing at only Y260 per square meter. This means that after purchasing the replacement housing apartment (averaging Y22,100 per unit), each family could still have large amount of housing compensation left (averaging Y84,380 per family). Such compensation could allow relocated households to further improve their living conditions by purchasing new houses for their children or invest in economic rehabilitation activities to enhance their livelihood. Interviews with affected people indicated that most villagers seem to be satisfied with such rehabilitation outcome.
6 DISCLOSURE, CONSULTATION AND PARTICIPATION

6.1 Disclosure of Resettlement Policies Prior to Implementation

The PRC Land Administration Law requires the disclosure and consultation with the DPs (Articles 48 and 49). There are similar requirements from the World Bank on disclosure of resettlement action plan in the project areas. In order to fully inform the DPs about resettlement policies and their entitlements, the staff of Laiwu Project Preparation Office had conducted extensive consultation and disclosure activities through public meetings among representatives of the affected villages. They include (1) laws and regulations on land acquisition and resettlement; (2) basic rights and entitlements of the affected people; (3) rehabilitation plan for physical relocation and economic restoration for the affected people; (4) basic condition of the project, schedule of construction and geographic context; (5) compensation rates; and so on.

The staff of Project Preparation Office also held questions and answers sessions to respond to various questions and concerns from the DPs, which improved the transparency of the resettlement process and collected their opinions and suggestions. Further comments and suggestions could be voiced through various means such as writing letters, making phone calls and visiting to various offices, including Laiwu Power Plant Project Office and relevant district, sub-district and villages.

Once the RAP is finalized based on final technical design and approval by the Bank, the final RAP report in Chinese will be made available in the sub-district while copy in English will be submitted to the Bank. In addition, a resettlement information booklet including key information of the RAP will also be distributed in the project affected villages prior to actual land acquisition and resettlement.

6.2 Process of Consultation and Public Participation

The Laiwu Power Plant Project Preparation Office together with town government conducted social economic survey for the Project during the resettlement planning phase, which set out the process of public consultation for the Project. The conducted survey included the following activities:

- Interviews with local officials;
- Opinion surveys among sample households;
- Informal discussion with the village leaders and selected DPs;
- Confirmation of Impact survey;
- Meetings with various stakeholders.
Survey results show that 100% of local residents support this project; and most of them believed that project will bring benefit for them. All the affected people knew this project at the time of surveys; and about 90% had knowledge of compensation policies. Based on the results of consultations with the village committees and the households, the major issues raised by DPs include: i) fair compensation based on related laws and regulations; ii) lack of clear idea when the land acquisition and resettlement could take place; iii) providing temporary and permanent employment opportunities for land loss farmers; and iv) assurance of restoration of livelihood and income through resettlement and rehabilitation. All these concerns have been considered in the revised RAP.

Further consultation with the DPs will continue so that all issues may be addressed prior to the start of the Project construction and implementation of the resettlement program. The meetings will be arranged by Laiwu Power Project Preparation Office in association with local government agencies and village committees. In order to address the problems and needs of the DPs properly and timely regarding land acquisition, further consultation with DPs will continue through the land acquisition process so that all issues may be addressed prior to the start of construction and implementation of the RAP.
7 INSTITUTIONAL ARRANGEMENT

A major issue in land acquisition implementation and management is the institutional framework. It is important to ensure timely establishment and effective functioning of resettlement organizations mandated to plan and implement land acquisition, compensation, income restoration and livelihood skill trainings. For a successful implementation of resettlement program, an institutional framework has been developed for the Project, which include project executing agencies and land acquisition implementation agencies. The roles and responsibilities of executing agencies and implementation agencies are summarized in the following:

7.1 Resettlement Leading Group

In order to ensure smooth implementation for Laiwu Power Plant Project, a resettlement leading group has been established. It consists of leaders from Laiwu Municipality, Laicheng District, and Laiwu Power Plant Project Preparation Office. The main responsibility of the resettlement leading group is to strengthen the administration on land acquisition and resettlement, coordinate among relevant government departments, and formulate resettlement policies and resolve key issues on land acquisition and resettlement. Under the leading group, a resettlement office will be set up, which will be located in Laiwu Power Plant Project Preparation Office.

