

Social Monitoring Report

6 Report
March 2011

PRC: Guangxi Nanning Urban Environmental Upgrading Project–Nanning Qingxiushan Mountain Ecological Protection Subproject

Prepared by Guangxi University of Finance and Economics for the People's Republic of China
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CURRENCY EQUIVALENTS

(as of 1 March 2011)

Currency unit	–	renminbi (RMB)
RMB1.00	=	\$0.15
\$1.00	=	RMB6.57

WEIGHTS AND MEASURES

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

NOTE

In this report, "\$" refers to US dollars.

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**GUANGXI NANNING URBAN
ENVIRONMENTAL UPGRADING PROJECT
Loan No.: 2239-PRC**

**NANNING QINGXIUSHAN MOUNTAIN
ECOLOGICAL PROTECTION SUBPROJECT**

**RESETTLEMENT EXTERNAL
MONITORING AND EVALUATION REPORT**

(NO.6)

Guangxi University of Finance and Economics
Nanning, P.R. China
March, 2011

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1 Brief Introduction

As of December 31, 2009, the resettlement for Qingxiushan mountain ecological protection subproject had been completed. A total of 1,198.9 mu of land has been acquired. 60 m² of rural residential houses and 1,506 m² of temporary simple-structure houses have been demolished. A total RMB 76 million compensation for land acquisition and house demolition has been paid to the affected villagers, including RMB 71.47 million for land acquisition and RMB 4.53 million for house demolition. The compensation capitals have been fully paid to Fengling Horticulture Farm, state-owned Dongfeng Horticulture Farm, and other affected villagers. According to the publicly released *Resettlement Plan*, 100% of land acquisition and house demolition have been completed. The actual compensation capital is 320.41% as high as the originally estimated compensation. The compensation for land acquisition and house demolition increases by RMB 20.8874 million and RMB 3.2811 million respectively. The main reasons for the increased compensation are as follows: First, the original estimate in the *Resettlement Plan* did not cover the compensation for the seeding base and the land-attached structures; second, the original compensation standards were defined for different types of land, that is, RMB 36,500/mu for dry land, RMB 40,000/mu for orchard, RMB 22,500/ mu for forest land and RMB 20,000/ mu for waste land. However, the vegetables were grown on most dry land, forest land and waste land, and thus they became vegetable land. The compensation standard for vegetable land is RMB 119,000 per mu. The details are shown in Table 1-1, Table 1-2 and Table 1-3.

Table 1-1 Summary Table of Land Acquisition (Occupation)

Farm Name	Land acquisition (occupation) (mu)			Affected household(s)		
	<i>Resettlement Plan</i>	Actual	Actual completion (%)	<i>Resettlement Plan</i>	Actual	Actual completion (%)
Fengling Horticulture Farm (collectively owned)	870.00	965.72	111	36	7	19.44
Dongfeng Horticulture Farm (state-owned)	328.80	233.04	70.88	18	47	261.11
Total	1,198.80	1,198.77	100	54	54	100

Table 1-2 Summary Tables of House Demolition

Farm Name		Demolition area (m ²)			Affected person(s)		
		<i>Resettlement Plan</i>	Actual	Actual completion (%)	<i>Resettlement Plan</i>	Actual	Actual completion (%)
Dongfeng Horticulture Farm	Rural house	/	/	/	/	/	/
	Temporary simple structure house	936	1,150	122.86	154	154	100
Fengling Horticulture Farm	Rural house	600	600	100	11	11	100
	Temporary simple structure house	570	356	62.46	9	9	100
Total		2,106	2,106	100	174	174	100

Table 1-3 Summary Tables of Compensations for Land Acquisition
(Occupation) and House Demolition

Farm Name	Compensations for land acquisition (occupation) (RMB 10,000)			Compensations for house demolition (RMB 10,000)		
	<i>Resettlement Plan</i>	Actual	Actual completion (%)	<i>Resettlement Plan</i>	Actual	Actual completion (%)
Fengling Horticulture Farm	3,939.01	6,216.71	157.82	106.45	357.47	226.50
Dongfeng Horticulture Farm	1,119.75	930.79	83.12	18.14	95.23	114.56
Total	5,058.76	7,147.50	141.29	124.59	452.7	320.41

According to the previous five monitoring surveys, 100% of the compensation capitals have been fully paid. The payment procedures are as follows: the compensation for crops, land-attached structures and house demolition were paid directly to related affected villagers; while the compensation for land acquisition and resettlement subsidies were transferred to the collective account of the horticulture farms and then they were distributed according to the decision made on the villagers' conference. The payment procedures of the compensation capitals are consistent with the requirements in the *Resettlement Plan*.

