

**World Bank Financed“4.20”Lushan
Post-earthquake Rural Roads Restoration and
Reconstruction Project**

Resettlement Policy Framework

Sichuan Provincial People’s Government

World Bank Financed“4.20”Lushan Post-earthquake Project PMOs

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1 Overview of the project and Description of Objectives

Lushan post-earthquake restoration and reconstruction Project has two parts which will be implemented by two PMOs under component 1 and 2. The Component one is Rural Roads Restoration and Reconstruction in three counties and Component two is Urban Municipal Infrastructure Construction in seven counties and districts. More details are as follows:

1.1 Component One: Rural Roads Restoration and Reconstruction

1 “4.20” Lushan Post-earthquake Rural Roads Restoration and Reconstruction Project consists of 3 components, including 3 rural roads: (1) Daohuo Road (Zhaigou to Huojing Round-town Road) reconstruction and extension project(including 2 branch lines);(2) Yinglu Road (Hongshigou to Daqiaotou) reconstruction and extension project;(3) Shixin Road (Xinmin to Yongan) reconstruction and extension project. See more details in Table 1-1.

Table Error! No text of specified style in document. -1 Plans of Reconstruction and Extension

| Road | Length (km) | Level | Reply by DRC | | Investment (10,000 Yuan) |
|------------------------------|-------------|---------|--------------|--------------------|--------------------------|
| | | | Start | End | |
| Daohuo Road and Branch Lines | 13.41 | Class-3 | Zhaigou | Huojing Round-Road | 15,101.3576 |
| Yinglu Road | 6 | Class-4 | Hongshigou | Daqiaotou | 5,058.8982 |
| Shixin Road | 17 | Class-4 | Xinmin | Yongan | 7,888.9484 |

1 Firstly, Daozuo to Huojing Road (referred to as Daohuo Road), is located in the western mountain areas of Qionglai City. As an important county road, it connects Qionglai’s western old revolutionary base areas of Daozuo Township and Huojing Town. Furthermore, the road is the only channel for people to travel. The old road has a cement concrete pavement and the roadbed is 5.5m wide with a longitudinal slope, and is also sharp. The road suffers severe damage after years of usage, slope landslide affected by 4.20 earthquake also caused flying rock, which leads to serious road damage. Poor traffic condition and travel inconvenience of people along the line

both hamper the restoration and reconstruction of the post-earthquake development.

2 Secondly, as an easy passage between Shiyang Town and Xinhua Township, Shixin Road is also an “A” form connection between G318 and G351. It is one of the most popular lines which benefit people at most in Tianquan County, crossing the areas among G318, G351 and Lisan Road, benefits a population of 45,376 people along it. The “12th Five-year” transportation plan of Tianquan County shall promote the line as county road. Due to the limited construction funds, Shixin Road is still a substandard village road with a width of 3.5~4.5m at present, also it has steep slope and sharp turning which cannot satisfy the transportation needs of two villages and towns (between Shiyang Town and Lushan County). Once upgraded and rebuilt, the road can not only improve traffic conditions in Shiyang Town and Xinhua Xiang directly, but also can act as a fundamental role in promoting economic development in the areas among G318, G351 and Lisan Road.

3 Thirdly, Yinglu Road is located in Sanhe Township, Yingjing County, which has a mud and gravel pavement, at present, the roadbed is 4.5~6.5m wide. Subjected by technical and economic restrictions, the road has a narrow subgrade and is now in poor condition. Combined with disrepair, traffic has been disrupted several times. Based on the actual situation of the road, local government and authorities expect to apply for a loan from World Bank to reconstruct and expand the road between Hongshigou to Daqiaotou area.

1.2 Component Two: Urban Municipal Infrastructure Construction

4 The World Bank-loaned Post-Lushan Earthquake Restoration and Reconstruction Project of Urban Infrastructure in Ya’an City involves seven project counties or districts, including Yucheng District, Mingshan District, Lushan County, Tianquan County, Baoxing County, Yingjing County and Shimian County of Ya'an City. The goal of this project is to establish a flexible infrastructure, strengthen the capability construction for disaster prevention, mitigation and disaster emergency response, and ensure the sustainable development of urban safety. The project construction content of the seven project districts or counties is summarized in Table 1-2:

Table 1-2 Summary of Project Construction

| Project District /county | Name of the subproject | Category | Major work content |
|--------------------------|---|------------------|---|
| Yucheng District | Refuge Square | New construction | The refuge square in Beijiao Town, Yucheng District covers an area of 34149.59 square meters (or 512 mu), with the effective refuge area of 28000 square meters. It is a Class II emergency refuge area, which can accommodate 9300 people and supply them with living needs for 3 to 30 days. The area is equipped with necessary facilities for disaster relief and escape. |
| | Southern East Outer Ring Road Project | New construction | The new urban area is 6317.401m long, including 19m and 29 wide redlines. The area is equipped with water supply works, water drainage works, lighting works, electric power and communications pipeline works, gas works, greening works, traffic safety and management facility works (marking lines, barrier-free facilities, traffic lights, separating facilities between motor and non-motor vehicles, speed limit and deceleration facilities). The line includes 1 medium bridge, 5 minor bridges, 2 box-type channels and 17 culverts. |
| Mingshan District | Urban road | New construction | The newly urban roads are 2467.951m in length, supported by water supply works, drainage works, lighting works, power communication pipeline works and green landscape works. Pingqiao Road No. 1 is 285.335m long, Pingqiao Road No. 2 is 138.033m long, Pingqiao Road No. 3 is 162.561m long, Pingqiao Road No. 5 is 195.216m, Pingqiao Road No. 6 is 1111.527m, and the extension line of Minsheng Road is 575.279m long. |
| | Pedestrian bridge crossing Mingshan River | New construction | There is one pedestrian simply supported prestressed hollow slab bridge crossing Mingshan River, with the total deck width (including rail): 5.5m, and total bridge length: 46.04m. |
| | Refuge Square (next to the Museum of Tea History) | New construction | New Class III emergency shelter, with an area of 7287m ² |
| | Refuge Square (Wulizhen Square) | Reconstruction | Reconstruction of Class II emergency shelter, with the area of 22000m ² |
| | Flood embankment at the west side of Mingshan River | New construction | Dike length 812.373m, green landscape 13000 m ² |
| | Flood embankment of Huaixi River | New construction | 746.564m long dike on the left bank, 790.364m on the right bank dike, green landscape 23700 m |
| Lushan | County road | New | Road works: the total length is 5.8km, width 8-20m, asphalt |

| Project District /county | Name of the subproject | Category | Major work content |
|--------------------------|---|-------------------------------------|---|
| County | | construction and reconstruction | concrete pavement, including the reconstruction of the road length of 3.7km, new road length 2.1km; one newly built halfway bridge 282m in length and 10m in width; and 8 new cover culverts. |
| | Emergency Refuge Square Construction Project | New construction | 4 new emergency refuge squares, with the total area of 33100 m ² , which can be used for emergency evacuation of 15,400 people. These four refuse shelters are: Northern Refuse Square in the old urban area covers an area of 9600m ² , which can accommodate 4400 people; Guangfuyuan Refuse Square covers an area of 9,300 m ² for 3700 people; Central Refuse Square has an area 5300 m ² for accommodating 3900 people; Southern Refuse Square in the new urban area covers an area of 8900 square meters for accommodating 3400 people. |
| Tianquan County | New Roads of Shaba Sub-district | New construction and reconstruction | The renovated roads in the old urban area are totally 2207.4m long with the width of 14~30m, and the new roads in Shaba Sub-district is 3901.7m in total with the width of 14~20m. The design includes the drainage pipeline network, electricity and communications, traffic safety and management facilities (marking, barrier-free facilities, traffic signal lights) and other supporting works. |
| | Old City Refuge Square | New construction | It is situated in the south of the western extension line and ring road northern extension line, covering an area of 8003 m ² . |
| | Shaba Refuge Square | New construction | Shaba Refuse Square is located in the south of the bridgehead of Liangshuijing Bridge in Shaba Sub-district, covering an area of 10680 m ² , including an emergency command center, material reserve management space, water supply engineering, radio communication, supporting underground parking lot etc. |
| Baoxing County | Emergency evacuation passage along the road along the river | Reconstruction | Road network in Baoxing County (Yanjiang Road as the emergency evacuation corridor): new riverside walkways, divided into two sections, Yongfusi Junction - Red Army Square, Qingyiyuan Bridge - Lianghekou Bridge southern bridgehead, with the total length of 2200km and width of 8m. The road is a walking road, which forms the riverside landscape, recreation zone, shelter, etc. |
| | Zhongling Road North | Reconstruction | The road network of Baoxing County (Zhongling Road North): a reconstructed road at the original site, which connects Xinqiao Street at the starting point and connects Jianlian Resettlement Community at the ending point. The total road length is 6196.977m. At the same time, the traffic, water supply, drainage, electricity, communications, lighting, green and other facilities shall be provided. |
| | Lianghekou Water Plant | New construction | The water supply capacity of the new water supply is 2,500t/d, with 3km water pipes, 6km supporting pipe network 6km and plant auxiliary facilities. |
| Yingjing County | Road | New construction and reconstruction | The new Jinghe Road western section is classified as the secondary trunk road of the city, with the road length of 3430.412m and road width of 16m; the new park branch road is classified as the urban branch, which is 352.156m long and 12m wide with two-way double lanes. The reconstructed Fuyu Road is classified as Class IV, which is 3522.888m long and 6.5m wide with two-way two lanes; the reconstructed Fuwu Road is classified as an urban branch road, which is 261.699m long and 9m wide. The asphalt concrete pavement is used and the pavement is built by granite. The design includes pavement reconstruction, drainage pipe, rainwater pipe, water supply pipe, gas pipe as well as road lighting project. |

