

*World Bank-financed Jiangxi Agricultural  
Product Circulation System Project*

# Resettlement Policy Framework

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Agriculture

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## Contents

A. Introduction .....	1
B. Objectives of Resettlement, Definitions and Key Principles.....	1
C. Eligibility for Compensation.....	3
D. Preparation and Approval of the RAP .....	3
E. Institutional and Legal Framework .....	5
F. Implementation Process.....	7
G. Financial Arrangements.....	8
H. Public Participation and Information Disclosure .....	8
I. Grievance Redress Procedure .....	8
J. Monitoring and Evaluation .....	9
Appendix 1 Laws and Policies on LA .....	11
Appendix 2 Principles for Compensation .....	12
Appendix 3 Laws and Policies on Social Security.....	13
Appendix 4 Entitlement Matrix .....	14
Appendix 5 Resettlement Due Diligence.....	15
Appendix 6 Photos of Proposed Market Sites.....	17

## Abbreviations

AH	-	Affected Household
AP	-	Affected Person
ARAP	-	Abbreviated Resettlement Action Plan
HD	-	House Demolition
LA	-	Land Acquisition
M&E	-	Monitoring and evaluation
PMO	-	Project Management Office
PRC	-	People's Republic of China
RAP	-	Resettlement Action Plan
RPF	-	Resettlement Policy Framework

## Units

Currency unit	=	Yuan (CNY)
1.00 yuan	=	\$0.15
1 hectare	=	15 mu

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## A. Introduction

1. The Jiangxi Agricultural Product Circulation System Project (hereinafter, the “Project”) involves the construction of tangible farm product markets and intangible electronic information trading platforms mainly, and includes such functions as farm product (including agricultural material) trading, processing, cold storage and transport, quality and safety testing, and traceability, designed to assist farmers in production and marketing, and residents in food shopping. The Project consists of 4 components: 1) strengthening production logistics (post-harvest and primary processing); 2) improving sales logistics (distribution centers and wholesale markets); 3) supporting services for farm product logistics system; and 4) project management, monitoring and evaluation. The Project is located in 8 counties/districts in 6 cities, Jiangxi Province, with a construction period of 5 years. The project will optimize the farm product circulation system, improve agricultural efficiency and farmers’ participation in the value chain, and increase farmers’ income.
2. The 8 large-scale farm product markets under the Project cover the major characteristic farm products in the project area, and account for over 80% of local output.
3. The land acquired/occupied for the Project is used for the construction of farm product markets, farmers’ cooperatives and training centers mainly. Since the sites of the farm product markets in some project counties have not been finalized and may still vary before implementation, including any subproject through the Participating Financial Intermediary (PFI), the borrower has developed this Resettlement Policy Framework (RPF) in light of the Bank’s policy on involuntary resettlement (OP4.12), and relevant principles and policies to direct resettlement activities under the Project.

## B. Objectives of Resettlement, Definitions and Key Principles

4. This RPF is based on OP4.12 “Involuntary Resettlement” in the World Bank Operational Manual issued in December 2001, and the overall objectives are:
  - Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.
  - 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. APs should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.
  - APs 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.
5. This RPF defines the principles and objectives of resettlement, and appropriate guidelines, rights, and legal and institutional framework, compensation and restoration patterns, participation characteristics, and appeal procedure for resettlement, and is used to guide compensation, resettlement and restoration matters.

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6. Each RAP should be based on identifiable basic information collected, and include the following aspects:
- Those whose farmland or rural houses together with housing sites is/are wholly or partly affected by the Project (permanently or temporarily);
  - Urban houses wholly or partly affected by the Project (permanently or temporarily);
  - Commercial facilities (enterprises and stores) wholly or partly affected by the Project (permanently or temporarily);
  - Young crops and ground attachments wholly or partly affected by the Project (permanently or temporarily).
7. The key principles and objectives of this RPF are as follows:
- Acquisition of land and other assets, and related resettlement should be minimized where possible;
  - As of the baseline survey date, all APs are entitled to restoration measures to help them improve or at least their living standard, ability to earn income and production level; the lack of legal title to asset losses does not impede their entitlement to resettlement measures;
  - The resettlement measures available include: (1) residential houses and other buildings are compensated for at replacement cost free from depreciation or recovery of residual value; (2) cash or other means of compensation, such as land replacement and endowment insurance; (3) equal replacement of housing and housing sites acceptable to APs; (4) subsidies for relocation and living; and (5) livelihood restoration, including skills training, employment assistance, social security, etc.;
  - If APs can accept the replacement of housing, housing sites and farmland, replacements should be as close to their lost land as possible;
  - The transition period of resettlement should be minimized, and restoration measures should be made available to APs at the project site before the preset starting date;
  - The acquisition plan of land and other assets, and the restoration measures offered shall be negotiated with APs repeatedly to ensure minimum interference; APs will be empowered before the preset starting date;
  - The existing community service and resource levels should be maintained or improved;
  - Whenever and wherever necessary, financial and material resources for resettlement and restoration must be available; the budget in the RAP should include contingencies;
  - The institutional and organizational arrangements should ensure that assets and resettlement are designed, planned, consulted and implemented effectively and timely;
  - The implementation of the RAP shall be supervised, monitored and evaluated effectively and timely.
8. The principles of the Project are:
- Avoiding the direct occupation of farmland;
  - Avoiding the use of land already used for transfer among existing cooperatives;
  - Avoiding ecological resettlement and non-local poverty reduction resettlement; and
  - Monitoring and evaluating if the direct occupation of farmland or land already used for transfer among existing cooperatives is avoided regularly.

