

Nanning Sugar Industry Co., Ltd.  
Pumiao Paper Mill Technical Renovation Project

**Nanning Sugar Industry Co., Ltd.  
Pumiao Paper Mill  
Technical Renovation Project  
of Energy Saving and Pollutants Reduction**

**Report on Review of Land Acquisition  
and Compensation**

May 2011

## **Contents**

### **Sections and Appendices**

1	Introduction	3
2	Project Background	3
2.1	Project Origin	3
2.2	Project Objectives	3
2.3	Project Implementation	4
3	Project Impacts	4
3.1	Land Acquisition	4
4	Law and Policy Framework	4
5	Compensation Standards for Land Acquisition	5
6	Information Release and Public Consultation	5
7	Implementation Institutions of Land Acquisition and Compensation Distribution	6
7.1	Institutions Involved in Land Acquisition and Compensation Distribution	6
7.2	Organizational chart	6
8	Implementation Progress of Land Acquisition and Payment of Compensation Fees	7
9	Survey of Compensation for Land Acquisition	7
9.1	Implementation of Survey	7
9.2	Summary and Analysis of the Results of Survey	8
10	Conclusion	9

### **Appendices**

A	Compensation agreement for the ground attachments on the collective-owned land
B	Nolipo's detailed collective economy distribution rules
C	Samples of the taken-back questionnaire

## **1 Introduction**

As requested by Foreign Economic Cooperation Office, Ministry of Environmental Protection of China (MEPFECO), the independent consultant visited Pumiao Paper Mill of Nanning Sugar Industry Co., Ltd. in May 2011 to investigate and review the implementation of the land acquisition and provision of compensation fees involved in their technical renovation project for new bleaching process with energy saving and pollutants reduction. The independent consultant would like to express his sincere thanks to Nanning Sugar Industry Co., Ltd. and Pumiao Paper Mill for their great assistances to this investigation and review provided during the visit. The preliminary results of the investigation and review comments are elaborated in the following sections.

## **2 Project Background**

### **2.1 Project Origin**

In accordance with 《The National Implementation Plan (NIP) for Implementation of the Stockholm Convention on Persistent Organic Pollutants (POPs) 》, the dynamic monitoring and data reporting mechanism for dioxin discharging sources should be established by 2015 in the key pulp and paper making industry. The best available technologies (BAT) and best environmental practices (BET) will be promoted in the key industries, so as to control the increasing trend of dioxin discharge.

In order to actively perform the duties of the Convention and meet the requirements for improving the national environment, together with the World Bank, MEPFECO is making preparations for a GEF funded project of “Reduction of POPs Inadvertently Produced in Paper Making Industry of China”.

To implement the BAT/BET Demonstration in the typical enterprises is an important activity of the Project, and selection of typical enterprises is also one of the important tasks during project preparation stage. After the preliminary study and screening, Nanning Sugar Industry Co., Ltd. (hereinafter referred to as Nanning Sugar) was chosen as the typical enterprise in bagasse pulp manufacturing. This enterprise will take part in the demonstration with its technical renovation project regarding new bleaching process with energy-saving and pollutants reduction.

In order to ensure that no negative social impacts will be caused by the land acquisition during the project implementation, a special review on the social impacts relating to land acquisition, resettlement and distribution of compensation fees is needed, so as to completely meet World Bank’s requirements of social safeguards policies.

### **2.2 Project Objectives**

Pumiao Paper Mill will take part in the Demonstration project of “Reduction of POPs Inadvertently Produced in Paper Making Industry of China” with its technical renovation project. The technical renovation project will eliminate a backward bagasse pulp bleaching

line and construct a new bagasse pulp bleaching system with no element chlorine and an anaerobic treatment system for bagasse washing water, so as to reduce the discharge of dioxin and conventional pollutants and improve the environmental quality around the mill as well as of the whole Nanning municipality.

## **2.3 Project Implementation**

MEPFECO is the project implementation agency of the project of “Reduction of POPs Inadvertently Produced in Paper Making Industry of China”.

The technical renovation project of new bleaching process with energy saving and pollutants reduction of Pumiao Paper Mill under Nanning Sugar will be implemented by Pumiao Paper Mill. This project comprises construction of a new bagasse pulp bleaching system with no element chlorine and production capacity of 98,000 tons/year, a new ClO<sub>2</sub> making facility with a capacity of 8 tons/day, a new wastewater deep treatment system of 11,000 m<sup>3</sup>/d and a new white slurry drying system with a capacity of 20 tons/day. Regarding the land needed by the project, Nanning Municipal Government submitted a report to Guangxi Zhuang Autonomous Region Government to ask for converting this land from the collective-owned agricultural land to state-owned construction land. Guangxi Zhuang Autonomous Region Government has approved this application and the Land Reserve Center of Yongning District of Nanning is responsible for the implementation of land acquisition.

