

Safeguards Due Diligence Report: Involuntary Resettlement

October 2010

PRC: Guangxi Nanning Urban Environmental Upgrading Project

Prepared by Project Management Office of the Guangxi Nanning Urban Environmental Upgrading Project, Nanning Municipal Government for the Asian Development Bank.

CURRENCY EQUIVALENTS

(as of 1 October 2010)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1494
\$1.00	=	CNY6.6900

ABBREVIATIONS

ADB	–	Asian Development Bank
EIA	–	Environmental Impact Assessment
EMP	–	Environmental Management Plan
FSR	–	feasibility study report
IA	–	Implementing agency
NEPB	–	Nanning Municipal Environment Protection Bureau
NMG	–	Nanning Municipal Government
NXCDC	–	Nanning Xiangsihu Investment Construction and Development Company
PMO	–	project management office
PRC	–	People's Republic of China

WEIGHTS AND MEASURES

km	–	kilometer
m	–	meter
m ²	–	square meter
mu	–	Chinese area measure for land 1mu = 0.0667 ha

NOTE

- (i) In this report, "\$" refers to US dollars.

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Nanning Urban Environment Upgrading Project

**Connection Channel Safeguards Due Diligence
Report: Involuntary Resettlement**

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(2nd version)

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1 Introduction

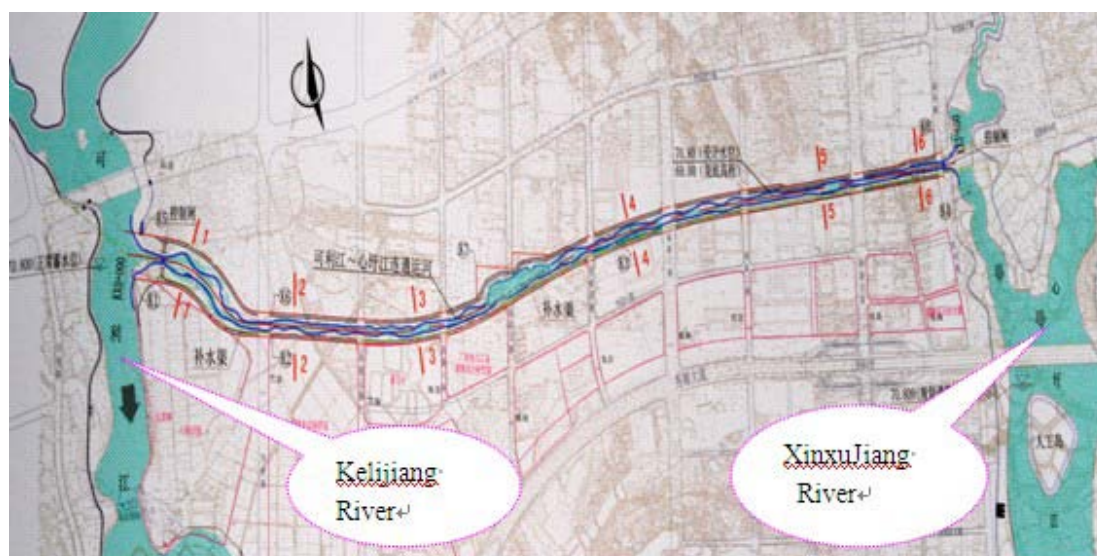
1 This 'Due Diligence Report for the Connection Channel between Kelijiang and Xinxujiang Rivers' is produced and submitted to ADB as a document necessary to request an approval for a minor scope change under the Loan-PRC Guangxi Nanning Environmental Upgrading Project (the project). On 7 September 2009, the project management office received an instruction from the Nanning Municipal Government Inland River Upgrading Works Steering Committee that the Nanning Municipal Government (NMG) will pursue the concept of a 'Water City', which all 18 tributaries of the Yongjiang River and most of the reservoirs in the city will be upgraded and managed in an integrated manner to pursue better water resource and water quality management. Under the policy, the NMG decided to build a water transfer channel of approximately 3.7 km, connecting Xinxujiang and Kelijiang subprojects for integrated water resource and flood management. Although proposed construction of connection channel is not financed by ADB nor under the scope of the project, the due diligence report is required by ADB because (i) it will trigger the minor scope change of pumping equipment under the project and (ii) the connection channel is considered as associated project facility to the project.

1.1 Introduction of the Connection Channel

2 The purpose of the connection channel is to link the Kelijiang and Xinxujiang rivers. This is part of the development of the Nanning Water City concept. The connection channel will also assist in the transfer of flows from Kelijiang to Xinxujiang in order to maintain water quality in both of these rivers during low flow conditions.