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## C. Eligibility for Compensation

Displaced persons may be classified in one of the following three groups:

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

(b) 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; and

(c) those who have no recognizable legal right or claim to the land they are occupying.

Persons covered under (a) and (b) are provided compensation for the land they lose, and other assistance. Persons covered under (c) are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the 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 Bank. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in (a), (b), or (c) are provided compensation for loss of assets other than land.

## D. Preparation and Approval of the RAP

9. The preparation and implementation of the RAP (including the payment of all resettlement costs) will be the responsibility of the borrower. The Jiangxi PMO is fully responsible for the Project.
10. When the population affected by the Project exceeds 200, the Jiangxi PMO and the city/county PMOs will prepare an RAP together and submit it to the Bank. The RAP should be submitted by the Jiangxi PMO to the Bank, and the APs should have an opportunity to participate in the preparation and implementation of the RAP.
11. The RAP will cover the following (if relevant), and anything unrelated to the Project should be specified in the RAP:
  - General description of the Project;
  - Identification of potential impacts of the Project;
  - Objectives (the main objectives of the resettlement program);
  - Socioeconomic studies: The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people;
  - Legal framework: The findings of an analysis of the legal framework, covering the scope of the power of eminent domain and the nature of compensation associated with it, the applicable legal and administrative procedures, environmental laws and social welfare legislation, laws and regulations, and any legal steps necessary;
  - Institutional framework: covering the identification of agencies responsible for resettlement activities and NGOs that may have a role in project implementation; an assessment of their institutional capacity, and any steps that are proposed to enhance their institutional capacity;
  - Eligibility: Definition of APs and criteria for determining their eligibility for compensation and other resettlement assistance;

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- Valuation of and compensation for losses;
  - Resettlement measures: a description of the packages of compensation and other resettlement measures;
  - Selection, preparation and rearrangement of the resettlement site;
  - Supply of housing, infrastructure and social services;
  - Environmental protection and management;
  - Public participation and consultation, where the APs and the related communities must be included;
  - Integration with host populations: measures to mitigate the impact of resettlement on any host communities;
  - Grievance procedures: affordable and accessible procedures for third-party settlement of disputes arising from resettlement;
  - Organizational responsibilities;
  - Implementation schedule;
  - Costs and budget;
  - M&E.
12. The RAP should be completed no later than 6 months before the starting date of resettlement, and submitted to the Bank for consideration at least 3 months before that. Only after the Bank has accepted the RAP can compensation, resettlement and restoration activities begin. Such activities should be completed before the commencement of civil engineering.
13. When the affected population of a selected component does not exceed 200, the Jiangxi PMO and the city/county PMOs will prepare an abbreviated resettlement action plan (ARAP) for this component, and submit it to the Bank. The ARAP should be submitted by the Jiangxi PMO to the Bank, and the APs should have an opportunity to participate in the preparation and implementation of the ARAP.
14. On the basis of the Operational Policy on Involuntary Resettlement (OP4.12), the ARAP covers the following minimum elements:
- a census survey of APs and valuation of assets;
  - description of compensation and other resettlement assistance to be provided;
  - consultations with displaced people about acceptable alternatives;
  - institutional responsibility for implementation and procedures for grievance redress;
  - arrangements for monitoring and implementation; and
  - a timetable and budget.
15. The ARAP should be completed no later than 4 months before the starting date of resettlement, and submitted to the Bank for consideration at least 3 months before that. Only after the Bank has accepted the ARAP can compensation, resettlement and restoration activities begin. Such activities should be completed before the commencement of civil engineering.