## **3 Project Impacts**

### **3.1 Land Acquisition**

The proposed new bagasse pulp bleaching system will be constructed on the existing site of the mill, while the wastewater deep treatment system will be built in a barren hill located at south of Pumiao Paper Mill of Nanning Sugar and closely adjacent to the existing mill fencing wall. This land does not belong to the basic guaranteed agricultural land. 80 mu of land on this hill is proposed to be acquired as the project land. Except for a few of fruit trees scattered on this hill, there are no production and living facilities, no structures and no residents living there. So the impacts of the project are limited to the land acquisition and compensation, with no house demolition and resettlement involved.

The 80 mu of land to be acquired was collective-owned and one village was involved, that is Nolipo (a sub-village) under Liangxin Village in Pumiao Township of Yongning District of Nanning. 45 households were affected by the project with a population of about 150 persons.

## **4 Law and Policy Framework**

The main laws and policies which guide the land acquisition of the project include:

«Land Administration Law of the People's Republic of China »;

«Guangxi Zhuang Autonomous Region Government's Method to Implement “Land Administration Law of the People's Republic of China” »;

« Regulation of Nanning Municipality on Acquisition of Collective-owned Land »;

«Guangxi Zhuang Autonomous Region Government's Document No. [2010] 705 – Approval for 2010 2nd Batch Construction Land in Townships of Yongning District of Nanning»;

«Nanning Government Document No. [2008] 15 – Nanning Municipality's Method on Acquisition of Collective-owned Land, House Demolition, Resettlement and Compensation ».

## **5 Compensation Standards for Land Acquisition**

Nanning Municipal Government Document No. [2008] 15 «Nanning Municipality's Method on Acquisition of Collective-owned Land, House Demolition, Resettlement and Compensation » has clearly specified a set of compensation standards for acquisition of collective-owned land and house demolition. In accordance with this Method, the land to be acquired for Pumiao Paper Mill is located at Nalipo of Liangxin Village, which belongs to the Category III Area, and compensation standard for agricultural land in this area is 64,000 Yuan/mu.

Although the land to be acquired for Pumiao Paper Mill is only on a barren hill, but the Land Reserve Centre of Yongning District still provided compensation for it in accordance with the compensation standard for the agricultural land in the Category III Area, that is, 64,000 Yuan/mu.

## **6 Information Release and Public Consultation**

In accordance with the policies and regulations of the Chinese Government, Guangxi Zhuang Autonomous Region Government and Nanning Municipal Government on the compensation for acquisition of collective-owned land and taking into consideration the local real situation, the information on land acquisition and compensation was released to the affected villagers step by step and public consultations were conducted gradually so as to ensure the lawful rights and interests of the affected persons not being infringed.

In the initial period of the project, the project information was introduced to the affected persons and the policies and regulations relating to the land acquisition, house demolition and compensation standards were propagated.

On 6th February 2010 the administration group of Nalipo organized a meeting for all the affected persons to listen to their requirements and expectation, demands and suggestions on land acquisition and compensation. The compensation policies were introduced to the affected persons during that meeting, and then the detailed distribution rules of compensation fees for land acquisition was published on the wall, which was formed and passed by all Nalipo cadres and representatives of villagers after several time of consultation. The procedures to redress grievance was also published. For example, if a villager has different idea on the detailed distribution rules, he can report to Nalipo administration group within five days after the rules publishing, then new rules accepted by all villagers may be produced through consultation.

During the implementation of the project, surveys and interview with affected persons were conducted to investigate situation of payment of compensation fees. The survey of the project affected villagers' satisfaction with the compensation was organized and conducted through issuing questionnaires to sampled villagers. The results of survey were summarized in Section 9.