3 The alignment of the connection channel is from the left dike of Kelijiang River in the west to Xinxujiang River along Baguitianyuan, Xiangsihu East Road and Chuangxin Road. The length of the connection channel is 3.65km; and the width varies from 50m to 100m. See Figure 1.

Figure 1 Plan of connection channel



4 The project owner (implementing agency) is the Nanning Xiangsihu Investment Construction and Development Company (NXCDC). This is the same project owner as the Kelijiang subproject, currently being financed by the ADB.

5 The connection channel was commenced in May of 2010 and is to be completed in May of 2011. Site photos are shown in Figure 2.

Figure 2 Site Photos



2 Resettlement

2.1 Progress of Land Acquisition and Resettlement

6 The resettlement implementing agency is Xiangsihu New District land acquisition and house demolition office. In order to ensure the smooth implementation of the construction the land acquisition and resettlement commenced in early March 2010, and is planned to be completed by December 2010 as per the project progress.

7 The land acquisition and resettlement have been implemented strictly in accordance with the policies and procedures of PRC and Nanning Municipality.

- On 12 May 2010, the information center of Nanning land resource bureau completed the allocation of landownership and land use right;
- On 18 May 2010, Nanning land resource bureau issued an announcement of land acquisition, which publicized the land acquisition scope, policies and cut-off date for compensation, etc. See Appendix A.
- In early June 2010, Xiangsihu New District land acquisition and house demolition office completed the detailed measurement surveys, and undertook consultation with affected persons and units. The details were shown in Table 1. The further consultations are being carried out.
- Currently the land acquisition and resettlement is ongoing.

- Full consultations have been conducted or are being conducted to date; major grievances are not likely to arise. However, to ensure that APs have avenues for redressing grievance related to any aspect of land acquisition and resettlement, the grievance procedures established in updated RP of kelijiang Subproject are effective.

Table 1 Public Participation

Date	Activities	Organizers	Participants	Results
2010.6.12	initial confirmation of land property	Mr. Chen weijun and Lingjie	Liu Detian, Liu Laian, Liu Degui, Liu Jizhi, Liu Yinqi and Su Guoshou	Confirm land property initially and need to be further clarified
2010.8.13	Discussion on compensation for wood processing factory	Mr. Chen weijun and Lingjie	Liu Guisheng and Huang Ruisheng	The structures will be compensated for building materials only as it does not have formalities.
2010.9.13	confirmation of land property	Mr. Chen weijun and Lingjie	Liu Detian, Liu Laian, Liu Degui, Liu Jizhi, Liu Yinqi and Su Guoshou	Confirm the quantities and properties of land acquisition, and sign the confirmation letter

2.2 Resettlement Impacts

8 As per project design, the connection channel is to be constructed as an open channel on the line of the existing Chuangxin Road (about 3.05km) and on some existing farm land. This has reduced the resettlement impacts to some extent.

2.2.1 Permanent land occupation

9 According to the detailed measurement survey of Xiangsihu New District land acquisition and house demolition office, a total of 103.889mu land will be occupied permanently, including 43.6545mu of collective land and 60.2445mu of state-owned land.

(i) Collective land acquisition

Impacts of Collective Land Acquisition

10 One village, Hede village of Xinxu street office (township) in Xixiangtang District, is affected by the project. A total of 43.6545mu of collective land will be acquired, including 0.9855mu of cultivated land, 3.552mu of orchard land, 32.3355mu of pond land, and 7.7815 of unused land. 35 persons¹ are affected. See details in Table 2.

¹ It is estimated by cadre of affected village.

Table 2 Collective Land Acquisition

Unit: mu

affected village	subtotal	farm land			unused land	affected persons
		cultivated land	orchard land	pond land		
Hede	43.6545	0.9855	3.552	32.3355	6.7815	35

Analysis on Impacts

11 The total land of Hede village is 666.9mu, including 80.6mu of cultivated land. The agricultural population is 3560, although the agriculture income is not the major income of the farmers. Based on the calculation, the proportion of the land and cultivated land acquisition accounting for the total land and cultivated land in the village are 6.5% and 1.2% respectively. Therefore, this will have comparatively little impact on the farmer's income.

(ii) Permanent State-owned Land Occupation

12 A total of 60.2445mu of state-owned land will be occupied, which affects 3 institutes. The details are shown in Table 3. There are no structures on this land.