| Project District /county | Name of the subproject | Category | Major work content |
|--------------------------|------------------------------------|-------------------------------------|--|
| | Flood discharge channel regulation | Reconstruction | The existing flood prevention channels in the county, which are 3240.324m long and 1.5~ 5m long, will be reconstructed, and flood control standard is for 20-year floods. Including: 1. Qingzhuxi 784.407m long, begins at Hengyan Weir and ends at Yinghe levee; 2. Zengjia Ditch is about 1431.624m long, originating from the Xiaopingshan Section of beltway highway before ending at the third development zone; 3. Qianjia Ditch is 1024.293m long, starting from Beltway Ancient Town Section and ending at Hengyan Weir. A garbage collection system will be built along the flood prevention channel, and the landscape greening works shall be built at the side of the sewage interception main channel of Qingzhuxi Section (tube diameter d400mm, length 800m). |
| | Emergency Shelter | Reconstruction | One Class III shelter shall be reconstructed. The original site is Yangliuhe Street Park. In this design, emergency refuge facilities are to be added. The project covers an area of about 7000 square meters, which can accommodate about 4000 people. |
| Shimian County | Road/river embankment works | New construction and reconstruction | The total road length is 8373.78m, including 6607.37m new roads and 1766.31m reconstructed roads. The drainage, landscaping, lighting, bus stations, traffic safety and management facilities (sign and marking, road barrier-free facilities, traffic signal light) shall be provided. Dianli Road is provided with water supply, electricity and communication works, and Yanzi Road is provided with the power and communication works. |
| | Bridge works | New construction | One new medium bridge which is 60m long with bridge deck width of 15m will be built over Nanya River; one new Lianpowan major bridge will be built (594m long and 19m wide) will be built over Dadu River; a new Yanziqiao medium bridge (30m long and 18.5m wide) will be built; and a National Highway 108 major bridge will be newly constructed (372m long and 13m wide). The embankment of Yanzi River Area, standard of flood control is 50 years. |
| | Refuge square works | New construction | 1. The Yanzi Sub-district emergency shelter is built, with a total area of 8500 square meters, which can accommodate 4000 people; 2. Build an emergency shelter in the northern area, with the total area of 28600 square meters, which can accommodate 6000 people. |

5 An RAP has been prepared for the project in accordance with the Bank's operational policy *OP4.12*. However, in order to address potential LA and resettlement issues arising from the project, this RPF has been prepared. When any resettlement impact not included in the current RAP arises, the policies and procedures specified in this RPF will apply.

2 Objectives of Resettlement, Definitions and Key Principles

6 In a project funded by the World Bank, the borrower should take all necessary measures to mitigate the project's negative social impacts, including those arising from land acquisition. The provisions on involuntary resettlement in the World Bank's *Operational Policy OP4.12* provide guidance on necessary policy objectives and principles, and apply to project impacts related to land acquisition and resettlement.

7 All reasonable measures should be taken to avoid or minimize land acquisition and all negative impacts related to resettlement. The purpose of this RPF is to ensure that properties and other losses of those affected by the project (as defined below) are compensated for at replacement cost (as defined below), and appropriate assistance and restoration measures are offered so that they have sufficient opportunities to improve or at least restore their income and standard of living.

8 "Affected persons" refer to the group of persons affected in any of the following ways: (1) their standard of living is adversely affected; (2) their houses, land (including housing land, farmland and grassland), and other fixed and non-fixed assets are adversely affected, or their land is occupied temporarily or permanently; (3) they have the right to use, either temporarily or permanently, productive resources that are adversely affected; or (4) their business, occupations, and working or living areas are adversely affected.

9 "Replacement cost" is defined as follows: For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In

determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard. Such additional assistance is distinct from resettlement measures to be provided under other clauses in *OP 4.12*, para. 6.

10 “Land acquisition” means the involuntary loss of the title to, right to use or access to land of anyone due to the implementation of a project. Land acquisition may lead to a series of relevant impacts, including loss of housing and other fixed assets (enclosing walls, wells, tombs or other structures or facilities attached to such land).

11 “Resettlement” means the process of providing sufficient opportunities to APs to restore productivity, income and standard of living. Compensation for assets is usually insufficient to realize full restoration.

12 “Cut-off date” is a date of delimitation before which the affected population identified based on title or use right is entitled to compensation or any other form of resettlement assistance. The cut-off date is specified in the RAP, and is usually consistent with the date of census of the affected population or the date of announcement of the civil work resulting in property demolition. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.

13 The *World Bank’s Operational Policy OP4.12* provides key guidelines for the RAP and its implementation, and the principles related to this RPF are as follows:

(1) In any case, the project design and the RAP should be prepared with a view to improving development opportunities for the displaced persons, so that the displaced persons fully benefit from the implementation of project activities, services, and the construction of relevant facilities.

(2) All displaced persons should be entitled to compensation for lost assets or equivalent assistance in lieu of compensation; anyone who has no legal title to lost assets should not be excluded from compensation.

(3) The compensation rates in the RAP should be based on compensation to all collectives or individuals suffering asset losses, and the amount of compensation should never be discounted or reduced on the ground of depreciation or otherwise.

(4) In case of acquisition of arable land, the first option is to reallocate co-owned land. If income on arable land accounts for a small part of a displaced person's income, cash compensation or job placement may be taken as an alternative at the discretion of such displaced person.

(5) The cost of alternative residential housing, housing sites, business premises, and agricultural sites to be provided can be set off against all or part of the compensation payable for the corresponding asset lost.

(6) The transition period should be minimized, and compensation for lost assets should be paid before residents are affected so that they can build new housing, relocate or replace fixed assets, and take measures to mitigate resettlement impacts before the beginning of resettlement. A certain level of transition assistance should be provided to residents who fail to obtain replacement housing until replacement housing is available.

(7) The RAP should be developed in consultation with the displaced persons, and incorporate their requests and suggestions. The RAP should be disclosed to the displaced persons in an understandable manner.

(8) In host communities, infrastructure and public services are provided as necessary to improve or maintain accessibility and levels of service for the displaced persons.

(9) The borrower should provide all costs for land acquisition and resettlement, and meet financial and material demand adequately during resettlement and restoration.

(10) The RAP should include appropriate institutional arrangements so as to design, plan and implement resettlement and restoration measures timely and effectively.

(11) Effective internal and external monitoring mechanisms should be established

to monitor the implementation of resettlement measures.

(12) A necessary appeal channel should be established and the appeal procedure disclosed to the displaced persons.

