Resettlement Action Plan
of
the Shuhe Ancient Town Sewer Construction Project

Lijiang PMO
Lijiang Water Supply & Sewerage Company
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Abbreviations

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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP</td>
<td>Affected Person</td>
</tr>
<tr>
<td>FGD</td>
<td>Focus Group Discussion</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and evaluation</td>
</tr>
<tr>
<td>PMO</td>
<td>Project Management Office</td>
</tr>
<tr>
<td>RAP</td>
<td>Resettlement Action Plan</td>
</tr>
</tbody>
</table>

Units

<table>
<thead>
<tr>
<th>Unit</th>
<th>Conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency unit</td>
<td>Yuan (CNY)</td>
</tr>
<tr>
<td>USD1.00</td>
<td>CNY6</td>
</tr>
<tr>
<td>1 hectare</td>
<td>15 mu</td>
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</table>
1. Background of the Subcomponent

1.1 Introduction

The Shuhe Ancient Town Sewer Construction Project (hereinafter, the “Subcomponent”) is a proposed environmental infrastructure in Gucheng District, Lijiang City, and is very significant in improving the urban sewer network, increasing wastewater collection rate, reducing the pollution of the Yanggong River, and promoting the water conservation of the Three Gorges Reservoir area.

The Subcomponent will improve the sewer network of Lijiang City by improving intercepting branch sewers in the Shuhe, Longquan, Changshui and Wenhua areas in Gucheng District, Lijiang City, and reconstructing some aged intercepting branch sewers in the Shuhe area, so that the wastewater collection rate within the service area of the No.1 and No.2 wastewater treatment plants of Lijiang City rises from 85% to over 95%, their served population reaches 350,000 by 2020 or 430,000 by 2030, and their served area reaches 42km² by 2020 or 49km² by 2030.

The estimated investment in the Subcomponent is CNY107.5076 million, including a Bank loan of CNY47.5 million.

1.2 Scope of the Subcomponent

The Subcomponent includes the construction or reconstruction of DN110-DN800 intercepting branch sewers totaling 67.677 kilometers, and associated facilities in the Shuhe, Longquan, Changshui and Wenhua areas, including:

1) Construction of DN110-DN600 intercepting branch sewers of 24.759 kilometers in the Shuhe area;
2) Construction of DN110-DN600 intercepting branch sewers of 14.424 kilometers in the Longquan area;
3) Construction of DN110-DN600 intercepting branch sewers of 18.099 kilometers in the Changshui area;
4) Construction of DN110-DN600 intercepting branch sewers of 9.3 kilometers in the Wenhua area;
5) Reconstruction of DN600-DN800 intercepting branch sewers of 1.095 kilometers in the Shuhe area.

The main quantities of work of different areas are as follows:

<table>
<thead>
<tr>
<th>Area</th>
<th>d300(m)</th>
<th>d400(m)</th>
<th>d500(m)</th>
<th>d600(m)</th>
<th>d800(m)</th>
<th>d110(m)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shuhe</td>
<td>12584</td>
<td>1357</td>
<td>719</td>
<td>199</td>
<td>9900</td>
<td>24759</td>
<td></td>
</tr>
<tr>
<td>Longquan</td>
<td>2209</td>
<td>7638</td>
<td>835</td>
<td>792</td>
<td>2950</td>
<td>14424</td>
<td></td>
</tr>
<tr>
<td>Changshui</td>
<td>12503</td>
<td>207</td>
<td>789</td>
<td></td>
<td>4600</td>
<td>18099</td>
<td></td>
</tr>
<tr>
<td>Wenhua</td>
<td>6730</td>
<td>380</td>
<td>90</td>
<td></td>
<td>2100</td>
<td>9300</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>14793</td>
<td>28228</td>
<td>2141</td>
<td>1870</td>
<td>19550</td>
<td>66582</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconstruction</th>
<th>d300(m)</th>
<th>d400(m)</th>
<th>d500(m)</th>
<th>d600(m)</th>
<th>d800(m)</th>
<th>d110(m)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shuhe</td>
<td>553</td>
<td>542</td>
<td></td>
<td></td>
<td></td>
<td>1095</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>553</td>
<td>542</td>
<td></td>
<td></td>
<td></td>
<td>1095</td>
<td></td>
</tr>
</tbody>
</table>

Source: Feasibility Study Report of the Subcomponent

1.3 Preparation for the Subcomponent

On March 10, 2014, the Yunnan Provincial Development and Reform Commission approved the Feasibility Study Report of the Subcomponent (YDRC [2014] No.316) (see Appendix 1).

On August 29, 2014, the Yunnan Provincial Housing and Urban-rural Development Department,
and Development and Reform Commission approved the Preliminary Design of the Subcomponent (YHURDD [2014] No.451) (see Appendix 2).