As of February 2011, the afforestation, arboreal mix improvement, fire control and irrigation system engineering have been completed. The seeding base has completed 60% of its total contract. It is estimated the whole project will be completed in June 2011.

Since the implementation for this subproject in 2007, there are total 15 contract variations, including 6 variations for afforestation and arboreal mix improvement and 9 variations for fire control and irrigation system. None of the

above adjustments and variations is involved in resettlement. The resettlement has been implemented smoothly.

The focuses of this monitoring are the construction and operation of Fengling Mansion as a production restoration plan for Fengling Horticulture Farm, and construction progress of the resettlement community—Fengling New Village, as well as the production and living of the affected villagers.

2 Production and Livelihood Restorations of Affected Villagers

2.1 Construction Progress of the Resettlement Community—Fengling New Village

As of February 2011, all the 15 buildings of Fengling New Village have completed the top-sealing and are now under decoration. The construction of the resettlement community moves forward smoothly, and it is estimated that they will be put into use in June 2011 as scheduled, as shown in Picture 2-1, 2-2 and 2-3. Three households affected by house demolition remain living in their original residential houses.



Picture 2-1 Construction site of Fengling New Village



Picture 2-2 Completed Fengling New Village



Picture 2-3 Location of Fengling New Village

2.2 Construction Progress of the Collective Industry—Fengling Mansion

Fengling Mansion is a comprehensive commercial building built on the collective commercial land. Fengling Horticulture Farm signed the leasing contract for the whole building with Guangxi Zhongjian Fengyu Real Estate Development Co., Ltd. (hereinafter referred to as Zhongjian Company) on 9 April, 2007. According to the leasing agreement, the leasing term is 20 years, and the annual rental is RMB 6.005 million, with an increase of 5% after every 5 years. The first annual rental was paid to Fengling Horticulture Farm in November 2008 and has been distributed to the villagers. Each villager received RMB 4,000.

Upon its completion, the building was renamed “Jinwangjiao International Hotel”, which is a 5-star hotel integrating with accommodation, dining and entertainment, as shown from Picture 2-4 to Picture 2-6. The hotel is now under operation.



Picture 2-4 Jinwangjiao International Hotel



Picture 2-5 Jinwangjiao International Hotel



Picture 2-6 Lobby of Jinwangjiao International Hotel

Based on the follow-up monitoring, the production and livelihood of the affected villagers have been fully restored. Their orchards invested with their compensations have brought them with actual benefits. And their living standards have been significantly improved.

2.3 Employment Training

The *Employment Training and Social Security Provisional Measures for Land-losing Villagers in Nanning City* was adopted and promulgated on the executive meeting of Nanning municipal government on May 19, 2010, which stipulates:

1. The government should provide free work skills training and occupation guidance for the villagers at work age who are affected by land acquisition. The eligible land-losing villagers will be subsidized in the occupational training and the attestation of their work skills.

2. Under the same conditions, the villagers affected by land acquisition

should be given priority for employment opportunities provided by the developer of the land. The affected villagers are encouraged to start their own entrepreneurship and self-employment endeavor.

3. The affected villagers who set up or run their own business are guaranteed small loans according to related regulations if they are short of capitals.

Since 2010, the Qingxiu district has carried out the following campaigns to help land-losing villagers with their employment and resolving of their actual needs. The campaigns focus on improving work skills, employment assistance and rights protection for land-losing villagers.

1. Work skills trainings

The district government organized training programs in various forms to help improve the work skills of affected villagers, covering basic work skills for manufacturing, construction and service industry, as well as practical knowledge such as employment guidance, etiquette, related laws and policies. By working with other government departments, the sub-district offices organized the “Course for Migrant Workers” to provide trainings for migrant workers in Nanning city.

2. Rights protection for land-losing villagers

In order to help land-losing villagers better integrate into the city, efforts have been made to protect their rights and assist needy villagers. First, work contract is required for the work relationship by setting up work union in the grassroots enterprises. 2. A communication mechanism is set up to help get information across between the villagers and employers, aiming for providing more employment opportunities for the villagers. 3. Efforts are made to help arouse migrant workers’ awareness to protect their rights by giving out booklets covering related laws and policies and the procedures of protecting their rights. 30 person-times of affected villagers took part in such campaigns.