3 Legal and Policy Framework for Resettlement

14 The primary purpose of this RPF is to ensure that the RAP and its implementation comply with the *World Bank's Operational Policy OP4.12*. In addition, all land acquisition and resettlement activities under the project should observe a series of state laws and regulations. The detailed RPF is as follows:

(1) Land Administration Law of the PRC (August 28, 2004)

(2) Regulations on the Implementation of the Land Administration Law of the PRC (Decree No.256 of the State Council of the People's Republic of China)

(3) Implementation Method of PRC Land Administration Law of Sichuan Province (2012 Revision).

(4) Notice of the Ministry of Land and Resources on Further Improving Land Acquisition Management (GTZF [2010]e No.96,)

(5) Reply of the Agreement on Compensation Standard of Young Crops and Ground Attachments of Chengdu City (CFH [2012] NO.99) ;

(6) The Provincial Government Office's Opinions on Adjusting the Land Acquisition Compensation and Resettlement Standards and Related Questions by Sichuan Ministry of Land and Resources) (CFBF [2008] No.73) ;

(7) Circular of Sichuan Provincial People's Government on Further Efforts for Social Security for Farmers Affected in Land Acquisition (CBF [2008] No. 15);

(8) The Government of Chengdu (Notice of Strengthening Social Security Work of Peasants Involved in Land Acquisition) (CFF [2009] No.31) ;

(9) Notice of Adjusting the Primary Endowment Insurance Expend Base and Proportion of Peasants Involved in Land Acquisition (CFF [2010] No.8)

(10) *Agreement on Compensation Standards of Young Crops and Attachments on Acquired Land in Ya'an City by Sichuan Province People's Government (CFH [2012] No.90)*

(11) *Notice of Printing the Implementation of Land Acquisition Compensation and Resettlement Measures by Qionglai City Government (QFF [2012] No.6)*

(12) *The Implementation Method of Land Acquisition Compensation and Resettlement Measures of Tianquan County (TFB [2014] No.9)*

(13) *The Implementation of Collective Land Acquisition and House Relocation Compensation Measures of Yingjing County (Trail) (XFB [2011] No.27)*

(14) *Notice by General Office of Sichuan Provincial People's Government to Relevant Issues of Basic Endowment Insurance for People Affected in Farmers-to-urban Transformation in Land Requisition, CBH 【2009】 No. 302;*

(15) *Notice by Ya'an Municipal People's Government to Printing and Issuing 'Measures for Land Requisition, Relocation and Resettlement Compensation of Downtown of Yucheng District, Ya'an City' (YFF [2015]No. 48);*

(16) *Notice by Ya'an Municipal People's Government to Printing and Issuing 'Implementation Measures for Endowment Insurance of People Affected in Farmers-to-urban Transformation of Land Requisition in Yucheng District, Ya'an City', YFF [2014]No.30;*

(17) *Notice by People's Government of Mingshan District, Ya'an City to Printing and Issuing 'Implementation Measures for Land Requisition, Relocation and Resettlement Compensation of Urban Planning Area in Mingshan District, Ya'an City' (MFF [2013]No. 44);*

(18) *Notice by Office of People's Government of Lushan County to Printing and Issuing the 'Measures for Collective Land Requisition, Housing Demolition and Resettlement Compensation in '4.20' Post-violent earthquake Scientific Reconstruction County Planning Area in Lushan County' and Other Five Measures (LFB [2013]No. 67);*

(19) *Post-earthquake Over Planning and Unified Construction Scheme for Nanluoba Shanty Town, Fucheng Township and Yingjing County;*

(20) Notice by Office of People's Government of Shimian County to Printing and Issuing 'Land Requisition, Relocation and Resettlement Compensation Scheme for Urban Planning Area of Shimian County'(SFBF [2010] No. 64);

(21) Operational Policy OP4.12 on Involuntary Resettlement and Appendixes

(22) Bank Procedure BP4.12 on Involuntary Resettlement and Appendixes

15 The above laws, regulations and policies constitute the legal basis and policy framework for providing compensation, and production and livelihood restoration measures to those affected by land acquisition and resettlement. The key provisions of some laws and policies are as follows:

Bank Policy on Involuntary Resettlement:

16 The Bank's policy on involuntary resettlement has been described clearly in OP4.12 as follows:

(1) Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs;

(2) Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs;

(3) Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

17 Required measures:

(1) The resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are informed about their options and rights pertaining to resettlement;

(2) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and

(3) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.

(4) If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are provided assistance (such as moving allowances) during relocation; and

(5) provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.

(6) Where necessary to achieve the objectives of the policy, the resettlement plan or resettlement policy framework also include measures to ensure that displaced persons are offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; and

(7) provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training, or job opportunities.

(8) Particular attention is paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.

(9) Preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. These strategies may include resettlement on public land, or on private land acquired or purchased for resettlement. Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. If land is not the preferred option of the displaced persons, the provision of land would adversely affect the sustainability of a park or protected area,¹⁶ or sufficient land is not available at a

reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of adequate land must be demonstrated and documented to the satisfaction of the Bank.

(10) Payment of cash compensation for lost assets may be appropriate where (a) livelihoods are land-based but the land taken for the project is a small fraction¹⁷ of the affected asset and the residual is economically viable; (b) active markets for land, housing, and labor exist, displaced persons use such markets, and there is sufficient supply of land and housing; or (c) livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.

(11) Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement. Appropriate and accessible grievance mechanisms are established for these groups.

(12) In new resettlement sites or host communities, infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities. Alternative or similar resources are provided to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder).

(13) Patterns of community organization appropriate to the new circumstances are based on choices made by the displaced persons. To the extent possible, the existing social and cultural institutions of resettlement and any host communities are preserved and resettlers' preferences with respect to relocating in preexisting communities and groups are honored.

(14) Without the above measures, the rights of the displaced persons cannot be protected.

Land Administration Law of the PRC:

Article 47:

18 In acquiring land, compensation should be made according to the original purposes of the land acquired.

19 The land compensation fees shall be 6-10 times the average output value of the three years preceding the acquisition of the cultivated land. The resettlement fee shall be calculated according to the number of agricultural population to be resettled. The number of agricultural population to be resettled shall be calculated by dividing the amount of cultivated land acquired by the per capital land occupied of the unit whose land is acquired. The resettlement fees for each agricultural person to be resettled shall be 4-6 times the average annual output value of the three years preceding the acquisition of the cultivated land. But the maximum resettlement fee per hectare of land acquired shall not exceed 15 times of the average annual output value of the three years prior to the acquisition.

20 The standards for land compensation and resettlement fees for land acquired shall be determined by various provinces, autonomous regions and municipalities in reference to the land compensation fees and resettlement fees for cultivated land acquired.

21 In acquiring vegetable fields in suburban areas, the units using the land should pay new vegetable field development and construction fund.

22 Whereas the land compensation fees and resettlement fees paid according to the provisions of the second paragraph of this article are not enough to maintain the original level of living, the resettlement fees may be increased with the approval of the people's governments of provinces, autonomous regions and municipalities. But the combined total of land compensation fees and resettlement fees shall not exceed 30 times the average output value of the three years prior to the acquisition.

23 In special circumstances, the State Council may raise the standards for land compensation and resettlement fees for land acquired according to the social and economic development level.

Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28):

24 **Article 12** Improving measures of compensation for land acquisition.

County-level and above local people's governments shall take practical measures so that the standard of living of farmers affected by land acquisition is not reduced by land acquisition. Land compensation, resettlement subsidy and compensation for ground annexes and crops shall be paid in full and timely pursuant to law. If the land compensation and resettlement subsidy pursuant to the prevailing laws and regulations are insufficient to maintain the former standard of living of the farmers affected by land acquisition or to pay the social security expenses of farmers who lose all land due to land acquisition, the people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall approve an increased resettlement subsidy. If the sum of the land compensation and the resettlement subsidy attains the statutory upper limit and is still insufficient to maintain the former standard of living of the farmers affected by land acquisition, local people's governments may pay a subsidy from the income from compensated use of state land. The people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall fix and publish the uniform annual output value standards or composite land prices for land acquisition of all cities and counties, so that the same price applies to the same kind of land. For key construction projects of the state, land acquisition expenses must be listed in the budgetary estimate in full. Compensation rates and resettlement measures for large and medium-sized water resources and hydropower projects shall be otherwise stipulated by the State Council.