To date, the preliminary approval work of the Subcomponent has been completed, including environmental impact assessment, and soil and water conservation, and construction drawing design has also been completed.

2. Basic Information of the Affected Village

Jiewei Village in Longquan Community, Shuhe Sub-district will be affected by the temporary occupation of collective land for the Subcomponent. In 2014, the village had 104 households with 451 persons, all being rural status in household registration, including 230 laborers, 195 mu of farmland, and a per capita cultivated area of 0.43 mu, where the main crops are wheat and corn. In 2014, villagers’ per capita income was nearly CNY15,000, and the main income sources were outside employment, house lease and crop cultivation.

3. Resettlement Impacts

The Subcomponent includes the construction or reconstruction of intercepting branch sewers on roads in residential areas, and involves the temporary occupation of state-owned land (roads) and collective land (non-irrigated land).

3.1 Temporary Land Occupation

128.994 mu of land will be occupied temporarily for the Subcomponent, including 101.994 mu of state-owned land, which will not involve resettlement, and 27 mu of collective land, affecting 12 households with 50 persons in Jiewei Village in Longquan Community, Shuhe Sub-district.

See Table 3-1 for the land occupied temporarily for the Subcomponent.

See Appendix 3 for field photos of temporary land occupation in different areas.

<table>
<thead>
<tr>
<th>City</th>
<th>Township/ sub-district</th>
<th>Affected village</th>
<th>Temporarily occupied land (mu)</th>
<th>Directly affected population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>State-owned land</td>
<td>Collective land</td>
</tr>
<tr>
<td>Lijang</td>
<td>Shuhe Sub-district</td>
<td>Longquan</td>
<td>25.519</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shuhe</td>
<td>40.15</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jiewei</td>
<td>0</td>
<td>27</td>
</tr>
<tr>
<td>Dayan Sub-district</td>
<td>Wenhua</td>
<td>15.702</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Huangshan Town</td>
<td>Changshui</td>
<td>20.623</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>101.994</td>
<td>27</td>
</tr>
</tbody>
</table>

3.2 Compensation Rates for Temporary Land Occupation

The compensation rate for the collective land occupied temporarily for the Subcomponent is CNY1,200/mu, including:

1) Young crop compensation: CNY800/mu, for one harvest;
2) Compensation for fertility losses: CNY400/mu

The affected households will be consulted on compensation in the near future, and the compensation rates will not be less those listed above.
3.3 Amount of Compensation for Temporary Land Occupation

Based on the temporarily occupied land area and compensation rates, the amount of compensation for temporary land occupation is CNY32,400, including young crop compensation of CNY21,600 and compensation for fertility losses of CNY10,800, which will be paid directly to the affected households.

3.4 Impact Analysis of Temporary Land Occupation

Currently, Jiewei Village has 195 mu of farmland, and the main crops are wheat and corn. Crop cultivation income accounts for a low proportion to gross income. The Subcomponent will occupy 27 mu of farmland temporarily, accounting for 13.8% of all farmland. The Subcomponent will be constructed in stages, and the construction period of each segment (from foundation excavation to farmland reclamation) is 15-30 days. Through consultation with villagers, temporary land occupation for the Subcomponent will begin after the current harvest of crops, namely in a slack season of farming. Therefore, temporary land occupation for the Subcomponent will have almost no impact on the agricultural income of the affected households. However, in view of fertility losses and possible young crop losses, the owner will grant reasonable compensation for the temporarily occupied land at the specified rates. In order to help the affected persons (APs) earn more income and perform its due social responsibility, the owner has promised to make suitable jobs generated at the construction stage first available to the APs, and will supervise the contractor to restore the temporarily occupied land as soon as possible in order not to affect subsequent crop cultivation.

4. Resettlement Agencies

4.1 Resettlement Agencies

In order to ensure the successful implementation of the Subcomponent and the RAP, the Subcomponent Leading Group has been established in Gucheng District, Lijiang City, composed of district leaders and heads of the departments concerned, such as the land and resources bureau, environmental protection bureau, planning bureau, construction bureau, etc., responsible for the implementation and coordination of the Subcomponent. The owner, Lijiang Water Supply & Sewerage Company, is the implementing agency of the Subcomponent, and has established a land acquisition team composed of corporate leaders and some persons responsible. See Table 4- for details.

Table 4-1 Basic Information of the Resettlement Agencies of the Subcomponent

<table>
<thead>
<tr>
<th>Agency</th>
<th>Person responsible</th>
<th>Name of agency</th>
<th>Title</th>
<th>Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>He Genli</td>
<td>Lijiang Water Supply &amp; Sewerage Company</td>
<td>Office director</td>
<td>2</td>
</tr>
<tr>
<td>Implementing</td>
<td>Cai Gaoping</td>
<td>Gucheng District Land Reserve Center</td>
<td>Director</td>
<td>3</td>
</tr>
<tr>
<td>agency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.2 Institutional Capacity

The department responsible for the Subcomponent of Lijiang Water Supply & Sewerage Company has a full range of advanced office equipment, and dedicated staff that is well-educated and competent, and has been trained by the Lijiang PMO in a unified manner to take charge of resettlement. In addition, an internal monitoring mechanism has been established. The staff has gained practical experience in the resettlement work of the Lijiang No.2 wastewater treatment plant and associated sewer network, and is able to understand and carry through the requirements of the
Bank and domestic resettlement policies very well, providing a strong guarantee for the successful implementation of the Subcomponent.