3. Concerted actions for better services for migrant workers

The district government further strengthens its management and integrates resources to provide better services to the migrant workers by working closely with cadres, party members and voluntary groups. For the needy migrant workers, besides providing free work skill training, the district government aims at providing concerted assistance by working with related departments such as justice, education, women’s federation, public security, work union and labor. A long-term mechanism is established to protect migrant workers’ rights.

2.4 Social Security

The *Employment Training and Social Security Provisional Measures for Land-losing Villagers in Nanning City* was adopted and promulgated on the executive meeting of Nanning municipal government on May 19, 2010, which stipulates:

1. Basic Endowment Insurance

1). When the land is acquired, for the land-losing villagers who are less than 45 years old for men and less than 40 years old for women, they can pay their basic endowment insurance premium for 15 years in lump sum starting from the date of land acquisition. Their payment base of premium is based on 60% of the average monthly salary of urban employees of the previous year of

land acquisition, and the payment ratio is 20%. For those who are between 45~60 years old for men and between 40~55 years old for women, they can pay their basic endowment insurance premium for a total of 15 years in lump sum by making up for previous premium payment or paying for the new premium afterward. For those who make up for previous premium payment, their payment base of premium is based on 60% of the average monthly salary of urban employees of the year of payment (before 2003, it was based on the average monthly salary of all employees in Guangxi), and the payment ratio is 20%. For those who make new premium payment afterward, their payment base of premium is based on 60% of the average monthly salary of urban employees of the previous year of land acquisition, and the payment ratio is 20%.

2). If the land-losing villagers pay their basic endowment insurance premium for 15 years in lump sum, and the lump sum payment is up to or exceeds 50% of the per capita compensation in the family, the villagers can apply for payment through installment after approval by the social insurance agency. However, the down payment should cover the premium for no less than 8 years in lump sum, and the remaining premium should be fully paid within 5 years. In addition, they should pay for the interest of the delayed payment according to the same bank deposit rate over the same period. When the land-losing villagers reach the eligible age for the basic endowment, they can receive the basic endowment on monthly basis after their entire premium is fully paid.

3). If the land-losing villager has paid the premium of his basic endowment insurance for 15 years in lump sum, he is employed and recovered by his/her employer in the basic endowment insurance, or if the land-losing villager has been covered within the basic endowment insurance as an individual business or a flexible employee, his/her premium can be calculated accumulatively. The payment base of premium of the year and the period of payment can also be calculated accumulatively.

4). The social security agency should open a basic endowment insurance personal account for the land-losing villager who pays for the basic endowment insurance based on 8% of his/her actual premium paid.

5). When the land is acquired, for the land-losing villagers who are over 60 years old for men and 55 years old for women, they can pay their basic endowment insurance premium in lump sum based on 50% of the average monthly salary of urban employees of the previous year of land acquisition. After his/her basic endowment insurance premium is paid in lump sum, the villager can receive the basic endowment on the monthly basis starting from the following month. The basic endowment received is based on 50% of average monthly basic endowment of local enterprise retirees of the previous year of land acquisition.

6). Claim of basic endowment: The basic endowment is composed of basic endowment and personal account endowment. The adjustment of basic endowment for enterprise retirees also apply to the land-losing villagers who are eligible for monthly basic endowment; If the land-losing villagers who are eligible for monthly basic endowment die, the balance on their basic endowment personal account will be paid to their designated beneficiary or heir at law in lump sum; If the land-losing villagers who are eligible for monthly basic endowment die, they are entitled to the treatment for death due

to illness or fatalities. If the land-losing villagers die due to illness or fatalities before they are eligible for claiming basic endowment, both the principal and interest of the premium on their basic endowment personal account will be paid to their designated beneficiary or heir at law in lump sum. And their basic endowment insurance will simultaneously terminate.

2. Medical Insurance

The affected villagers can choose to take part in the medical insurance for Nanning urban residents or the new type of rural medical insurance. The affected villagers are encouraged to take part in the medical insurance for Nanning urban residents according to the same measures applied for individual business or flexible employees.

3. Sources of capital for insurance coverage

1). All the expenses for employment service, work skills training, entrepreneurship training and occupational attestation for affected villagers will be reimbursed through special financial fund.