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## E. Institutional and Legal Framework

16. The legal framework guiding the implementation of the RAP is based on the Bank's policy on involuntary resettlement (OP4.12), the applicable laws, regulations and ordinances of the state, Jiangxi Province, and the project cities/counties.
17. The PRC has developed a complete legal framework and policy system on land acquisition, house demolition, resettlement and compensation, including the Land Administration Law of the PRC (amended on August 28, 2004). Within the state legal and policy framework, local governments have promulgated relevant local regulations and policies to manage and direct local land acquisition, house demolition, resettlement and compensation work. The city/county governments have promulgated local regulations and policies in accordance with the applicable state laws and policies to manage and direct relevant local work. The components of the Project are governed by the applicable provincial regulations.
18. The key laws, regulations and ordinances of the PRC used to prepare this RPF and ensure its legal validity include: 1) laws and policies on LA (see **Appendixes 1 and 2**); 2) laws and policies on social security (see **Appendix 3**); and 3) laws and policies on HD, including:
  - Regulations on House Acquisition on State-owned Land and Compensation (Decree No.590 of the State Council)
  - Measures for the Acquisition and Appraisal of Houses on State-owned Land (HC [2011] No.77)

The latest policies will apply in practice.

19. According to the Notice of the Ministry of Land and Resources on Doing a Better Job in LA Management (MLR [2010] No.238), "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."
20. The purpose of preparing the RAP is to ensure that the APs have sufficient opportunities to replace their lost assets, and improve or at least restore their income level and living standard. To realize this purpose, all APs should be identified, and it should be ensured that all APs think the remedies defined in the RAP are rational. In consideration of the main types of impacts (e.g., LA, demolition of urban and rural residential houses, demolition of non-residential properties (enterprises, stores, etc.)), the following measures are usually taken:
21. APs losing farmland will be entitled to the following compensation and restoration measures:
  - Collective farmland or reserved land after LA will be reallocated by the village committee among all members. In this case, if partial LA renders any house or building unsafe or unusable, such land should be fully acquired. All APs are eligible for land reallocation and return on investment with collective land compensation.
  - Where land reallocation is impossible, land-expropriated farmers must be identified. They will be provided with jobs with a remuneration level at least equivalent to their lost income, or receive a resettlement subsidy at 4-6 times the average annual output value (AAOV) of the acquired land in the 3 years before LA. If the former living standard of the APs still

cannot be fully restored like this, resettlement subsidy may be increased to 15 times the AAOV.

- If land compensation fees and resettlement subsidy are still insufficient to restore the living standard of the APs, they will receive subsidies from fees on the use of state-owned land.
- Land compensation fees and resettlement subsidy will be paid to the affected village committees, and used to: (1)increase cultivated area if land is available; (2)improve agriculture through irrigation, etc.; and (3)develop nonagricultural income. Like fixed assets, affected young crops, fruit and commercial forests will be compensated for at replacement cost.
- The lost income, young crops and infrastructure, and land restoration costs of the persons affected by temporary land occupation will also be compensated for.
- Eligible APs will be included in endowment insurance for LEFs or the social security system;
- Timely and rational skills training will be offered to the APs to improve their agricultural and nonagricultural skills, and enhance their ability to earn income.

22. Demolished houses and attachments will be compensated for as follows, and the following restoration measures will be taken:

- Supply of resettlement housing of equal value;
- Compensation at full replacement cost;
- Reconstruction or restoration of all affected facilities and services (e.g., roads, water and power supply, telephone, cable TV, schools);
- The subsidy during the transition period should ensure that all assets are relocated or temporary housing is obtained.

23. The RAP should include an entitlement matrix for the APs, as shown in **Appendix 4**.

24. Since the prevailing resettlement policies of the PRC differ from the World Bank’s operational policy OP4.12, the Jiangxi PMO will draw on best practices of international financial organizations (e.g., World Bank) as a supplement.

Table 1 Comparison between PRC Policies and Bank Policies

	PRC policy	Bank policy	Policy under the Project
Objective	Ensuring that the Project is completed timely and effectively, and ensuring social harmony and stability	Minimizing involuntary resettlement, and ensuring that the living standard of APs is at least not reduced	Refer to the Bank policy.
Resettlement measures	Offering cash compensation for LA mainly, plus employment assistance and social security; Rural house demolition: 1) Cash compensation; 2) Housing land + self-construction: The displacer will offer housing land, land leveling and infrastructure; 3) Property swap: The resettlement site and the type of resettlement housing have been determined.	Sufficient measures should be taken to restore livelihood for affected people.	Refer to the Bank policy.
Compensation rates	Applying market price of houses of the same type and purpose in the same area	Compensation at replacement cost without depreciation	Compensation at replacement cost, including appraised market value plus

