

**The World Bank**

**Hezhou Urban Water Infrastructure and  
Environment Improvement Project**

**Resettlement Policy  
Framework**

**(Final)**

**Entrusted by: Hezhou Development and Reform Commission**

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## **I. Brief Introduction**

The objectives of Hezhou Urban Water Infrastructure and Environment Improvement Project are, through implementation of the three components of Hejiang Flood Control Component, Urban Drainage and Wastewater Management Component and Capacity Building and Project Management Component of the Project, to construct the high-standard and modern urban infrastructure and public services, aiming to upgrade flood control ability, protect people's life and property, enhance urban wastewater treatment capacity, protect water quality, strengthen institutional capacity and upgrade the integrate management capacity for urban water resources. Such will further promote the harmony between human and water, facilitate the sustainable urban development and provide strong impetus for the social and economic development in Hezhou City.

## **II. Basis for Resettlement Policy Framework**

According to the identification, this Project has the following linked projects: (1) The land acquisition and house demolition of Pinggui New City dike construction, a sub-component of Hezhou Urban Flood Control Component under Hejiang River Rehabilitation Project of Guangxi's main tributaries, were completed in September 2017, and the resettlement activities for Jiangnan dike construction sub-component were expected to be completed in November 2017. According to the World Bank policies for involuntary resettlement, these two sub-components should submit due diligence reports separately. (2) The land acquisition and demolition activities of Jiangbei dike construction, a sub-component of Hezhou Urban Flood Control Component under Hejiang River Rehabilitation Project of Guangxi's main tributaries were completed in 2011 along with the those of Hezhou Taibai Lake Rehabilitation Project. Hezhou Wastewater Treatment Plant was built within the existing compound of the plant, and the land acquisition and resettlement activities were completed in August 2008. Hezhou Sludge Harmless Treatment Project was conducted on the existing solid wastes landfill, and the land acquisition and demolition were completed in August 2008. (3) The FSRs respectively of Hezhou Jintai Lake Water Ecological Integrated Rehabilitation Project and Hezhou Yongfeng Lake Water Ecological Rehabilitation Project were approved recently, and the land acquisition and house demolition activities have not been started. According to the World Bank policies on involuntary resettlement, during the project implementation, land acquisition and house demolition may occur. Accordingly, in order to guide the land acquisition and house demolition activities that may possibly occur for the linked project, the Resettlement Policy Framework (RPF) is prepared to address this issue.

This Resettlement Policy Framework has defined the principles, objectives, relevant guidelines, entitlements, laws, regulations and mechanism framework, compensation and restoration means, characteristics of public participation as well as procedure of grievances redressing and monitoring mechanism. All these shall be applied to guide the compensation, resettlement and restoration activities.

## **III. Objectives, Definitions and Principles**

### **Objectives**

The objectives of the RPF are to identify the principles for mitigating resettlement impacts and illustrate institutional arrangement, including compensation for all the APs

who are affected by losses on land and properties, the livelihood changes due to relocation and resettlement, as well as assisting them in relocation and restoration.

In World Bank-assisted projects, borrowers are expected to take all necessary measures to mitigate adverse social impacts, including those associated with land acquisition. The World Bank Operational Policy 4.12, Involuntary Resettlement, provides essential guidance on objectives and principles that are applicable in projects generating land acquisition and resettlement-related impacts.

Every reasonable effort is to be made to avoid or minimize the need for land acquisition, and to minimize all resettlement-related adverse impacts. If land acquisition and associated adverse impacts cannot be avoided altogether, the principle objective of the RPF is to ensure that all persons subjected to adverse impacts (“displaced persons” as defined below) are compensated at replacement cost (as defined below) for lost assets and otherwise provided with any rehabilitation measures or other forms of assistance necessary to provide them with sufficient opportunity to improve, or at least restore, their incomes and living standards.

### **Definitions**

"Cut-off date" is a definite demarcating date, prior to which, the affected persons are eligible to get the compensations or other assistances for the identified ownerships or rights of use. The “cut-off date” is normally defined in the Resettlement Action Plan and consistent with the census date for affected persons, or the date of issuance of land acquisition by the competent department of the local government. Those entering the project areas after the “cut-off date” are not eligible for compensations or other assistances.

In terms of the eligibility for compensations, the Displaced Persons (DPs) may be classified in one of the following three groups:

(i) Those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country);

(ii) Those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets -- provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan;

(iii) Those who have no recognizable legal rights or claims to the land they are occupying.

Persons covered under (i) and (ii) are provided compensation for the land they lose and other assistance. Persons covered under (iii) are provided resettlement assistance in lieu of compensation for land they occupy and other assistance, as necessary, to achieve objectives set out in this policy, if they occupy the project area prior to a cut-off date established by the borrower and acceptable to the World Bank. Those who encroach on this area after cut-off date are not entitled to the compensation or any other resettlement assistance. All persons included in (i), (ii) and (iii) are provided compensation for loss of assets other than land.

"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 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.

“Land acquisition” refers to the process where people Involuntarily lose the titles, use rights or accesses to the land expropriated by project implementation. Land acquisition may lead to a series of relevant impacts, including the loss of residential houses or other assets (fence, well, grave or other land-attached buildings or facilities).