2). The sources of capital for basic endowment premium and endowment premium include: compensation for land acquisition and resettlement, collective fund of the village, personal capital, and allocation of revenues from the land auction.

3). Proportion of payment: If the affected villagers pay their basic endowment and endowment premium in lump sum, 50% will be paid jointly by the villagers and the collective village, and the other 50% will be paid through financial subsidy. The specific proportion of payment between the villagers and the collective village is determined by both parties after consultation. However, the proportion of personal payment should not be less than 20%.

All the affected villagers of this project have been covered in the basic endowment insurance in October 2010.

Since 2009, the Nanning municipal government has take effective measures to help solve the social security for the affected villagers. The promulgation of Nanning *Employment Training and Social Security Provisional Measures of Nanning Municipal Government for Land-losing Villagers* significantly helps push forward this project.

3 Surveys and Analyses on Incomes and Expenses of Affected Villagers

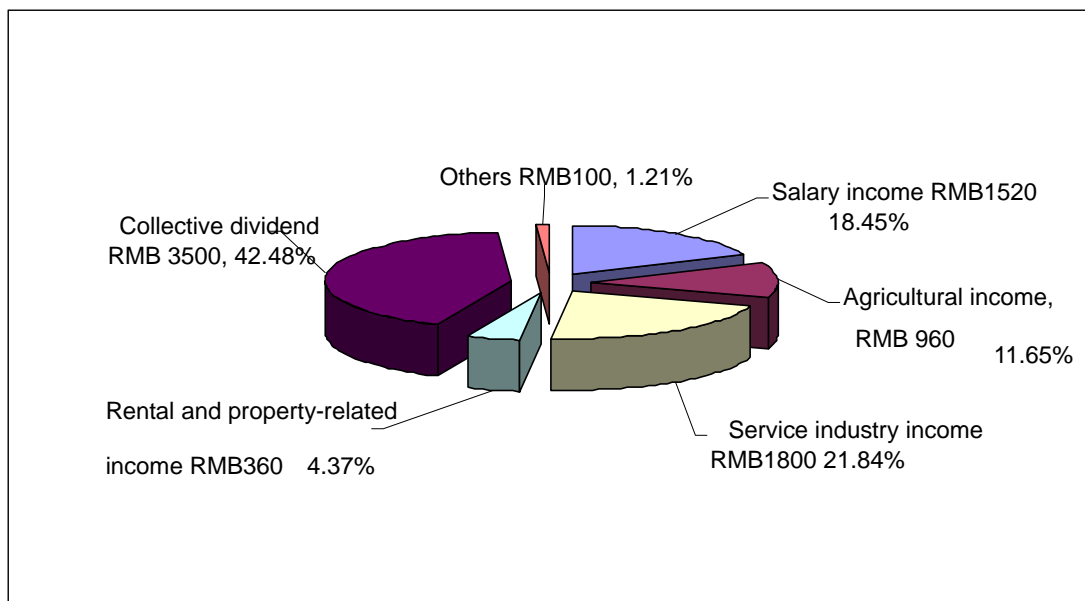
From February 20th ~25th, 2011, the external resettlement monitoring agency Guangxi University of Finance and Economics carried out sampling surveys on Dongfeng Horticulture Farm and Fengling Horticulture Farm. The objects of surveys are the permanent villagers affected by land acquisition and house demolition, with their ages ranging from 16~65 years old. Most of the objects of sampling surveys remain the same as the previous surveys. 100 questionnaires were distributed, covering 56% of the total affected villagers. 95% of the questionnaires are effective. The distribution and reclaim of questionnaires are shown in Table 3-1.

Table 3-1 The Sampling Surveys in Various Villages

Affected villages	Household surveyed	Persons surveyed	Effective questionnaires
Fengling Horticulture Farm	15	65	62
Dongfeng Horticulture Farm	10	35	33
Total	25	100	95