			other transition costs
Compensation for illegal buildings	No compensation for illegal buildings	Providing assistance for illegal buildings as appropriate.	Providing assistance as appropriate for illegal buildings which exist in project sites before the cut-off date
Public participation	Covering some stages of project implementation only due to unsound institution	Developing a public participation plan to ensure whole-process participation	Establishing a multi-layered, multi-channel public participation mechanism
M&E	Internal management by owner and supervision by IAs	From external M&E to internal supervision and monitoring Including the owner, IAs and external M&E agency	Establishing internal and external M&E mechanisms
Grievance redress	Establishing dedicated agencies to accept appeals	Allowing APs to file appeals by multiple ways, including community committee, sub-district office, owner and external M&E agency	Establishing a grievance redress mechanism

## F. Implementation Process

25. For the village collective land that can be occupied without compensation as identified at the feasibility study stage, the PMO and the village committee will enter into land donation or allocation agreements with villagers through adequate consultation, which will be registered with the township land and resources office. If the Project involves the permanent occupation of state-owned land, the land and resources department should issue a construction land approval letter for Bank review; where the permanent acquisition of collective land is unavoidable, the LA procedures under the applicable laws and regulations should be followed strictly. The specific LA process is as follows: 1) The construction land is approved by the provincial or municipal government according to law; 2) The construction agency files an application for construction land with the municipal or county land and resources bureau; 3) The municipal or county land and resources bureau drafts an LA program after review; 4) The LA program is submitted to the provincial or municipal government after approval by the municipal or county government; and 5) The LA program is approved by the municipal or county government. The LA program should be drafted in strict conformity with the applicable Bank and local policies, and this RPF to grant adequate compensation to the AHs.
26. Extensive agricultural development under the Project involves land circulation or equity participation with land, posing the social risk that rural households do not participate entirely voluntarily, and poor rural households cannot benefit equally. Therefore, the following measures should be taken to minimize such risk associated with land management:
- Ensuring that cooperatives supported by the Project allow farmers to participate voluntarily and equally;
  - Ensuring that farmers have the right to join production bases voluntarily;
  - Promoting short-term, transparent land lease in writing, so that they can withdraw from cooperatives freely, especially when their family members return to the village;
  - Reviewing all land lease and management programs when cooperatives have to establish production bases through land integration;
  - Ensuring that equity arrangements requiring farmers to offer or transfer land to cooperatives are not supported by the Project.

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27. The RAP should include an implementation schedule for all activities to be conducted. If necessary, compensation payment, other entitlement restoration measures (in cash or in kind) and resettlement should at least be completed 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.

### **G. Financial Arrangements**

28. The city/county PMOs will bear all costs related to LA and resettlement. Any RAP consistent with this RPF must include estimated costs and a budget. Whether identified as APs at the RAP preparation stage or not, and whether sufficient funds are available or not, all those adversely affected by land acquisition and house demolition are entitled to compensation or any other appropriate relief measure. For the above reason, the budget in the RAP should include contingencies, which are usually 10% or more of the estimated resettlement budget in order to cover contingent resettlement costs.

29. The compensation rates specified in the RAP provide a basis for the calculation of compensation fees for resettlement, which should be fully paid to individuals or collectives losing land or other assets, and should not be deducted for any reason. The RAP should describe by what means compensation fees are paid by the component owners to the affected villages or villagers. A rationale is that the fund flow should be as direct as possible with minimum intermediate links.

### **H. Public Participation and Information Disclosure**

30. The RAP must describe all measures taken or to be taken, involve the APs in the proposed resettlement arrangements, and foster the sense of participation in livelihood and living standard improvement or restoration activities. To ensure that the APs' opinions and suggestions are fully considered, public participation should be prior to project design and the implementation of resettlement relief measures. Public participation must run through the whole RAP planning, implementation and external monitoring process.

31. At the RAP drafting and finalization stages, the city/county PMOs should also disclose the RAP to the APs and the public at certain places of the project site and in certain languages. The first draft of the RAP should be disclosed at least one month prior to Bank evaluation. The final RAP must be disclosed again after acceptance by the Bank.

32. During public participation and the disclosure of the RAP, this RPF was also disclosed in the project area to collect comments from the APs.

### **I. Grievance Redress Procedure**

33. Since the resettlement work is conducted with the participation of the APs, no substantial dispute will arise. However, in order to ensure that APs have a channel to file an appeal on any issue concerning land acquisition and resettlement, a grievance redress procedure must be established.

