

**Stora Enso Guangxi Forest, Pulp and Board
Integrate Project**

Resettlement Action Plan and Livelihood Development Program

The Institute of Economy for Ethnic Minorities, Guangxi
Academy of Social Science

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People's Government of Xinggang Town

Tieshangang District, Beihai City

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The Opinions of People's Government of Xinggang Town, Tieshangang District, Beihai City on the Action Plan for Nanle Resettlement Program and Livelihood Development

To: The integrated Guangxi forest, pulp and paper project of Stora Enso

It is a key responsibility of the government of Xinggang Town to ensure the proper employment and placement, and better living standard of the people within the territory of Xinggang Town, who are affected by the land acquisition and resettlement. For a long time, we have been investing a lot of human resources, properties and funds in this work. Meanwhile, we also encourage the related companies and individuals pay attention to this work, as it is a long-term task that requires the joint efforts of different parties.

We are pleased to see that the integrated forest, pulp and paper project of Stora Enso has actively cooperated with the government and the villagers affected by the land acquisition, and come up with this *Action Plan for Nanle Resettlement and Livelihood Development Program*, which was developed on the basis of joint contribution and participation. The integrated forest, pulp and paper project of Stora Enso actively communicated with the related government authorities and the villagers during development of the plan, to extensively collect the opinions and suggestions from different parties. A number of meetings were also held with the villagers and the related government authorities, and this plan was completed on a consensus basis. We believe that the living standard of the people affected by the land acquisition will be further improved through the implementation of this plan, and a vigorous, prosperous atmosphere can be foreseen in the community culture. The government of Xinggang Town will provide its support to the implementation of this plan in terms of policies and enforcement in the next 3 years, and actively allocate the resources to ensure the complete implementation of the related activities.

People's Government of Xinggang Town, Tieshangang District, Beihai City
(stamp)

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Chapter 1 Basic Project Information

1. Project Profile

Stora Enso is developing an integrated plantation, pulp and board facility, together with associated power, utilities and infrastructure facilities in the Tieshangang Industrial Zone of Beihai City in Guangxi, China. The project will be established and operated through three entities established in cooperation with Guangxi Forestry Group Co. Ltd., a state-owned company under the Guangxi provincial government and Beihai Forestry Investment & Development Company Ltd., a state-owned company under Beihai city government. The Project is one of the major projects for which Guangxi Zhuang Autonomous Region authorities is expected to give special impetus in its overall plan. With a total investment of approximately Euro 1.6 billion, the mill site will initially include a 450 000 tonnes per year state-of-the-art paperboard machine and pulp capacity of 900 000 tonnes per year, including necessary energy plant and auxiliary facilities. The ultimate target is to expand the paperboard capacity at a later stage. This project will utilize state of the art workmanship, equipment, products and environmental protection.

Stora Enso, head-quartered in Finland and Sweden is among the largest diversified forest products companies globally. Having been active in the forestry industry since 700 years before, Stora Enso operates in every stage of the value chain from recycling to pulp production to packaging and has production facilities in more than 35 countries worldwide. Stora Enso produces newsprint, super-calendered paper, coated paper grades and office paper, and consumer board and packaging solutions. Operations also include speciality paper, pulp production - primarily used in the Stora Enso's own mills - and wood supply and wood products.

2. Construction Scale

With a total investment of approximately EUR 1.6 billion, this project will in the first phase consists of three parts:

- the further development of sustainable eucalyptus plantations comprising a fibre base of 120,000 ha;
- a pulp mill with capacity of 900,000 tonnes per annum;
- a board machine with capacity of 450,000 tonnes per annum;

The future investment is in addition to Stora Enso's already existing investment in forestry operations in the area.

The forest pulp paper project is an integrated project initially involving 900,000tons of pulp and 450,000tons of paperboard. With a construction cycle of four years, this project is divided into three parts, of which the first one is for a production line for bleaching eucalyptus chemical pulp with an annual capacity of 900,000tons, the second one is for a production line of high-grade paperboard with an annual capacity of 450,000tons, and the third one is for a production line of high-grade paperboard with an annual capacity of 450,000tons. The land area to be used for the forest pulp paper industrial project is 250 hectares, including 66.5 hectares of forest land and 58 hectares of basic farmland. The selected mill site for the project is situated within the Tieshangang Industrial Zone of Beihai City, Guangxi Zhuang Autonomous Region. Internationally recognized state of the art environmental protection equipment and technologies will be adopted and integrated with Stora Enso's operational experience in its mills in western countries for treatment and overall utilization of waste gas, water, slag and noise which is generated. The environmental protection measures to be adopted include biochemical treatment, dust removal and desulfurization etc.

At the same time, a plan has been drawn to build 160,000 hectares of raw material forest plantations for the eucalyptus paper-making industry in total from 2003 to 2014 to support this project for the integration of forest,

pulp and board. According to the plan, the plantations are located in 22 counties (cities, districts) of 8 prefectures (municipalities) as well as 8 state-owned forest farms in the southern and southeastern parts of Guangxi.

3. Objective of the StoraEnso Guangxi Integrate Project

The project development will greatly boost the economic growth of Beihai City and even Guangxi Zhuang Autonomous Region as a whole, and thus have great significance for boosting the rural economy, increasing employment for the public, increasing farmers' incomes, giving impetus to the industrialization and urbanization of Beihai City as well as expediting the rapid development of industries such as transportation, storage and logistics.

- Expedite the rapid development of the forest pulp paper industry of Guangxi. The Guangxi Stora Enso Forest-Pulp-Board Integrate Project will be conducive to the rapid development of the forest, pulp and board industries of Guangxi and have great significance for the development of the Guangxi economy and the paper-making industry of China as a whole.

- Boost local economic growth. The establishment of the Guangxi Stora Enso Forest-Pulp-Board integrate Project will greatly boost the economic growth of Beihai and even Guangxi as a whole, contribute to taxes paid to the local government, boost the local rural economy, promote urban industrialization and rural urbanization as well as drive rapid development of industries including transportation, logistics, packaging and printing.

- Increase employment for the public. Based on results of the Environment and Social Impact Analysis Report of the Stora Enso Guangxi Planted Fast-Growing Forest Project compiled by UNDP, the pulp mill and raw material bases for this project are expected to generate 30,000 to 35,000 jobs directly or indirectly, most of which will be located in forest areas and Beihai Industrial Zone.

- Accelerate the opening-up and development of the Beibu Gulf Economic Development Zone. The location of Guangxi Stora Enso Forest-Pulp-Board integrate Project in the Beibu Gulf area will boost the development of other industries in the area, help to speed up the development of local advantageous industries and form an industry cluster so as to enhance the rapid and healthy growth of economy across the Beibu Gulf Economic Development Zone.

4. Major Objectives and Principles of the Resettlement Action Plan

(1) Objectives

Put people first, and minimize the impact of the project on local residents;

Compensate those affected by the Project's resettlement or land acquisition activities (Affected Persons or AP) for their property losses; create favorable development circumstances and conditions for their future life to ensure that their income and livelihood are not lower than their original levels;

Pay special attention to and safeguard the rights and interests of vulnerable groups, taking special measures to settle them in a reasonable manner to ensure that their comparable livelihood is not lower than that of local residents.

(2) Principles

Fair compensation. Earnestly implement national and local policies and regulations, work out compensation standards scientifically in line with the principles of the World Bank Group International Finance Corporation Social and Environmental Performance Standard 5 (Land Acquisition and Involuntary Resettlement) to make fair compensation for populations impacted by land acquisition.

Public Participation. Affected population groups must be allowed to participate in the formulation and discussion of resettlement plans and the

formulation of various compensation standards. Full discussions must be conducted with respect to resettlement plans and compensation standards, in order to safeguard the lawful rights and interests of affected people to the greatest extent possible.

Diversified Resettlement Methods. This refers to the creation of employment channels in light of industry readjustment within the project areas as the base and the industry complex as the carrier.

Relocation in Nearby Areas. Villagers impacted by land acquisition or relocation should be resettled in nearby areas and receive assistance in building residences and finding jobs locally.

5. Scope of the Resettlement Action Plan

This Resettlement Action Plan only involves the Industry part of the Stora Enso project, covering 26 villager groups from 5 administrative villages, namely, Nanle, Binchi, Xiejia, Pitou and Chuanjiang, in Xinggang Township, Tieshangang District of Beihai City.

6. Basis of Industry Project Site Selection

Within the proposed project site there are no specially-protected scenic sites, natural protection areas, ancient cultural sites, or other environmentally sensitive sites. The Tieshangang Area for the mill site and the slag yard is not an underground drinking water source reserve except for scattered wells made by villagers themselves. Four residential areas are involved in the land acquisition area of the project, of which Tianliao Village will be wholly relocated and the others will be partially relocated. Aside from residents to be relocated within the mill site, there are 5 residential areas within 200m from the mill border, 15 within 1km of the mill border, 10 within 1-2km of the mill border, 14 within 2-3km of the mill border, 10 within 3-4km of the mill border, 16 within 4-5km of the mill border and 5 within 2km of the slag yard.

The selected site of the planned project is located in Tieshangang Industrial Zone of Beihai City, and will have a capacity of 900,000 tons of

pulp, 450,000 tons of paperboard, for which 120,000 hectares of fast-growing and high-yield raw material forest will be developed. Its selected site, construction scale and product structure are all in line with China National Development and Reform Commission's No.71 Announcement of 2007 Development Policies for the Paper-Making Industry, the Tenth Five-Year Program and 2010 Special Program for the Development of Forest-Paper Integrative Projects of China as well as the 2005-2015 Overall Development Program of the Forest Pulp Paper Integrative Industry of Guangxi. This Project is therefore one of the projects of Forest-Paper Integrated Production of Pulp and Paperboard reaching the Economic Scale.

Beihai City is situated at the frontier of the Pan-Beibu Gulf Economic Cooperation Zone. The location of this project in Beihai City in the Guangxi Zhuang Autonomous Region places it in line with the national strategy of the Western Development of China, the vision of "One Axis, Two Wings" of the local regional economic cooperation scenario, as well as the strategic decision to boost coastal industries in the Development Program of the Guangxi Beibu Gulf Economic Zone.

The Overall Urban Program of Beihai City explicitly proposes that Tieshangang Port, oriented towards new and high technologies will be developed into a large-scale coastal industry base of Beihai City and a harbor base on the estuary channel in southwest China. The selected site of the planned project is on land to be used for a "Forest-Pulp-Paper Integrated Project" as planned by Tieshangang Sub-district, which is consistent with the Overall Urban Program of Beihai City and related local programs.

7. Related Baseline Studies, Monitoring and Consultations for the Project Already Completed

From 2006 up to now, the related baseline studies, monitoring studies, and consultations that have been completed for this project include:

On February 5th of 2006, the United Nations Development Programme completed the Analysis Report on the Environmental and Social Impacts of the Stora Enso Planting Project in Guangxi (the finalized version);

In December of 2007, the Institute of Economy for Ethnic Minorities under the Guangxi Academy of Social Science (GASS) completed the Socio-Economic Baseline Study of this Project: the “Research Report on Development-Oriented Resettlement for Major Projects in the Beibu Gulf Area of Guangxi---with Guangxi Beihai Forest Pulp Paper Industrial Project as an Example”;

In October of 2009, GASS completed a follow up Baseline Monitoring Report of this Project (Monitoring Report No.1);

In October of 2010, GASS completed Monitoring Report No.2;

In September of 2011, GASS compiled Monitoring Report No.3;

In June of 2012, GASS completed the Updated External Baseline Monitoring Report.

8. Resettlement Chronology

(1) Organizational Structure

In April of 2007, Beihai City founded the Coordination Office for the Land Acquisition and Relocation for Guangxi Beihai Forest Pulp Paper Integrate Project to take full responsibility for the implementation of the project. The office established a number of teams: the General Office, the Land Acquisition and Relocation Panel, the Reconstruction and Resettlement Panel, the Policy Propoganda and Petition Mediation and Handling Panel, the Fund Operation Supervision Panel and the Safety and Stability Panel as its subsidiaries. Staffs are drawn from departments under the direct leadership of the municipal authorities and the related departments of the Tieshangang Government and the People's Government of Xingang Township. Released from their original duties,

they worked together on affairs in relation to land acquisition and relocation with responsibilities divided amongst the teams. Each of the working groups organized by the related personnel from the municipal, district and township governments takes full responsibility for each village, of which the primary one is measurement for land acquisition and relocation. Compensation and disbursement was the responsibility of the Reward Action Panel.

Stora Enso became involved in issues in relation to land acquisition and resettlement of the project in February-March of 2007, with its primary role being liaison with the Land Acquisition and Resettlement Office of the Municipal Government, coordinating the payment of compensation, staying informed of the progress of land acquisition and resettlement, as well as regularly communicating and coordinating with the Municipal Government during the process of land acquisition and resettlement.

(2) Official Start of Land Acquisition and Relocation

On May 14th of 2007, the Coordination Office held a mobilization meeting for propaganda, mobilization and work assignments, during which the Policy Propaganda and Petition Mediation and Handling Panel began its propaganda and AP mobilization on site. On May 17th of 2007, all the other working groups officially entered the site to commence their work. Related work on aspects such as land acquisition, relocation and preparation of the reconstruction site commenced. By November 15th of 2007, the area of land acquired under contract amounted to 1,050 mu, representing 26% of the total target; 245 households had signed the relocation agreements, representing 60% of the total target population; 1,345 tombs to be relocated have been registered, and 78.74% of the relocation task has been performed. By November 13th, RMB 373,900 has been distributed as compensation. Land acquisition and demolition work was by and large completed in the first half of 2008.

(3) Progress of Reconstruction and Resettlement

To ensure residential land for the relocated residents, the Land Acquisition and Relocation Office for Beihai City Forest Pulp Paper Integrate Project expropriated 274 mu of land beside Honghuagen Village, Pitou Administrative Village Committee of Xinggang Township to serve as the reconstruction site for the residences of the people who were physically relocated by the project. More than 200 rooms of transitional homes were built by November 2007 on the reconstruction site. Each home had an area of about 36 square meters, with kitchens and bathrooms included. Public toilets were also available in the community. There is a water tower on the reconstruction site to supply water to more than 2,000 people. By the end of 2011, most of the villagers, out of their own free will, had built their own houses and moved out of the transitional buildings.

(4) Progress of Employment and Resettlement

Based on information from the symposium of Beihai Municipal Government and the related departments on November 23rd of 2007, the Government had adopted some measures to help APs find work opportunities, according to the related laws, regulations, policies and documents:

1) Including landless APs in subsidy schemes for those in financial difficulty. Those who fell into duress after the relocation and met the eligibility requirements of the urban minimum living allowance policies were included in rural minimum living allowance schemes and would enjoy hardship subsidies. The subsidy levels were as follows: RMB 100 Yuan per capita per month for APs below the age of 60, RMB 120 Yuan per capita per month for APs above the age of 60, and RMB180 per month per person for senior citizens without family members. Those not physically relocated in the land acquisition process would receive RMB 65 per capita per month. Statistics showed that 2,398 people of 676 households in total received hardship subsidies.

2) Providing public welfare positions. The local labor and social security department applied to the relevant departments at the senior level and the municipal government for funds to develop public welfare positions with a view to providing one position of this kind for each AP household. At present, 45 public welfare positions have been created.

3) Encouraging business startups. At present, some APs have started their own businesses.

4) The labor department of the local government also provided some employment skill training for APs.

Chapter 2 Social and Economic Profiles of the Project Area

9. Beihai City Profile

Beihai (North Ocean) City was named for its location, as its northern end directly faces the ocean. Established in the early period of Emperor Kangxi's reign during the Qing Dynasty, it has enjoyed its city status since Emperor Jiaqing's reign of the same dynasty. As ratified by the State Council of China in 1982, it became a coastal city for tourism and opening up. In October of 1983, it was upgraded to a prefecture-level city. In April of 1984, it was designated as one of 14 coastal cities to further open up, by the State Council of China. Once the Development Program of the Beibu Gulf Economic Zone of Guangxi was ratified by the state in 2008, Beihai City's development flourished even more as a result of the 2008 policy.