Table 3 Permanent State-owned Land Occupation

Unit: mu

No.	name of institute	Land occupation	proportion
1	Guangxi sugarcane research institute	37.116	61.6%
2	Guangxi Academy of Agricultural Science	19.032	31.6%
3	Guangxi agriculture vocational college	4.0965	6.8%
	total	60.2445	100.0%

2.2.2 Structures demolition

13 According to the survey conducted by the Xiangsihu New District land acquisition and house demolition office; there is no residential housing to be demolished. A wood processing factory in Hede village is however to be demolished. It is estimated that 25 persons will be affected. The total demolition acreage is 10315 m² including 1480 m² of brick and concrete structures, 3960 m² of brick and timber structures and 4875 m² of simple shelters. See details in Table 4.

Table 4 Structures Demolition

Structure	Demolition area (m ²)	proportion
Brick and concrete	1480	14.3%
Brick and timber	3960	38.4%
Simple shelter	4875	47.3%
total	10315	100.0%

14 According to the survey, the wood processing factory is built on the land leasing from Hede village. Except for some office building, above 85% structures are the storages and simple shelters to store the woods. Moreover, these structures were built without any approvals of the local government. See details in Figure 3. The workers are mainly migrant workers from the nearby villages. When the factory is demolished, it won't be allowed to be relocated, and only building materials will be compensated.

Figure 3 Wood Processing Factory to be Demolished



2.3 Resettlement Policies, Compensation Rates and Resettlement Costs

2.3.1 Resettlement Policies

15 The resettlement policies of connection channel were carried out as per the Methods of Compensation and Resettlement for Collective Land Acquisition and House Demolition in Nanning (Nan Fu Fa [2008] No. 15)².

(i) Policies for the Collective Land Acquisition and State-owned Land Occupation

16 The compensation for collective land acquisition consists of land compensation fee, resettlement subsidies and young crop fees. The persons affected by land acquisition can choose one of the restoration measures including reserved land for industry, and

² It was effective on 26 February of 2008.

compensation in kind and self-employment subsidy on the basis of their will and real situations except gain the resettlement subsidies.

17 Occupation of state-owned land shall be compensated in the form of monetary compensation properly. The compensation for state-owned agricultural land will be 70% of that of collective land acquisition.³

(ii) Policies for Structural Demolition

18 The structures to be demolished by the connection channel are to be compensated at replacement price including materials and labor costs.

2.3.2 Compensation Rates and Resettlement Costs

(i) Compensation Rate for Collective Land Acquisition

19 According to the policies, the project is situated in the Section 1 of Nanning City. The compensation rate for the collective land is detailed in Table 5.

Table 5 Compensation Rate⁴ for the Collective Land Acquisition

Land categories		rate (Yuan/mu)
Agriculture land	Paddy field, vegetable land, dry land, garden plot, fish pond, woodland	90,000
	Agriculture land for facilities	50,000
Construction land		40,000
Unused land		40,000

(ii) Compensation Rate for Structures

20 On the basis of the construction materials and structures, the compensation rate ranges from 50 Yuan/m² to 250 Yuan/ m².

(iii) Resettlement Cost

21 It is estimated the basic resettlement cost excluding taxes, management fees and contingencies fees is 9.67 million Yuan, see details in Table 6.

Table 6 Resettlement Cost

categories	fees (ten thousand Yuan)
collective land acquisition fee	359
state-owned land occupation fee	438
structure demolition fee ⁵	170
total	967

³ It is regulated by *Method of Guangxi Zhuang Autonomous Region on Implementation of Land Administration Law of the People's Republic of China*, See details in updated RP of Kelijiang Subproject.

⁴ It is higher than that in updated RP of Kelijiang subproject in 2007. In 2008, Nanning Government issued the new policy for land acquisition and resettlement, The detailed analysis was included in the No. 3 external resettlement monitoring report.

⁵ Due to the structures without formalities, no additional subsidies will be paid.

2.4 Resettlement Implementation and Monitoring

22 As of 30, June of 2010, Guanxi sugarcane research institute and Guangxi Academy of Agricultural Science have signed the agreements for the use of state-owned land. A total of 56.148mu of state-owned land (accounting for 93.2% of total state-owned land) was available for the project. The remaining land acquisition and resettlement is ongoing. It is estimated that the overall land acquisition and resettlement will be completed by the end of December 2010.

23 Nanning PMO and implementing agency will report the resettlement progress to ADB. When the resettlement is completed, the external monitoring agency, Guangxi Economic and Finance College will carry out the resettlement evaluation and submit a report to ADB and Nanning PMO. The evaluation contents will include, but not limit to:

- resettlement impacts and resettlement implementation
- resettlement policies and compensation rate
- resettlement funds payment and usage
- the effect of resettlement and satisfactions of affected persons

24 The Guangxi Economic and Finance College are currently contracted to carry out the existing monitoring for the ADB funded works. Their contract will be extended to include the works associated with the connection channel.

Appendix A The Announcement of Land Acquisition