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- **Stage 1:** An AP may file an appeal with the village committee or township resettlement office orally or in writing. In case of an oral appeal, a written record must be kept and a clear reply given within two weeks. If any serious issue is involved, such appeal should be referred to the resettlement office of the next higher level, and a reply should be obtained therefrom within two weeks where possible.
  - **Stage 2:** If the AP is dissatisfied with the disposition of Stage 1, he/she may file an appeal with the resettlement office of the next higher level after receiving such disposition, which should make a disposition within two weeks.
  - **Stage 3:** If the AP is still dissatisfied with the disposition of Stage 2, he/she may file an appeal with the provincial resettlement office after receiving such disposition, which should make a disposition within 4 weeks.
  - **Stage 4:** If the AP is still dissatisfied with the disposition of Stage 3, he/she may file a suit in a civil court within 15 days after receiving such disposition.

## **J. Monitoring and Evaluation**

34. The city/county PMOs will supervise and monitor the implementation of the RAP. Supervision and monitoring results will be recorded in quarterly reports for submission to the Bank.
35. Internal monitoring and supervision:
  - Check implementation, including checking the baseline information, valuation of asset losses, and the implementation of compensation, resettlement and restoration rights according to the RPF and the RAP.
  - Monitor if the RAP is implemented as designed and approved.
  - Check if the funds for RAP implementation are appropriated timely and fully, and if such funds are used in a manner consistent with the RAP.
  - Record all appeals and their solutions, and ensure that appeals are handled timely.
36. Independent external monitoring: The Jiangxi PMO will appoint an independent agency through public bidding to perform period external M&E on the implementation of the RAP. Such agency may be an NGO, academic or independent consulting firm, but must have qualified and experienced staff, and their terms of reference must be accepted by the Bank.
37. In adaptation to the internal supervision information and monitoring reports checked, the external M&E agency will perform a sampling survey (sampling rate: 5-20%) after 6 months of implementation of the RAP. The main objectives are:
  - To evaluate if the participation and compensation payment procedures, and restoration rights are implemented practically, and consistent with the RPF and the RAP;
  - To evaluate if the RPF objective of improving or at least maintaining the living standard and income level of the APs has been realized;
  - To gather qualitative socioeconomic impact indicators of project implementation; and
38. Issues identified during M&E should be submitted to the Bank in writing timely. The local PMOs should find root causes, develop solutions through adequate consultation, and solve issues timely and effectively.

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39. Suggestions for improving the implementation procedure of the RAP will be proposed in order to realize the principles and objectives of this RPF.

## Appendix 1 Laws and Policies on LA

Level	No.	Division	Policy document	Effective date
State	/	/	Real Right Law of the PRC	2007-10-1
			Land Administration Law of the PRC	2004-8-28
			Regulations on the Implementation of the Land Administration Law of the PRC (Decree No.256 of the State Council)	1998-12-27
			Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28)	2004-10-21
			Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (MLR [2004] No.238)	2004-11-3
			Notice of the State Council on Intensifying Land Control (SC [2006] No.31)	2006-8-31
			Notice of the Ministry of Land and Resources on Formulating Uniform Annual Output Value Rates and Location-based Integrated Land Prices (MLR [2005] No.114)	2005-7-23
			Measures on Public Announcement of Land Acquisition (Decree No.10 of the Ministry of Land and Resources)	2002-1-1
Province	1	Jiangxi	Notice on the 2011 New Uniform AAOV Rates and Location-based Land Prices for Land Acquisition of Jiangxi Province (JPG [2010] No.126)	2010-12-16
City	1	Ji'an	Notice on the 2011 New Uniform AAOV Rates and Location-based Land Prices for Land Acquisition of Jiangxi Province (JPG [2010] No.126)	2010-12-16
			Uniform AAOV Rates of Ji'an County	2012-3-19
	2	Yichun	Notice on the 2011 New Uniform AAOV Rates and Location-based Land Prices for Land Acquisition of Jiangxi Province (JPG [2010] No.126)	2011-3-1
			Notice on the 2011 New Uniform AAOV Rates and Location-based Land Prices for Land Acquisition of Jiangxi Province (JPG [2010] No.126)	2011-3-1
	3	Jiujiang	Location-based Composite Land Prices for Land Acquisition of the Urban Area of Jiujiang City (JMG [2011] No.6)	2011-5-4
			Notice on the 2011 New Uniform AAOV Rates and Location-based Land Prices for Land Acquisition of Jiangxi Province (JPG [2010] No.126)	2011-3-1
	4	Ganzhou	Notice on the 2011 New Uniform AAOV Rates and Location-based Land Prices for Land Acquisition of Jiangxi Province (JPG [2010] No.126)	2011-3-1
5	Pingxiang	Notice on the 2011 New Uniform AAOV Rates and Location-based Land Prices for Land Acquisition of Jiangxi Province (JPG [2010] No.126)	2011-3-1	
6	Shangrao	Notice on the 2011 New Uniform AAOV Rates and Location-based Land Prices for Land Acquisition of Jiangxi Province (JPG [2010] No.126)	2011-3-1	
County	1	Jing'an	Uniform AAOV Rates of Jing'an County (JCG [2011] No.16)	2011-3-1
	2	Pengze	Uniform AAOV Rates of Pengze County (PCGO [2011] No.17)	2011-3-1
	3	Huichang	Interim Compensation and Resettlement Measures for Land Acquisition within the Planning Area of the Huichang County Town	2011-11-14
			Interim Compensation and Resettlement Measures for Land Acquisition out of the Planning Area of the Huichang County Town	2011-11-14
	4	Taihe	Notice on Publishing the New Compensation Rates for Land Acquisition of Taihe County (TCG [2011] No.20)	2011-3-1
	5	JETDZ	Location-based Composite Land Prices for Land Acquisition of the Urban Area of Jiujiang City (JMG [2011] No.6)	2011-5-4
	6	Anyuan	Uniform AAOV Rates of Anyuan District (ACG [2011] No.19)	2011-3-1
	7	Yushan	Uniform AAOV Rates of Yushan County (YCGO [2011] No.16)	2011-3-1
	8	Longnan	Uniform AAOV Rates of Longnan County (LCGO [2011] No.17)	2011-3-1
9	Qingyuan	Notice on Issuing the Compensation Rates for Land Acquisition of the Urban Planning Area of Qingyuan District (QDF [2011] No.5)	2011-3-1	