25 Article 13 Resettling land-expropriated farmers properly. County-level and above local people's governments shall take specific measures to guarantee long-term livelihoods of farmers affected by land acquisition. For projects with a stable income, farmers may become a shareholder using the right to use of land used for construction approved pursuant to law. Within the urban planning area, local people's governments shall bring farmers who lose all land due to land acquisition into the urban employment system, and establish a social security system; out of the urban planning area, in acquiring land collectively owned by farmers, local people's governments shall reserve necessary arable land or arrange appropriate jobs for farmers affected by land acquisition within the same administrative area; farmers without land who do not have the basic living and production conditions shall be subject to non-local resettlement. The labor and social security authorities shall

propose guidelines for the employment training and social security systems for farmers affected by land acquisition as soon as possible.

26 Article 14 Improving land acquisition procedures. During land acquisition, the ownership of collective land of farmers and the right to contracted management of farmers' land shall be maintained. Before land acquisition is submitted for approval pursuant to law, the use, location, compensation standard and resettlement mode of the land to be acquired shall be notified to farmers affected by land acquisition; the survey results of the present situation of the land to be acquired shall be confirmed by rural collective economic organizations and farmers to be affected by land acquisition; if necessary, the land and resources authorities shall organize a hearing in accordance with the applicable provisions. The materials for notification to and confirmation by the farmers affected by land acquisition shall be taken as requisite materials for approval for land acquisition. Accelerate the establishment and improvement of the coordination and judgment mechanism for disputes over compensation and resettlement for land acquisition to protect the lawful rights and interests of farmers affected by land acquisition and land users. Approved matters of land acquisition shall be disclosed unless in special cases.

27 Article 15 Strengthening Supervision over the implementation of land acquisition. If the compensation and resettlement for land acquisition has not been implemented, the acquired land shall not be used forcibly. The People's governments of provinces, autonomous regions and municipalities directly under the Central Government shall formulate the procedures for the distribution of the land compensation within rural collective economic organizations on the principle that the land compensation is used for rural households affected by land acquisition mainly. Rural collective economic organizations affected by land acquisition shall disclose the receipt, disbursement and allocation of land compensation fees to their members and accept supervision. The agricultural and civil affairs authorities shall strengthen the supervision over the allocation and use of land compensation fees within rural collective economic organizations.

Notice of the Ministry of Land and Resources on Doing a Better Job in LA Management (June 2010)

I. Complete Land Acquisition Compensation Mechanism and Allocate

Land Acquisition Compensation Reasonable

28 (1) Apply uniform AAOV rates and location-based composite land prices for land acquisition in all aspects. Fixing uniform AAOV rates and location-based composite land prices for land acquisition are an important measure for improving land acquisition compensation mechanism and realizing equal price for equal land, and also an essential requirement for increasing compensation rates for land acquisition, and protecting farmers' rights and interests. These rates shall be complied with strictly for rural collective land acquired for all types of construction. For any new construction project, strict control shall be exercised upon land use pre-examination to ensure that land acquisition compensation fees are calculated according to the published uniform AAOV rates and location-based composite land prices for land acquisition, and are included in the budgetary estimates in full. If the construction land is located in an area with the same AAOV or location-based composite land price, the level compensation for land acquisition shall be largely consistent, so as to realize equal compensation for equal land.

29 All localities shall establish a dynamic adjustment mechanism for compensation rates for land acquisition, adjust compensation rates for land acquisition every 2 or 3 years depending on economic level and local per capita income growth, and improve the compensation level for land acquisition gradually. Provinces where prevailing compensation rates for land acquisition have exceeded specified levels shall adjust and amend their compensation rates hereunder. Any province that fails to make timely adjustments shall not be pass land use examination.

30 (2) Explore and improve depository systems for land acquisition compensation fees. In order to prevent the default of land acquisition compensation fees, and ensure that compensation fees are made available timely and fully, all localities shall explore and improve depository systems for land acquisition compensation fees. When organizing land approval, a municipality or county shall estimate land acquisition compensation fees according to the size and compensation rate of land acquisition, and the land use applicant shall deposit land acquisition compensation fees in advance; for urban construction land and land for any construction project selected separately in the mode of transfer, the local government shall deposit land acquisition

compensation fees in advance. After the land use has been approved according to law, the deposited land acquisition compensation fees shall be settled timely.

31 Province-level land and resources departments shall establish sound rules and regulations for the deposition of land acquisition compensation fees together with competent authorities based on local conditions, and exercise control during land use examination.

32 (3) Distribute land acquisition compensation fees rationally. After uniform AAOV rates and location-based composite land prices for land acquisition are practiced, province-level land and resources departments shall establish sound measures for the distribution of land acquisition compensation fees together with the departments concerned, and submit them to province-level governments for approval provided compensation fees for land acquisition should be used mainly on land-expropriated farmers.

33 Upon land acquisition, municipal and county land and resources departments shall pay compensation and resettlement fees timely and fully according to determined compensation and resettlement programs for land acquisition; fees payable to land-expropriated farmers shall be paid directly to individual farmers, and the withholding or embezzlement of compensation and resettlement fees for land acquisition shall be prevented or corrected timely.

II. Adopt diversified resettlement modes to ensure land-expropriated farmers' production and livelihoods

34 (4) Give priority to agricultural resettlement. All localities shall adopt effective resettlement modes suited to local conditions. In rural areas where cultivated land has been added through land management or much mobile land is reserved by rural collective economic organizations, priority shall be given to the mode of agricultural resettlement upon land acquisition, where newly added cultivated land or mobile land shall be allocated to land-expropriated farmers so that they are able to maintain basic production conditions and income sources.

35 (5) Regulate resettlement on reserved land. Where land acquisition is conducted within the range of urban construction land identified in a master plan for land

utilization, the resettlement mode on reserved land may be adopted based on local conditions. However, guidance and management shall be strengthened. Reserved land shall be provided in the range of urban construction land and converted into state-owned land; where farmland conversion is involved, it shall be included in annual land utilization plans to prevent expanding the size of urban construction land due to resettlement on reserved land; reserved land development shall comply with the urban construction plan and pertinent provisions. In areas where resettlement on reserved land is practiced, local governments shall develop strict administrative measures to ensure that reserved land is arranged normatively and orderly, and developed and utilized scientifically and rationally.

36 (6) Ensure social security funds for land-expropriated farmers are available. Including land-expropriated farmers in the social security system is an effective way of solving the long-term livelihood problem of land-expropriated farmers. Land and resources departments at all levels shall promote the building of the social security system for land-expropriated farmers together with the departments concerned under the leadership of local governments. Presently, the key to the social security for land-expropriated farmers is to secure social security funds. All localities are encouraged to expand sources of social security funds from land users in conjunction with compensation and resettlement for land acquisition. During land use examination and approval, all localities shall control the availability of social security funds for land-expropriated farmers.

37 In areas where trials on the new rural social endowment insurance system are conducted, the social security for land-expropriated farmers shall be linked up with the new rural social security system. Where land-expropriated farmers are included in the new rural social security system, the social security system for land-expropriated farmers shall also be implemented, and the new rural social security system shall not be used in place of the social security system for land-expropriated farmers.

III. Implement compensation and resettlement for the demolition of farmers' residential house in land acquisition to solve the housing problem of land-expropriated farmers.

38 (7) Implement compensation and resettlement for houses demolished in land

acquisition practically. All localities shall attach great importance to farmers' house demolition in land acquisition, and strengthen management practically pursuant to the Emergency Notice. Compensation and resettlement for farmers' house demolition involves many aspects, such as land, planning, construction, household registration and civil affairs management, and also such social issues as public security, environmental management and folk customs. Municipal and county land and resources departments shall establish a coordination mechanism, develop measures and implement house demolition properly together with the departments concerned under the unified leadership of local governments. The applicable laws, regulations and policies shall be complied with strictly, and the relevant procedures performed, so that displaced rural households are resettled before their houses are demolished, and illegal or nonconforming compulsory demolition shall be avoided or corrected.