“Resettlement” refers to a process of providing adequate opportunities for the affected persons to enable them to restore their productivity, income and living standard. The assets compensations are normally insufficient to realize the full restoration.

**Main principles:**

The RPF follows the principles as illustrated in the World Bank policies OP 4.12, mainly include:

(a) Avoid and minimize land acquisition and house demolition. Where land acquisition is unavoidable, the Project shall have special measures to mitigate the negative impacts on the affected people, especially the vulnerable groups such as the poor, landless farmers, elderly, women, children, ethnic minorities, or disable.

(b) All affected people by the Project will be entitled to get compensation, resettlement and restoration, so that they can improve their living standard, income and production capacity, or at least restore to the previous level before land the project construction.

(c) All affected people who live, cultivate or have assets in the project area shall be entitled to get compensation and assistance for the property loss and income restoration. If the property without eligible rights, the owners shall be also entitled to the get the compensation, restoration and resettlement.

(d) The restoration measures include: (1) residential house and other infrastructure should be compensated as per replacement cost; (2) land compensation; (3) moving subsidies and transition subsidies; (4) crops, trees and other agricultural products are compensated as per market price; (5) other resources and relevant measures for livelihood restoration;

(e) Resettlement with land is the first option for resettlement, however cash resettlement can replace the resettlement with land: (1) land is not available nearby the project area; (2) all affected people are willing to accept cash compensation at replacement cost; (3) cash compensation is attached with relevant restoration measures which, along with the project benefits, can enable the affected people to restore to the level before the project.

(f) The Resettlement Action Plan shall obtain the consent of all affected people before implementation.

(g) The resources that the affected people have or manage but being expropriated or forcedly used by the public objectives shall be provided with mitigating measures to

ensure that they can still use the equal resources.

#### **IV. Laws, Regulations, Policies for Land Acquisition and Resettlement**

The legal frameworks for the Resettlement Action Plan and the implementation shall be based on the World Bank Operational Policies for Involuntary Resettlement (OP4.12) and the laws and regulations of the State, Guangxi Zhuang Autonomous Region and Hezhou City.

The People's Republic of China has formulated complete legal framework for land acquisition, house demolition, resettlement and compensation such as Land Administration Law of the People's Republic of China (revised on August 28, 2004). Within the legal framework of laws and policies of the State, the local government has also issued corresponding laws, regulations and policies to administer and guide the local land acquisition, house demolition, resettlement and compensation. According to the prevailing laws and regulations of the State, Hezhou Municipal Government has also issued relevant regulations and policies to manage and guide the relevant activities for the local places.

The major laws, regulations and provision for preparation of the RPF are:

**Table 4-1 Major Laws and Policies for Resettlement**

<b>Level</b>	<b>Laws and policies</b>	<b>Schedule</b>
<b>State level</b>	Land Administration Law of the People's Republic of China (effected from January 1 of 1999, revised on August 28, 2004).	
	Regulations for the Implementation of the Land Administration Law of the People's Republic of China (revised on July 29, 2014)	
	Methods for Announcement of Land Acquisition	January 1, 2002
	Decision of the State Council on Deepening Reform and Strengthening Land Administration, Ref. GF[2004]28;	October 21, 2004
	Circular of the Ministry of Land and Resources on Management of Land Acquisition Compensation, Ref. No. GTZF[2004]58.	November 16, 2001
	Provisions of the People's Republic of China on Tax on Occupation of Cultivated Land, Decree No.49 of Ministry of Finance, State Administration for Taxation.	
	Guidelines for Strengthening Land Acquisition Compensation and Relocation System, Ref. No.GTZF[2004]238.	November 3, 2004
	Regulation on the Expropriation of Buildings on State-owned Land and Compensation (Decree No.590 of the State Council), January 21, 2011	
	Regulations on Land Acquisition Compensation and Resettlement for Large and Medium Water Resources and Hydroelectric Construction Projects, September 1, 2006, (Decree No.471, State Council)	
<b>Local level</b>	Method of Guangxi Zhuang Autonomous Region on Implementation of Land Administration Law of the People's Republic of China.	September 1, 2001

<b>Level</b>	<b>Laws and policies</b>	<b>Schedule</b>
	Provisions of Guangxi Zhuang Autonomous Region on Implementation of Administration Regulations for Houses Demolition in City	September 1, 2003