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## **Appendix 2 Principles for Compensation**

### **1. Compensation principles for land occupation**

Land compensation should be based on the Bank's policy on involuntary resettlement (OP4.12), the applicable laws, regulations and ordinances of the state, Jiangxi Province, and the project cities/counties.

#### **1.1 Compensation principles for permanent LA**

The compensation principles for permanent LA are based on the Notice on the 2011 New Uniform AAOV Rates and Location-based Land Prices for Land Acquisition of Jiangxi Province, and land compensation will be calculated by multiplying uniform AAOV rate or location-based land price for LA by acquired land area. The prevailing local compensation principles will be complied with, and no organization or individual should increase or decrease land compensation rate without authorization.

#### **1.2 Compensation principles for temporary land occupation**

The Project may involve the temporary occupation of collective land, but the location and area of occupation cannot be determined for the moment. Through consultation, the owner will determine the compensation principles through consultation with the village committees and AHs, and young crops will be compensated for based on the local policies.

#### **1.3 Compensation principles for attachments**

Affected ground attachments and public facilities will be compensated for based on local policies.

### **2. Compensation principles for HD**

#### **2.1 Rural residential houses**

Rural residential houses demolished for the Project will be compensated for based on market appraisal by a third party, and transition costs.

#### **2.2 Rural non-residential properties**

Rural non-residential properties will be compensated at replacement costs, includes market appraisal by a third party, and relevant transition fees.

- 1) Permanent buildings and structures will be appraised at replacement cost.
- 2) Plants and machines will be appraised at replacement cost; for movable plants and machines, a moving subsidy will be granted additionally through appraisal.
- 3) Young crops will be compensated for through appraisal.
- 4) If any affected entity experiences production or business suspension, the displacer will grant compensation to each affected worker (including temporary worker) at the local minimum wage standard multiplied by the number of suspension, compensation to the entity at a certain multiple of the average monthly after-tax profit in the past 3 years, and compensation for plant and office relocation based on actual costs.