39 (8) Reasonable compensation and resettlement shall be provided for house demolition. Farmers' houses demolished in land acquisition shall be compensated for reasonably, and diversified resettlement modes suited to local conditions adopted to solve the housing problem for displaced rural households properly. In far suburbs and rural areas, the mode of relocation and reconstruction shall be adopted mainly, where housing sites shall be allocated for house construction. Compensation for house demolition shall cover both demolished houses and acquired housing sites. Demolished houses shall be compensated for at replacement cost, and acquired housing sites shall be compensated for at local compensation rates for land acquisition.

40 In outskirts and urban villages, no housing site shall be allocated separately for house construction in principle, while the mode of compensation in cash or in kind shall apply mainly, where displaced rural households shall purchase houses themselves or accept resettlement housing provided by the government. The sum of compensation fees and government subsidies received by displaced rural households shall be sufficient for them to purchase houses at reasonable levels.

41 (9) Carry out LA and HD orderly under unified planning. In outskirts and urban villages, local governments shall forecast the scale of farmers' house demolition and resettlement within a certain period based on urban development plans, make

advance arrangements for resettlement sites and housing, and organize house demolition orderly. Resettlement housing construction shall comply with urban development plans, and “repeated demolition” shall be avoided. In far suburbs and rural areas, in case of resettlement by relocation and reconstruction, relocation and reconstruction land shall be provided within village and town construction land, giving priority to the utilization of idle land and unused housing land. For villages included in the range of demolition and merger, relocation and reconstruction land shall be as close to planned settlements as possible. Where conditions permit, resettlement housing for displaced rural households shall be constructed in a unified manner in conjunction with new countryside or central village building.

IV. Regulate land acquisition procedures and improve the transparency of land acquisition.

42 (10) Conduct notification, confirmation and hearing carefully before reporting for approval. Land acquisition concerns farmers’ immediate interests, and the rights of information, participation, appeal and supervision of farmers shall be protected. Municipal and county land and resources departments shall perform the procedures carefully to listen well to farmers’ opinions before reporting for approval of land acquisition in strict conformity with the pertinent provisions. Land acquisition programs shall be notified practically to village groups and farmers by such means as broadcast, village bulletin board and announcement in conjunction with village affairs disclosure. If any land-expropriated farmer has an objection and proposes a public hearing, the local land and resources department shall organize a hearing timely. Reasonable requirements proposed by farmers must be addressed properly.

43 (11) Simply post-approval implementation procedures. In order to shorten the implementation time after land acquisition approval, where the notification, confirmation and hearing procedures have been performed, and the confirmation of land ownership, land type, size, ground attachments and young crops, and compensation registration have been completed before reporting for approval of land acquisition, the compensation and resettlement program for land acquisition may be drafted upon reporting for approval of land acquisition. After the approval of land acquisition, the land acquisition announcement, and the announcement of the

compensation and resettlement program for land acquisition may be posted concurrently. If there is any further public opinion during announcement, the policies shall be publicized and explained carefully to win public understand and support.

V. Performing duties practically and strengthening land acquisition management

44 (12) Strengthen the responsibility of municipal and county governments as the main subject of land acquisition. According to law, municipal and county governments are the main subject of land acquisition, and generally responsible for the fixation of compensation rates for land acquisition, compensation and resettlement for house demolition, the timely and full disbursement of compensation fees, the employment training of land-expropriated farmers, and the inclusion of land-expropriated farmers in the social security system. Land and resources departments shall perform its responsibilities under the unified leadership of the government to ensure that land acquisition is conducted normatively and orderly.

45 (13) Implement a feedback system after approval of land acquisition. Within 6 months of approval of construction land (for urban construction land approved by the State Council, after the approval of farmland conversion and land acquisition programs by province-level governments), municipal and county land and resources department shall submit information on the implementation of land acquisition, including the range and size of land acquisition, the performance of the post-approval procedures for land acquisition, the availability of land acquisition compensation fees, and the resettlement and social security implementation of land-expropriated farmers, to province-level land and resources department, and the Ministry of Land and Resources via the online submission system. Province-level land and resources departments shall urge and direct municipalities and county to submit information properly, check submitted information, correct non-submission, delayed submission and erroneous submission timely. Land and resources departments at all levels shall take full advantage of submitted information to master and analyze the post-approval implementation of land acquisition, strengthen post-approval land regulation, and ensure that land acquisition is implemented as required.

4 Preparation and Approval of the RAP

46 The borrower should prepare and implement the RAP (including meeting all funds related to resettlement). However, many aspects of land acquisition and resettlement are implemented by the district/county level land administration department. The borrower will coordinate project activities through the PMO to ensure that an effective RAP is prepared and implemented. The RAP should be combined with local construction, resources exploitation, economic development and environmental protection, and fully embody the sustainability of local economic development and the development of the displaced persons. A feasible RAP should be prepared in consideration of the local natural and socioeconomic conditions in order to restore the production level and standard of living of the displaced persons effectively, and maintain sustainability.

47 Once it is determined that land acquisition is unavoidable in project implementation, it is necessary to conduct involuntary resettlement, and determine the amount of land acquisition and resettlement impacts. At this point, relevant resettlement report documents, such as the RAP, the Abbreviated Resettlement Action Plan (ARAP) and the Due Diligence Report on Resettlement, should be prepared and submitted to the World Bank. Only when these report documents have passed the examination of the World Bank can the PMO and the project implementing agencies begin to implement land acquisition, property demolition and resettlement activities.

48 The RAP should estimate a transition period according to the time possibly required for restoring livelihoods and the standard of living, and ensure that displaced persons can receive assistance during the transition period. The borrower identifies and enumerates the persons to be acquired of land or displaced in the project through a census, determines which persons are entitled to assistance and prevents the influx of those without such entitlement; the borrower determines the scope and extent of potential impacts in the project area through a socioeconomic survey. The census must cover all persons directly affected, and the socioeconomic survey may be conducted on a sampling basis. If the census and the socioeconomic survey are conducted concurrently or separately depends on if a full RAP or an ARAP (see Annex A to OP 4.12) is prepared. If over 200 persons are affected, a full RAP should be prepared. If the whole displaced population is affected slightly, or less than 200

persons are affected, an ARAP may be sufficient. If the APs do not have to be displaced, and the loss of means of production is less than 10%, the project is deemed to have a “slight impact”.

49 If an RAP has to be prepared, it should be prepared in accordance with the policy principles, programs and implementation arrangements in this RPF. The RAP should be based on accurate census and socioeconomic survey results, and incorporate measures to mitigate negative impacts arising from resettlement (e.g., compensation for assets, assistance during the transition period, and assistance for economic restoration). To ensure that necessary resettlement measures will not displace or restrict the use of resources and assets before implementation, resettlement activities should be implemented in conjunction with the investment plan of the project. For different types of negative impacts, the RAP should pay special attention to the following:

- (1) Description of activities resulting in land acquisition;
- (2) Scope and extent of potentially negative impacts;
- (3) Baseline results of socioeconomic survey and census;
- (4) Review of laws and regulations on land acquisition and resettlement;
- (5) Compensation rates for all types of affected assets (or other options);
- (6) Other necessary resettlement measures to provide economic restoration opportunities to the displaced persons;
- (7) Acceptable rates of compensation and other assistance;
- (8) Replacement arrangements, including assistance measures during the transition period if necessary;
- (9) Selection or preparation of resettlement site if necessary;
- (10) Restoration or replacement of community infrastructure and services;
- (11) Organizational arrangements for implementation;
- (12) Consultation and information disclosure arrangements;
- (13) Resettlement implementation schedule;
- (14) Costs and budget;
- (15) Monitoring and evaluation (M&E) arrangements;
- (16) Grievance redress procedure; and

(17) Summary entitlement matrix

50 If an RAP has to be prepared, it should be prepared in accordance with the policy principles, programs and implementation arrangements in this RPF. It should at least include the following:

- (1) Census and appraisal of affected assets;
- (2) Description of compensation and other assistance measures to be provided;
- (3) Acceptable compensation rates;
- (4) Consultation and information disclosure arrangements;
- (5) Organizational arrangements for implementation;
- (6) Schedule and budget;
- (7) M&E arrangements; and
- (8) Grievance redress procedure

51 Any RAP prepared in accordance with this RPF should be examined and approved by the World Bank before the civil work contract that causes resettlement can be entered into.