(1) Geographical Conditions

Beihai City is located in the south of Guangxi, on the northeast coast of the Beibu Gulf. It covers a total area of 3,337 square kilometers, including a downtown area of 957 square kilometers. At present, it consists of Haicheng District (the downtown area), Yinhai District, Tieshangang District and Hepu County, 23 towns (2 townships and 21 towns) in total. Beihai City faces Hainan Province across a sea channel, not far from the countries of South East Asia, with southwestern provinces such as Yunnan, Guizhou and Sichuan of China behind it. Located at the pivotal junction of Southwest China, Hainan Province and Southeast Asia, it is 206 kilometers from Nanning in the northwest, 198 kilometers from Zhanjiang in the east and 147 nautical miles from Haikou City in the southeast. Historically, Beihai was one of the earliest foreign trading ports and the starting points of the oceanic Silk Road, as well as one of the major merchandise distribution centers for provinces and regions such as Yunnan, Guizhou, Sichuan, Guangxi, Hunan and Hubei in their foreign trade. Currently, Beihai City is connected with key cities such as Nanning, Chongqing, Chengdu and Guangzhou through road and railway networks,

and thus a convenient estuary channel of roads and railway is formed based on its key geographical position in southwestern China.

(2) Natural Resources

The total cultivated area of Beihai City amounts to 80,600 hectares, of which paddy field comprise around 66% of the total. It is rich in forest resources. The whole city has 115,300 hectares of land for the forest industry, including 96,100 hectares covered with forest. The forest coverage rate is 28.86%, and the total living wood growing stock is 3.5 million cubic meters. The city is also rich in port resources, including the Old Port Area of Beihai, Shibuling Port Area, Tieshangang Port Area and Dafengjiang Port Area. It is capable of holding more than 200 berths at the 10,000t level, more than 20 berths at the 100,000t-200,000t levels. Large-scale deep-water berths of the 200,000t-300,000t level can also be built along Weizhou Island. The key areas of recent development are Shibuling Port Area and Tieshangang Port Area. The total volume of water resources across the city is 34.97 billion cubic meters. The total volume of fresh water resources is 11.88 billion cubic meters, and the annual usable volume is 3.917 billion cubic meters. The underground water storage of the downtown area amounts to 2 billion cubic meters. The water production per square kilometer is 902,000 cubic meters, and the per capita water volume is 3,300 cubic meters, 1.3 times the average across China. Beihai City also boasts rich oceanic resources. Along 500 kilometer ocean stretch (including 31.9 kilometers of coastline), its coastline starts from Yingluo Bay that adjoins Lianjiang County of Guangdong Province in the east and ends at Dafengjiang Port adjoining Qinzhou City, including 730,000 mu of oceanic wetland and 2,263,400 mu of shallow sea (0-10 meters deep). The total arable area is 210,000 mu (including 87,300 mu of water area). The Beibu Gulf is one of the four major fishing grounds of China. With a total area of 160,000 square kilometers, it boasts more than 500 varieties of oceanic fishes, more than 10 kinds of shrimp, 700,000tons of sustainable resources and an optimum permitted catch of 330,000-350,000tons/year.

(3) Transport Infrastructure

Since China's adoption of reform and opening up policies in the early 1980's, the transport infrastructure of Beihai has developed rapidly. Up to now, this city has formed a comprehensive multi-modal transport system of land, air and water, with high-grade roads and railways as the backbone and deep-water ports and airports as the two wings, whose ample distribution and transport capabilities make foreign-oriented transportation highly convenient. By the end of 2011, the Port of Beihai City has 50 productive berths, including 7 at or above the 10,000t level. Within the area are the national highways 209 and 325, with a network of highways that leads directly Nanning, Zhanjiang and other destinations. The total road length is 2,521 kilometers, including 115 kilometers of highway. Across the city the Qinzhou-Beihai Railway is connected with the national railway network. Beihai Fucheng Airport, as a Class I large-scale airport in southern China and one of the three airports of Guangxi, has launched more than 20 routes that lead to the rest of China.

(4) The Current State of Economic and Social Development

Since the Development Program of the Beibu Gulf Economic Zone of Guangxi Zhuang Autonomous Region was ratified by China's central government in 2008, Beihai City, as an integral part of this zone, has undergone new waves of development and construction, thus experiencing an outstanding situation of rapid. Economic development gained speed based on the strong momentum of economic growth and orderly development in all sectors.

Table 2-1 The Economic and Social Development Indices of Beihai City for 2007 and 2008

Indices	In	2007	2008	2011
Land Area of Administrative Region	Square Kilometers	3337	3337	3337
Total Population at Year End	Ten Thousand	156.32	157.72	161.00

GDP (current prices)	Hundred Million Yuan	246.58	313.88	496.58
The Primary Sector	Hundred Million Yuan	57.33	71.74	115.45
The Secondary Sector	Hundred Million Yuan	98.47	134.86	207.39
# Industry	Hundred Million Yuan	88.00	120.78	176.12
The Tertiary Sector	Hundred Million Yuan	90.79	107.28	173.75
Gross Regional Product per capita	Yuan	15988	20093	23030
Total Investment in Fixed Assets	Hundred Million Yuan	135.36	200.31	603.1
Revenue	Hundred Million Yuan	30.03	27.03	57.54
Per Capita Net Income of Peasants	Yuan	3846	4309	6249
Per Capita Disposable Income of Urban Residents	Yuan	12334	13989	18656
Area of Regularly Cultivated Land	Thousand Hectares	80.60	80.6	80.6
Total Retail Sales of Social Consumer Goods	Hundred Million Yuan	64.36	80.11	127.29
Total Imports and Exports	Ten Thousand USD	49898	71077	171217
Actual Foreign Direct Investment	Ten Thousand USD	7160	8894	9006

Data Source: 2008, 2009 and 2011 Guangxi Statistical Yearbook and the Government Work Report of Beihai City (2012)

10. Tieshangang District Profile

(1) Basic Information

Situated around 40 km to the east of downtown Beihai City, Tieshangang District was founded on December 17th, 1994, following ratification by China's State Council. At present, it consists of three towns, namely Nankang, Yingpan and Xinggang, within a total area of 394 square kilometers. With deep and calm waters and a long coastline, Tieshangang District boasts such excellent conditions of port construction that a large number of deep-water ports especially wharf of 100,000t-200,000t levels, deep-water berths and large and medium-scale commercial berths of different levels can be built in the area. At present, 4 10,000t level berths have been built. Abounding in pearls, Tieshangang District is the hometown of the well-known South China Pearl. Its total coastline of 50 kilometers and sea area of 120,000 square kilometers are a source of rich marine products, including more than 500 varieties of economic fishes whose annual catch is 340,000-400,000tons. It also boasts 80 square kilometers of wetland along the coastline, which constitutes a natural aquafarm for high-quality marine products such as pearls, oysters, prawns, clams, blues crab and sipunculus nudus.

Tieshangang District is one of the most convenient estuary channels of southwest China, and a key transport hub for connecting Guangxi and southwestern China to the inland economic corridor of Guangdong and Fujian. Tieshangang (Tieshan Port) also boasts a long history of water transportation. This was one of the departure ports of the world-famous “Maritime Silk Road”, and is a key logistics port for Beihai City today. Shitoubu Wharf, which is situated within its jurisdiction, is a cross-border trade wharf ratified by the State Council of China, which leads directly to the major ports of China and Southeast Asia. As present, two 500t-1,000t level berths have been built, one 5,000t level berth and one 50,000t level berth has been built, for a total annual handling capacity of 2.16 million tons. With regards to land transportation, Tieshangang District is traversed by the Qinzhou-Beihai Railway in the west and Beihai-Zhanjiang Highway

in the north. Hepu-Hechun Railway, Yulin-Hepu Shizilu Township Railway, Hepu Shizilu Township-Tieshangang Railway Spur Track and Yulin-Tieshangang Highway, which shall be built as part of China's 11th Five Year Program of China, will run through the district and provide it with excellent transportation conditions. With regard to air transportation, Tieshangang District is situated only 20 km from Beihai Fucheng Airport.

(2) The Current State of Economic and Social Development

As the “bridgehead” and “route to the sea” for Beihai City, Tieshangang District has an extremely important position, which bears the special mission of serving as a heavy industry base and important coastal industrial area of Beihai City. For the past 18 years since its founding, Tieshangang District has continuously demonstrated strong development momentum.

Table 2-2 The Economic and Social Development Indices of Tieshangang District for 2007 and 2010

Indices	In	2007	2010	±%
Land Area of Administrative Region	Square Kilometers	394	394	0
Total Population at Year End	Ten Thousand	16.0	16.78	4.88
GDP (current prices)	Hundred Million Yuan	22.5	26.8	19.11
Total Investment in Fixed Assets	Hundred Million Yuan	14.2	13.2	-7.0
Revenue	Hundred Million Yuan	1.77	3.28	85.31
Per Capita Net Income of Peasants	Yuan	3810	5103	33.93
Per Capita Disposable Income of	Yuan	11226	16623	48.07

Urban Residents				
Industrial Added Value Above Designated Size	Hundred Million Yuan	7.02	10.06	43.30
Gross Output Value of Agriculture	Hundred Million Yuan	14.76	10.1	-32.24

Data source: Tieshangang district government work report for 2008 and 2011, 2011 total fixed assets investment did not include Tieshangang industrial zone.

11. Xinggang Town Profile

(1) Basic Information

Xinggang Town is situated in the east of Tieshangang District, the location of the Tieshangang Modernized Offshore Industrial Zone planned for construction by the Autonomous Region. The whole town covers an area of 111 square kilometers, including 13 villagers' committees, 1 community, and 121 natural villages. At the end of 2011, this town had a total population of 54,000 and a total arable land area of 38,000 mu.

Table 2-3 Key Economic and Social Development Indices of Xinggang Town (2008-2010)

Indices	In	2008	2009	2010	2011
Total Number of Households	Household	11421	13770	14053	14193
Total Population at Year End	Person	45486	51743	52651	54031
Gross Output Value of Industry	Ten Thousand	30700	120733	161632	208058
Gross Output Value of Agriculture	Ten Thousand	44900	44181	45330	56279
Investment in Fixed Assets	Ten Thousand	82000	70361	114688	190955

Revenue	Ten Thousand	4032	5341	6201	6709
Per Capita Net Income of Peasants	Yuan	4268	4683	5330	6582

Source: Beihai City Tieshangang District Xinggang Town People's Government

(2) Industrial Development

Xinggang Town boasts rich resources and outstanding advantages with respect to port conditions, which makes it suitable for the development of port logistics, transportation, power generation, ship-making, forest pulp & board as well as offshore heavy chemical industries with petro-chemicals as their mainstay. Additionally, this town is also rich in mineral resources such as kaolinite and quartz sand, which have enormous potential for exploitation and investment in the sectors such as ceramics, brick making and construction material manufacturing. At the same time, the original industrial base of this town also makes it suitable for the development of industries such as salt production, alcohol production and food processing. The Start-up Zone of Tieshangang Industrial Zone is located in the vicinity of Beimu Salt Field of Xinggang Town, at the east end of Beihai-Tieshangang Grade I Road, with Tieshangang Bay to the east, Beihai Power Plant to the south, Xinlong Wharf to the north and No.6 Road (Planned) to the west. The projected area of the Start-up Zone is 9.6 square kilometers, which of Tieshan Zone is 21 square kilometers, that of Beimu Industrial Zone is 25 square kilometers and that of Linhai Industrial Zone is 16 square kilometers. Based on the rich natural resources and advantageous geographical location of Xinggang Town, Tieshangang Industrial Zone has such a strong momentum of development that it has served as host to a large number of key projects of the Autonomous Region and a significant number of major projects under construction or to be constructed in this zone are being prepared.



Figure 2-1 Schematics of Projects in Xingang Town, Tieshangang District

(3) Key Resources and Completed Projects

At present, a significant number of wharfs have been built for Tieshangang Industrial Zone within Xingang Town. Among others, Shitoubu Wharf, as a Vietnam-oriented cross-border trade wharf ratified by the State Council of China, has 2 500t - 1,000t level berths, 1 5,000t level berth and 1 50,000t level berth, whose annual handling capacity is 2.16 million tons in total. Over the water it leads directly to ports including Beihai, Hainan, Zhanjiang, Guangzhou and others areas Vietnam. .

In Tieshangang Industrial Zone within Xinggang Town there are state-owned enterprises such as Beimu Salt Field, Chijiang Pottery Factory and Qianwei Farm, the newly-built and operating large-scale thermal power generation enterprise---Beihai Power Plant as well as more than twenty private enterprises in sectors such as ceramics, transportation, logistics, starch processing, sugar manufacturing and eco-animal-husbandry, such as Beihai Rongcheng Quartz Sand Manufacturing Plant, an exclusively Taiwanese-funded enterprise producing more than 600,000tons of refined quartz sand per year, and Xinlong Natural Gas Company which has its own 5,000t-level oil and gas wharf and 5,500 cubic meter gas storage tank.

(4) Major Projects under Construction

Table 2-4 Profiles of Service Projects in Xinggang Town, Tieshangang District (1)

No.	Project Title	Project Owner	Project Profile	Project Progress
1	Off-site Reconstruction Petro-Chemical Project of Beihai Petroleum Refinery	China Petroleum & Chemical Corporation	The project boasts a total investment of 18.9 billion RMB. In Phase I 10 billion has been invested to build the structure with an annual capacity of 200,000tons of polypropylene and its auxiliary facilities, Tieshangang-Maoming crude oil pipe and the commercial crude oil storage project of 3 million cubic meters of Tieshan Port, for which 1,987 mu of land shall be expropriated and 176 households of residents shall be relocated.	With construction complete, this project has been put into operation.
2	Forest Pulp and Paper Integration Project	Stora Enso Oyj of Finland	This project will have an annual production capacity of 900,000tons of pulp and 450,000 tons of paperboard. total investment of EUR 1,6billion, for which 3,750 mu of land shall be acquired and 440 households of residents shall be relocated.	The land acquisition and relocation is basically complete, and project construction shall be comprehensively launched.

3	CITIC Dameng Beihai New Material Project	CITIC Dameng (Guangxi) Co., Ltd.	The project has a total investment of 2.8 billion RMB. In Phase I 1.3 billion RMB has been invested to build a 240,000t alloy material base, for which 414 mu of land shall be expropriated.	Land acquisition is complete, and land levelling is under way at present.
4	Beibu Gulf (International) Financial Distribution Center and the Auxiliary Wharf Project	Firsteel Market (Guangxi) Co., Ltd.	With a total investment of 1.8 billion RMB, this project consists of a metal processing and distribution center and an auxiliary material wharf which shall be constructed in two phases, for which 341.5 mu of land shall be expropriated.	Land acquisition is complete, and land levelling is under way at present.
5	Wuhan Kaidi Integrative Chemical Industry Project	Wuhan Kaidi Electric Power Co., Ltd.	With a total investment of 10.5 billion RMB, this project, following the completion of construction, will consist of a structure whose annual production capacity of urea is 2×800,000tons, an auxiliary heat-power cogeneration set of 2×300,000 kw, a 4×50,000t-level wharf, a construction material factory with a capacity of 1.5 million tons/year and a green power project, for which 4,000 mu of land shall be used in total.	Land acquisition is complete, and land levelling is under way at present.
6	Tieshan Port Ocean-Going Ship Building Project	Beihai Taibang Energy Resources Co., Ltd.	With a total investment of 516 million RMB, this project will consist of 3 ship-building berths of 20,000t-30,000t levels and 1 ship-building dock at the 20,000t level in Phase I, and another effort to expand the dock to the 50,000t level in Phase II, for which 470 meters of coastline shall be used.	The land acquisition and relocation of the factory area have been completed. Project construction commenced, and the first stake has been planted for the infrastructure building of the workshops.
7	Tieshangang Taibang Heavy Oil Chemical Industry	Beihai Taibang Energy Resources	With a total investment of 1.8 billion RMB, this chemical industry project will have a heavy oil production capacity of 1.2 million tons/year following its completion. Its projected land acreage is 1,000 mu, including 583.985 mu	The land acquisition is complete, and construction personnel have entered the site for land levelling. The

	Project	Co., Ltd.	for Phase I.	expropriation, cleaning and levelling of the 200-plus mu of land for factory area construction along No.4 Road is basically complete.
8	Beihai Chengde New Material Production Project	Beihai Chengde Nickel Industry Co., Ltd.	With a total investment of 2.4 billion RMB, including 1.2 billion RMB for Phase I, this project could produce 600,000 tons of new nickel-chromium alloy material per year and yield more than 100 million RMB of taxes after it is put into operation. The land area acquired for the project is 805 mu.	With construction complete, this project has been put into operation.
9	Hanali Oil-Gas Port Project	Beihai Hanali Petrochemical Enterprise Co., Ltd.	The project has a total investment of 324.78 million USD, including the initial investment of 37.89 million USD. The structures to be built includes one 50,000t oil & gas wharf berth and other auxiliary facilities and a LPG refrigerator of 126,000 cubic meters to store and handle 800,000 tons of LPG annually. The investment amount for Phase II of the project is 36.89 million USD, and 250 million USD for Phase III.	The factory area has been walled for Phase I. At present, hydraulic reclamation is being performed and the wharf construction is being pushed forward.
10	China Resources 600,000t Bulk Cement Project	China Resources Cement (Beihai) Co., Ltd.	With a total investment 24 million RMB, this project will produce 600,000 tons of commercial cement annually on a land area of 30 mu.	With construction completed, this project has been put into operation.
11	Jinhua Commercial Cement Project	Beihai Jinhua Cement Co., Ltd.	The project size under construction is to produce 750,000 cubic meters of commercial cement annually, for which 30 mu of land is to be used.	The land acquisition is completed, and construction personnel have entered the site for cleaning and levelling.