7.2 Resettlement Office

There are 5 to 6 full time staffs in the resettlement office, which will be supported by a number of staff from relevant district agencies, such as land resources bureau and urban construction bureau. As part of project executing agency it will be responsible for implementing land acquisition and resettlement for the Project. The main responsibilities include:

1. Contracting the relevant design Institute to determine the boundary of construction according to Project design, applying to Municipal Planning Bureau for land-use permit, and applying to Land Administration Bureau for construction land use permit

2. Organizing relevant city implementation agencies to conduct measurement survey within the construction boundary, appraise affected properties, and disclose the survey results and compensation policies

3. Negotiate and sign compensation contracts with affected villages on acquired land areas

4. Coordinating relevant agencies to implement economic rehabilitation measures including providing non-farm employment and job training for the land loss farmers

5. Negotiate and sign compensation agreements with DPs on demolished houses and lost attachments and providing assistance during relocation process
(6) Disbursing compensation funds to DPs and affected villages
(7) Conducting internal monitoring on the progress of RAP
(8) Supervising the implementation of the RAP
(9) Reviewing monitoring reports and adopting corrective measures if necessary
(10) Inspecting land use conditions after resettlement

7.3 Relevant Sub-District and Villages

In implementation, resettlement working groups will be set up in both concerned sub-district and affected villages, which will be responsible for

(1) Consulting with affected people in determining rehabilitation schemes
(2) Carrying out land redistribution for DPs
(3) Preparing economic rehabilitation plans for the affected villages
(4) Implementing economic rehabilitation plans including providing cash compensation, arranging job training and providing assistance for non-farm activities for land loss farmers
(5) Assisting EA and IA to conduct internal monitoring and evaluation

7.4 Resettlement Training Arrangement

In order to ensure that the resettlement staff from resettlement office and relevant town and village committees can properly and smoothly handle the land acquisition, a training program will be organized, which include introduction of Bank resettlement policy, relevant laws and regulations, implementation arrangements and detailed content of the resettlement action plan. During implementation, the resettlement staff of the Project Preparation Office will regularly interact with the various local government agencies, identify problems and resolve them in a timely manner.

One of the main responsibilities of the project resettlement office is to conduct internal resettlement monitoring, which is included in Section 10. The staff of project resettlement office and relevant city implementation agency will be provided with special resettlement training on resettlement monitoring before the initiation of field activities related to land acquisition.
8 GRIEVANCE PROCEDURES

The EA will make every effort to reach an agreement with each affected household on the land compensation on the basis of the policy and compensation principles for the Project. To ensure that the affected people have avenues for redressing their grievances in the event that some issues occurred related to any aspect of land acquisition, detailed procedures have been established for the Project. The grievance procedures can be as follows:

- Affected people can appeal to the village committees;
- If the village committee cannot solve the issue, it is taken to any of the following:
  - Laiwu Power Plant Project Preparation Office
  - Gaozhuang Sub-District Government/Land Administration Office
- Reply should be made by the above agencies on the appeal within 15 days;
- If DP is not satisfied with response or if the complaint is of a serious nature, then the appeal is taken to Laicheng District Land Administration Bureau;
- Reply should be made by Laicheng District Land Administration Bureau on the appeal within 30 days;
- If the DP is still not satisfied with the response then they have the legal right to submit the appeal to the court.

The DPs should be waived with any expense or administrative cost for making such appeal. The DPs who submit their appeal to the court, they should be entitled to legal consultation.
9  RESETTLEMENT BUDGET

9.1 Costs and Budget

The costs of land acquisition and resettlement for Laiwu Power Plant Project are included in the overall budget of the Project. The total resettlement cost is estimated to be Y58.98 million, of which Y32.83 million for house demolition and relocation, and Y12.68 million for both permanent land acquisition and temporary land occupation. The detailed cost estimates are presented in Table 9.1.