5 Entitlement to Compensation and Resettlement

52 All APs are entitled to compensation and/or other forms of assistance, which are related to the nature of their impact.

53 Generally, persons entitled to compensation include those affected in the following ways:

54 Permanent acquisition of land, including A) villagers having formal rights to land in the affected village, and B) villagers from non-affected villages who farm on or rent land there

55 Type A displaced persons are entitled to compensation at replacement cost. Type B displaced persons are entitled to compensation for crops and properties.

56 Loss of housing, other properties and fixed assets, including trees and young crops: proprietors of properties and other assets (whether they hold a land use or building permit before the cut-off date or not)

57 Losses related to temporary impacts, including temporary land loss, transitional costs related to displacement or interference with business during the construction period

58 The purpose of the RAP is to ensure that the displaced persons have sufficient opportunities to replace lost assets, and improve or at least restore their income and standard of living. To achieve this purpose, it is necessary to identify their entitlement so that all displaced persons are entitled to the assistance in the RAP. In particular, the displaced persons will be entitled to the following types of compensation and resettlement measures (see Table 5-3 for a summary):

(1) Affected population losing farmland

59 a) Preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. If land is not the preferred option of the displaced persons, the provision of land would adversely affect the sustainability of a park or protected area, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of adequate land must be demonstrated and documented to the satisfaction of the World Bank. If the project causes land acquisition, the compensation rates will not be less than those of the project, as detailed below.

Table 5-1 Table 5-1 Compensation Rates for LA of Rural Road Project

| County | Categories | Condition | Compensation standards (Yuan per mu) | Where | | | |
|----------|---------------------|--|--------------------------------------|---|---|---|--|
| | | | | Land compensation fees | Allocation subsidies | Land compensation fees | |
| Qionglai | Cultivated land | Per capita cultivated area (mu) over 1 mu | \ | 10 times of the annual output value of the past three years | 6 times of the annual output value | 1,032 | |
| | | Per capita cultivated area (mu) less than 1 mu | \ | 10 times of the annual output value of the past three years | Number of allocated people times 6 times of the annual output value of the past three years | 1,032 | |
| | Non-cultivated land | Per capita cultivated area (mu) over 1 mu | \ | 5 times of the annual output value of the past three years | 3 times of the annual output value | \ | |
| | | Per capita cultivated area (mu) less than 1 mu | \ | 5 times of the annual output value of the past three years | Number of allocated people times 3 times of the annual output value of the past three years | \ | |
| Tianquan | Cultivated land | Within the county | 49,600 | 48,000 | | 1,600 | |
| | | Within the Shiyang Planning Area | 46,600 | 45,000 | | 1,600 | |
| | | Outside the Planning area | Paddy field | 37,600 | 35,000 | | |
| | | | Dry land | 31,600 | 30,000 | | |
| | Other | \ | 16,600 | 15,000 | | 1,600 | |
| Yingling | Cultivated land | Per capita cultivated area (mu) over 1 mu | \ | 10 times of the annual output value of the past three years | 6 times of the annual output value | May to September, 1,000 October to next April, 900 | |
| | | Per capita cultivated area (mu) less than 1 mu | \ | 10 times of the annual output value of the past three years | Number of allocated people times 6 times of the annual output value of the past three years | May to September, 1,000 October to next April, 900 | |
| | Non-cultivated land | Per capita cultivated area (mu) over 1 mu | \ | 5 times of the annual output value of the past three years | 3 times of the annual output value | \ | |
| | | Per capita cultivated area (mu) less than 1 mu | \ | 5 times of the annual output value of the past three years | Number of allocated people times 3 times of the annual output value of the past three years | \ | |
| | | Per capita cultivated area (mu) over 1 mu | \ | 5 times of the annual output value of the past three years | 3 times of the annual output value | \ | |

60 Table 5-2 Compensation Rates for Urban Municipal Infrastructure Construction

| County | Categories | Condition | Compensation standards (Yuan per mu) | Where | | |
|----------|---------------------|-------------------------------|--------------------------------------|------------------------|----------------------|------------------------|
| | | | | Land compensation fees | Allocation subsidies | Land compensation fees |
| Yucheng | Cultivated land | Inside the City Planning area | 55560 | 42560 | 13000 | |
| | Non-cultivated land | | 34280 | 21280 | | |
| Mingshan | Cultivated land | Inside the City Planning area | 40900-41000 | 40000 | 900-1000 | |
| | Non-cultivated land | | 27900-28000 | 27000 | | |
| Lushan | Cultivated land | Inside the City Planning area | 33335 | 31500 | 1835 | |
| | Non-cultivated land | | 17585 | 15750 | | |
| Tianquan | Cultivated land | Inside the City Planning area | 49600 | 48000 | 1600 | |
| | Non-cultivated land | | 25600 | 24000 | | |

61 b) The affected population will receive compensation at market price for young crops, at net present value for commercial forests, and replacement cost for other fixed assets (attached structures, wells, enclosing walls, irrigation improvement facilities, etc.).

62 c) Compensation will be paid for temporary land use at a rate associated with the period of use, and the occupied land and any affected asset will be restored to the pre-use condition at no expense for the proprietor or the user.

(2) Affected population losing properties

63 a) The displaced persons losing properties will be compensated in kind (through replacement of land for construction and housing of the same size and satisfied to the displaced persons), or in cash at replacement cost, and will receive assistance in displacement. For any property demolished on rural collective land, a housing site of equivalent conditions in a nearby area will be offered for housing rebuilding, and cash compensation will be provided at full replacement cost, or resettlement housing will be offered directly to the displaced person, and the price difference settled; for acquisition of housing on the state-owned land, a qualified real estate appraisal agency will be selected in consultation with the displaced person to appraise the market value of the property, and the amount of compensation and mode of resettlement will be determined on this basis; the acquirer should also provide resettlement housing at the displaced person's option, and the price difference between the resettlement housing and the acquired property will be settled at market value.

64 b) If after partial acquisition, the remaining housing land is insufficient to rebuild or restore housing of the same size or value in any other structure, the whole plot and all buildings thereon will be acquired at replacement cost upon the displaced person's request.

65 c) For fixed assets, compensation will be paid at replacement cost.

66 d) The tenant of a property will consult with the proprietor about compensation for the loss arising from the termination of the lease, and receive assistance for looking for another property and a moving subsidy from the borrower.

(3) Affected population losing business

67 Compensation for loss of business includes: (a) offering a replacement operating plot of the same size and customer accessibility, and satisfactory to the operator; (b) cash compensation for the lost operating property; (c) income lost during the

transition period (including employee wages); and (d) moving subsidy.

(4) Vulnerable groups

68 Vulnerable groups involved in the project include the elderly, the disabled and woman-headed households, and should be identified in the census.

69 The compensation and resettlement terms for all APs apply to these groups. In addition, vulnerable groups will receive extra assistance to ensure that their income and livelihoods are restored or improved as a result of project implementation.

(5) Ethnic minorities

70 Resettlement of ethnic minorities is particularly complex and may have significant adverse impacts on their identity and cultural survival. For this reason, the borrower should explore all viable alternative project designs to avoid physical displacement of these groups. When it is not feasible to avoid such displacement, preference is given to land-based resettlement strategies for these groups that are compatible with their cultural preferences and are prepared in consultation with them.

(6) Infrastructure and services

71 Infrastructure (e.g., water resources, road, sewage system or power supply) and public services (e.g., school, clinic or community center) should be restored or replaced for free for any affected community. In new resettlement sites, infrastructure and public services are provided as necessary to improve or maintain accessibility and levels of service for the displaced persons. Patterns of community organization appropriate to the new circumstances are based on choices made by the displaced persons. To the extent possible, the existing social and cultural institutions of the displaced persons and any host communities are preserved and the displaced persons' preferences with respect to relocating in preexisting communities and groups are honored.