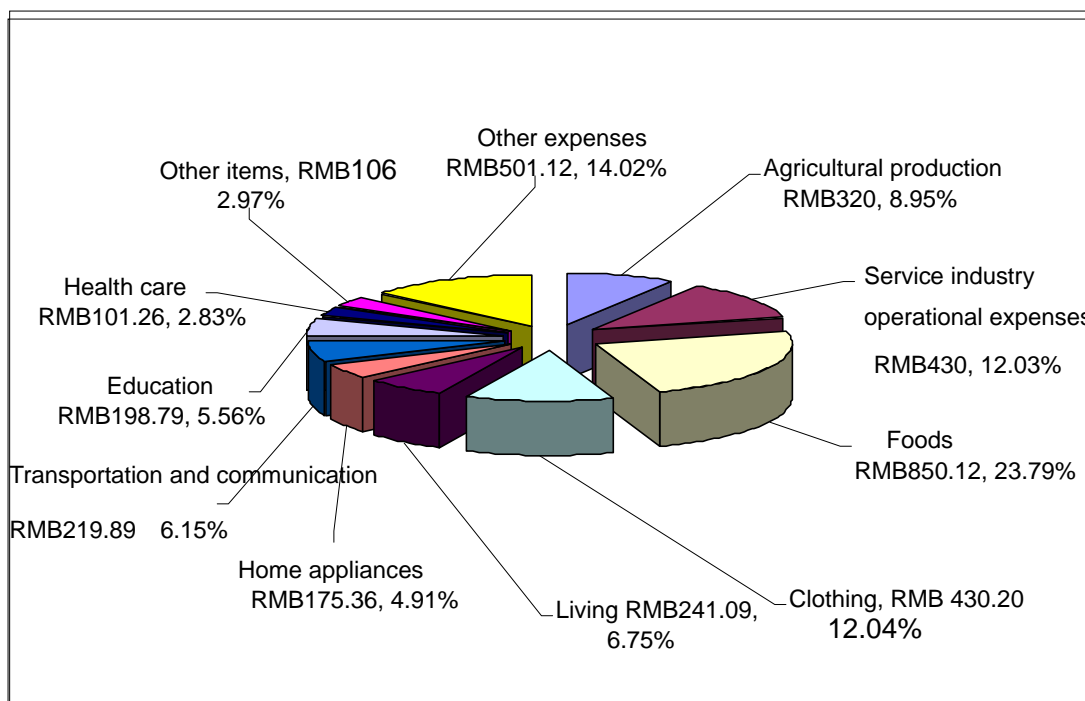
On the basis of questionnaires surveys, the per capita income was RMB 8240 from July to December 2010, which is RMB 340 higher than the first half of the year. Among different categories of incomes, the incomes from salary, agriculture, rental and property-related revenues all show increases compared with the first half of the year. Of which, the income from the service industry and the collective dividend increased by 16.67% and 24.29% respectively. The components of different incomes are shown in Picture 3-1.

In terms of the incomes, the sources of the villagers' incomes are diverse and varied. Major sources of incomes include salary income, agricultural income, incomes from the service industry, and rental & property-related income. The dividend from the collective village, in particular, becomes an important source for villagers. Based on the survey results, the incomes of villagers showed increase year after year.



Picture 3-1 Components of Incomes

In terms of the expenses, the expenses in the second half of 2010 increased by 1.33% over the first half of the year. The per capita expense of affected villagers from July to December of 2010 was RMB 3573.83. The productive and operational expenses in the second half of 2010 increased slightly over the first half of the year. The biggest component of expenses remains as food consumption, being RMB 850.12, accounting for 23.78% of total expenses. The details of their expenses are shown in Picture 3-2.