Data source: Organized according to the relevant information issued by the People's Government of Tieshangang District in 2010. Recent progress is not available.

Table 2-5 A List of Profiles of Service Projects in Xinggang Town, Tieshangang District (2)

No.	Project Title	Project Owner	Project Profile	Project Progress
12	Standard workshops of Tieshangang (Offshore) Industrial Zone Administrative Committee	Integrative Service Center of Tieshangang (Offshore) Industrial Zone Administrative Committee	200,000 square meters of standard workshops and auxiliary facilities are to be constructed, including 8 standard workshops spanning 28-32 meters, for which the estimated total investment is 200 million RMB. The total investment is about 30 million RMB Yuan, and the land area thus expropriated is 102.655 mu.	The land area for which acquisition agreements have been signed reaches 102.655 mu, and the factory area levelling and construction have commenced.
13	New and High-Tech Zone Tieshangang Industrial Park Standard Workshop Project	Beihai City New and High-Tech Zone Administrative Committee	The project covers an area of 50 mu in total, including a construction area of 7,262.22 square meters, and has a total investment amount of 60 million RMB Yuan.	Land acquisition for the project is basically complete. The project bidding affairs have finished, and construction has commenced.
14	Tieshangang Deep-Water Wharf No.1-4 Berths Project	Guangxi Beibu Gulf International Port (Group) Co., Ltd.	According to the construction plan, the first deep-water public wharfs of Tieshan Port will consist of 4 100,000t level universal berths (150,000t level in hydraulic engineering) with a designed annual handling capacity of 12 million tons on 1,306 meters of coastline in total, for which the total land area used is around 300 hectares and the total investment is 3.6 billion RMB Yuan.	This project started on July 30th of 2007. Berths No.1 and 2 have been put into basic operation, and follow-up construction has been accelerated.
15	Tieshangang District Waterway Dredging Project,	Beihai City Road and Port	The waterway will be upgraded from the 50,000t level at present to the 100,000t level, which will have a	Fishing boat relocation and oceanic area cleaning have been

	Phase II	Corporation	length of 15.195 kilometers, a bottom width of 210 meters and a bottom elevation of -13 meters. The estimated investment is around 365.92 million RMB.	completed as ancillary measures, and project construction is being pushed forward.
16	Hepu-Hechun Railway, Tieshangang Spur Track	Guangxi Railway Investment (Group) Co., Ltd.	The main line structure has a total length of 18.1 kilometers, on which 3 stations are designed to have a total delivery capacity of 19.16 million tons/year.	In Tieshangang District, the land area for which acquisition agreements have been signed amounts to 959 mu, 65% of the total task. Relocation agreements have been signed for all the 18 household. Surface cleaning has been performed for 8 kilometers, and 7 kilometers of power lines have been erected.
17	Yulin-Tieshangang Highway	Guangxi Communication Investment and Construction Group	The project has a total length of 174 kilometers, including 42 kilometers within Beihai's jurisdiction, for which 1,129.7 mu of land will be expropriated and 43 households of residents will be relocated in Tieshangang District.	In Tieshangang District, more than 970 mu of land has been expropriated and 25 households have been relocated, and related personnel have entered the site to clean the land and prepare for construction.
18	Tieshangang Waste Water Treatment Project	Beihai City Road and Port Corporation	If constructed for a treatment capacity of 40,000tons of waste water per day, the project will have an estimated total investment of 106.47 million RMB Yuan, a total factory land area of 51.88 mu and a land area of 2.2305 mu for the access roads.	All the land acquisition agreements have been signed. The owner has entered the site and completed surveys, and the construction process is in full swing.

19	Yingpang-Zhakou Grade II Road, Section 0	Beihai City Gaoang Communication Construction Co., Ltd.	The Grade II road has a total length of 19.88 kilometers, running through three towns, namely, Nankang, Xinggang and Zhakou. The total investment is 169.96 million RMB; and for the part in Xinggang Town 268 mu of land shall be expropriated and 64 households shall be relocated.	In Xinggang Town, land acquisition agreements have been signed for 228 mu of land, or 85% of the total, and 56 households have signed the relocation agreements, or 88% of the total. The road construction is being accelerated.
20	Tieshangang Water Supply Project, Phase II	Beihai City Huhaishuili Water Supply Corporation	This project under construction will increase the water supply volume by 217,000 tons/day, for which two water supply pipelines with a diameter of 1.4 meters, with a length 26.13 meters, will be arranged parallel to those of Phase I on the left. For this project 87.0052 hectares of land, with a length of 24.7 kilometers, shall be expropriated for the time being, including 642 mu of land to be rented in Tieshangang District.	With all the land-renting tasks performed, project construction is being pushed forward.
21	Water Supply of Tieshangang Industrial Zone	Beihai City Huhaishuili Water Supply Corporation	40 mu of land needs to be expropriated for the designed capacity of a 50,000ton supply of water per day.	Land acquisition is complete, and the main structure of the project has been completed. The house refurbishment and device testing process is currently being accelerated.
22	Tieshangang No. 7 Road	Beihai City Road and Port Corporation	Two parts - main line and spur track. The total road length is 11.47 kilometers, and its pavement width is 40 meters. To be constructed in line with urban arterial road Grade I	All the land acquisition agreements have been signed, and those of 150 households have been performed.

			standards.1,126.8 mu of land needs to be expropriated and 151 households to be relocated in total.	Project construction is under way.
23	Tieshangang Xinggang Road	Beihai City Road and Port Corporation	The road has a length of 6.657 kilometers and a pavement width of 40 meters, to be constructed in line with urban arterial road Grade I standards, with four lanes going in both directions.1,134.693 mu of land will be expropriated and 93 households will be relocated for the project.	All the land acquisition has been completed except for 11.9 mu which is disputed, on which, after some mediation efforts, all the relocation tasks have been performed and the construction has been completed. Road construction is basically complete and the whole line has been connected.
24	Open Water Drainage Channel of Tieshangang Industrial Zone	Beihai City Road and Port Corporation	The open channel has a total length of about 7,995m, with a designed rainwater drainage capacity of 193.93m³/s, for which the estimated total investment of the project is 164.7689 million RMB Yuan.410 mu of land is to be expropriated and 4 households will be relocated in total.	The land acquisition is under way, and 200 mu of land with green crops on it has been surveyed.
25	Auxiliary roads of the oil refinery project	Beihai City Road and Port Corporation	The road has a total length of 3.068 kilometers, a pavement width of 50 meters and 6 lanes in two directions in line with urban arterial road Grade I, for which 229.7 mu of land shall be expropriated and 82 households shall be relocated.	152.121 mu of land has been expropriated. 62 households have signed the relocation agreements, and 8 houses have been pulled down..
26	Auxiliary Road No.2 of the Forest Pulp Paper Integrative Project	Beihai City Road and Port Corporation	Section A of the new No.2 Road has a length of 3.013 kilometers and a pavement width of 36 meters, for which 186.23 mu of land is to be expropriated and 4 households to be	The land acquisition has been completed.

			relocated.	
27	Auxiliary Road No.8 of the Forest Pulp Paper Integrative Project	Beihai City Road and Port Corporation	Section A of No.8 Road has a length of 1.4 kilometers and a pavement width of 36 meters, for which 76.68 mu of land is to be expropriated and 64 households shall be relocated.	Land acquisition has commenced. 43 households have been surveyed, and 7.09 mu of land with green crops has been survey.
28	Access routes for the first deep-water berths of Tieshan Port	Beihai City Road and Port Corporation	Designed in line with urban arterial road Grade I, the road has a total length of 944.327 meters and a width of 60 meters, for which 37.5 mu of land will be expropriated and 42 households relocated.	The land acquisition and relocation have been completed, and project construction has commenced.
29	220KV Tieshan (Xiejia) Power Transmission and Transformation Project	Beihai Municipal Electricity Supply Bureau	Tieshan Power Transformation Project is equipped with a main transformer of 1 × 150,000 VA, for which 36.1 mu of land is to be expropriated.	The land acquisition is completed, and project construction has commenced.
30	Xinggang Road Reconstruction Area for the relocation of the oil refinery project	Beihai City Road and Port Corporation	50 mu of land is provided for planned housing construction, which will create 143 households.	The land acquisition has been completed, and construction of the Three Supplies (water, electricity and road) and One Levelling are under way.
31	Major Project Reconstruction Area of Tieshangang Industrial Zone	Beihai City Road and Port Corporation	It covers a land area of 149.82 mu for resettlement of residents involved in the land acquisition and relocation of major projects of this industrial zone.	The land acquisition is basically completed, and the project is currently being constructed.

Data source: Organized according to the relevant information issued by the People's Government of Tieshangang District in 2010. Recent progress is not available.

In the early period since its founding, Tieshangang District suffered from an acute lack of infrastructure such as communications, power and water supply. At present, all the aspects of the infrastructure have been improved rapidly owing to the construction requirements of this industrial zone. Around the bay, which used to be vacant land, power plants, the modernized Jingang Avenue and enormous major water diversion project have been built. A large number of projects of Phase I of the construction campaign, with a total investment of 680 million RMB Yuan, such as Jingang Road, No.4 Road, the waterway dredging project Phase I, the water supply project, the power transmission and transformation project and Yingzha Road Grade II, have been completed, and other projects, such as the waterway dredging project Phase II, No.7 Road, Xinggang Road, the water supply project Phase II, the 50,000t/day water plant and its pipeline network project and the 40,000t/day waste water treatment plant have also fully commenced construction. In particular, the Triple Vertical, Triple Horizontal road traffic network has taken shape, which has helped to address the prior traffic problems of Tieshangang village residents.

(5) Major Projects in the Bidding Stage

Tieshangang Offshore Industrial Zone Market Project. The gradual improvement of the infrastructure of Tieshangang Offshore Industrial Zone aided the formation of some large-scale harbor industries. A significant number of large projects are in the process of construction or awaiting construction, creating the model for a booming port logistics industry for Tieshan Port. The number of service industry personnel will also be increased within the jurisdiction, but the absence of large-scale markets in the vicinity makes the service facilities far from perfect. To address this, the Investment Promotion Bureau of Tieshangang District, Beihai City has begun to seek bidders for the Tieshangang Offshore Industrial Zone Market Project to be constructed with a planned total investment amount of about 100 million RMB Yuan, for the purpose of improving the market and supporting service facilities within this industrial

zone.

Chapter 3

The baseline conditions of villages affected by the project

12. Survey summary

Starting from 2008, four baseline and monitoring studies have been conducted on the integrated Beihai forest, pulp and board project by the Institute of Economy for Ethnic Minorities of the Guangxi Academy of Social Sciences (GASS). The scope included 26 villager teams at the five administrative villages of Nanle, Xiejia, Binchi, Pitou and Chuanjiang, Xinggang Town, Tieshangang District, Beihai City. The sample size was 159 questionnaires in the first survey, 150 in both the second and third surveys, and 32 households were investigated in the fourth survey. The samples covered 26 villager teams at the five villages mentioned above.

13. Population Size

Table 3-1 Family size and gender

Unit: person; person/household

Indicators	2008		2009		2010		2011	
	Population	Per Household	Population	Per Household	Population	Per Household	Population	Per Household
Total population	795	5.00	736	4.91	737	4.91	179	5.59
Female Population	372	2.34	329	2.19	340	2.27	72	2.25

14. Age Structure

Table 3-2 Household Population Age Group

Unit: person

Year	Total	BELOW 16 YEARS OLD		17-30 YEARS OLD		30-50 YEARS OLD		51-60 YEARS OLD		ABOVE 60 YEARS OLD	
		Number	%	Number	%	Number	%	Number	%	Number	%
2008	759	120	27.8	232	29.2	206	25.9	66	8.3	70	8.8
2009	736	186	25.2	218	29.6	182	24.7	66	8.3	84	11.4
2010	737	186	25.2	228	30.9	203	27.5	57	7.7	63	8.5

Source: Sample Survey Results

15. Education Level

Table 3-3 Education Level of Affected Populationn

Unit: person; %

Education Level	2008		2009		2010	
	Number	%	Number	%	Number	%
Uneducated	130	16.4	132	17.9	136	18.4
Primary School	218	27.4	178	24.2	139	18.9
Junior Middle School	331	41.6	302	41.0	328	44.5
High School and Secondary Education	98	12.3	97	13.2	96	13.0
College	18	2.3	27	3.7	38	5.2

Source: Sample Survey Results

It can be seen from the above table that 38 persons have received college education or above by 2010 versus 18 persons by 2008, indicating an upward trajectory of educational attainment in the project region in the past few years.

16. Occupational Status

Table 3-4 Employment Status of Affected Population

Indicators	2008		2009		2010	
	POPULATION (PERSON)	Proportion (%)	POPULATION (PERSON)	Proportion (%)	POPULATION (PERSON)	Proportion (%)
Farming, Forestry, Animal Husbandry and Fishery	389	48.9	256	34.8	194	26.3
Mining and Manufacturing	17	2.1	12	1.6	3	0.4
Electricity, Gas and Water	1	0.1	2	0.3	1	0.1
Construction	6	0.8	20	2.7	4	0.5
Logistics and Warehousing	7	0.9	9	1.2	3	0.4
Wholesale and Retail	6	0.8	12	1.6	9	1.2
Teacher and Doctor	7	0.9	3	0.4	5	0.7
Student	207	26.0	173	23.5	186	25.2
Other	155	19.5	249	33.8	332	45.0

Source: Sample Survey Results

It can be seen from the above table that the proportion of those in the "Other" trades increased each year, which can be explained by the following: (1) unemployed APs could not find a job and were not in any occupation, and therefore can only be classified into the "Other" group; (2) Some immigrants did participate in seasonal labor work, but their working periods varied in time and none of them lasted for over half a year, and therefore they were also classified into the "Other" group for the time being

as they cannot be otherwise classified into any specific occupation using the statistical categories of the National Bureau of Statistics of China.

17. Household Income

**Table 3-5 Income Changes of Families Affected
by Land Acquisition**

Unit: RMB; %

Items	2008	2009	2010	2011
Annual Gross Income	262048.8	24962	22305	95791
1. FAMILY OPERATING INCOME	5704.1	6018	4282	72222
Including: Farming Income	627.8	1091	1529	187
Including: Income from livestock and poultry raising	4412.1	2186	1062	3275
Including: Income of Secondary and Tertiary Industries	664.2	2741	1688	68759
2. WAGE INCOME	7270.2	11677	10482	19359
Including: Labour Income	7270.2	9858	8237	19358
3. TRANSFER INCOME	12584	5333	3607	4210 (minimum living allowance)
4. PROPERTY INCOME	262048.8	1362	147	
5. OTHER INCOME		572	2143	

Source: Sample Survey Results

As reflected in the above table, the income was high in 2008, primarily because of the land acquisition and lost asset compensation received by APs during that year; the income was also high in 2011 because there were a few wealthier households among the surveyed. The gross income would have been RMB 36,138 per AP household or RMB 6,464 per capita, had those large households been excluded from the sample.