### Appendix 3 Laws and Policies on Social Security

Level	No.	Division	Policy document	Effective date
State	/	/	Notice of the General Office of the State Council on Forwarding the Guidelines of the Ministry of Labor and Social Security on Doing a Good Job in the Employment Training and Social Security of Land-expropriated Farmers (SCGO [2006] No.29)	2006-4-10
Province	1	Jiangxi	Notice on Further Improving the Policy Opinions on Basic Endowment Insurance for Land-expropriated Farmers (JPGO [2014] No.12)	2014-4-9
City	1	Ji'an	Interim Measures for Endowment Insurance for Land-expropriated Farmers in the Central Urban Area of Ji'an City (JMGO [2010] No.3)	2010-1-28
	2	Yichun	Measures for the Implementation of Basic Endowment Insurance for Land-expropriated Farmers of Yichun City	2014-8-11
	3	Jiujiang	Guidelines of the Jiujiang Municipal Government on Endowment Insurance for Land-expropriated Farmers	2010-5-20
	4	Ganzhou	Guidelines of the Ganzhou Municipal Government on Endowment Insurance for Land-expropriated Farmers (GMGO [2009] No.53)	2009-6-22
	5	Pingxiang	Guidelines of the Pingxiang Municipal Government on Social Security for Land-expropriated Farmers (PMGO [2011] No.3)	2011-1-14
	6	Shangrao	Notice on Further Improving the Policy Opinions on Basic Endowment Insurance for Land-expropriated Farmers (SMGO [2014] No.12)	2014-4-9
County	1	Jing'an	Interim Measures of Jing'an County for Employment Training and Social Security for Land-expropriated Farmers	2012-2-16
	2	Pengze	Interim Measures for Basic Endowment Insurance for Land-expropriated Farmers within the Urban Planning Area of Pengze County	2008-5-1
	3	Huichang	Interim Measures for the Implementation of Basic Endowment Insurance for Land-expropriated Farmers the Urban Planning Area of Huichang County (HCG [2009] No.30)	2009-10-24
	4	Taihe	Measures for the Implementation of Endowment Insurance for Land-expropriated Farmers of Taihe County (TCGO [2010] No.115)	2010-11-10
			Interim Measures for Basic Living Security for Land-expropriated Farmers of Taihe County (TCGO [2010] No.110)	2010-11-5
	5	JETDZ	Guidelines of the Jiujiang Municipal Government on Endowment Insurance for Land-expropriated Farmers	2010-5-20
	6	Anyuan	Guidelines of the Anyuan District Government on Endowment Insurance for Land-expropriated Farmers	2010-3-13
	7	Yushan	Implementation Plan for Basic Endowment Insurance for Land-expropriated Farmers of Yushan County	2010-4-15
	8	Longnan	Interim Measures for Endowment Insurance for Land-expropriated Farmers of Longnan County (LCG [2009] No.8)	2009-2-2
			Detailed Rules for the Implementation of the Interim Measures for Endowment Insurance for Land-expropriated Farmers of Longnan County (LCGO [2009] No.100)	2009-10-16
Supplementary Rules for the Implementation of the Interim Measures for Endowment Insurance for Land-expropriated Farmers of Longnan County (LCGO [2014] No.5)			2014-3-31	

## Appendix 4 Entitlement Matrix

Type	APs	Measure	Entitlement
LA	Village collectives	1) Collective land	Compensation at replacement costs will be fully paid to the village collective, and used through discussion at a village meeting.
		2) Attachments	
	Rural residents	1) Land compensation and resettlement subsidy	Households not subject to land reallocation will receive 80% of land compensation.
			For households subject to land reallocation, land compensation and resettlement subsidy will be disbursed to each affected group for even distribution.
		2) Temporary land use	Compensation at replacement costs for temporary land use will be paid based on the period of use, and the used land will be fully restored after use.
		3) Young crops	The direct APs will receive full young crop compensation.
		4) Social insurance	Eligible farmers may cover social insurance.
5) Production and livelihood measures	Free training and job referral will be offered to LEFs.		
HD	Rural residents	Compensation and resettlement	1) The AHs may choose cash compensation or property swap; 2) In case of property swap, the displacer will offer resettlement housing and supporting facilities; 3) In case of cash compensation, compensation will be paid at replacement cost, and free housing land will be provided by the local government for house reconstruction.
		Moving and transition subsidies, and reward	The AHs are entitled to moving and transition subsidies, reward, and smooth transition.
		Trees and attachments	Affected trees and attachments will be compensated for at the specified rates.
Entities	Proprietors	Compensation and resettlement	1) The affected entities may choose cash compensation or relocation; 2) In case of relocation, the displacer will assist in finding land and grant compensation at replacement cost; 3) In case of cash compensation, the affected entities will receive compensation at replacement cost; 4) The affected entities will receive compensation for production suspension or losses.
		Workers	The affected workers will receive compensation for lost income; the workers of any entity not to be relocated will receive training and job referral.
Vulnerable groups	All affected vulnerable groups	1) They will receive compensation for LA and HD equally; 2) During detailed planning, they will be further identified, and those losing contracted land will be entitled to the reallocation of resources equally; 3) They will receive assistance in production and livelihood development; 4) Poor households affected by HD will receive support from local governments during house reconstruction; 5) Local civil affairs bureaus have included five-guarantee households, the disabled, the poor and women-headed households in the local MLS system; 6) They will enjoy priority in local characteristic industry development and cooperative operation; 7) Vulnerable households short of labor will have priority in land reallocation to ensure income.	
Women	All affected women	1) All village committees should have female members, and women will enjoy the same rights as men at village meetings and congresses; 2) Women's opinions are learned and considered in public opinion surveys; 3) Women enjoy equal rights in future compensation for LA and HD; 4) Jobs generated by the Project will be first made available to women, and women will also receive training and job referral.	
Infra-structure	Proprietors	Restored by the owner or compensated for at replacement cost	1) Some affected infrastructure will be demolished and restored by the construction agency, such as farmland facilities. 2) Proprietors of some infrastructure may reconstruct infrastructure using compensation, such as communication and power facilities.