<b>Level</b>	<b>Laws and policies</b>	<b>Schedule</b>
	Interim Provisions of Guangxi Zhuang Autonomous Region Concerning Collection of Four Compensation Charges for Acquisition and Occupation of Forest Land.	July 31, 2002
	Methods of Guangxi Zhuang Autonomous Region for Implementation of Ordinance for Protection of Basic Farmland.	July 31, 2002
	Circular of Guangxi Zhuang Autonomous Region Concerning Implementation Methods for Social Security for Displaced Farmers (GZBF[2008]18)	March 14, 2008
	Regulations of Guangxi Zhuang Autonomous Region on Implementing the Regulations on the Expropriation of Buildings on State-owned Land and Compensation, Ref. GZD[2011]36	August 2, 2011
	Notice of Land Resources Administration Department of Guangxi Zhuang Autonomous Region on Implementing A New-Round Unified Standards of Annual Average Output Values for Land Acquisition (Ref. GGTZF[2015]89)	December 30, 2015
	Notice of Human Resources and Social Security Department, Land Resources Administration Department, Finance Department of Guangxi Zhuang Autonomous Region on Implementing Guidelines for Participation of Social Basic Insurance System for Displaced Farmers in Guangxi, Ref. GRSF[2016]46.	August 12, 2016
	Methods of Hezhou City for Resettlement of Displaced Farmers within Urban Planned Areas, Ref. HZF[2007]9	March 12, 2007
	Provisional Methods on Social Security System for Displaced Farmers of Hezhou City, Ref. HZF[2008]44	March 14, 2008
	Unified Standards of Annual Average Output Values for Land Acquisition in Hezhou City (updated in 2015)	December 30, 2015
	Notice of Hezhou Municipality on Adjusting the Compensation Standards for Land Acquisition and Resettlement for Construction Projects within Urban Planned Areas of Hezhou City, Ref. HZF[2016]48)	December 31, 2016
<b>The World Bank</b>	The World Bank Policy OP 4.12, Involuntary Resettlement and Appendixes, January 1, 2002	





**Table 4-2 Gaps between National Legislation and World Bank Policies and Filling Measures**

	<b>Chinese Legislations</b>	<b>World Bank Policies</b>	<b>Solution</b>
Objectives	Ensure timely and effective completion of construction project and to ensure social harmony and stability.	Avoid or minimize involuntary resettlement; ensure the living standards of the displaced people not being inferior to those before construction.	Apply policies of the World Bank
Compensation methods	Land acquisition is generally compensated with cash compensation, supplementary with employment assistance and social insurance. The following means of resettlement are provided for the displaced people: 1. Cash compensation; 2. Exchange of house site (mainly for resettling rural residents); The government will provide house site for relocation, including provision of land leveling and infrastructural facilities. 3. Exchange of titles (mainly for urban residents). The relocating house sites and relocating houses have been confirmed.	The affected people are eligible to choose either cash compensation or exchange of in-kinds (or exchange of house sites) as the compensation for house demolition. The PMO will provide land leveling and infrastructural facilities. The affected people are able to select the location of the relocating houses at their own will.	Apply policies of the World Bank
Computation methods for compensation.	Apply the prices of second-handed houses of the same type and purpose in the same district.	Replacement cost is applied, without consideration of depreciation.	The actual amount of compensation is higher than the replacement cost.
Compensation for illegal buildings	No compensation for illegal buildings.	Relevant compensation for illegal buildings.	Provide compensation for the illegal buildings

			built before the cut-off date.
Public Participation	Incomplete mechanism for public participation, and the public can only participate in some certain stages of project implementation.	Have sound and complete plan for public participation, the residents can participate in the whole process of project implementation.	Have established multi-level and multi-channel mechanism for public participation.
Monitoring system	The internal monitoring of the project implementing agencies, plus the monitoring of the resettlement implementing institutions.	All levels of monitoring, respectively independent monitoring, internal management and internal monitoring mechanism. Including project implementing agencies, resettlement implementation institutions and external monitoring agencies.	Establish the external and internal monitoring systems according to the requirements of the World Bank.
Grievance redressing mechanism	Establish special department to deal with the complaints of the residents.	The public can lodge their complaints through multiple means and channels, including the street office, community, the IA and external monitoring agencies etc.	Establish the grievance redressing mechanism.

## **V. Resettlement Action Plan**

The preparation and implementation of Resettlement Action Plan (including the payment of all resettlement cost) shall be borne by the local governments where the components of the Project are located. The Government entrusts the local project management office to prepare the Resettlement Action Plan and submit to the World Bank for approval. The Resettlement Action Plan consists of the following contents.

The basic plan process includes: (1) The social and economic survey in the affected area; (2) The census of the population affected by land acquisition, stock of land resources and other assets (including population, name, village, category of land and quantity, degree of impacts); (3) Preparation of resettlement measures, compensation standards under the framework of policies, laws, regulations and consultation with the affected people; (4) Action plan and the preparation of the implementation procedure.

The action plan includes: (1) Description of civil works, location and area of land acquisition; (2) Purpose of land acquisition; (3) Relevant policy and laws; (4) Basic data (basic information of affected households); (5) Compensation standards; (6) Institution, responsibilities and staffing; (7) Public participation; (8) Livelihood and community impacts; (9) Land acquisition progress; (10) Detail livelihood restoration measures; (11) Cost estimates and schedule; (12) Land acquisition supervision, monitoring and evaluation.

## **VI. Basic Standards for Compensation and Resettlement Entitlements**

The land acquisition compensation standards will abide by the rules stipulated in Circular of the Ministry of Land and Resources on Land Management (June 26, 2016), i.e. “The local governments shall set up a dynamic mechanism for adjusting the land compensation standards, and adjust the land compensation standards every 2 - 3 years according to the local situations of economic development, average per-capita income growth etc. , thus to gradually increase the land acquisition compensation. “

The objective of compiling the RAP is to ensure that the APs should have sufficient chances in replacing their lost properties, improving or restoring their previous income and living standards. In order to realize these targets, it should be ensured that all the APs should be identified and all the measures in the RAP are reasonable in the opinions of the APs. With a view to the types of impacts, such as land acquisition and occupation, demolition of residential houses (incl. rural and urban houses), demolition of non-residential houses (incl. enterprise, institution, store etc.), the following measures are normally adopted.