18. Household Expenditure

Table 3-6 Expenditure of the affected households

Unit: RMB/household

Items	2008	2009	2010	2011
Total annual household expenditure	220596	37166	31439	103901
1. ANNUAL HOUSEHOLD OPERATING EXPENSES	2253	2277	1331	65234
Of which: Plantation expenses	360	283	217	140
Expenses in livestock and poultry raising	1858	660	753	1250
Expenses in the secondary and tertiary sectors	35	1334	361	6384
2. LIVING EXPENSES	32167	24342	30108	38667
Of which: Food expenditure	13281	13498	15255	19109
Clothing expenditure	1370	1188	1169	1113
Housing expenditure	1507	555	0	0
Equipment Expenses	6253	905	557	0
Transport expenditure	2011	1470	1868	5058
Communications expenditure	1544	1194	1407	1571
Education expenditure	3195	4303	5835	6458
Medical expenditure	3006	1230	1331	2316

3. TRANSFER EXPENDITURE	3007	2064	3243	3042
Of which: Courtesy expenditure	1992	1615	2289	3042
4. PROPERTY EXPENSES	183169	8483		

Source: Sample Survey Results

The operating expenses of a typical household would have been RMB 3,359 per household on average, had the wealthier households been excluded. The surveys showed the family living expenditure to have increased each year, and it was not uncommon among farmer household to start “living on savings”; however, the numbers also suggest that the living standard of APs did not deteriorate.

19. Per Capital Net Income

Table 3-7 Changes in Per Capita Net Income of Immigrant Families

Unit: RMB

Items	2008	2009	2010	2011
I. Annual Gross Income	262049	24962	22305	95791
II. Operating Expenses	191675	2277	2438	65234
III. Household Net Income	70374	22685	19867	30557
Average population per household (person/household)	5.0	4.91	4.40	5.59
Per Capital Net Income	14075	4620	4515	5466

Source: Sample Survey Results

As shown in the above table, the per capita net income was as high as RMB 14,075 in 2008, with the significant increase due to land acquisition /

relocation compensation in the year, rather than any representative income during normal years. The income in 2011 was slightly higher than that in 2009 and 2010, and such income increase can be explained by the fact that APs have gradually found job opportunities. It is worth noting that the per capita net income of immigrant farmers would have been RMB 5,863 in the 2012 survey, if the few wealthier households had been excluded. The per capita net income of these families was not sufficient to sustain their normal living expenditure. Taking 2011 as an example, the per capita consumption in the families was RMB 6,917, whereas the net income was merely RMB 5,863; the income-expenditure gap was significant.

20. Housing area

AP households had a housing area of 147.80 square meters per household in 2011, which were of the brick and concrete structure. However, it will be noted that the number was not representative due to the small sample size and uneven distribution of selected samples. From observations on the ground, AP households as a whole enjoy better housing conditions than before, with an increased area and improved quality.

Table 3-8 Changes in Housing Area and Structure of Resettled Rural Households Unit: Square Meters/ Household

Building Type	2008	2009	2010	2011
Total Area	195.1	197.5	232.71	N/A
Including: Brick-Concrete	159.9	165.6	205.85	147.8
Brick-Wood	28.1	23.8	24.73	N/A
Earth-Wood	5.5	4.9	2.13	N/A
Temporary	1.6	3.2	0	N/A

Source: Sample Survey Results

21. Household Durable Goods

Table 3-9 the major durable goods owned by the affected farmer families, per household

Household Durable Goods	In	2008	2009	2010	2011
Automobile	Unit	0.04	0.05	0.07	0.13
Agricultural vehicle / large machine	Unit	0.12	0.05	0.05	3.56
Motorcycle	Unit	1.22	1.10	1.6	1.03
Television	Unit	1.14	0.96	1.12	1.19
Telephone and Mobile Phone	Unit	2.38	1.95	2.61	2.53
Washing Machine	Unit	0.52	0.44	0.65	0.63
Refrigerator	Unit	0.25	0.24	0.3	0.56
Water Heater	Unit	0.38	0.31	0.65	0.63
Computer	Unit	0.12	0.07	0.13	0.63

Source: Sample Survey Results

As shown in Table 3-9, the durable good asset base has improved among APs, as they typically bought new home appliances when moving to their new homes. The number of heavy machinery has increased markedly, partly because of wealthier families selected in the questionnaire sampling. However the increase also reflects the fact that quite a few AP households have earned income by buying and leasing large machines in the past few years, as confirmed by observations on the ground.

Chapter 4 Impacts of the Project

The area affected by the project mainly encompasses 5 administrative villages and 26 natural villages. Substantial changes have taken place in AP villages after the land acquisition and household relocation - some people have totally transitioned to new livelihoods; some have been living in a completely new environment; some people have seen their livelihoods recover quickly while for others not at all - there is a trend of livelihood diversification, but for many APs the future brings significant uncertainties.

22. The Impact of Land Acquisition and Resettlement

For phase one of the Beihai forest, pulp and board project, land acquisition and resettlement started in May 2007 and ended on Aug 12, 2009. A total land area of 3,755 mu was obtained, involving 26 natural villages at 5 administrative villages of Nanle, Xiejia, Binchi, Pitou and Chuanjiang, in Xinggang Town, Tieshangang District, Beihai City. The total land acquisition amounted to 4,029 mu, after adding the 274 mu land which had been acquired from the Honghuagen village to build the rehousing area. The land acquisition was basically implemented as planned.

However, there have been some adjustments during the resettlement process compared to the original plan. Resettlement mainly affected the 5 natural villages of Nanle Village, Pikoutang Village, Tianliao Village, Beimu Village and Xinwupo Village under the Nanle Village Committee, with 50,000 square meters of brick-wood structured housing and over 4,000 square meters of brick-concrete structured housing being demolished. The previous office building of Nanle Village Committee and the previous Nanle Primary School have been demolished and relocated, together with 2 telecommunication base stations, 1 brick factory and 1,345 grave sites. A total of 467 households, or 1,236 persons, were actually affected by

physical relocation, of which 762 were of a working age. Another 59 households were affected in addition to what was planned. A total of 218 relocated households have completely lost their farm and residential land during the relocation process.

23. Population affected by the project

The population affected by the project was initially 7,576 persons, of which 6,340 were affected by land acquisition and 1,236 were affected by physical resettlement, according to statistics from the authorities. See Table 4-1 for details:

Table 4-1 Those affected by the project

Items	In	Nanle Village	Pitou Village	Chuanjiang Village	Binchi Village	Xiejia Village	Land in Dispute	Total
Acquired land	Mu	3326.34	335.87	62.2	258.75	16.32	29.45	4029.13
Households affected by land acquisition	Household	617	274	259	141	285	-	1576
Population affected by land acquisition	Person	2335	1199	1074	574	1158	-	6340
Total area of demolished houses	M ²	54000						54000
Households affected by demolition	Household	467	0	0	0	0	-	467
Population affected by demolition	Person	1236	0	0	0	0	-	1236
Impact of land acquisition and resettlement	Household	1063	275	259	142	285	-	2024

Total population of land acquisition and resettlement	Person	3713	1202	1074	575	1158	-	7576
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Source: Survey

According to updated statistics, in actuality 440 households or 1,530 persons were physically relocated due to this project (the 294 persons, who were added later on, were the farmers who had to be resettled due to the road building for this project. The compensation they received was also made in accordance with the policies and standards listed in the Chapters 5 & 6 of this document); Another 236 households, or 868 persons, were subjected to land acquisition but not physically resettled, resulting in a per capita farm landholding of less than 0.3 mu. These numbers add up to a total of 676 households, or 2,398 persons.

24. Annual cropland decrease

As Xinggang Town is the industrial area of Tieshangang District, the project villages were subject to frequent land acquisitions in recent years during the wave of construction of industrial projects within TSG, and they were affected to varying extents. Pitou village was affected most, with the land acquisition rate at 88.33%, while the land acquisition rate was 15.49% at Xiejia village, which was affected least. See Table 4-2 for details:

Table 4-2 Changes in Cropland at Different Villages in the Project Area (2006-2010) Unit: Mu

Year	2006	2007	2008	2009	2010	2011
Xiejia Village	2955	2955	2715	2497.5	2497.5	2715
Binchi Village	2520	2370	2209.5	1576.5	1576.5	1650
Nanle	2265	1455	1305	1200	1200	1305

Village						
Pitou Village	4140	3345	3045	1905	690	900
Chuanjiang Village	7942.5	2767.5	2152.5	1837.5	1807.5	1860
Total	19822.5	12892.5	11427	9016.5	7771.5	8430

Source: 2007-2011 Rural Statistical Ledgers (Annual Reports), government of Xinggang Town, Tieshangang District, Beihai City

Note: Inconsistency in some of the above numbers may be caused by data submitted to the authorities by villages not having been verified.

All the project affected villages had their cropland reduced every year due to land acquisition by industrial projects. The cropland area reduced the most in 2007 and 2008 by 3,738 mu, or 96.1% of the total. The reduction of cropland area was small in 2009 and 2010, at 151.5 mu, or 3.89% of the total. This suggests the land acquisition by the Stora Enso Project concentrated in 2007 and 2008, when a sizable reduction in cropland area took place in those two years. The land acquisition activities basically stabilized at the project villages by 2009. It is worth noting that with the exception of Nanle village, the cropland area reduction in the other villages was caused by projects other than the Stora Enso project.

25. Gradual Restoration of Livelihoods

APs from the project villages have gradually restored their livelihoods to different extents, as confirmed by monitoring study results and field observations, and the fact that the number of people engaged in agricultural activities decreased each year alongside the increase in the number of people employed in other sectors. Compared with 2008, the percentage of people engaged in farming, forestry, animal husbandry and fishery fell to 26.3% in 2010, or a reduction of 22.6%; while the percentage of those in “Other” trades increased to 45.0% from 19.5%, up 25.5%, suggesting that people have, through difficulty, transitioned to new means of livelihoods.

One of those new livelihoods is “labor export” i.e. outmigrating to look for work. The placement of over 100 laborers had been secured prior to the start of the Project’s land acquisition and resettlement activities. APs looked for employment opportunities by their own initiative when the project started; over 200 people have either found a local job or started to work in other regions according to our survey data. Some of them are working as security guards at TSG companies, while others have become contract workers or are temporarily employed by the factories. This group has secured a stable source of income.

Another means is entrepreneurship. Some APs who had special skills or capital had leveraged their strengths and obtained good income by starting their own businesses, buying large machines to lease out to others for project work. Though the number of people in this group is limited, their endeavors have had a demonstration effect on other APs. (See the Appendix for details)

The third means was developing job opportunities in the public welfare domain. The local labor and social security department applied to the related departments at the senior level and the municipal government for funds to develop public welfare positions with a view to providing one position of this kind for each AP household. At present, 45 public welfare positions have been created.

The fourth means was APs continuing to develop their animal husbandry activities. Also a few farmers have utilized their skills in conducting aquacultural business through the outsourcing of shrimp ponds, finding a new way to restore their livelihoods.

It was discovered during the livelihood recovery process that younger APs who were equipped with special skills, had a good level of savings, were physically fit and had good interpersonal networks, tended to find a job more easily which would pay relatively well; whereas older APs, those lacking special skills or a certain level of educational attainment, those in

short of capital or personal connections, and vulnerable households typically experienced difficulty in finding a suitable job and had a more difficult time restoring their livelihoods.

26. Gradual Annual Increases in Income

As shown by the statistics from the People's Government of Xinggang Town, the per capita net income of farmers at the project villages still increased gradually, and the growth rates were relatively balanced at different villages, despite the fact the farmers had lost their cropland upon implementation of land acquisition and resettlement in the project area. The household income of the farmer who had completely lost all cropland suffered reduced income, but the percentage was not significant.

Table 4-3 Changes in Per Capita Net Income of Farmers at the Project Area (2007-2011) Unit: RMB

Year	2007	2008	2009	2010	2011
Xiejia Village	3726	3932	4134	4694	5095
Binchi Village	3702	3902	4108	4672	5072
Nanle Village	3760	3961	4162	4730	5132
Pitou Village	3735	3934	4138	4701	5102
Chuanjiang Village	3753	3954	4156	4724	5129
Average	3735	3936	4128	4691	5106

Source: 2007-2011 Rural Statistical Ledgers (Annual Reports), government of Xinggang Town, Tieshangang District, Beihai City

As shown in the above table, the per capital net income of villagers within the project area is lower than that in Beihai City, Tieshangang District and Xinggang Town and is also growing slowly.

27. Major Changes in Residential Housing and the Environment

To ensure residence land for the relocated residents, the Land Acquisition and Relocation Office for Beihai City Forest Pulp Paper Integrate Project acquired 274 mu of land near Honghuagen Village, Pitou Administrative Village Committee of Xinggang Township to serve as the reconstruction site for physically relocated APs. More than 200 transitional homes were built in November 2007 on the reconstruction site. Each home had an area of about 36 square meters, with kitchen and shower room included. Public toilets are also available in the community. The government was responsible for working on “road, electricity, water, drainage, gas and site leveling” at the housing site. The construction of housing and the Nanle Primary School was basically complete by August 2009, and the villagers had moved to their new housing from the transitional homes. However, a few APs were still living in the transitional houses because they did not build their new houses due to insufficient funding or other reasons. APs who built their new houses saw the quality of their living environment improve significantly. It was found in the survey that the floor area per household was 204 square meters in 2006 prior to the resettlement of the project, while only 18% of the housing consisted of brick and concrete structures. The survey in 2009 showed that the floor area per household was 195 square meters with a better quality because the percentage of brick and concrete structures had increased to 82%, although the per household floor area was 8.9 square meters less (as the expansion of floor area was subject to policy restrictions). On-site investigation in 2012 also found that all AP households were living in “small villas”, with the living quality having improved significantly and comparable to that of local residents in Beihai, though their floor area was smaller than before.

28. Changes in educational background

Our survey found that the educational background of the villagers also improved at the project villages, as there are 24 college graduates

amongst the affected population in 2012, up 33% from the baseline of 18 persons who received college education or above in 2007.

29. Changes in the household asset structure

The biggest change was the large increase in the number of households that owned “heavy machinery”, which was a positive development as this means that some households have had a major improvement in their livelihoods by relying on technological advances and large machines for productivity or income.