Table 9.1 Resettlement Cost Estimate for Laiwu Power Plant Project

<table>
<thead>
<tr>
<th>Compensation</th>
<th>Items</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price (RMB)</th>
<th>Total (Mil. RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Permanent Land Acquisition</td>
<td>Cultivated Land</td>
<td>111.4</td>
<td>mu</td>
<td>30,550</td>
<td>3.40</td>
</tr>
<tr>
<td>Land compensation, resettlement subsidy and green crop</td>
<td>Vegetable Land</td>
<td>51.9</td>
<td>mu</td>
<td>56,400</td>
<td>2.93</td>
</tr>
<tr>
<td></td>
<td>Road</td>
<td>2.6</td>
<td>mu</td>
<td>13,000</td>
<td>0.03</td>
</tr>
<tr>
<td></td>
<td>Construction land</td>
<td>133.5</td>
<td>mu</td>
<td>13,000</td>
<td>1.74</td>
</tr>
<tr>
<td></td>
<td>Waste Land</td>
<td>8.5</td>
<td>mu</td>
<td>3,900</td>
<td>0.03</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>307.8</td>
<td>mu</td>
<td></td>
<td>10.77</td>
</tr>
<tr>
<td>2. Temporary Land Occupation</td>
<td>Cultivated Land</td>
<td>90.9</td>
<td>mu</td>
<td>4,550</td>
<td>0.41</td>
</tr>
<tr>
<td></td>
<td>Land Reclamation</td>
<td>(90.5)</td>
<td>mu</td>
<td>13,000</td>
<td>1.18</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>90.9</td>
<td>mu</td>
<td></td>
<td>1.43</td>
</tr>
<tr>
<td>3. Building Demolition and Relocation</td>
<td>Concrete Frame</td>
<td>557</td>
<td>M²</td>
<td>550</td>
<td>0.31</td>
</tr>
<tr>
<td>Houses</td>
<td>Brick Concrete</td>
<td>2,915</td>
<td>M²</td>
<td>400</td>
<td>5.87</td>
</tr>
<tr>
<td></td>
<td>Brick Wood</td>
<td>16,769</td>
<td>M²</td>
<td>350</td>
<td>11.65</td>
</tr>
<tr>
<td></td>
<td>Sub-total</td>
<td>46,452</td>
<td>M²</td>
<td></td>
<td>17.83</td>
</tr>
<tr>
<td></td>
<td>Moving Allowance</td>
<td>46,452</td>
<td>M²</td>
<td>200</td>
<td>9.29</td>
</tr>
<tr>
<td></td>
<td>Early Moving Bonus</td>
<td>308</td>
<td>HH</td>
<td>10,000</td>
<td>3.08</td>
</tr>
<tr>
<td></td>
<td>Attachments (trees, auxiliary structures)</td>
<td>2.63</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td>32.83</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Attachments</td>
<td>Trees, irrigation facilities, and tombs</td>
<td>piece</td>
<td></td>
<td>150</td>
<td>0.48</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>0.48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Other Cost</td>
<td>Resettlement Planning Cost</td>
<td>2% of 1-4</td>
<td></td>
<td>0.91</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Administration Fee</td>
<td>2% of 1-4</td>
<td>0.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Institutional Operation Fee</td>
<td>2% of 1-4</td>
<td>0.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technical Training</td>
<td>0.5% of 1-4</td>
<td>0.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monitoring and evaluation cost</td>
<td>2% of 1-4</td>
<td>0.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>3.87</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Contingencies</td>
<td>Physical Contingency</td>
<td>10% of 1-4</td>
<td></td>
<td>4.93</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Price Contingency</td>
<td>4% of 1-4</td>
<td>1.97</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>6.90</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Fees and Taxes</td>
<td>Cultivated land occupation tax</td>
<td>163</td>
<td>mu</td>
<td>3,535</td>
<td>0.58</td>
</tr>
<tr>
<td></td>
<td>Land Reclamation Fee</td>
<td>163</td>
<td>mu</td>
<td>13,000</td>
<td>2.12</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>2.70</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9.2 Flow of Funds

The Laiwu Power Plant Project Preparation Office will be responsible for the financing of land acquisition cost under the Project. In accordance with the compensation policies and rates given in the RAP, the project preparation office will sign compensation agreements with the following recipients and disburse the payments:

- Relevant district land resources bureaus for cultivated land tax and land reclamation fee;

- Relevant village committees for: a) the losses of farmland land and non-farmland by permanent land acquisition; b) the losses of farmland and non-farmland for temporary occupation; affected rural infrastructure facilities;

- DPs for compensation of demolished houses, attachments and standing crops and trees;

An external and independent auditor will audit the disbursement of land acquisition fund.

9.3 Administrative Costs

The relevant implementation agencies and district land resources bureaus will be budgeted 4.5 of the total amount of compensation payable for the institutional implementation of land acquisition, including administration (2%), institutional setup or operation (2%), and 0.5% for job training among resettlement staff. Similar amount of budget is estimated for resettlement planning (2%) and resettlement monitoring and evaluation (2%).

9.4 Contingencies

The cost estimates for land acquisition implementation include provision of contingencies, with price contingency set at 4% and physical contingency at 10% of total amount resettlement cost.