(1) The APs who have lost their land shall have the rights to the compensation and restoration measures of the following types:

- The remained collective farmland or village flexible land after land acquisition shall be re-distributed among all the members of the collective entity by the village committee. Under this circumstance, if the partial land acquisition to be acquired may endanger or de-function the houses or buildings, the full land should be requisitioned. All the APs should be eligible to participate in the redistribution of land and benefit from the investment using the compensation for acquisition of the collective land.
- According to the Land Administration Law of the People’s Republic of China and relevant laws, as for the places without the possibility of re-distributing the land, the people who have lost the cultivated land should be identified. In

some circumstances, these people will be provided with the paid-job opportunities in that the offered salary shall be identical to their losses. The other circumstance is that, the APs should at least get the resettlement subsidies that are calculated based on the 4-6 times of the AAOV of the three years before losing the land. Even with these measures, if the APs still fail to completely restore their previous living standards, the resettlement subsidies can be increased to as much as 24 times of the AAOV of the three years before losing the land, plus some reasonable proportional increase on the basis of the historical compensation standards after integrating the current status of socio-economic development, locational conditions and land value etc. (as shown in Appendix 1).

- The land compensation and resettlement subsidies shall be paid to the affected villagers' committee or APs, being used in (i) increasing the area of cultivated land, if possible; (ii) improve agriculture through upgrading the irrigation and working methods etc.; (iii) develop non-agricultural incomes based on the existing activities. As the compensation for fixed assets, the damaged crops, fruits and economic forest etc. shall be compensated as per the replacement costs.
- The income losses, crops, land recovery and damaged facilities caused by temporary land occupation shall be also compensated.
- If the APs with land appropriated meet the requirement of joining the local social insurance, they should be covered promptly by the social insurance system according to the local policies in the project areas.
- Provide timely and reasonable technical training for the APs so that they can master necessary agricultural / non-agricultural techniques and improve their income-earning capacities.
- Provide job opportunities for the APs, including the jobs in the public welfares by the government, the jobs provided by the project implementing agencies and the jobs provided by the industrial parks. The local labors will have the priority in getting the non-technical jobs to improve income-earning abilities.

(2) Demolition of the houses and ground attachments shall be compensated as the follows:

- Provision of same-value house as exchange;
- Compensation at full replacement costs;
- Reconstruction or recovering compensation for all facilities and services (such as road, water supply, power supply, telephone, cable TV and school etc.);
- The subsidies for transition period should ensure that they are adequate to transfer all properties or get transitional houses.

### (3) Vulnerable groups

The vulnerable groups, including “five-grantee household”, the solitary elderly, the disable and the women-headed families etc., should be identified during the project census.

The compensation and resettlement policies for all the affected people will be also applicable to these people. In addition, the vulnerable groups will also get the optional assistances to ensure that their incomes and lives be restored and improved.

### (4) Ethnic minorities

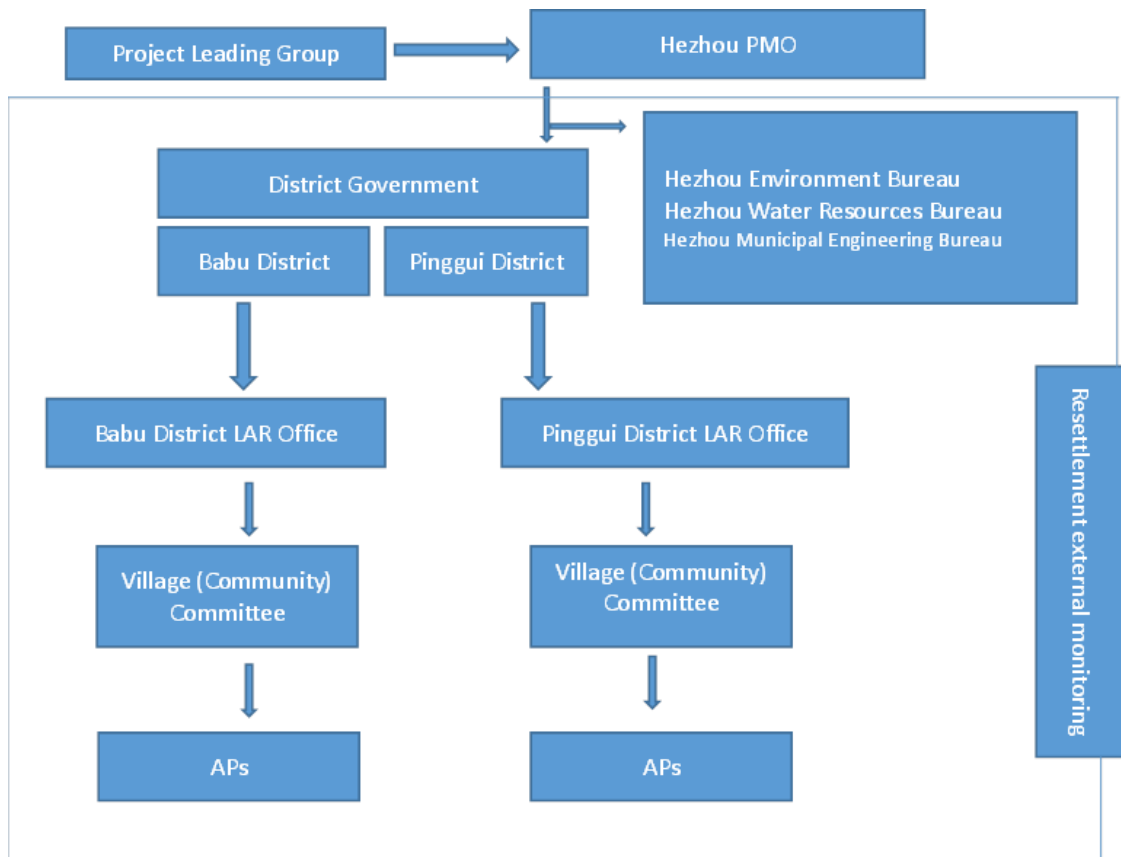
The resettlement for ethnic minorities is especially complicated. The resettlement activities may produce serious negative impacts on the identity, cultural uniqueness and heritage of the ethnic minorities. Therefore, initiatives should be conceived, planned and implemented, to the maximum extent possible, to avoid the substantial moving or