Chapter 5

Legal Frameworks and Policies

30. Domestic legal and policy frameworks

A summary of policies serving as the basis of the project

	Policy document	Effective date
State	The Land Administration Law of the People's Republic of China	August 28th, 2004
	Implementation Rules of the Land Administration Law of the People's Republic of China (State Council Order 256)	December 27th, 1998
	Decision by the State Council on furthering Reformation and Strengthening Land Administration (GF [2004] No.28)	October 21st, 2004
	Provisional Regulations of the People's Republic of China on Cropland Occupancy Tax	January 1st, 2008
	The Guidance Opinions on Compensation and Resettlement Arrangements for Land Acquisition (GZTF [2004] No.238)	November 3rd, 2004
	Notice by the State Council on Issues Related to Strengthening Land Administration (GF [2006] No. 31)	August 31st, 2006
	Administrative Rules on Urban Housing Demolition (State Council No. 305)	November 1st, 2001
	Measures on Land Acquisition Announcements	January 1st, 2002
	Notice by the Ministry of Land and Resources on Enforcement of Compensation for Land Acquisition (GTZF [2004] No.58)	October 21st, 2004
Autonomous Region		
Guangxi Zhuang	Measures of the Guangxi Zhuang Ethnic Autonomous Region on Implementation of The Land Administration Law of the People's Republic of China (Modified)	September 1st, 2001
Ethnic Autonomous	Notice on Release of the Administrative Measures on Collection and Usage of Cropland Reclamation Charges in Guangxi Zhuang Ethnic Autonomous Region	GJFZ [2001] No. 138

	Policy document	Effective date
Region	Notice on the Policy Adjustment to the Land Use Fee of Incremental Construction Land and Related Issues	CZ [2006] No. 48
	The Provisional Regulations of the Guangxi Zhuang Ethnic Autonomous Region on the Collection of Four Types of Compensatory Charges for the Acquisition and Occupancy of Forestry Land	July 31st, 2002
	The Measures of the Guangxi Zhuang Ethnic Autonomous Region on Implementation of the Regulations on Protection of Basic Farmland	July 31st, 2002
	Provisional Measures of Guangxi Zhuang Ethnic Autonomous Regions on the Land Acquisition and Resettlement for the Construction Land of Key Infrastructure Projects (GZF [2000] No. 39)	August 14th, 2000
	The Per Annum Production Basis Standard and Resettlement Compensation Standard for Acquired Land for the Construction of Key Infrastructure Projects in the Guangxi Zhuang Ethnic Autonomous Region (GFG Regulation [2005] No. 190)	May 24th, 2005
	The Notice of the Guangxi Zhuang Ethnic Autonomous Region on Interim Measures of Social Security for Farmers Affected by Land Acquisition (GZBF [2008] No. 18)	March 14th, 2008
	Measures of the Guangxi Zhuang Ethnic Autonomous Region on Implementation of <Provisional Regulations of the People's Republic of China on Cropland Occupancy Tax> (People's Government Order of Guangxi Zhuang Ethnic Autonomous Region No. 46)	January 6th, 2009
Beihai City	The Notice of Beihai Municipal People's Government on the Announcement of the Average Annual Production of Different Agricultural Land Types in Beihai City in 2004-2006 (BZF [2007] No. 23 Document)	July 18th, 2007
	Approval of Beihai Municipal People's Government for the Compensation Standard of Land Attachments within the Territory of Beihai City	August 25th, 2007
	Interim Measures of Beihai City on Social Security for Farmers Affected by Land Acquisition (BZB [2012] No. 185)	May 30th, 2012

31. International Finance Corporation (World Bank Group) Requirements

IFC's 2006 Social and Environmental Performance Standard 5 on Land Acquisition and Involuntary Resettlement requires that where involuntary resettlement cannot be avoided, the project owner shall plan and implement appropriate measures to mitigate adverse effects on affected persons. Performance Standard 5 is applicable to those groups physically resettled in connection with the project, and those not physically relocated but whose land is acquired (economic displacement). The project shall offer communities compensation for loss of assets at full replacement cost and other assistance to help them improve or at least restore their standards of living or livelihoods. For economically displaced persons, the project owner will establish a process to promptly compensate them for loss of assets, and provide assistance to help them improve or at least restore their income generating ability, production levels and living standards. The compensation standard should be transparent, and transparency shall be ensured during and after the resettlement and land acquisition process.

The project will ensure the informed participation of APs. The project owner will establish a grievance and dispute-resolution mechanism to understand and resolve issues raised by APs relating to compensation and resettlement.

Where land acquisition and resettlement are the responsibility of the host government, the project owner will collaborate with the responsible Government to the extent permitted by the agency to achieve the goals set out in Performance Standard 5.

32. Compensation standard

The compensation standard for the Beihai forest, pulp and board project is based on the laws, regulations and policies of the Chinese Government. The average annual production level in the first three years of the various types of land acquired was based on the document “Notification of the Beihai Municipal People's Government on the Announcement of the Average Annual Production of Different Agricultural Land Types in Beihai City in 2004 – 2006”, which was formulated on July 18, 2007. The compensation standard for resettlement was based on the “Approval of Beihai Municipal People's Government for the Compensation Standard of Land Attachments within the Territory of Beihai City”, which was formulated on August 25, 2007.

(1) Land compensation standard

Based on the “Notification of the Beihai Municipal People's Government on the Announcement of the Average Annual Production of Different Agricultural Land Types in Beihai City in 2004-2006 (BZF [2007] No. 23 Document)”, the average annual production value of the land acquired by the forest, pulp and board project was: paddy field at RMB 1,340, dry land at RMB 1,338, vegetable field at RMB 2,196, shrimp or fish pond at RMB 2,000, shelter forest at RMB 919, and economic forest at RMB 1,934. The multiples of land compensation fee for the paddy field and dry land of “basic farmland” (i.e. flat agricultural land of the highest productivity) were 10x and 9x respectively, and the multiples of resettlement subsidies were 9x and 21x respectively, also based on the above regulation. For “non-basic farmland” (i.e. second tier agricultural land in terms of productivity), the multiples of resettlement subsidies for paddy fields, dry land and vegetable land were calculated based on the per capita cropland area of the affected villages (prior to land acquisition), while the subsidies for other land types were based on fixed multiples.

The total land compensation and resettlement subsidies are as follows for paddy field, sugarcane land, other dry land, vegetable land, orchards and fish ponds, based on the average annual production value and compensation multiples:

Table 6-1: Land compensation standard (1)

(Unit: RMB)

Land	Basic farmland		Non-basic farmland			
Items	Paddy field	Dry land	Paddy field	Dry land	Vegetable land	Fish & shrimp ponds
Total amount of land compensation fees and resettlement subsidies	40200	40140	—	—	—	26000
Total compensation, the per capita cropland area >0.06 hectare prior to land acquisition			18760	16056	28548	—
Total compensation, the per capita cropland area 0.05-0.06 hectare prior to land acquisition			20070	17394	30744	—
Total compensation, the per capita cropland area 0.03-0.04 hectare prior to land acquisition			25460	22746	39528	—
Total compensation, the per capita cropland area 0.025-0.03 hectare prior to land acquisition			28140	25422	43920	—
Total compensation, the per capita cropland area 0.02-0.025 hectare prior to land acquisition			30820	28098	48312	—
Total compensation, the per capita cropland			32160	29436	50508	—

area <0.02 hectare prior to land acquisition				
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Table 6-2: Land compensation standard (2)

(Unit: RMB)

Land	Non-basic farmland				
Items	Flower nursery	Seedling nursery	Other agricultural land	Construction land	Uncultivated land, etc.
Total amount of land compensation fees and resettlement subsidies	42066	25677	10704	16056	2676

Note: The average annual production of other agricultural land, construction land and uncultivated land used the standard for dry land

Table 6-3: Forest compensation standard

(Unit:RMB)

Land	Forest land							
	With yield				Without yield			
	Shelter forest	Fuel- wood forest	Timber forest	Economic forest	Shelter forest	Fuel- wood forest	Timber forest	Economic forest
Items								
Total amount of land compensation fees and resettlement subsidies	11028	14748	16800	22860	8271	11061	12600	17145

(2) Compensation standard for houses and other land attachments

Based on relevant documents, the compensation standard applicable to this Project was as follows for housing structures and land attachments:

Table 6-4: Compensation standard for house building

Unit: RMB / square meter

House structure		Ordinary decoration	Mid-end decoration	High-end decoration
Brick and concrete structure	100 %	535	616	703
	90 %	483	565	652
	80 %	432	514	601
Brick-Wood structure	100 %	397	427	458
	90 %	366	397	427
	80 %	335	366	397
Framework structure	Calculated based on the compensation standard for brick and concrete structures x 1.32			
Notes	I. Level of wear and tear: The level of wear and tear was calculated based on the ratio of the used years of the house to the maximum usage years of that house type. The maximum usage years were 70 for brick and concrete structure, and 50 years for brick and wood structure (higher than 3.5 meter). The depreciation rate of 80 percent is applied if the property concerned is deemed to have depreciated more than 80 %. II. Extent of Refurbishment: 1. Brick and concrete structure: High-end refurbishing means that the external walls are furnished with complete tiles or special external wall paint, the floor is laid with marble, granite or large-size tiles; suspended ceiling decorations, aluminum alloy windows, the floor in the kitchen and toilet is laid with mosaic tiles, and tiles are laid on both the internal and external walls to the ceiling. Mid-end decoration means that the external walls are partially furnished with			

	tiles, special external wall paint or complete mosaic tiles, the floor is laid with small-size tiles, aluminum alloy windows; the floor in the kitchen and toilet is laid with cement, and the laying of tiles on internal and external walls does not go to the ceiling. Ordinary refurbishing means that the internal and external walls are finished with putty, cement floor, the floor in the kitchen and toilet is laid with cement, and there is no supply of water or electricity, and the other standard setting for ordinary houses. 2. Brick and wood structure: Wood trusses, wood purlins to bear weight; tile roofs. The house height is over 3.5 meters. High-end refurbishing means that the house height is over 4.5 meters, the external walls are furnished with complete tiles or special external wall paint, the floor is laid with tiles, there are suspended ceiling decorations and aluminum alloy windows; the kitchen, toilet, floor and both the internal and external walls are laid with tiles. Mid-end refurbishing means that the house height is over 4 meters, the external walls are partially furnished with tiles or external wall paint, the floor is laid with small-size tiles, there are aluminum alloy windows, the floor in the kitchen and toilet is laid with cement, and the supply of water and electricity is in place. Ordinary (simple) refurbishing means that the house height is over 3.5 meters, the internal and external walls are finished with putty, there are earth floors, no kitchen or toilet, no supply of water or electricity, etc.
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Table 6-5: Compensation standards for land attachments (1)

Terms	Structure	In	Unit price (RMB)
Simple brick and wood house	The brick and wood structure house is lower than 3.5 meters (inclusive) in height; tile roof; putty both inside and outside	square meter	205

Simple house (1)	Brick and stone walls; asbestos tile roof, asphaltic roof or other roofs; the height is 2.2 meters or above	square meter	125
Simple house (2)	Brick and stone walls; asbestos tile roof, asphaltic roof or other roofs. The height is below 2.2 meters	square meter	105
Simple shed	Brick, stone pillars	square meter	45
Pig or cattle shed	Brick, stone walls, tile roof	square meter	65
Simple bamboo shed	Bamboo, wood, enclosing mat	square meter	30
Steel shed	Steel structure, tile roof	square meter	50
Note	The above table can be referred to for similar auxiliary facilities with a different designation.		

Table 6-6: Compensation standards for land attachments (2)

Terms	Structure	In	Unit price (RMB)
Sunning ground		m ³	20
Ditch	Three-side brick walls; three-side stone	m ³	70-75
Water tower		m ³	400
Septic tank		m ³	250
Well	Manual-dug pumping well, machine-drill (hand-cranking well)	m ³	80-150

Table 6-7: Compensation standards for sparsely planted fruit trees and other trees

Type of fruit trees	Compensation amount (RMB/tree)	Note
Plantain, banana	RMB 10 for non-fruit-bearing; RMB 20 for fruit-bearing	
Papaya	RMB 8 for non-fruit-bearing; RMB 15 for fruit-bearing	Over 1 meter
Longan tree, lychee tree	RMB 10-25 for below Φ 3cm; RMB 25-40 for Φ 3-5cm; RMB 40-120 for Φ 5-15cm; RMB 120-250 for Φ 15-30cm; RMB 250-400 for Φ 30-50cm; RMB 400-500 for Φ 50-60cm; RMB 500-700 for above Φ 60cm.	
Grape, fig, megranate, persimmon	RMB 20 for fruit-bearing; RMB 5 for non-fruit-bearing	
Mango, tangerine, orange, plum, pomelo, carambola, peach, loquat, wampi, sand pear, Sanhua plum, guava, ginseng fruit, Ribes procumbens Pall and other fruit trees	RMB 5-10 for below Φ 5cm; RMB 15-50 for Φ 5-10cm; RMB 50-100 for Φ 10-20cm; RMB 100-150 for Φ 20-30cm; RMB 200 for above 30cm.	
Jackfruit tree	RMB 5-20 for below Φ 5cm; RMB 20-60 for Φ 5cm-10cm; RMB 60-150 for Φ 10-40cm; RMB 150-300 for above Φ 40cm.	
Pine, Cypress, wattle, neem, eucalyptus, cedar, miscellaneous trees and other timber trees	Compensation of RMB 1 for each centimeter of diameter at chest height	
Bamboo	RMB 1 for each ambusa chungii or bambusa pervariabilis; RMB 2 for each square bamboo; RMB 5-8 for each sweet bamboo.	
Seedlings etc.	RMB 3 for fruit seedlings; RMB 1 for	

	miscellaneous seedlings	
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33. Assessment of compensation standards

Through comparison with other standards adopted in Guangxi, and by taking into consideration specific income circumstances of APs in 2006, the RAP makes the following observations:

- Compensation standards listed in this chapter (“These standards”) were relatively low compared with that offered in Guangxi’s capital (Nanning City), with regards to land acquisition, resettlement, and land attachments. Land compensation is less than half of Nanning projects.
- These standards were slightly higher than that used in Guangxi expressway projects (except for houses), which were of a public welfare nature.
- These standards were not high in view of the income level of APs in 2006 - this was the year just before Project land acquisition activities commenced. It will be noted that 2006 happened to be the year when APs had a good harvest from their mariculture businesses.
- If the mean annual income from mariculture over a 5-year period were considered instead, which would take into account the high risk level of these businesses whose annual income fluctuated significantly from year to year; these standards would be considered to be consistent with average compensation levels.

Chapter 7 Community Development Plan

*Information in chapters 7-10 has been prepared by Stora Enso Guangxi and GASS.

34. Development Summary

During the resettlement process, compensation procedures have been strictly followed. Since the relocation of the Nanle residents, the local government has also provided substantial assistance to APs, from providing transitional housing to the minimum subsistence allowance.

The project owner is committed to ensuring the interest and development of relevant stakeholder groups. It commenced regular communications with affected villagers in 2010; visited them regularly in the past two years and prior to Chinese New Year; and has also sponsored local events such as photography exhibitions and basketball games. In order to help APs' livelihood transition so that they would improve their living standards over time, the project owner has closely consulted with the local government and APs in the formulation of the Community Development Plan (CDP) detailed in this chapter, on the basis of the extensive participation of affected groups.

Addressing the specific challenges faced by the affected groups in their lives, works and livelihoods, the CDP includes a series of programs which encompasses education support, livelihood development, skills training, health and sanitation, and sports and cultural activities.

35. Implementation principles

The CDP will follow the principles below in its design and implementation, in order to ensure its relevance and sustainability:

(1) The combination of short-term support and long-term impacts.

The CDP will not only provide near-term support to address the pressing needs of the people, such as educational assistance and health

and sanitation, it will also seek to enhance AP capacities from a long term perspective, thus helping them improve their living standards at a more fundamental level. Examples are the establishment of employment information center at the resettlement village and the provision of training to unemployed people in the area of basic skills.

(2) The principle of prioritizing households affected by the land acquisition.

The key beneficiaries of the programs should be the following households whose land was acquired:

A. People who were physically resettled as a result of the land acquisition for the Project's industrial site;

B. Rural residents not physically resettled but whose per capita farming landholding area is less than 0.3 mu after the land acquisition (a level deemed not enough to support subsistence through farming) caused by this Project.

(3) The principle of caring for vulnerable groups.

The CDP specifically includes a "living package" for vulnerable groups (such as elderly people living alone, the physically handicapped and orphans) and communities' activities that can care for them, given the challenges they have encountered in the process of livelihood restoration.

(4) The principle of sustainable impact.

The program holds the view that improving the capacities of APs will be fundamental for them to improve their living standards over time, and will also contribute to sustainable livelihood restoration. Therefore, two of the key operating principles of the CDP are:

A. Undertaking activities which will enable APs to become capable of sustainable livelihood restoration during the process of urbanization, as opposed to the direct distribution of cash to them;

B. Long-term effects will be considered in the design of each program activity.

(5) The principle of a program independently managed by APs.

The CDP has been designed on the basis of extensive participation of the villagers, in order to enhance local ownership which in turn will contribute to sustainable impacts. To that end, a villager working team has been elected by APs at a special meeting, and this team of AP representatives participates in the design of the entire plan, and assumes the responsibility of communicating to other APs the progress of the plan, collecting their opinion and providing feedback. As AP capacity is enhanced, the implementation and administration of the CDP will be progressively transferred to the working team, and the role of the local government and the project owner will gradually transition to that of a facilitator instead of an administrator.