5. Public Participation and Grievance Redress

5.1 Public Participation

The owner attaches importance to the information disclosure and public participation work of the Subcomponent. On February 7, 2015, the owner held an FGD in Jiewei Village, involving staff members of the owner and the Jiewei Village Committee, and representatives of the APs, where the owner disclosed basic information of the Subcomponent to the APs, and consulted them on matters to be noted during the preparation and implementation of the Subcomponent, their needs for and suggestions on the Subcomponent, grievance redress channels, impacts of temporary land occupation, compensation rates, modes of payment, restoration measures, etc.

Based on adequate consultation and participation, the APs’ attitudes to and needs for the Subcomponent are as follows:

- Support for the Subcomponent
  The APs generally support the Subcomponent, and think that the Subcomponent will solve the water pollution problem of the local river and improve the living environment of the village.

- Attitude to temporary land occupation
  The land to be occupied temporarily for the Subcomponent accounts for 13.8% of contracted land area, and temporary land occupation will affect one harvest. The APs have no objection to temporary land occupation, but claim that this should occur after the harvest of corn and compensation should be fully paid. Young crop and land fertility losses should also be compensated for, and compensation should be paid directly to the affected households. After the completion of the Subcomponent, the owner should supervise the contractor to restore the temporarily occupied land.

- Requirements and needs for the Subcomponent
  First, the compensation for the land occupied temporarily for the Subcomponent should be paid timely and fully; second, the Subcomponent should not affect subsequent crop cultivation; third, suitable jobs generated at the construction stage should be first made available to the APs.

Figure 5-1 FGD with APs

5.2 Grievance Redress

Since resettlement will be conducted with the involvement of the APs, some unforeseeable issues will arise in practice. Possible grievances arising from the Subcomponent will be from
temporary land occupation. In order that such grievances are handled effectively and the Subcomponent is implemented successfully, a transparent and effective grievance redress has been established as follows:

- **Stage 1**: If any AP is dissatisfied with any aspect of resettlement, he/she may file an oral or written appeal with the village committee or the implementing agency. In case of an oral appeal, the village committee or the implementing agency should handle such appeal and keep written records. Such appeal should be addressed within two weeks.

- **Stage 2**: If the AP is dissatisfied with the disposition of Stage 1, he/she may file an appeal with the owner after receiving such disposition, which should make a disposition within two weeks.

- **Stage 3**: If the AP is dissatisfied with the disposition of Stage 2, he/she may file an appeal with the Lijiang PMO after receiving such disposition, which should make a disposition within two weeks.

- **Stage 4**: If the AP is still dissatisfied with the disposition of Stage 3, he/she may file a suit in a civil court in accordance with the Civil Procedure Law after receiving such disposition.

The APs may file an appeal on any aspect of resettlement, including compensation rates, etc. The above appeal channel will be communicated to the APs at a meeting or otherwise, so that the APs are fully aware of their right of appeal. Mass media will be used to strengthen publicity and reportage, and comments and suggestions on resettlement from all stakeholders will be compiled into messages for disposition by the resettlement agencies.

6. Resettlement M&E

M&E is an important means to ensure that the Subcomponent and this RAP are implemented successfully, and the resettlement objectives are realized, and also important error-correction and participation mechanisms for the Project as a part of the whole Yunnan urban environment project. An M&E mechanism has been established for the Subcomponent and includes internal supervision and external M&E.

Internal supervision will be conducted twice a year by the Lijiang PMO, covering the implementation progress of the Subcomponent and the RAP, etc. External M&E on the implementation of the RAP will be conducted twice or once a year pending on the requirement and progress of the temporary land taking. The external M & E will be carried out by the National Research Center for Resettlement, Hohai University periodically, which will give advice and submit semi-annual and or annual M&E reports to the Bank.
Appendixes

Appendix 1 Approval Document of the Feasibility Study Report
Appendix 2 Approval Document of the Preliminary Design

Appendix 3 Field Photos of Temporary Land Occupation in Different Areas

Field photo of the Wenhua area

Field photo of the Wenhua area
Field photo of the Changshui area

Field photo of the Changshui area

Field photo of the Longquan area

Field photo of the Longquan area

Field photo of the Shuhe area

Field photo of the Shuhe area

Field photo of temporarily occupied collective land

Field photo of temporarily occupied collective land