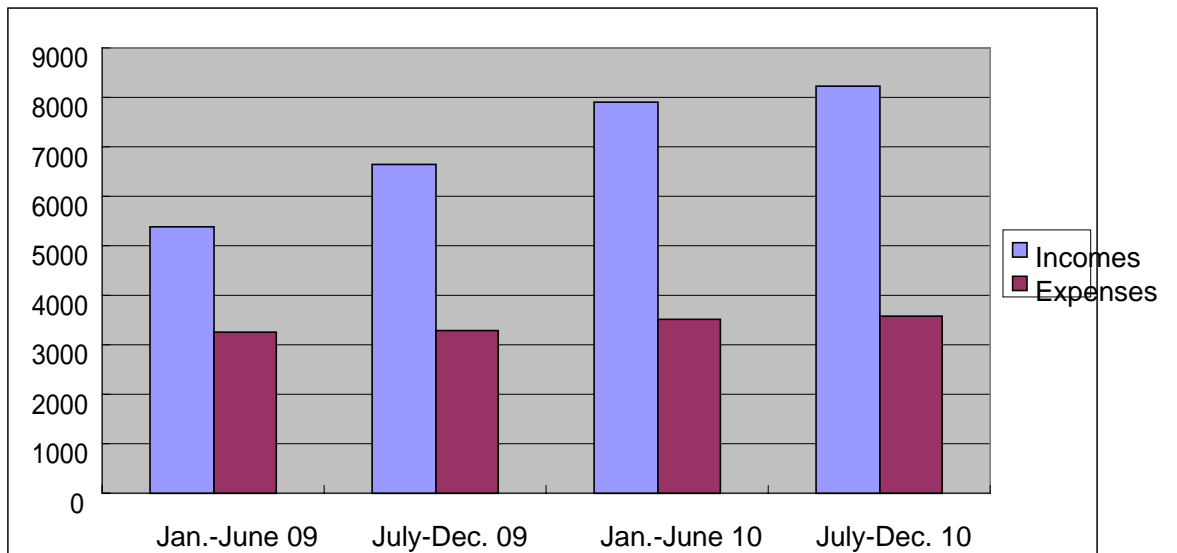
Picture 3-2 Components of Expenses

Based on the data obtained from the previous survey, the external monitoring and evaluation agency made comparisons and analyses on the

incomes and expenses of affected villagers every half a year, as shown in Table 3-2. The comparisons of incomes and expenses of every half a year is shown in Picture 3-3. For the comparison of the data, we divide the annual collective dividend in half so as to avoid calculation error. Compared with the first half year of 2010, the income of the second half year of 2010 is RMB 8240, increasing by 4.12%; and the expense over the same period is RMB 3573.83, increasing by 1.33%. The growth rate of incomes exceeds that of the expenses by 2.79%.

Table 3-2 Incomes and Expenses of the Affected Villagers 2009~2010

Items	Unit	2009		2010	
		Jan.-June	July-Dec.	Jan.-June	July-Dec.
. Incomes	RMB	5392.14	6658	7900	8240
1. Salary income	RMB	1100.5	1250	1460	1520
2. Agricultural income	RMB	601.09	810	930	960
3. Income from service industry	RMB	1345.05	1500	1650	1800
4. Rental and property-related income	RMB	200.5	350	360	360
5. Collective dividends	RMB	2050	2650	3400	3500
6. Others	RMB	95	98	100	100
II. Expenses	RMB	3252.51	3289.52	3526.18	3573.83
(I) Production and operating expenses	RMB	668.53	674.01	716.26	750
1. Agricultural production expense	RMB	256.14	265.11	301.2	320
2. Service industry operational expenses	RMB	412.39	409.01	415.06	430
(II) Living expenses	RMB	2122	2140.5	2319.8	2322.71
1. Foods	RMB	718.98	719.98	810.02	850.12
2. Clothing	RMB	415.23	406.01	418.11	430.2
3. Water and electricity	RMB	245.61	236.09	240.1	241.09
4. Home appliances and daily necessities	RMB	150.11	160.12	168.2	175.36
5. Transportation and communication	RMB	243.68	226.19	220	219.89
6. Culture and education	RMB	180.23	200.13	264.12	198.79
7. Health care	RMB	70.16	89.98	98.25	101.26
8. Other items	RMB	98	102	101	106
(III) Other expenses	RMB	461.98	475.01	490.12	501.12



Picture 3-3 Incomes and Expenses of the Affected Villagers 2009~2010

4 Conclusions and Suggestions

4.1 Conclusions

1). Up to the end of February 2011, the implementation of this project has been moved forward smoothly. Except for the seeding base, all the other components have been completed. 60% of the seeding base engineering has been completed.

2). The resettlement was completed 3 years ago. The construction of the resettlement community moves forward smoothly. As of late February 2011, all the 15 residential buildings have completed the top-sealing, and they are estimated to be put into use in June 2011.

3). With the guidance and supports from the government at various levels and the village committee, the compensation capitals are appropriately used. The production and livelihood of the affected persons have been greatly improved.

4). Nanning government has promulgated more effective measures to help the affected villagers restore their production and livelihood. The district government organized training programs in various forms for the affected villagers to improve their work skills and entrepreneurship capacity.

5). The production and livelihood restoration measures taken by the Project Management Office and various resettlement implementing agencies are consistent with the *Resettlement Plan*.

4.2 Suggestions

It is suggested that Jintou Sub-district Office strengthen its guidance and take necessary measures to help the horticulture farm find new partners in the following development of their commercial land, so as to protect the best interests of the affected villagers.