property losses incurred to these groups. If displacement is unavoidable, a resettlement plan should be prepared exclusively for them on the basis of consultation to embody the cultural uniqueness of the ethnic minorities. The executive agency should ensure that ethnic minorities participate in the consultation process and communicate with them in the language of ethnic minorities or in an understandable language so as to enhance the social fairness awareness of project management offices and relevant township planning and management personnel, as well as enhance the project's inclusiveness. Meanwhile, the compensation and rehabilitation measures for the ethnic minorities shall be also attended to.

The resettlement action plan should have the entitlements matrix for the affected people. The entitlement matrix is shown in Appendix 2.

## **VII. Institutional Arrangement**

In order to ensure the smooth implementation and achieve expected results of resettlement, during the project implementation, a vertical institutional organization should be established to plan, coordinate and monitor the approved resettlement activities. The Hezhou PMO will be fully responsible for coordinating the implementation of the Resettlement Policy Framework and Resettlement Action Plan, including the activities of management, supervision, training and capacity building, progress reporting prepared based on the monitoring information submitted by each project county (District). The PMOs at the level of county (district) will be responsible for the implementation of the Resettlement Policy Framework and Resettlement Action Plan respectively, including recruiting reputed social / resettlement specialists to conduct resettlement monitoring, supervising the implementation of the mitigating measures of the local government and stakeholders, and promoting the effective implementation of the activities of resettlement and social development. The Hezhou PMO and the IAs will engage social specialists to coordinate with the relevant local government departments, townships and affected villages in dealing with the activities of land and house appropriation and coordinating the implementation of the social safeguard policies. The institutional arrangements for resettlement of the project are shown in Figure 7-1.



**Figure 7-1 Project Institutional Arrangement**

## VIII. Consultation and Information Disclosure

At the stages of preparing the resettlement policies, resettlement plan and resettlement implementation, great concerns must be put on the APs' participation and consultation. In particular, the opportunities of social and economic investigations, social impacts assessment etc. will be fully utilized to extensively publicize the resettlement policies of the project and solicit the concerns, comments and willingness of the various affected groups. Through the process of extensive public participation, coordination and communication, the local governments, the affected villages and people have fully understand the potential risks of the Project, the resettlement policies and the income restoration plan.

The participation and consultation of the affected people are the starting point of resettlement activities, while the public consultation can facilitate the smooth implementation of the project and serve as the basic means in achieving the objectives of resettlement and restoration. The resettlement action plan must describe measures taken or to be taken after consulting with displaced persons regarding proposed resettlement arrangements, to promptly provide with relevant information to the displaced people, their communities or the future communities to accept them, and to foster the participation of the displaced people and the residents of the accepting communities in activities of plan preparation, implementation, monitoring. In the new resettlement sites or the communities, the project will provide the necessary infrastructure and public services so as to improve, restore, or maintain the community accessibility and service levels of the displaced people and the accepting communities.

In addition, a relevant and convenient grievance redressing mechanism is established to improve their income status. To ensure that opinions and preferences of displaced persons are considered, consultations should begin prior to finalization of project designs and mitigation measures. External monitoring will continue throughout the period in which the RAP is implemented (see below).

The project LAR Office and the resettlement implementing institutions will encourage the participation and consultation with the affected people in the following means:

(1) Publicize resettlement information

To ensure the displaced people and the local governments in the project areas are fully aware of the detailed resettlement action plan, including the compensation and resettlement plans for all project components, the project LAR office should integrate all resettlement information approved by the World Bank and disclose them to the public via the medias of bulletin, broadcasting, television or website etc. In addition, a resettlement information booklet should be prepared and distributed to each affected person. The booklet should provide with the following main information: properties to be lost, compensation rates, compensation amount and resettlement policies, entitlements of the displaced people, complaint feedback and grievance redressing channels etc.