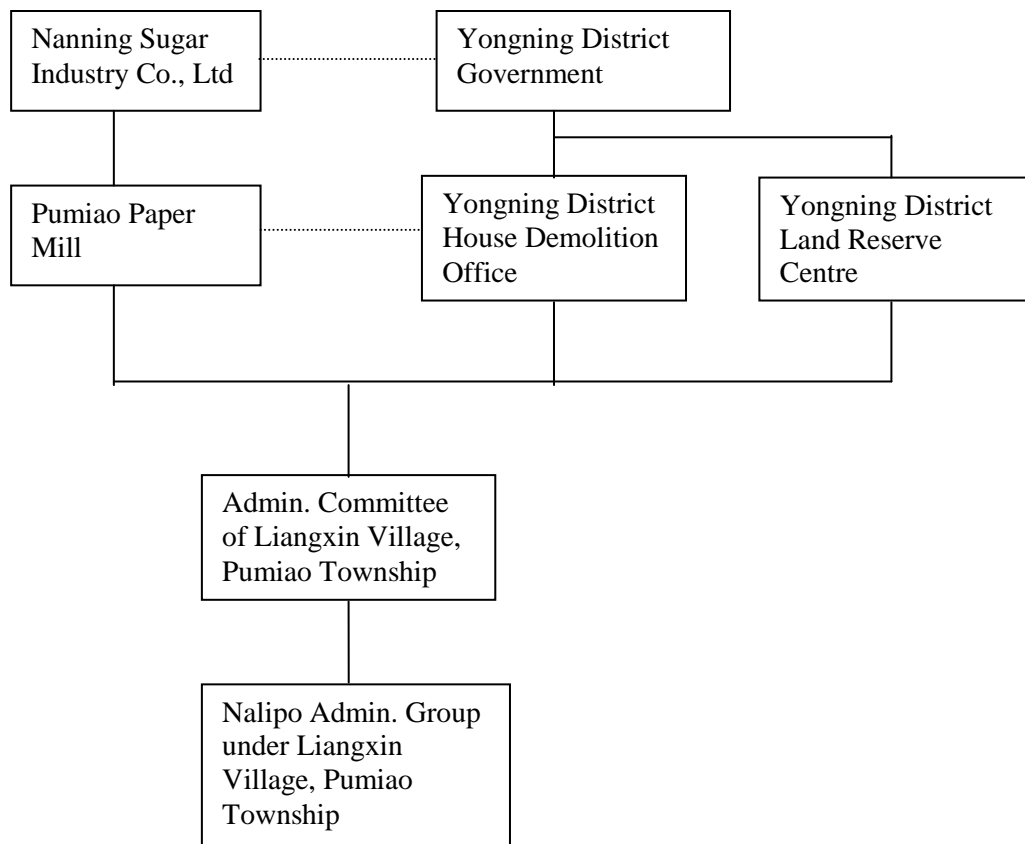
## 7 Implementation Institutions of Land Acquisition and Compensation Distribution

### 7.1 Institutions Involved in Land Acquisition and Compensation Distribution

In this project the institutions responsible for land acquisition and distribution of compensation fees include:

- Yongning District Government of Nanning;
- Yongning District Land Reserve Centre
- Yongning District House Demolition Office
- Nanning Sugar Industry Co., Ltd.
- Pumiao Paper Mill
- Administration Committee of Liangxin Village, Pumiao Township
- Nalipo sub-village of Liangxin Village

### 7.2 Organizational chart



## **8 Implementation Progress of Land Acquisition and Payment of Compensation Fees**

Under the leadership of Yongning District Government of Nanning, the land acquisition of the project was implemented by the Land Reserve Centre of Yongning District.

On 13th April 2009 Pumiao Paper Mill of Nanning Sugar submitted an application to Yongning District of Nanning Municipality for acquiring a plot of land southeast of the mill with a total area of 80 mu for its “technical renovation project of new bleaching process with energy saving and reduction of pollutants”. The Yongning District government agreed with this land acquisition application and assigned Yongning District Land Reserve Centre to be responsible for its implementation.

On 8th December 2009 Yongning District Land Reserve Centre signed a project agreement with Pumiao Paper Mill and asked Pumiao Paper Mill to pay 5.55 million RMB Yuan as the project guarantee. Pumiao Paper Mill paid this project guarantee on 9th December 2009 and Yongning District Land Reserve Centre has used this project guarantee to disburse the relevant costs for the acquisition of this land.

Guangxi Zhuang Autonomous Region Government issued a Document No. [2010] 705 on 29th November 2010 to approve the request for land acquisition submitted by Nanning Municipal Government and agreed to convert this plot of land from collective-owned agricultural land to state-owned construction land.

Currently, Yongning District Land Reserve Center has completed the relevant procedures of land acquisition and the follow-up procedures for transferring land use right through open bidding, auction or listing are being addressed. The use right transfer of this land may be implemented through oriented transferring, that is, this land will be probably transferred to an enterprise whose project shall meet the requirements of national industry structure adjustment. As Pumiao Paper Mill meets all these requirements and occupies a most favorable geographical position, it is extremely probable that Pumiao Paper Mill will win the transfer of the use right of this land.