36. Key facets of the community development plan

(1) Education support program

The baseline surveys by GASS found APs in the 40-60 age-group faced the greatest challenges in livelihood restoration, as they were typically in a disadvantaged position when looking for job opportunities due to age and skill gaps. Additionally, this group has elders to look after and children who are receiving education (either at the secondary school or college level), which requires a large outlay - education related expenses of each junior or senior high school student account for approximately 35% of total household expenditures, whereas that percentage rises to 70-80% for a college student, according to survey findings. In view of this, the education support program is designed to provide subsidies to that AP parent group, making it possible for them to invest saved funds in livelihood restoration activities.

The education support program consists of different approaches targeting students of different age groups:

1) All the high schoolers from AP families must reside in other towns where there are high schools, as there is not a single high school near the resettlement neighborhood. The living allowances from this program will

be used to subsidize the boarding and accommodation costs of this group of students. The subsidy will be reduced gradually throughout the three years of the program's implementation i.e. 100% of the living expenses of the students paid in the first year, then down to 70% and 40% in the second and third years), thus matching the livelihood transition progress of AP families. The guardians of the students who receive subsidies are required to sign a letter of commitment promising that all saved expenses will be used in livelihood restoration activities.

2) With respect to college students, the program will provide a certain amount of scholarship to students who are admitted to key universities, ordinary universities, colleges or those majoring in principles related to forestry, pulp and paper. The grant will be issued on an annual basis, starting from 2012.

3) Giving the costs are relatively small to attend primary school or kindergarten, the program will provide more support or encouragement in the aspects of culture, sports or entertainment, according to the age of the child.

(2) The livelihood development and skill training program

The livelihood development program intends to help APs expand their employment and entrepreneurship avenues, and improve relevant skills. The lack of employment information has been identified as a major factor impeding the unemployed from finding a job. Therefore the program will establish an employment information center at Nanle village to help APs look at employment information and development opportunities in surrounding areas. The program will also, where conditions permit, help place suitable candidates to work at the Stora Enso industrial facility. Assistance will be appropriately provided by the program to vulnerable groups that encounter severe hardships.

When unemployed APs have identified skill and competency gaps in relation to available external opportunities, the program will provide willing

participants with the opportunity to join short-term training programs. The program will also provide free entrepreneurship consulting services to interested APs.

The program also holds the view that capacity enhancement should be a comprehensive and multi-faceted undertaking, which includes environmental awareness and learning from strong external practices in livelihood restoration and development. Therefore, training may include “outgoing” visits and communications as well as “incoming” hands-on training workshops.

(3) Health and sanitation

On the basis of the active participation of APs, the program will design and implement some health & sanitation activities proposed by them. Examples include an annual village-wide mosquito and bug control event, provision of a common medicine and first aid box for each household, and publicity campaigns to raise public sanitation awareness.

(4) Cultural and sporting activities

The 4-year baseline monitoring results have revealed that while they have moved into new houses, the daily life of residents are monotonous, and this has partly led to majong (a game which often involves gambling) becoming a common way of killing time, while a healthy community culture has yet to take shape in the Nanle resettlement community. For this reason, certain cultural and sports activities are also included in the CDP to: i) encourage APs to build on and rediscover their traditional and family culture, by organizing traditional local drama plays for instance, or arranging for family photo-taking sessions during Chinese New Year, or fostering participation in sport contests and so on; and to ii) organize occasions for APs to take part in events such as “Nanle - Forest, pulp and board” China-western cultural festivals.

(5) Infrastructure construction

The local government is currently applying to higher level government for RMB 5 million to finance the construction cost of infrastructure including road repair, road lighting, drainage ditches and greening features to further improve the living environment in the resettlement neighborhood areas.

(6) Living allowance. The local government will continue to provide a monthly minimum living allowance to APs during the implementation of the RAP, helping them through the transition smoothly and gradually improving their living quality.

37. The implementation plan (July 2012 to June 2015) SUBJECT	ACTIVITY	PROGRAM CONTENT	EXECUTION PERIOD	BUDGET (RMB)	OWNERSHIP	EXECUTION AGENT
1. Education support program	1.1 Subsidies for the living expenses of junior and senior high schoolers	Subsidize the boarding and accommodation costs of students at school with an amount which is reduced each year to alleviate the pressure on family expense.	2012.9-2015.06	2,340,000	Forest, pulp and board	Beihai Citizen Volunteer Association (NGO); villager working team
	1.2 Mutual-help education fund	A mutual-help fund for students' education will be sponsored on the basis of the voluntary participation of the people.	Sep 2012 - long-term		Forest, pulp and board	Villager working team; Forest, pulp and board
	1.3 College students scholarship	A certain ratio of scholarships will be granted to students who are admitted by higher education institutes (key universities, ordinary universities, colleges and majors related to forestry, pulp and paper)	2012.9-2014.12		Forest, pulp and board	Forest, pulp and board; villager working teams
	1.4 Visits by parents to college students	Provide the parents of the scholarship recipients with allowances for one visit to their children, including the costs of transportation and accommodation	2012.9-2014.12		Forest, pulp and board	Forest, pulp and board; villager working teams

	1.5 Improvement of the facilities at the kindergartens	Addition of certain recreational facilities to the kindergartens at Nanle village	2013		Forest, pulp and board	Forest, pulp and board; villager working teams
	1.6 Encouragement of the learning activities of primary school students	Establishment of a variety of awards for excellent students, and hosting a series of festival activities, such as the Children's Day party and taking photos of individuals in study (class photos), etc.	2013-2014		Forest, pulp and board	Beihai Citizen Volunteer Association; Forest, pulp and board; villager working team
2. Livelihood development	2.1 Establish an employment information center	Help APs obtain employment information and development opportunities in the areas surrounding Nanle, and access opportunities or start their own businesses more effectively	2012.9-2015.06	1,087,000	Forest, pulp and board	Forest, pulp and board; villager working team
	2.2 Employment placement	Place suitable AP candidates to work at the pulp and paper factory	2012.9-2015.06		Forest, pulp and board	Forest, pulp and board; villager working team
	2.3 Skill contests (digging up sand worms, infrastructure construction skills, etc.)	Improve the employment and livelihood skills of villagers	2013-2014		Forest, pulp and board	Forest, pulp and board; Beihai Citizen Volunteer Association; villagers working team

	2.4 “Living packages” for vulnerable groups	Provide a proper amount of living necessities on a quaterly basis to vulnerable households, including orphans and the physically handicapped.	2012.9-2015.06		Forest, pulp and board	Forest, pulp and board; Beihai Citizen Volunteer Association; villager working team
	2.4 Activities for the elderly	Visit elderly people over the age of 60 during intercalary months and dragon boat festivals	2012.09-2014.12		Forest, pulp and board	Forest, pulp and board; Beihai Citizen Volunteer Association; villager working team
	2.5 Chinese New Year’s visits	Bring new year gifts to APs	2012.9-2015.06		Forest, pulp and board	Forest, pulp and board; Beihai Citizen Volunteer Association; villager working team
3. Skill training	3.1 Trainings in basic skills	Help people to improve their livelihood skills	2012.9-2014.12	1,310,000	Forest, pulp and board	Forest, pulp and board; villager working team
	3.2 Entrepreneurship training and consulting	Help APs with entrepreneurship initiatives	2012.9-2014.12		Forest, pulp and board	Forest, pulp and board; villager working team
	3.3 Learning and exchange	Learn about exemplary outside practices in livelihood restoration; visit Stora Enso’s Suzhou pulp	2012.9-2014.12		Forest, pulp and board	Forest, pulp and board; villager

	excursions	factory in China				working team
	3.4 Increasing environmental awareness	Increase the public sanitation awareness of villagers; help create good local environmental & sanitation conditions	2012.9-2014.12		Forest, pulp and board	Beihai Citizen Volunteer Association; villager working team
4. Health and sanitation	4.1 Mosquito and bug killing	Improve the sanitation conditions at the resettlement neighborhood through mosquito and bug control.	2013-2014	167,600	Forest, pulp and board	Forest, pulp and board; villager working team
	4.2 Medicine boxes	Improve the local people's ability in the prevention and treatment of common diseases	2013		Forest, pulp and board	Forest, pulp and board; villager working team
5. Cultural and sporting activities	5.1 Cultural activities	Movie screenings; drama performance	2012.9-2014.12	205,000	Forest, pulp and board	Forest, pulp and board; villager working team
	5.2 Sports activities	Basketball games, etc.	2012.9-2014.12		Forest, pulp and board	Forest, pulp and board; villager working team
		Small table tennis arena	2013		Forest, pulp and board	Forest, pulp and board; villager working team

		Trips to gardens and parks	2013-2014		Forest, pulp and board	Forest, pulp and board; Beihai Citizen Volunteer Association; villager working team
		“Nanle - Forest, pulp and board” Chinese-Western cultural festival (cuisine, performance, brochures), in combination with park tours and drama performances	2013-2014		Forest, pulp and board	Government; Forest, pulp and board; Beihai Citizen Volunteer Association; villager working team
	5.3 The Chinese New Year family photos of Nanle residents	Take family photos of every household	2013		Forest, pulp and board	Forest, pulp and board; villager working team
6. Skills building of the program team	6.1 The e-office of the village committee	Improve the e-office service level of the village committee	2013	142,000	Forest, pulp and board	Forest, pulp and board
	6.2 Workshop	Enterprises, the community, local government, civil organizations and research institutes regularly conduct joint communications, evaluations and discussions of the resettlement action plan.	2013-2014		Forest, pulp and board	Forest, pulp and board

	6.3 Trainings, academic programs and conferences	The related trainings, academic programs and conferences to improve the execution capability of the program team.	2012.9-2015.06		Forest, pulp and board	Forest, pulp and board
	7.1 Program administration cost (including cost of commissioning the Beihai citizen volunteers association to help with RAP implementation)	Calculated based on 10% of the cost of each activity	2012.9-2014.12	1,873,000	Forest, pulp and board	Forest, pulp and board
	7.2 Public welfare posts	Two public welfare posts are provided in the program	2012.9-2014.12		Forest, pulp and board	Forest, pulp and board
	7.3 Program evaluation	Conduct interim and final evaluations	2012.9-2015.06		Forest, pulp and board	Forest, pulp and board
	7.4 Communication and liaison costs	Communication and liaison costs with the government and civil organizations, etc.	2012.9-2015.06		Forest, pulp and board	Forest, pulp and board
	7.5 Transportation vehicles for the program	Purchase an off-road vehicle	2012		Forest, pulp and board	Forest, pulp and board

	7.6 Unexpected costs	3% of the total budget	2012.9-2015.12		Forest, pulp and board	Forest, pulp and board
7. Infrastructure building	Improvement of the public infrastructures at the relocation site	Road repair, road lighting, water supply and drainage, greening, etc.	2012.9-2015.06	5,000,000	Government of Xinggang Town	Government of Xinggang Town
8. Living allowances	Used for living allowances for groups affected by the land acquisition	RMB 100-120 per person per month	2012.9-2015.06	7,000,000	Government of Xinggang Town	Government of Xinggang Town

Note: 1. The numbers in this budget are only estimates, subject to adjustments during implementation according to actual conditions. Stora Enso will set aside an amount of RMB 7,124,600 (the total for items 1-6) to ensure that the funding requirements of this program can be met.

2. The government of Xinggang Town will also make investments during those three years, which will be used for infrastructure construction at the relocation site as well as for the living allowances for groups affected by the land acquisition.

Chapter 8

Organization and implementation Schedule

38. Organization Structure

A leadership team office has been set up by the Beihai City Government for the Stora Enso forest, pulp and board integrate project, which is responsible for guiding the resettlement process, monitoring the implementation of the RAP, and maintaining contact with Stora Enso. The people's government of Xinggang Town also assists in the implementation of the Nanle resettlement program under the guidance of the program office of Beihai City.

The organizational structure and roles of the resettlement program implementation entities are as follows:

Table 8-1 The organization and roles of the resettlement program

Administrative organization of the resettlement program			
Designation	Key role	Personnel	Contact phone
1. Program office of Beihai City	Coordinates policies related to the resettlement program; leads the preparation of the resettlement plan; monitors and guides the implementation of the plan.	Lin Bingteng (Deputy general secretary of the government of Beihai City)	13977920993
Executing agent of the resettlement plan			
Designation	Key role	Personnel	Contact phone
1. The Stora Enso's forest, pulp and Board project in Guangxi;	Preparation, organization, leadership and implementation of the resettlement action plan	Luo Yang (Deputy director, sustainable development for Stora Enso's forest, pulp and board project in Guangxi)	13299213404
2. Villager working			13517791622

team			
3. Beihai Citizen Volunteer Association		Ou Jian (Head of Nanle village committee) Xu Haiou (president of Beihai Citizen Volunteer Association)	13517790064

39. The implementation schedule

The construction project will be completed in stages over 8 years from 2007 through 2015, according to the schedule for project implementation. With respect of the resettlement of villagers affected by the land acquisition, the initial resettlement program was completed ahead of schedule in 2009. CDP and RAP implementation will be from Sep 2012 until Jun 2015.

Table 8-2 Review of the land acquisition & resettlement schedule and the contents of future activities

Stage	Task	Time schedule
Preparation	Definition of the scope of land acquisition & resettlement	2007.3-2008.12
	Physical investigation of land acquisition & resettlement	2007.6-2009.12
	Preliminary social and economic survey	2007.7
	Discussing the resettlement action plan	2012.3
	Formulating the resettlement action plan	2012.5-2012.6
	Consulting the resettlement action plan	2012.6
	Approval of the resettlement action plan	2012.10
Implementation	Approval procedures for acquisition of land with collective ownership	2007.5
	Holding of a land acquisition & resettlement conference; announcement the policies	2007.7
	The land acquisition & resettlement announcement	2007.7
	Negotiate and conclude the resettlement compensation agreements	2007.7-2009.12

	Handover of the construction land	2008.1
	Implementation of the resettlement action plan	2012.7—2015.6
Monitoring and assessment	Monitoring and assessment	2009.10—2012.6
	Monitoring and evaluation of the resettlement action plan	2012.7—2015.7

Chapter 9 Public participation, coordination and grievance channels

40. Public participation

This program will put great emphasis on the participation of and interaction with APs to obtain a complete picture of their opinion on the process of resettlement policies and RAP preparation and implementation, in accordance with the policies and regulations of the state, Guangxi, Beihai City and the affected areas in relation to land acquisition and resettlement. This is in order to safeguard the legal rights of APs and the relocated organizations, reduce discontent and disputes, and further improve the policy and implementation rules related to resettlement caused by the project, as well as prepare the RAP and ensure effective implementation, thus achieving the goal of proper resettlement and placement of APs. The public participation process is detailed in Table 91.

The governing authority, executing agent and drafting unit for the land acquisition and resettlement process has employed a variety of means to communicate relevant policies with APs during the preparation of the RAP - see Table 9-2 for details. The same entities also collected the opinion of APs through extensive negotiation and consultations.