(2) Organize consultation meeting

According to the status of land and house appropriation, the project resettlement office shall organize consultation meetings with the affected people irregularly. Such meetings will be organized totally no less than 5 times, and the participants shall be no less than 30% of the total affected population. Each meeting should invite the representatives of the vulnerable groups, especially women and ethnic minorities. The participants of women and ethnic minorities shall be no less than 30% of the total meeting participants. The process will be monitored by the independent external monitoring agency. And, the public media, such as television, broadcasting, newspaper, website etc. shall be used to publicize the project construction contents, progress and resettlement policies.

(3) Organize villagers' representatives meeting

The PMO also discloses the RAP, in draft and final stages, to the displaced persons and the general public in the project area, in a location accessible to them. The places for disclosure of the RAP normally include library, activities room of village committee, villagers' bulletin, government website etc. The language is easily understood.

## **IX. Grievance Redressing Procedures and Principles**

The major objectives of resettlement activities are to recover and improve the production and living standards of the affected people. Therefore, since the resettlement activities will be carried out in consultation with displaced persons, major grievances are not likely to arise. However, during the project implementation, there may arise some problems of different kinds. To ensure that displaced persons have avenues for redressing grievance related to any aspect of land acquisition and resettlement, the following grievance procedures will be established to facilitate the resettlement implementation:

Stage 1: If the APs are unsatisfied with RAP, they can complain orally or in written form to village group, villager committee or street office / township government. In the evident of oral complaint, the village committee or street office / township should handle the complaint and keep written records. The village group, village committee or



street office / township shall resolve the problem within 1 week.

Stage 2: If the APs are still unsatisfied with the resolution in Stage 1, they can lodge complaint to the IAs after receiving the resolution. The IAs should make resolution within two weeks.

Stage 3: If the APs are still unsatisfied with the resolution in Stage 2, they can lodge complaint after receiving the decision to the PMO / Letters and Visit Bureau who will make resolution within two weeks.

At any stage, if the APs are unsatisfied with the decision, they may directly sue to the civil court.

The APs can also report the resettlement supervisor and the external monitoring agency, all complaints and grievances (oral or written) should be reported to the World Bank in the resettlement monitoring report.

The above procedures should be disclosed to the affected people in accessible way so that they can fully understand their rights. The relevant departments must conduct field investigation of the complaints, fully solicit their comments and resolve the problem in an objective and impartial way according to laws and regulations of the State and the principles and policies of the RAP.

During the process of handling the complains and grievance, the following principles should be observed.

(1) All relevant institutions should have a special staff to be responsible for the custody of the letter of complaint, and a person to sort out and make records of the oral views. All complaints and grievances should be returned with effective response within 2 weeks at all levels.

(2) Relevant institutions shall accept the complaints and grievance lodged by APs free of charge. The reasonable charges as incurred shall be covered by the contingency of the project.

(3) During the whole process of project construction, these grievance procedures remain valid so that the APs may deal with relevant issues. The above means of grievance redress shall be announced in the public meetings and in the resettlement information booklet. The APs shall be informed of their rights for grievance and appeal. At the same time, the procedure for appeal and grievance shall be published through media among the affected people.

(4) During the implementation period for resettlement plan, the land acquisition department shall properly record and manage the documents of grievance and handling, and report to the PMO in written each month, for which, the PMO will check on regular basis. In order to record in detail the handling results of the grievance of the affected persons, the PMO will design a tabular format to record the grievance and handling results. The tabular format to record the grievance and handling results is shown in Appendix 3.

## **X. Monitoring and Evaluation Arrangement**

The basis for resettlement monitoring and evaluation include: (i) relevant laws and regulations of the State for resettlement; (ii) the World Bank operational policies; and (iii) legal documents directly bound to the project, such as the RAP jointly approved by the World Bank and the implementing agency.

The principles for resettlement monitoring and evaluation include: (i) regular investigation, review and assessment of the RAP implementation status; (ii) accurate data collection and analysis to ensure the accuracy of the monitoring and evaluation results; (iii) scientific, objective and impartial evaluation of the RAP implementation

status; and (iv) timely reporting to the implementing agency and the World Bank so that they know the project progress and make scientific decision.

The internal monitoring normally includes the following contents:

(1) Institutional organization, including the institutional arrangement and responsibilities of all relevant resettlement institutions, staffing equipped and capacity building of resettlement institutions.

(2) Resettlement policies and compensation standards, including formation and implementation of resettlement policies, various compensation standards for losses and the implementation status. Special attention will be placed on the execution of the compensation standards in the RAP, and if any changes should be explained.

(3) Overall progress plan for land acquisition, demolition and resettlement activities.

(4) Resettlement budgets and implementation status.

(5) Resettlement of production and employment of displaced people, including: major resettlement methods for rural displaced people (land adjustment, new land development, enterprise and institution resettlement, self-employment, social insurance coverage etc.), number of population, vulnerable groups (ethnic minorities, women-headed families, the elderly families, the disabled etc.), reclamation of temporarily-occupied land, results of resettlement etc.