After receiving the compensation fees for the land acquisition, the administration group of project affected Nalipo under Liangxin Village of Pumiao Township prepared a detailed compensation distribution rules through consultation between cadres and villager representatives, and in February 2010 a meeting of all the affected villagers was held and the detailed compensation distribution rules was published. Thereafter, compensation fees were paid to all the affected villagers.

## **9 Survey of Compensation for Land Acquisition**

### **9.1 Implementation of Survey**

According to the requirements of MEPFECO, in May 2011 the independent consultant organized a survey for a certain number of samples of the affected villagers to investigate the distribution and payment of the compensation fees. The survey was conducted through interviewing the households affected by the project. 48 effective questionnaires were taken back, among which 27 questionnaires are from males and the other 21 from females. The

villagers interviewed are scattered in eight villager groups, with an age coverage from 26 to 73 years old. The age and gender of villagers interviewed are shown in the following table.

Age and gender of villagers interviewed	Male	Female	Total
more than 50 years old	12	3	15
40 ~ 50 years old	5	11	16
20 ~ 40 years old	10	7	17
Total	27	21	48

All the villagers interviewed are of Zhuang nationality.

## 9.2 Summary and Analysis of the Results of Survey

The survey results showed that villagers interviewed were notified with the land acquisition information through published notice or at villager meeting in August 2009. Most of them received the compensation agreement on 10 September 2009 and signed the compensation agreement on 15 September same year. In February 2010 Nalipo administration group published the detailed rules for distribution of compensation fees, and the affected villagers got the compensation in cash on 25 February 2010. The compensation amount obtained by each household differs from RMB 10,000 Yuan to RMB 20,000 Yuan, depending on the person number of each household.

The compensation for the ground attachments and equipment moving was also carried out pursuant to the relevant stipulations. After the compensation agreement was signed with the affected person, the compensation fees would be disbursed to the affected person in a specified time. For example, villager Xie Jingfeng, ID Nr. 362122197801211713, signed the compensation agreements for the ground attachments and equipment moving with Yongning District Land Reserve Center on 6th January 2010 and 4th March 2010 respectively, and in a short time obtained compensation fees RMB 18,502.84 Yuan for the ground attachments and RMB 8,000 Yuan for equipment moving.

Regarding the affected villagers' satisfaction with the land acquisition and compensation, three options have been designed respectively in the questionnaires for these questions, that is, "very satisfied", "satisfied" and "unsatisfied" for the land acquisition work, and "very fair", "fair" and "unfair" for the compensation. Among the 48 questionnaires taken back, only one questionnaire choose "satisfied" and "fair" for these two questions, and all the others choose "very satisfied" and "very fair". That means 98% of the affected villagers were very satisfied with the land acquisition and related compensation, and thought the compensation fees were fairly distributed to each affected person.

The villagers also expressed their support to the technical renovation project of Pumiao Paper Mill and believed that this project will bring benefits to the relating village and villagers as well, and the whole Nanning city can benefit from it. When being asked that what kind of impacts the project will bring to your family, your life and your business, most of the answers are that the project will not bring adverse impacts on their family wealth, on the contrary, it will make the life better, because the surrounding environment will be much improved with



the implementation of the project. Part of villagers hope they can find the employment opportunities from the project construction.

It can be seen from the analysis results mentioned above that the villagers affected by the project are satisfied with the land acquisition and related compensation arrangements. All the compensation fees were paid to the affected households by the end of March 2010. Most of the affected villagers believed that the technical renovation project of Pumiao Paper Mill will bring benefits to the project area as well as whole Nanning city, and expressed their active supports to the construction of the technical renovation project of Pumiao Paper Mill.

## **10 Conclusion**

The technical renovation project of Pumiao Paper Mill of Nanning Sugar for a new bleaching process with energy-saving and reduction of pollutants discharge belongs to the encouraged investment projects in the guidance list of national industry structure readjustment. The implementation of this project will reduce the discharge of dioxin and conventional pollutants, improve the environmental quality around the mill and will make a positive contribution to the environmental improvement of whole Nanning city.

The land acquisition and distribution of compensation fees under the technical renovation project of Pumiao Paper Mill was implemented actively and cautiously in accordance with the related national laws and regulations and that of Guangxi Zhuang Autonomous Region and Nanning Municipality. The land acquisition needed by the project has been approved by Guangxi Zhuang Autonomous Region. Yongning District Land Reserve Centre of Nanning has completed the acquisition work of this plot of land. The compensation fees for the land acquisition have been paid to all the project affected villagers. Instead of deterioration, their living standards are improved, and their long-term livelihood is safeguarded. The project affected villagers are satisfied with the land acquisition and compensation arrangements and support the construction of the technical renovation project of Pumiao Paper Mill.