Table5-3 Entitlement of displaced persons affected in different ways to compensation and resettlement

| Type of impact | Type of APs | Type of compensation | Resettlement policy |
|--------------------------------------|---|---|---|
| Permanent land acquisition | Villagers having formal rights to land in the affected village | Land compensation fees, resettlement subsidies and young crop compensation fees | Land reallocation in the village or cash compensation, skills training, employment support, and social security for land-expropriated farmers |
| | Individuals farming on rented land temporarily | Young crop compensation fees | Assisting in looking for other farmland |
| Property demolition and rebuilding | Proprietors of affected properties on rural collective land | New housing site, cash compensation for affected property based on full replacement cost, moving subsidy and transition subsidy | New housing site acceptable in size and accessibility |
| | Proprietors of affected properties on state-owned land | Providing cash compensation for the property based on the appraised market value, offering resettlement housing at the displaced person's option; moving subsidy and transition subsidy | Resettlement housing of equivalent size, location and quality, and satisfactory to the displaced person, or cash compensation sufficient to purchase such housing |
| | Property tenants | Consulting with the proprietor about compensation for the loss arising from the termination of the lease | Assisting in looking for another property |
| Loss of non-residential buildings | Business operators and employees forced to move | 1) New operating plot or cash compensation based on replacement cost; 2) cash compensation for loss of operating property; 3) transitional support for loss of income (including employee wages); 4) moving subsidy | A new operating plot acceptable in size, location and operating conditions |
| Loss of attachments and other assets | Proprietors of attachments and other assets | Cash compensation based on replacement cost | |
| Loss of infrastructure | Proprietors or management agencies of affected facilities | Funds for restoring the affected facility to the original condition and function, or paid to competent authority for restoration | Infrastructure and services should be restored timely to avoid any adverse impact on the host community. |
| Direct losses of various types | Vulnerable groups, such as the poor, the elderly and the disabled | Offering extra support so that their income level and standard of living are restored or improved | |

6 Implementation Procedures

72 The RAP should include all detailed implementation schedules. Compensation payment and other restoration measures (in cash or otherwise) must be completed at least one month before land acquisition. If full compensation is not paid or necessary assistance measures are not available before land acquisition, a transition subsidy should be provided. In addition, the following basic legal procedures should be followed during land acquisition, property demolition and resettlement.

1. General procedures of land acquisition and property demolition on collective land

73 **Article 20** Regulations on the Implementation of the Land Administration Law of the PRC stipulates that land occupation for the purpose of urban planning within the range of urban land for construction specified in the master plan for land utilization shall be carried out as follows:

(1) The municipal or county people's government shall draft farmland conversion programs, arable land replenishment programs and land acquisition programs according to the annual land utilization plan, and submit them to competent people's governments level by level in batches.

(2) The competent department for land administration of a competent people's government shall examine farmland conversion programs, arable land replenishment programs and land acquisition programs, give opinions, and submit them to the competent people's government for approval; an arable land replenishment program shall be approved by the people's government approving the corresponding farmland conversion program together with such farmland conversion program.

(3) Approved farmland conversion programs, arable land replenishment programs and land acquisition program shall be implemented by the municipal or county people's government, and land shall be provided for specific construction projects.

74 **Article 25** Municipal, county people's government of the locality whose land has been acquired shall, upon approval of the land acquisition plan according to law, organize its implementation, and make an announcement in the village (township), hamlet whose land has been acquired on the approval organ of the land acquisition, number of the approval document, use, scope and area of the acquired land as well as the rates for compensation of land acquisition, measures for the resettlement of agricultural personnel and duration for processing land acquisition compensation.

75 Persons of ownership and persons of use right of the acquired land should, within the duration prescribed in the announcement, go to the competent department of people's government designated in the announcement to go through the registration for land acquisition compensation on the strength of land ownership certificates.

76 The competent departments of municipal, county people's governments shall, on the basis of the approved land acquisition plan and in conjunction with the departments concerned, draw up land acquisition compensation and resettlement plan, make an announcement thereof in the village (township), hamlet wherein the acquired land is located to solicit the views of the rural collective economic organizations and peasants on the acquired land. The competent departments of land administration of municipal, county people's governments shall, upon approval of the land acquisition compensation and resettlement plan submitted to the municipal, county people's governments, organize its implementation. Where a dispute arises over the compensation rates, coordination shall be carried out by local people's government above the county level; where coordination has failed, arbitration shall be resorted to by the people's government that approved the land acquisition. Land acquisition compensation and resettlement dispute shall not affect the implementation of the land acquisition plan.

77 Payment of various expenses for land acquisition should be effected in full within 3 months starting from the date of approval of the land acquisition and resettlement plan.

2. General procedure of property acquisition on state-owned land

78 According to the Regulations on the Acquisition of Houses on State-owned Land and Compensation Therefore, the following general procedure should be followed when properties on state-owned land are acquired for the project:

- (1) Making a decision of property acquisition according to legal conditions and procedures
- (2) Issuing an announcement of property acquisition and an announcement of withdrawal of the right to use state-owned land;
- (3) Selecting a qualified appraisal agency for appraisal, and disclosing the appraisal result
- (4) Entering into a compensation agreement for property acquisition
- (5) Disclosing compensation information and establishing acquisition files
- (6) Demolishing acquired properties and transferring to land acquisition

7 Resettlement Budget and Arrangements

79 The borrower should assume all responsibilities related to land acquisition and resettlement. Any RAP prepared in accordance with this RPF should include costs and budget. All persons adversely affected by land occupation are entitled to compensation and appropriate resettlement measures, whether they are identified at the RAP stage or not, and whether sufficient relief funds are available. Therefore, the RAP should include contingency costs, which should account for at least 10% of total resettlement costs to pay unforeseeable resettlement costs.

80 The compensation rates in the RAP provide a basis for resettlement compensation. All collectives or individuals losing properties should be compensated at full replacement cost, and discount for any reason is prohibited. The RAP should

describe the flow of compensation fees from the borrower to the APs. As a principle, funds should be paid to the affected population as directly as possible, with minimum intermediate processes, such as coordination and arbitration.

8 Consultation and Information Disclosure

81 At the resettlement policy-making, RAP preparation and implementation stage, great importance should be paid to the participation of and consultation with the displaced persons, and the resettlement policies of the project should be introduced extensively for comments from the affected population by any means, such as the socioeconomic survey and the impact evaluation survey. Through extensive public participation, coordination and communication, the local governments, affected village collectives and affected population have fully understood the potential impacts, resettlement policies and income restoration program of the project.

82 The participation of or consultation with the APs is the starting point of resettlement activities. Consultation can facilitate the successful implementation of the project, and is a basic means of meeting the resettlement and restoration objectives. The RAP must describe measures for consultation with the displaced persons about the RAP. Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement. In new resettlement sites or host communities, infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities. Appropriate and accessible grievance mechanisms are established for these groups to restore or improve their income level. In order that the APs' opinions and choices are fully considered, consultation will be conducted before the project design and the mitigation measures are finalized. Through external monitoring (see below), public participation will run through the whole implementation process of the RAP.

83 The PMO and the local resettlement implementing agencies can encourage the participation of and consultation with the affected population in the following ways:

(1) Publicity of resettlement information

84 To ensure that the displaced persons and the local governments fully understand the RAP, and the compensation amounts and RAPs of the components, the PMO should also compile and sum up resettlement information approved by the World Bank, disclose it by posting or through broadcast, TV or online media in the project area, and prepare a resettlement information booklet for distribution to each displaced person. Resettlement information includes all lost assets, compensation rates, amount of compensation, resettlement policies, displaced persons' rights and interests, feedback and appeal channels, etc.

(2) Holding public consultation meetings

85 Depending on the progress of land acquisition and property demolition, the PMO

will hold consultation meetings with the affected population irregularly. Each meeting should involve representatives of vulnerable groups, especially women, and be monitored by the external monitoring agency. The scope and progress of construction, and the resettlement policies of the project will be publicized through broadcast, TV, newspaper or online media.

(3) Holding public hearings

(4) Holding village congresses

86 The PMO should also disclose the draft and final version of the RAP to the displaced persons and the public in the project area, and hand them out at a place easily accessible to the displaced persons. The place of disclosure of the RAP may be a public library, the villager activity room of the affected village committee, and a government public information website, and the language should be understandable. The draft RAP should be disclosed one month before submission to the World Bank for approval, and the final version will be disclosed after approval by the World Bank.