(6) House reconstruction and livelihood resettlement, including the resettlement of rural displaced people and their current status, provision and distribution of house sites, modes of reconstructing houses, works of “three supplies and one leveling” of house sites, payment of compensation, provision of public facilities (water, electricity, road, commercial network etc.), moving etc.

(7) Grievance, complaints, public participation, consultation, information disclosure and external monitoring.

(8) Response to the issues in the MOU of the World Bank missions.

(9) Identified problems and resolving measures.

The external monitoring and evaluation will be undertaken by the organization or institution which has the resettlement monitoring and evaluation capacities and is independent to the project implementing agencies and resettlement institutions. The external monitoring and evaluation normally include the following contents:

(1) Resettlement institutions. Through interview survey, to monitor the status of setting, responsibilities and staffing of the IAs, capacity building and training activities; to evaluate the suitability in comparison with RAP.

(2) Resettlement policies and compensation standards. To investigate the main resettlement policies, and assess the changes and evaluate the suitability in comparison with RAP. To verify the implementation status and compensation standards for the losses of displaced people through typical sampling (especially the main losses due to permanent land loss and house demolition), assess the changes and evaluate the suitability in comparison with RAP.

(3) Resettlement implementation progress.

(4) Resettlement compensation funds and budgets.

(5) Production and employment resettlement for displaced people. To monitor and investigate through typical sampling the displaced households, evaluate the employment resettlement and implementation of income restoration plan for the displaced people.

(6) House reconstruction and living resettlement for the displaced people. To conduct assessment and evaluation through sampling survey.

(7) Income, production and livelihood restoration of displaced people. Through

comparison of the baseline and the sampling survey and monitoring, to know the income source, amount, structure, stability and expenditure structure etc. of the typical displaced households, and to conduct comparative analysis and evaluate the status of income restoration and fulfillment of resettlement objectives. To conduct a comparison of typical sample households, housing (houses, etc.), transportation, public facilities, community environment, culture entertainment and economic activities to analyze and assess the degree to which resettlement income and living standards are achieved.

(8) Grievances and appeals. Through the inspection of documents and on-site typical household surveys, to monitor the channels, procedures, major complaints and handling procedures of complaints and appeals of the displaced people.

(9) Public participation, consultation and information disclosure. Through document review and on-site surveys, to monitor public participation in the process of resettlement implementation, consultation activities and their effects, compilation of resettlement information booklet, issuance and feedback, resettlement information disclosure activities and their effects.

(10) To address the issues proposed by the World Bank in the MOUs and the previous resettlement monitoring and evaluation report.

(11) Conclusion and suggestions. To summarize the resettlement implementation, draw the corresponding conclusions and make suggestions. To follow up the existing problems until they are resolved.

During the moving period of the displaced people, the external monitoring agency will normally carry out site surveys, monitoring and evaluation twice a year. After the resettlement activities are completed, a site survey and monitoring assessment may be conducted once a year. The number of surveys and monitoring assessments may also be appropriately increased or decreased according to the needs of resettlement work, subject to the approval of the World Bank. The external monitoring and evaluation activities will normally continue till the realization of the resettlement targets. Through the external monitoring and evaluation work, to put forward the opinions and suggestions on the whole process of resettlement and the restoration of production and living standards of the displaced people. The external monitoring reports will be submitted both to the PMO and the World Bank.

## Appendix 1: Reference Compensation Rates of the Project Areas

The government departments of land resources, statistics, finance and agriculture etc. will consolidate the factors of regional land price such as the category of land, production value, rural and urban difference, grades of agricultural land, average per capita cultivated land, relationship of land supply and demand, local economic development level as well as the lowest living standard for urban residents etc. , and formulate the local unified AAOV standards as the basis of compensation. The multipliers of land and resettlement compensations are no less than 24 times, plus some reasonable proportional increase on the basis of the historical compensation standards after integrating the current status of socio-economic development, locational conditions and land value etc. The compensation standards are shown in the following table.

### Compensation Standards for Land Acquisition

Land Category		Land compensation and resettlement subsidies (RMB/mu)
Agricultural land	Paddy field (incl. Fish pond, lotus root pond)	60500
	Dry land	51800
	Garden, forestland	47000
Unused Land	Barren hill, wasteland	21000
Construction land	Rural house site, village side idle land Ditch, road, grave	Compensation as per the standards of neighboring land category.