Laiwu Power Plant Project is responsible for provision of adequate funds to carry out the implementation of the RAP. Cost over-runs, if any, in the case of RAP implementation will be incurred by Laiwu Power Plant Project.
10 MONITORING AND EVALUATION

The objectives of monitoring and evaluation are to assess if the RAP is implemented on schedule and within budget and if the goals and principles of the RAP are achieved. Monitoring and evaluation will include, but not be limited to: (1) monitor the progress and effectiveness of RAP implementation; (2) ensure that the living standard of DPs are restored or improved; (3) assess if rehabilitation measures and compensation are sufficient; (4) identify problems or potential problems; and (5) identify methods of responding immediately to mitigate problems.

A monitoring and evaluation program will, accordingly, be implemented to (i) record and assess project inputs and the number of persons affected and compensated; and (ii) to confirm that former subsistence levels and living standards are being restored and rehabilitated.

Specifically, monitoring and evaluation will focus on the following aspects of the DPs’ situation and land acquisition process: (i) land acquisition and transfer procedures; (ii) compensation payments; (iii) economic situation prior to and after land acquisition; (iv) restoration or rehabilitation of income levels. Monitoring and evaluation should include: establishment of socio-economic background data of the DPs prior to actual land acquisition and regular monitoring of their situation for a period of 2 years after land acquisition. In addition, qualitative and quantitative evaluation will be made on the sustainability of at least the pre-project standard of living of the DPs.

In order to ensure that the implementation of the land acquisition plan in accordance with the requirements, monitoring of implementation, both “internal” and “external”, will be carried out during and after the implementation of the Project. For internal monitoring, the resettlement office of Laiwu Power Plant will take full responsibility for conducting regular internal monitoring of the RAP. For external monitoring and evaluation, a qualified and independent monitoring agency will be engaged to undertake supervision, monitoring and evaluation of land acquisition and livelihood and income rehabilitation from the project beginning to completion.

During implementation of the land acquisition, internal monitoring will be undertaken every six (6) months. Post-land acquisition monitoring will be undertaken internally every 12 months. The independent monitoring agency will undertake external monitoring every six (6) months. The information of monitoring will be collected from three sources: 1) the affected persons; 2) the affected villages and townships; and 3) Laiwu Power Plant. The external monitoring agency will also carry out a comprehensive socio-economic survey after the completion of implementation to document the standards of living and the conditions of the DPs after land acquisition. A monitoring report will be prepared by the independent monitoring agency, including among other things: (i) conclusion of evaluation; (ii) major existing and potential problems; and (iii) recommendations of mitigation or prevention measures.
The report of land acquisition monitoring in English will be forwarded to the Bank. Laiwu Power Plant Project Office shall ensure that the monitoring agency includes information on the progress and status on all aspects of land acquisition activities. They will also submit a final report to the Bank, to be followed by a post-land acquisition impact evaluation by the monitoring agency, which should provide further evidence whether adverse effects of the Project have been mitigated adequately, and at least pre-land acquisition income have been restored.
11 IMPLEMENTATION SCHEDULE

Based on the time schedule of the Projects, a preliminary land acquisition and resettlement schedule is developed, which is based on consideration of the linkage between land acquisition tasks and civil works construction tasks and is consistent with the project implementation time schedule.

Land acquisition for both components will be completed one month before the start of the civil work construction. All of the land acquisition activity will be completed within the first half year of the Project construction.

The proposed schedule is expected to ensure that all DPs, prior to their actual relocation: i) will have been adequately consulted about the Project, its impacts and compensation entitlements; ii) will have received compensation entitlements in a timely manner; and iii) have been provided with means to establishing livelihood.

| Table 10-1: Implementation Schedule for Land Acquisition and Resettlement |
|-------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Activities                                      | 2006           | 2007           |
|                                                 | 6 7 8 9 1 0 1 1 1 2 | 1 2 3 4 5 6 7 8 9 10 1 1 2 |
| Resettlement Planning                           |                |                |
| Define Project Boundary                         |                |                |
| Detail Impact Survey                            |                |                |
| Distribute RIB                                  |                |                |
| Sign Compensation Contracts                     |                |                |
| Disburse Resettlement Funds                      |                |                |
| Economic Rehabilitation                         |                |                |
| Selection M&E Agency                            |                |                |
| Implement M&E                                   |                |                |