9 Grievance Redress Procedure

87 Ensuring that the APs' production operations and livelihoods are restored or improved is the primary purpose of resettlement. Therefore, no grievance will arise in most cases if resettlement is conducted after consultation with the displaced persons. However, during project implementation, problems may arise more or less. In order to solve problems timely whenever they arise, so as to ensure that resettlement is implemented successfully, and that the displaced persons have an appeal channel in respect of land acquisition and resettlement, the following grievance redress procedure will be adopted for the project:

Stage 1: If any AP is dissatisfied with the RAP, he/she can file an oral or written appeal to the village committee or demolition implementing agency orally or in writing. In case of an oral appeal, the village committee or demolition implementing agency shall handle such appeal and keep written records. Such appeal should be solved within two weeks.

Stage 2: If the AP is dissatisfied with the disposition of Stage 1, he/she may file an appeal to the town resettlement office/management agency after receiving such disposition, which shall make a disposition within two weeks.

Stage 3: If the AP is still dissatisfied with the disposition of Stage 2, he/she may escalate the appeal to the competent administrative authorities in accordance with applicable laws and regulations after receiving such disposition for arbitration, and the government approving LA and HD shall make a judgment.

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

88 The APs may file an appeal about any aspect of resettlement, including compensation rates, etc. The above appeal channel will be notified to the APs at a

meeting or otherwise, so that the APs are fully aware of their right of appeal. Mass media will be utilized for publicity, and opinions and advice about resettlement will be compiled into messages for study and disposition by the resettlement agencies. All agencies will accept grievances and appeals from the APs for free, and costs so reasonably incurred will be disbursed from contingency costs.

10 Monitoring and Evaluation Arrangements

89 The basis of resettlement M&E includes: (1) state laws and regulations on resettlement; (2) operational guidelines of the World Bank; and (3) legal documents related directly to the project, such as the RAP accepted by both the World Bank and the project owner.

90 The principles for resettlement M&E include: (1) studying and evaluating the implementation of the RAP regularly; (2) conducting data collection and analysis accurately to ensure the accuracy of M&E results; (3) evaluating the implementation of the RAP scientifically, objectively and fairly; (4) reporting to the project owner and the World Bank timely so that they can learn the progress of the project timely for scientific decision-making.

91 Internal monitoring should usually cover the following:

(1) Organization: setup and division of labor of resettlement implementation and related agencies, staffing of the resettlement agencies, capacity building of the resettlement agencies;

(2) Resettlement policies and compensation rates: enactment and implementation of resettlement policies; practical implementation of compensation rates for different types of losses, with particular stress on if the compensation rates in the RAP are complied with, and the reason for any difference;

(3) Implementation progress of land acquisition, property demolition and resettlement

(4) Resettlement budget and implementation

(5) Resettlement by production and employment: main modes of resettlement for rural areas (land reallocation, new land development, resettlement of enterprises and public institutions, resettlement of enterprises and public institutions, self-employment, endowment insurance, etc.), workforce, employment of displaced persons in the reallocation of commercial stores and enterprises, resettlement of vulnerable groups (ethnic minorities, woman-headed households, the elderly, the disabled, etc.), land reclamation for temporarily occupied land, effectiveness of resettlement, etc.

(6) Housing rebuilding and livelihood resettlement of displaced persons: modes of resettlement for rural areas, allocation of housing sites, form of housing rebuilding, “three supplies and one leveling” of housing sites, payment of compensation fees, provision and relocation of infrastructure (water, electricity, traffic, commerce, etc.); modes of resettlement for urban areas, construction of resettlement sites and housing,

selection and allocation of resettlement housing, construction and relocation of infrastructure, reconstruction and allocation of premises for commercial stores, enterprises and public institutions;

(7) Restoration and reconstruction of industrial and mining enterprises, public institutions, commercial stores, (market) towns and various special facilities (water resources, electricity, post and telecom, communication, traffic, pipelines, etc.);

(8) Grievances, appeals, public participation, consultation, information disclosure and external monitoring;

(9) Handling of issues in the Memorandum of the World Bank Mission;

(10) Existing issues and solutions

92 External M&E will be conducted by an agency independent of the project owner and the resettlement implementing agencies, and having resettlement M&E capabilities. External M&E should usually cover the following:

(1) Resettlement agencies: monitoring the setup, division of labor and staffing of the project owner and the resettlement agencies, and capacity building and training activities of the resettlement agencies through investigation and interview; evaluating the appropriateness thereof through comparison with the RAP;

(2) Resettlement policies and compensation rates: studying the main policies for resettlement implementation, and evaluating the appropriateness thereof through comparison with the RAP; verifying the implementation of the compensation rates for different types of losses (especially major losses such as permanent land acquisition and property demolition) through sampling, and evaluating the appropriateness thereof through comparison with the RAP;

(3) Progress of resettlement implementation

(4) Resettlement costs and budget

(5) Resettlement by production and employment: evaluating the production and employment resettlement of the displaced persons, and the implementation of the income restoration program through sampling survey and the follow-up monitoring of typical displaced households;

(6) Housing rebuilding and livelihood resettlement of the displaced persons: conducting analysis and evaluation through sampling survey;

(7) Restoration and reconstruction of enterprises and public institutions: learning the relocation and reconstruction of enterprises, public institutions and commercial stores through literature review, sampling survey and follow-up monitoring; evaluating the appropriateness thereof through comparison with the RAP;

(8) Restoration and reconstruction of (market) towns and special facilities: learning the reconstruction and restoration of (market) towns through literature review and field investigation; evaluating the appropriateness thereof through comparison

with the RAP;

(9) Restoration of the income, production level and standard of living of the displaced persons: learning the income sources, amount, structure and stability , and expenditure structure and amount of typical displaced households through baseline survey before land acquisition and property demolition, and sampling survey and follow-up monitoring thereafter, evaluating the level of fulfillment of income restoration and other resettlement objectives through a comparative analysis; analyzing and evaluating the level of fulfillment of income and standard of living restoration objectives of the displaced persons through comparison in residential conditions, traffic, infrastructure, community environment, culture, amusement and economic activities, etc.;

(10) Grievances and appeals: monitoring the appeal channel and procedure for the displaced persons, main grievances and handling thereof through literature review and sampling survey

(11) Public participation, consultation and information disclosure: monitoring public participation and consultation activities, and the effectiveness thereof, the preparation, issue and feedback of the resettlement information booklet, and information disclosure activities and the effectiveness thereof during resettlement implementation through literature review and field investigation;

(12) Handling issues proposed in the Memorandum of the World Bank Mission and the last resettlement M&E report;

(13) Conclusion and suggestions: summing up resettlement activities to arrive at a conclusion; tracking existing issues until they are solved.

93 During resettlement, the external M&E agency will conduct two rounds of M&E through field investigation per annum. After the completion of resettlement, M&E may be conducted annually or less frequently as necessary, subject always to the consent of the World Bank. External M&E will usually continue until the fulfillment of the resettlement objectives. Through external M&E, opinions and suggestions will be given on the whole resettlement process, and the restoration of the production level and standard of living of the displaced persons. External M&E reports will be submitted to both the PMO and the World Bank.

11. Institutional arrangements for implementation

94 In order to organize the implementation of this framework of the project, Sichuan Province has established Provincial PMO for component 1 and 2 separately, and each project county has a PMO with dedicated staff. The Sichuan Provincial PMO under the leading group is affiliated to the Development and Reform Bureau, responsible for overall coordination, supervision and service in project implementation. County level PMOs will be responsible for daily management, periodic reporting of the progress of project implementation to the county government and PPMO, coordinating agencies concerned, organizing bid invitation and procurement, preparing county level annual

financial plans, project quality control, and coordinating technical assistance, research and training, etc. Provincial and local PMO will have explicit responsibilities of project management, each PMO has dedicated staff to take charge. Each affected village has 1~2 chief leaders responsible for resettlement under coordination and support of township government. Each RAP will need to be submitted to the World Bank for review and no objection in advance. Each RAP shall be disclosed in appropriate language to local people in project localities. Then the RAP can be implemented.