Table 9-1 The public participation process

Participating personnel	Means of participation	Contents and dates of the activities				Main conclusion
		Physical investigation of the project effects	Social, economic and resettlement willingness survey	Compensation and placement policies	Negotiation of the resettlement action plan	
Guangxi Academy of Social Sciences; affected people; resettlement office of Tieshangang; Administration	Interviews, panel discussions and questionnaire sampling survey	2007.7	2007.7	2008.8	2012.5-6	① Physical investigation: confirmed by both parties with true and accurate data; ② Compensation and resettlement policies: based on the policies of the state and local government;

Participating personnel	Means of participation	Contents and dates of the activities				Main conclusion
		Physical investigation of the project effects	Social, economic and resettlement willingness survey	Compensation and placement policies	Negotiation of the resettlement action plan	
n of Labor Security, branch office of the Land and Resources Bureau; the Xinggang Town government						③ resettlement action plan: specific and practical, to the satisfaction of the affected people; ④ Supportive of the project construction

Table 9-2 Policy publicization procedure

Document	Means of announcement and the language used	Announcement schedule	Place of announcement
Introduction to the project	Chinese; the municipal radio & TV broadcasting station; newspaper	2007.5	
Announcement of the land acquisition & resettlement information of the project, and related introduction	Chinese; the radio & TV broadcasting station, website	2007.5	
Resettlement action plan	Chinese and English; library, newspaper, website	Aug 2012	Website, township and village committee
Introduction to the resettlement plan	Chinese; wall bulletin	The village households	committee; affected

41. Grievance channels

A complaint mechanism is established during the development and implementation of the RAP, in order to ensure that APs can submit their concerns or complaints about the different aspects of the land acquisition and immigrant placement. The grievance process consists of four stages:

- Stage 1: The immigrant can make an oral or written complaint to the village committee or the resettlement executing agent, if he/she is unsatisfied with the immigrant resettlement plan; the latter should respond to the complaint and make a record in the case of oral complaint. The village committee or the resettlement executing agent should resolve the issue within 2 weeks;
- Stage 2: The immigrant can make a complaint to the administrative agent of Beihai City or Tieshangang District upon receipt of the decision made in stage 1, if he/she is still not satisfied with it; the latter should make a decision on resolving the issue within 2 weeks;
- Stage 3: The immigrant can complain to the governing administrative organs and ask for arbitration in accordance with the Administrative Litigation Law of the People's Republic of China, if he/she is still not satisfied with the decision made in stage 2.
- Stage 4: The immigrant, upon receipt of the arbitration decision, can bring the case to a civil court in accordance with the civil litigation law, if he/she is still not satisfied with the arbitration decision.

The immigrant can initiate prosecution on any aspect of immigrant resettlement, including the compensation standard. APs have been informed of the above means of complaints through meetings or other approaches, which enable them to fully understand their rights. Meanwhile, media tools are used in publicity and communication, and the opinion and suggestions of different parties involved in the resettlement process are processed for prompt handling by the resettlement agents at different levels. Agents receive the complaints from the affected people at no cost, which will be incurred as part of the unforeseeable costs of the RAP budget.

Immigrants can directly call the 24-hour complaint hotline of Stora Enso Guangxi at 0779-719-5556 or 15224565094.

Chapter 10

Monitoring and Evaluation

In order to ensure the smooth implementation of the RAP and achieve the goal of proper resettlement of APs, the RAP will conduct regular monitoring and assessment of activities in connection with land acquisition and resettlement, in accordance with the requirements of the sustainability policies of Stora Enso Oyj of Finland, and the 2006 Social and Environmental Performance Standard 5 (Land Acquisition and Involuntary Resettlement) of IFC. The monitoring comprises both internal monitoring and independent external monitoring. The monitoring and evaluation commenced in June 2012 and will conclude in December 2015. A progress report will be completed each half year, and an external monitoring report will be completed each year, in accordance with the implementation schedule of the RAP.

42. Internal monitoring

Internal monitoring is conducted by the program execution agent, with assistance from organizations including the district and township governments in the project area, the village committee and the resettlement offices. The executing agent of the RAP will establish a database containing resettlement related data, based on which the RAP has been developed and monitoring will be conducted on the livelihood recovery of all APs.

43. Implementation procedures

During the implementation period, the project owner will set up a resettlement database to collect and record the livelihood recovery information of APs based on the monitored samples, maintaining continuous monitoring of implementation and sharing the information with related parties.

44. Content of monitoring

- (1) Land acquisition approval
- (2) Compensation fund and payment
- (3) Rebuilding of houses
- (4) Building and distribution of resettlement houses and ownership assignment

- (5) Measures for AP production and livelihood restoration and results
- (6) Sustainability of livelihoods and natural resources (if applicable)
- (7) Restoration of special facilities
- (8) Timetable of the above activities
- (9) Staffing, training, work schedule and efficiency of the resettlement agents
- (10) Filing and handling of immigrant grievances

45. Internal monitoring report

The execution agent of the RAP prepares a report every six months on the progress made, which will be submitted to Stora Enso and other related parties.

46. Independent external monitoring

A. Independent monitoring agent

Prior to the start of the land acquisition and resettlement, Stora Enso had entrusted third parties (e.g., the Institute of Economy for Ethnic Minorities of the Guangxi Academy of Social Sciences), who had monitoring and evaluation experience with projects that had received loans granted by the World Bank or other international financial institutions, to prepare reports on the basis of continuous monitoring and evaluation of the land acquisition and resettlement activities of this project.

B. The monitoring procedures and contents

- (1) Prepare the guidelines for monitoring and evaluation
- (2) Software development for resettlement monitoring and evaluation information systems
- (3) Prepare the survey guidelines, survey questionnaires and the recording cards for affected residents and typical employer organizations
- (4) Sample size of the sampling survey: 20% of the households who are resettled or whose land is acquired by the project.

(5) Basic surveys: Conduct surveys on households whose land is acquired by this project to gain basic information on the living standard of the monitored APs (the level of living, production, operation and income).

(6) Establish the resettlement monitoring and evaluation information system

Establish the monitoring and evaluation information system, which categorizes the different types of data involved in the resettlement monitoring and evaluation, and set up a database to provide computerized assistance to analysis and monitoring.

(7) Investigation of monitoring and evaluation

a) The assessment of the capability of the resettlement executing agent: investigate work capability and efficiency.

b) The monitoring of the resettlement progress, compensation and payment: monitor subsidy payment, the status of livelihood restoration, the restoration status of other productive and livelihood activities, overall resettlement quality, the sustainability of livelihoods and natural resources (if applicable), vulnerable groups and restoration measures.

c) Public participation and negotiations: take part in public participation activities during the preparation and implementation periods of the RAP, and monitor the status of participation

d) Grievances: monitor filing and handling of AP grievances

(8) Compilation of monitoring data; establishment of the database

(9) Comparative analysis

(10) Prepare the monitoring and evaluation reports in accordance with the monitoring plan

C. Monitoring Indicators

(1) Social and economic indicators: per capita income (and versus the per capita income changes at Tieshangang District), employment rate, percentage change in

household productive investments versus consumption; the changes in family assets, average sick days per year, and the schooling rate at primary and high school levels.

(2) Agent indicators: staff makeup, staff capacity, rules and regulations, equipment availability, completion ratio of issues handled.

(3) Infrastructure: compensation paid; the rate of functionality reinstatement.

47. Monitoring and evaluation reports

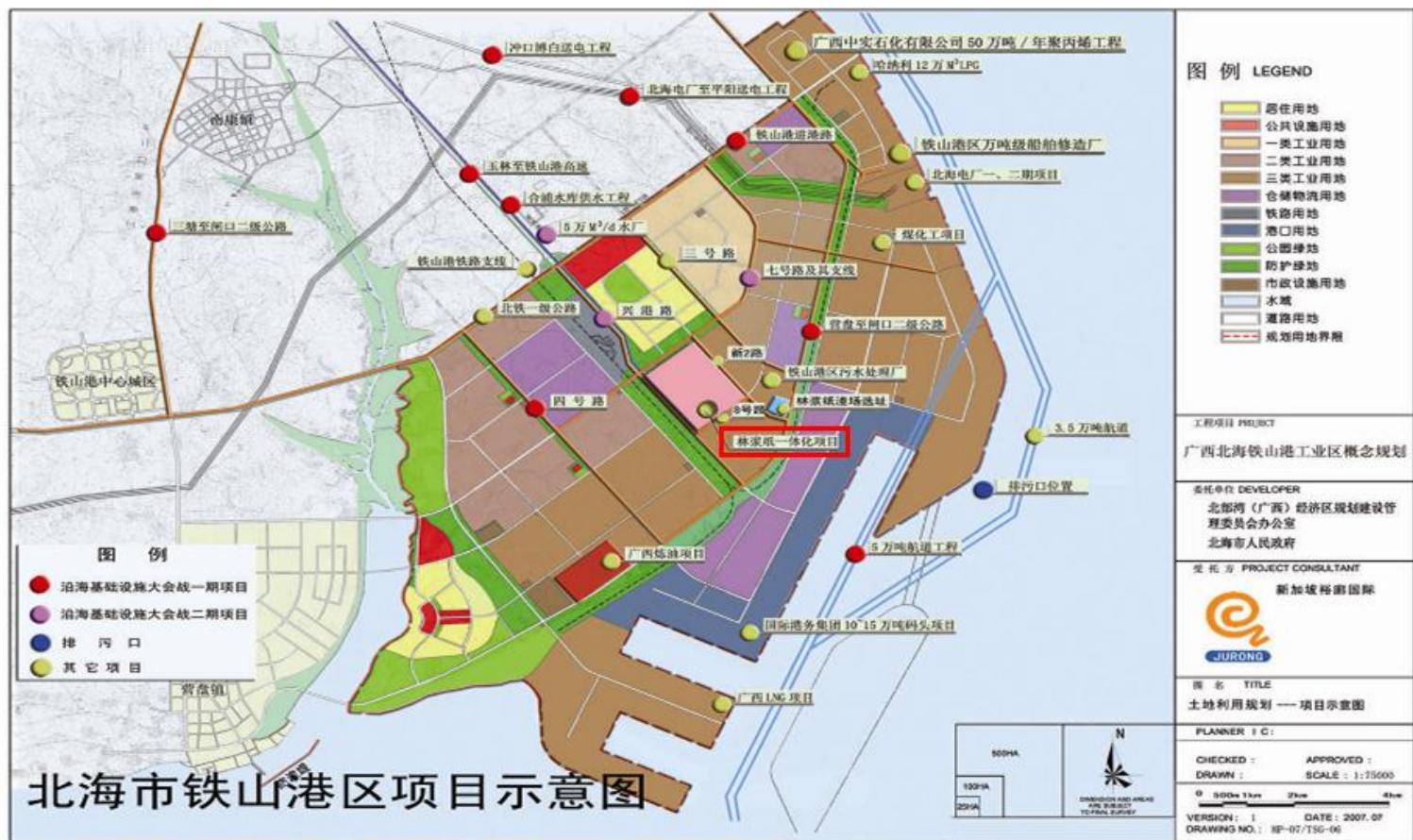
Table 10-1 Monitoring & evaluation and reporting schedule

Project Title	City (district)/ county	Internal monitoring		External monitoring		
		Time schedule	Report	Time	Monitoring report	Post assessment Report
Forest, pulp and board project	Tieshangang District	2012.7-2015.7	Half-year report	2012.7-2015.7	Annual report	1 issue

This map illustrates the administrative divisions and geographical features of the Shuangfeng Town area. Key locations include:

- Towns and Villages:** Shuangfeng Town (双峰镇), Nankang (南康), Nanhai (南海), Huangshao (黄梢), and various surrounding villages like Shuangfeng, Shuangfeng, and Shuangfeng.
- Roads:** A network of roads is shown, including a major road running north-south through the center of the town.
- Rivers:** The Shuangfeng River (双峰河) is depicted flowing through the area.
- Geographical Features:** The map shows the town's proximity to the Shuangfeng Mountains (双峰山) and other local landmarks.

Picture 2-1 Map of Beihai City Tieshangang District



Picture 2-2 Schematics of Beihai City Tieshangang District

Appendix II: Individual Cases of Self-employment in the Project Area

Li Mei (alias), female

Before her resettlement, Li Mei, aside from doing farmwork, ran her own grocery store in her village. She began her new life at the resettlement site in Nanle four years ago owing to relocation for the Forest Pulp Paper Project. Re-opening a grocery store of her own became her only choice since she had no new skills at all after losing her land.

Many other stores of the same kind in the village are run on the ground floor of the owners' new buildings, while this four-year-old store of Li Mei's was opened in a small shelter made of iron sheets and wood planks several hundred meters away from her own home. Covering an area of about 15 square meters, this shelter contains one bed for night surveillance and sleeping at one end and two refrigerators full of cold drinks at rather eye-catching positions. Since the remaining space was almost completely occupied by snacks on display, the whole store appeared rather messy. And on days of heavy rain the plastic films on the eaves would even drip water. But the chief advantage of this grocery store lies on its location. As the first one of its kind on the path that leads into the village, it becomes the first shopping point for visitors upon entering the village.

According to Li Mei, her business is much better than before the relocation because more immigrants have become her customers now, while in the past only local villagers frequented her grocery store. Nowadays, with just one phone call she can wait and see her goods delivered to her store by wholesalers, because the traffic cost is too high if she goes outside to obtain the goods by herself. She makes payments immediately upon the wholesalers' arrival every time although she can handle it on credit. For herself, immediate clearance of debts every time makes her feel more ease in her operation because she worries about the possible lack of ability to make repayment if too many debts are accumulated. At the same time, she has had to allow some purchases on credit when doing business with local villagers, particularly on cigarettes and oil. But failure to repay was nothing rare for some local

villagers, for example, individuals have been imprisoned and his or her family has refused to perform repayment for him or her. As consequence, her bad debts can amount to one or two thousand RMB Yuan every year.

No taxes for the state or other fees for the village are required for her store. The average profit rate for her goods is around 15%. The business in summer is somewhat better than in winter. The best daily turnover amounts to 300 RMB Yuan. Her children's schooling expenditures have become the primary expenditure of her family. Among her three children, the eldest one, a daughter, is in her Grade One of high school in Beihai this year, to whom the bank card of 500 Yuan/month government life allowance is given for tuition and living expenditures in Beihai. This amount, however, cannot cover her regular expenses. Li Mei's husband now helps others to breed shrimps to ease the family burden.

Li Mei's new house is situated next to No.4 Road which is currently under construction. She intends to move her store back to her new house after the road construction is completed. But the biggest problem is that she will have to buy some new cabinets for her store at such time. On whether the money should be firstly spent on her own store or on her children's education, she fell into pensiveness.

Yang Lan (alias), female

As Yang Lan recall, she was at a total loss as to how to maintain her livelihood when she began her new life at the resettlement site following the land acquisition. Luckily, her brother, who ran a business delivering drinking water and LPG in Beimu Village at such time, found her a way out. At the beginning, her brother provided some drinking water and LPG for her to try selling at the resettlement site. And now she can run her business independently in Nanle Village.

In the village there are some competitors in the same business. At present her customers cover about 20% of the whole village. She is also familiar with the principles of doing business on personal connections instead of tussling for customers. Drinking water and LPG are mutually complementary goods. The former sells well

and the latter poorly in summer, and vice versa in winter. Since living standards are rather low across the village and the goods they sell have many replacements, neither of their businesses performs particularly well.

Gazing at the 70-plus barrels of water which were just placed in the hall, Yang Lan said with concern, “In light of the current weather in May, we may need at least 10 days before the water is sold out.” If the profit per barrel is 2 RMB Yuan, her income for selling drinking water over the next 10 days would be about 150 RMB Yuan. The income from selling LPG is far from reliable. Nowadays, her husband also helps her deliver water or LPG. But owing to limited demand, the couple has a lot of free time. They hope to find stable jobs to ease the family burden.

At present, Yang Lan’s top concern is her daughter who is going to take part in the college-entrance exam next month. According to Yang Lan, her daughter wishes to study arts. But learning that the 4-year college studies in the major of arts will take more than 100,000 RMB Yuan and considering her family financial conditions, the daughter also gives up the idea. Her future plan depends on her exam results.

Upon our departure, Yang Lan repeatedly tells us “to make sure to take us into account if there is a children’s education sponsoring program under the Forest Pulp Paper Project.”

Xu Li (alias), female

Xu Li applied for a public-welfare position in the village in August of 2011. After going through the interview, the written exam and an one-month orientation training, she officially began her public-welfare work with a contract period of one year in December of the same year. As one of the handyman staff, she is primarily responsible for computer operation and statistical work of Nanle Village Committee.

More interestingly, before taking this public-welfare position, she even ran a legal Internet bar in Xinggang Town. Following the resettlement, she purchased the operation rights to a local Internet Bar for 100,000 RMB, and spent another 100,000

RMB upgrading its computer hardware. Owing to the large migrant population in the area, her business had been running well until the appearance of other underground competitors. Since local law enforcement has not taken notice of the underground bar operation, Xu Li's Internet Bar fell into a disadvantaged position due to costs and prices in the process of competition. In addition, procrastination, low work efficiencies and blackbox operations of the governing body made legal operation a disadvantage and shortcoming in the operation of an Internet Bar. At present, Xu Li has assigned the operation of the Internet Bar to her brother with an idea of transferring it to a possible buyer.