**Appendix 2: Entitlements Matrix**

Types of Impacts	Affected Persons	Entitlements
Permanent land acquisition	Village Collective	The collective land without leasing out will be fully compensated according to the compensation standards. All the compensations belong to the village collective, and the use will be decided by the villagers' meeting.
	Households affected by land acquisition	<p>(1) The APs will get full amount of resettlement subsidies, compensations for crops and land attachments, and 70% of the land compensations. The rest 30% of land compensations will be retained by the village collective to be used in improving the public welfares such as production and living conditions.</p> <p>(2) Resettlement with reserved land: as per 10% of the total appropriated agricultural land to be reserved and allocated to the rural collective organization as commercial land.</p> <p>(3) All affected people will get:(1) job and income-earning opportunities during project implementation; (2) free employment assistance, skill trainings and employment information; (3) priority in getting jobs in public welfare affairs.</p> <p>(4) The registered population of over 16 years old who have the rights of contracting collective land at the time of land acquisition will be eligible to get the endowment insurance subsidies for rural displaced farmers. The endowment insurance subsidies for the displaced farmers are computed according to the numbers of persons involved, times of land acquisitions and scopes of land acquisition. The minimum standard of subsidies for each land acquisition: “60% of the annual average per-capita salary of previous year when land is acquired for all on-duty urban workers in the whole district” * “average per-capita area (mu) for all displaced households”. For one or more times of land acquisition, when the accumulated average area of land acquisition for the displaced farmers exceeds 8 mu, no endowment subsidies will be paid for the excessive portion. In case that all land has been appropriated while the accumulated average per-capita acquired land area is less than 1 mu, the endowment subsidies will be computed as per 1 mu.</p>

Types of Impacts	Affected Persons	Entitlements
Residential houses, attached houses and temporary houses	Urban households affected by house demolition	<p>(1) The PMO provides two options of resettlement for the house-appropriated households to choose at their willingness, respectively cash compensation and title exchange.</p> <p>(2) Cash compensation. The house-appropriated owners will get cash compensations (which is normally higher than the replacement cost). The compensations are based on the assessed house value and decoration value etc.</p> <p>(3) Title exchange. As per 1:1 area ratio to provide exchanged house. The extra area shall be purchased at the market price.</p> <ul style="list-style-type: none"> <li>● Provide house decoration compensation. The decoration compensation rates will be assessed by the qualified and reputed independent agency engaged jointly by the displaced people and the government.</li> <li>● Provide transition subsidies. The transition subsidies is RMB 10/ m<sup>2</sup>, or selecting public rental housing.</li> <li>● Provide moving subsidies: RMB 10/ m<sup>2</sup>.</li> </ul> <p>(4) Whoever signed the demolition and resettlement agreement, vacate and hand over the house within the prescribed time limit shall be awarded a lump sum bonus of RMB 5000 per household.</p> <p>(5) The urban temporary houses are compensated at the assessed market price in cash compensation.</p>
	Rural households affected by house demolition	<p>(1) The PMO provides two options of resettlement for the house-appropriated households to choose at their willingness, respectively cash compensation and house site exchange.</p> <p>(2) Cash compensation as per replacement cost: RMB 1000 - 1300/ m<sup>2</sup> for brick concrete structure. Those choosing cash compensation for the residential houses, the house site will be compensated according to the assessed price for relocating house site.</p> <p>(3) Resettlement with house site: Each affected household may get one patch of house site as per one-for-for principle, with maximum area of 120 m<sup>2</sup>; in case of shortage, the shortage portion shall be compensated as per the assessed price. Demolition of the residential house will be compensated as per the replacement cost at the same rates of cash compensation. The concentrated relocating sites will be provided with all basic infrastructures (such as water, electricity, gas, road etc.) and public services (schools, hospitals).</p>

Types of Impacts	Affected Persons	Entitlements
		<p>(4) Provide moving subsidies and transition subsidies: Moving subsidies RMB 10/m<sup>2</sup>, transition subsidies RMB 10/m<sup>2</sup>.</p> <p>(5) Whoever signed the demolition and resettlement agreement, vacate and hand over the house within the prescribed time limit shall be awarded a lump sum bonus of RMB 5000 per household.</p> <p>(6) (6) Rates of compensation for rural attached houses: RMB 100 - 700/ m<sup>2</sup> according to structure, while the land thereof as per the compensation rate for rural house site.</p>
Stores	Affected store runners	Upon negotiation, business loss and moving subsidies will be compensated.
Vulnerable Groups	All affected vulnerable groups	<p>(1) The local Civil Affair Bureau and Human Resource and Social Security Bureau will be responsible for including these households into the social safeguard program.</p> <p>(2) Endowment insurance premium subsidies.</p> <p>(3) The collective will pay the charges for New Rural Cooperative Medical Care System.</p> <p>(4) The local credit union and bank shall provide small credit for them.</p> <p>(5) Job opportunities related to the Project will be offered to the vulnerable groups, including provision of suitable jobs in public welfare affairs.</p> <p>(6) Job training related to the Project will be offered to the vulnerable groups.</p>
Women	All affected women	<p>(1) Creation of job opportunities for women.</p> <p>(2) Ensure women's participation</p> <p>(3) The local government and the resettlement office shall ensure the equal rights of women with the males.</p> <p>(4) To eliminate the sexual discrimination and encourage women's enterprising spirit.</p> <p>(5) Provide certain proportion of jobs of public welfare in priority.</p>

**Appendix 3: Resettlement Grievance Redress Form****Resettlement Grievance Redress Form**

Name of grievant		Time	
Accepting unit		Location	
Contents of complaints			
Required means of settlement			
Proposed means of settlement			
Result of handling			
Grievant (signature)		Recorder (signature)	
<p>Notes: 1. The recording person shall truthfully record the complaints and demand of the grievant.</p> <p>2. The whole process of making grievance shall not be hampered or interfered with.</p> <p>3. The proposed solution to the grievance shall be feedback to the grievant on time.</p>			