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## Appendix 5 Resettlement Due Diligence

According to the feasibility study report, market infrastructure development under the Project may involve permanent or temporary land occupation, where in particular, the 8 large-scale farm product markets cover the major characteristic farm products in the project area, and account for over 80% of local output.

In order to identify local land acquisition and occupation, and minimize involuntary resettlement, the task force conducted a resettlement due diligence investigation in the 8 subproject counties, as shown in Table 1.

All the 8 subproject counties involve farm product market construction. For the convenience of circulation, all the 8 farm product markets will be constructed in the near suburb, close to logistics parks. The construction land for the farm product markets has been determined through adequate consultation with nearby residents, as detailed below:

- 1) The proposed sites of the farm product markets are all on unoccupied state-owned land, involving no affected population.
- 2) All farm product markets will be constructed on state-owned land, which had been converted into state-owned construction land by July 2011.
- 3) All land used for the Project was acquired during 2008-2011 in accordance with the applicable laws and regulations of the PRC, where compensation have been fully paid to the AHs, their production and livelihoods have been restored, and no grievance has occurred.
- 4) The land has been acquired by means of bidding, auction and listing, with no outstanding issue. And
- 5) There is no any current land use on the various sites and no any standing crops affected.

In addition, since Jiangxi is a major agricultural province, farm product circulation is essential to farmers' income growth, so all local farmers have strong needs for farm product circulation and agricultural development, and support land occupation for the Project.

In sum, the identified sites have been assessed for land acquisition and confirmed that these are government land acquired well before the project (before July, 2011), and with no outstanding issues. Currently, there is no any current land use on the various sites and no any standing crops affected, no resettlement action plan (RAP) is needed

The RPF has been prepared in response to potential site changes, LA and HD during project implementation to guide potential resettlement activities. When the Project is to occupy land, houses and other assets inevitably, the local PMOs should act strictly on the RPF.

Table 1 Summary of Land Occupied for Farm Product Markets in the Project Counties

No.	Project county	Name	Site	Land area (mu)	Land nature	Time of LA	Leveled or not	Mode of acquisition	LA progress
1	Jing'an	Jing'an County Modern Farm Product Market	Jing'an Industry Park	102.2	State-owned	2011.6.16	No	Bidding	LA completed, no outstanding issue
2	Pengze	Poyang Lake Cotton Market	Penghu Bay Industry Park, Pengze County	135	State-owned	2011.1.28	No	Bidding	LA completed, no outstanding issue
3	Huichang	Huichang County Modern Farm Product Market	Taiwan Industry Park, Huichang County	42	State-owned	2010.11.22	Begun	Listing	LA completed, no outstanding issue
4	Taihe	Taihe County Farm Product Trading Center	Beside Taihe Industry Park	80	State-owned	2010.8.18	No	Bidding	LA completed, no outstanding issue
5	JETDZ	Jiujiang International Aquatic Product Trading Center	West Jiujiang Port Area (beside Jiurui Highway)	73.67	State-owned	2008.6.20	No	Bidding	LA completed, no outstanding issue
6	Anyuan	Anyuan District Farm and Sideline Product Wholesale Market	Datian Village, Wubei Town, Anyuan District	80	State-owned	2011	No	Bidding, auction, listing	LA completed, no outstanding issue
7	Yushan	Yushan County Farm Product Trading Center	Suburb of Yushan, Shuangming and Zhangcun Towns	47.22	State-owned	2008	No	Allocation	LA completed, no outstanding issue
8	Longnan	Longnan County Farm Product Market	Fukang Industry Park, Longnan County	105	State-owned	1998	No	Allocation	LA completed, no outstanding issue

Source: socioeconomic survey, PMO

**Appendix 6 Photos of Proposed Market Sites**



Proposed market site in Pengze County



Proposed market site in Jing'an County



Proposed market site in Huichang County



Proposed market site in Huichang County



Proposed market site in Qinhe County



Proposed market site in Qinhe County



Proposed market site in JETDZ



Proposed market site in JETDZ



Proposed market site in Anyuan District



Proposed market site in Anyuan District



Proposed market site in Yushan County



Proposed market site in Yushan County



Proposed market site in Yushan County



Proposed market site in Yushan County



Proposed market site in Longnan County



Proposed market site in Longnan County