According to her contract with the Town Government, her salary is 1,200 RMB Yuan/month, but her net salary is 600-plus RMB Yuan after various insurance fees and expenses are deducted. This amount is only enough for her to provide for her new-born baby, for whom the primary expenditure is on milk powder. In addition, Xu Li's husband rents the shrimp pond of the Village Committee for operation now. The past two seasons only saw losses in breeding, which is mainly caused by water pollution and excessive heavy metal content.

As for the future development, she plans to rent a store to run a business after the founding of the new market.

Yang Ming (alias), runs a grocery store and a catering business

Yang Ming was born in Zhanjiang in Guangdong province. Ten years ago, he married a local girl and settled in Nanle. Before the relocation, his family ran a shrimp pond for a living. Compared with a shrimp pond, Yang Ming believes that a grocery store, whose business is free from any impact of weather or other elements, brings him more stable income.

Yang Ming moved back to the reconstruction site two years ago. Luckily, his family obtained a piece of land opposite the main entrance of Nanle Primary School. Relying on this ideal location, Yang Ming transformed the ground floor of his building into a grocery store to solicit business from kids. With snacks and toys as the

best-selling commodities of his store, Yang Ming would also purchase some rice from Nankang for sale in the village. One year ago, Yang Ming built a shed in front of his store to provide breakfast for the students. Half a year later, as suggested by some teachers of the school, he began to provide lunch for the teachers and students, and his lunch is also available for the nearby migrants. Some of the migrants also would have liked to purchase dinner at the store. The demand for dinner meals was too low, however, and after a short period of trial operation Yang Ming found it too hard and gave up. He spent more time with his family.

The breakfast and lunch business is Yang Ming's most tiresome work every day. His wife gets up at 4 o'clock every day, and Yang Ming gets up at 5 to buy the food materials that are needed for a whole day. Yang Ming says, "I pay most attention to the freshness of food materials. Whether I make money or not is not the most important thing." The student breakfasts provided by Yang Ming are priced at 3-4 RMB each, and those for adults are priced at 5 RMB each. The student lunch, rice noodles in most cases, are priced at 4-5 RMB each, and those for adults are priced at 10 RMB each. Since the vegetable prices of Nanle are 20% higher than those of other places, and Yang Ming sticks to pure materials, his catering business, according to him, does not make much money.

In future Nanle Primary School will become the central primary school of Xinggang Town. It is currently in the process of expansion. The main entrance of the newly built Nanle Primary School might be moved to another direction, which, if this happens, may heavily affect the business of Yang Ming's grocery store. When asked about his future plans, Yang Ming answered laughingly, "Just wait and see..."

Appendix III Monitoring for the Resettlement of the Displaced Relocateses of the Integrated Forest-Pulp-Paper Project of Stora Enso

The Household Survey Questionnaire

Beihai City Tieshangang District_____ (Town)_____

Villagers' (Residents') Committee_____ (Group)

Codes: City Code□□ District Code□□□ Township Code□□□ Village Code□□□ Household Code□□□

Name of Householder: Telephone: Institute of Nationality Studies in Guangxi Academy of Social Sciences

Indicator Name	Code	Unit	Quantity	Indicator Name	Code	Unit	Quantity
A	B	C	1	A	B	C	1
I. Basic information	—	—	—	2. Mining and Manufacturing	26	Person	
1. TYPES OF AFFECTED HOUSEHOLDS	—	—	—	3. Power, gas and water supply sectors	27	Person	
Households affected by land acquisition	01	Tick √		4. Construction	28	Person	
Households affected by displacement	02	Tick √		5. Transportation, storage and postal and telecommunication services	29	Person	
Households affected by both land acquisition and displacement	03	Tick √		6. Wholesale and Retail	30	Person	
2. Householder Code	04	—		7. Teachers, doctors and cadres	31	Person	
3. GENDER	05	—		8. Student	32	Person	
4. NATIONALITIES	06	—		9. Others	33	Person	
5. OCCUPATIONS	07	—		III. Out-migration employment	—	—	—
6. HOUSEHOLD	08	Person		1. Temporary employment within	34	Person	

POPULATION				the county			
Among all: Female	09	Person		2. Out of the county for over half year	35	Person	
Population below the age of 6	10	Person		# Women	36	Person	
Population between the ages of 7 and 16	11	Person		IV. Income and Expenditure in 2008	—	—	—
Population between the ages of 17 and 30	12	Person		1. Annual Gross Income	37	Yuan	
Population between the ages of 31 and 50	13	Person		(1) Family operating income	38	Yuan	
Population between the ages of 51 and 60	14	Person		# Planting income	39	Yuan	
Population above the age of 61	15	Person		# Breeding income	40	Yuan	
6. Household Labor Force	16	Person		# Income from the secondary and tertiary sectors	41	Yuan	
7. Students	17	Person		(2) Wage income	42	Yuan	
# Primary school students	18	Person		(5) Transfer income	43	Yuan	
# Middle school students	19	Person		(6) Property income	44	Yuan	
8. Schooling background	—	—	—	2. The total annual expenditure	45	Yuan	
Uneducated	20	Person		(1) Annual household operating expenses	46	Yuan	
Primary School	21	Person		Planting expenditure (seed, fertilizer and pesticide)	47	Yuan	

Junior Middle School	22	Person		Breeding expenditures (youngling and fodder)	48	Yuan	
High school, secondary specialized school, vocational senior school	23	Person		Operating expenses in the secondary and tertiary sectors	49	Yuan	
Population with diplomas at the college level or above	24	Person		(2) Expenditure on life consumption	50	Yuan	
II. Occupational Status	—	—	—	Food (firewood, rice, oil, salt, vegetable, meat and wine)	51	Yuan	
1. Farming, Forestry, Animal Husbandry and Fishery	25	Person		Garment expenditure (clothes, hat, shoes and socks)	52	Yuan	
Housing expenditure	53	Yuan		Simple structure	86	square meters	
Equipment and supplies	54	Yuan		VII. properties Key of households	—	—	—
Traffic expenditure (including gasoline and other expenses)	54	Yuan		1. Automobile	87	Unit	
Communications expenditure	55	Yuan		2. Agricultural vehicles, tractors	88	Unit	
Culture and education expenditures	56	Yuan		3. Motorcycle	89	Unit	
Medical and healthcare expenditure	57	Yuan		4. Bicycle	90	Unit	
(3) TRANSFER EXPENDITURE	58	Yuan		5. Television	91	Unit	
Courtesy expenditures	59	Yuan		6. Telephone / Mobile Phone	92	Unit	
(4) PROPERTY	60	Yuan		7. Air Conditioner	93	Unit	

EXPENSES							
V. Cultivated Land and Crop Yield	—	—		8. Washing Machine	94	Unit	
1. AREA OF REGULARLY CULTIVATED LAND	61	Mu		9. Refrigerator	95	Unit	
# Grain producing area	62	Mu		10. Water Heater	96	Unit	
Yield	63	Kilograms		11. Computer	97	Unit	
Cassava producing area	64	Mu		VIII. Community Environment	—	—	—
Yield	65	Kilograms		1. Road Conditions ¹	98	Fill in the Serial Number	
Sugarcane area	66	Mu		2. Potable water conditions ²	99	Fill in the Serial Number	
Yield	67	Tons		3. Fuel conditions ³	100	Fill in the Serial Number	
Other areas	68	Mu		4. Is there electricity available?	101	Tick ✓	
Yield	69	Mu		5. Is there a telephone line connected?	102	Tick ✓	
2. Shrimp (fish) farming area	70	Mu		6. Are there TV signals available?	103	Tick ✓	
Yield	71	Kilograms		7. Are there any medical treatment stations?	104	Tick ✓	
3. Large livestock breeding and	72	Quantity		8. Are there any schools?	105	Tick ✓	

¹ Code: (1) Path; (2) Farm machinery road; (3) Sandstone road; (4) Tarmac road; (5) Cement road; (6) Others.

² Code: (1) Well; (2) River water; (3) Spring water; (4) Tap water; (5) Others

³ Code: (1) Firewood; (2) Bio gas; (3) Coal gas; (4) Electricity; (5) Others

delivery							
Yield	73	Kilograms		IX. Travelling	—	—	—
4. Land area expropriated	74	Mu		1. Trip to township fair	106	Person Times/Year	
In which, AREA OF CULTIVATED LAND	75	Mu		2. Going to see a doctor in district or town hospitals	107	Person Times/Year	
Non-cultivated land area	76	Mu		3. Travel outside Beihai City	108	Person Times/Year	
VI. Housing conditions	—	—		X. FQA	—	—	—
1. Current House Area	77	square meters		1. Satisfaction with the relocation compensation	—	—	—
Among all: Steel structure	78	square meters		Satisfied	109	Tick √	
Brick-wood structure	79	square meters		Basically Satisfied	110	Tick √	
Earth-wood structure	80	square meters		Dissatisfied	111	Tick √	
Simple structure	81	square meters		2. Benefits the project brings about	—	—	—
2. Area relocated for the project	82	square meters		Increase Employment Opportunities	112	Tick √	
Among all: Steel structure	83	square meters		Improve Traffic Conditions	113	Tick √	
Brick-wood structure	84	square meters		Narrow Urban-rural Differences	114	Tick √	
Earth-wood structure	85	square meters		Receive Compensation to Build New Houses	115	Tick √	
3. Unfavorable impact caused by the project	—	—	—	Planning of factory and village integration	146	Tick √	
Income Decrease due to Land Loss	116	Tick √		Implementation of minimum subsistence allowance and	147	Tick √	

				social security for relocated households			
More Difficult to Get Employed	117	Tick ✓		8. Hope for help from enterprises	—	—	—
Deterioration of Ecological Environment	118	Tick ✓		Employ Relocatees	148	Tick ✓	
Damage to Water and Road	119	Tick ✓		Co-build water, electricity, road and sewage systems	149	Tick ✓	
4. Utilization of compensation	—	—	—	Help farmers to build biogas digesters	150	Tick ✓	
Productive investment	120	Tick ✓		Fund local public welfare	151	Tick ✓	
Life expenditure	121	Tick ✓		Improve environmental pollution control	152	Tick ✓	
Education Expenses	122	Tick ✓		Jointly-established friendship festivals and celebratory events	153	Tick ✓	
Purchase of furniture	123	Tick ✓		9. Project's impact on women	—	—	—
Medical Expenses	124	Tick ✓		Benefiting:	—	—	—
Construction of new houses	125	Tick ✓		Increase Employment Opportunities	154	Tick ✓	
5. Conditions of reconstructed houses	—	—	—	Opportunities to marry better	155	Tick ✓	
Constructed	126	Tick ✓		Opportunity to Get Training	156	Tick ✓	
Unconstructed	127	Tick ✓		Increase Sociality and Insight	157	Tick ✓	
Reasons behind non-construction:	—	—		Unfavorable for:	—	—	—
Insufficient funds	128	Tick ✓		Might be More Difficult to Get	158	Tick ✓	

				Employed			
Practise Fengshui	129	Tick ✓		Income may be reduced	159	Tick ✓	
Housing site not secured	130	Tick ✓		Increasingly competitive	160	Tick ✓	
6. Plans to restore life and work	—	—	—	Family status may decline	161	Tick ✓	
Improve Farming Production	131	Tick ✓		Environmental impact on female health	162	Tick ✓	
Work Outside	132	Tick ✓		10. Status of factory-resident relationship	—	—	—
Establish Shops and Factories	133	Tick ✓		Excellent	163	Tick ✓	
Do Business	134	Tick ✓		Good	164	Tick ✓	
Engaged in Transportation	135	Tick ✓		So-so	165	Tick ✓	
Continue to breed fish or shrimps	136	Tick ✓		Not good	166	Tick ✓	
Work in Factories	137	Tick ✓		If not good, the reasons are:	—	—	—
Hope to Enjoy Pension	138	Tick ✓		Compensation standards are unreasonable	167	Tick ✓	
Reserve Land for Tertiary Industry	139	Tick ✓		Damaged water or electricity lines not restored	168	Tick ✓	
Get Training and Find Another Job	140	Tick ✓		Pollution and noises caused by construction	169	Tick ✓	
7. Hope that the government could provide services	—	—	—	Lack of mutual communication	170	Tick ✓	
Technical training	141	Tick ✓		Others (Noted)	171	Tick ✓	
Employment	142	Tick ✓					
Provide production	143	Tick ✓					

support							
Provide subsidised loans	144	Tick ✓					
Coordinate relations between factories and residents	145	Tick ✓					

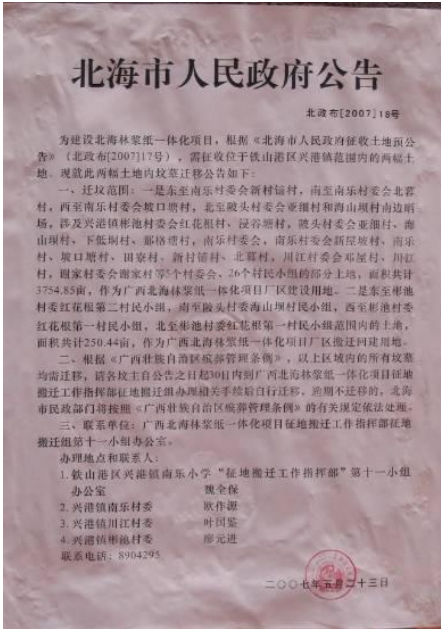
Surveyed by:

Examined by:

Date of Survey: August , 2009

Appendix D: Related Photographs of Land Acquisition/Relocation and Independent Monitoring (44 Photographs)

I. Relocation Publicity and Implementation



Picture 1 Notice of Land Acquisition (2007)



Picture 2 Project Publicity Vehicle (2007)



Picture 3 Slogan for land acquisition is loud and clear (2007)



Picture 4 Measuring Land (2007)



Picture 5 Measuring Houses (2007)

II. Migration Monitoring Survey



Picture 6 Sociologists of International Finance Corporation (IFC) Interviewed Migrants of Tianliao New Village (2009)



Picture 7 Expert from Academy of Sciences interviewed a female householder of Nanliao Village (2009)



Picture 8 Expert from Academy of Social Sciences spoke with migrants in Beimu Village (2009)



Picture 9 Experts of Academy of Social Sciences surveyed in Shitoubu (2010)



Picture 10 Surveyor interviewed residents (2009)



Picture 11 Training young student surveyors before household surveys (15-02-2011)

III. Construction Land of Project Site



Picture 12 Shrimp farms turned into green swamp (2007-2011)



Picture 13 Tianliao Village turned into wasteland (2007-2011)



Picture 14 Construction land for plant site being levelled (2009)



Picture 15 Remaining shrimp farms still in operation (2010)



Picture 16 Some construction land changed into road network extending in all directions (2010)

IV. Recovery of Migrants' Living



Picture 17 New Building (2010)



Picture 18 Old House (2007)



Picture 19 Village street corner (2009)



Picture 20 Vision of New Village under Construction (2009)



Picture 21 Nanle Primary School before relocation (2007)



Picture 22 Newly built Nanle Primary School (2009)



Picture 23 Old appearance and new look of the village committee
(Left: the village committee building of Nanle Village in 2007, right: Nanle Village Committee and stadium in 2010)



Picture 24 Old Water Tower



Picture 25 Water tower and food market of Tianliao Village



Picture 26 Small construction material market established by migrant



(2011)Picture 27 Construction material shop established by migrant (2011)



Picture 28 a small supermarket in the migration village (2011)



Picture 29 A corner of kindergarten (2011)



Picture 30 New food market of migration village (2010)

Picture 31 Stall food market of migration village (2009)

V. Resumption of Migrants' Production



Picture 32 Make full use of the land and continue to focus on traditional industry--planting rice and cassava (2011)



Picture 33 Migrants purchase heavy machinery and automobiles for leasing (2011)



Picture 34 Modern aquaculture--raising fish and shrimp (2011)



Picture 35 As the saying goes “While living by the sea, your livelihood depends on the sea”, some women were digging up sandworms by the sea - Every sandworm is the result of hard work. (2010)