

RP1340

**Integrated Modern Agriculture Development Project**

**Resettlement Policy Framework**

**State Office for Comprehensive Agricultural Development  
(SOCAD)**

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## I. Project Overview and Description of Objectives

The total investment of the Integrated Modern Agriculture Development Project financed by the World Bank is about 1.97 billion CNY, of which, World Bank's loan is 200 million USD (exchange rate: 1 USD=6.3 CNY), the counterpart funding and beneficiaries' contribution make up the balance. The project involves 34 counties in the 6 provinces, autonomous region and municipality of Liaoning, Jiangxi, Hunan, Chongqing, Xinjiang and Gansu. The implementation of the project is 5 years.

The objective of the project is to establish climate smart and sustainable agricultural production system, enhance the capacity of agriculture to adapt to climate change and withstand and reduce the impact of disasters, change agricultural development approach and promote sustainable agricultural development and sustained increase of farmers' income, through focusing on the construction of farmland infrastructure together with the implementation of effective measures of adapting to climate change and the integration of agricultural development, rational development and use of agricultural resources and agricultural environment protection.

The project will develop 94,000 hectares of high standard farmland. Through investment in high efficiency water use measures and agricultural and forestry practices of adaptation to and mitigation of climate change as well as institutional development and support, the project will develop a number of agricultural production system models with different features, which would represent different farming landscapes. All component activities of the project will be selected and designed following the principle of bottom-up and participatory approach. Local farmers in the area where project components are designed for implementation have good understanding of the project and are eagerly expecting the delivery of the project.

The project activities will take place on the existing farmland; therefore, the project does not involve the issue of land acquisition. However, project implementation will use some land that is voluntarily provided by farmers who will be compensated through land adjustment through "ad hoc" villagers' representative meeting. This will ensure that the area and quality of farmland of the affected farmers will be not lower than that before such adjustment. Following the prior experiences of localities, the Provincial Office of Comprehensive Agricultural Development/County Office of Comprehensive Agricultural Development will adopt the following measures to make arrangements for the project activities involving land occupation.

- (1) Through linear alignment, the length of the canal will be reduced and arable land area will increase; in areas where new irrigation ditches must be dug, the arable land area of the related farmers will be adjusted during land leveling so as to ensure that the arable land area will not be reduced for the related farmers;
- (2) Land leveling and dredging of irrigation and drainage ditches will be implemented after autumn harvest and before winter planting. For the small proportion that cannot be complemented during this period time, cropping rotation should be arranged ahead to reduce loss. For components that can not be completed between two cropping seasons, planting should be avoided in the proposed project sites to avoid crop loss;
- (3) Through optimization of cross-section design of canal and lining, it will reduce the cross-section of the canal and reduce land use;
- (4) Monitoring of land use and its impact of the project will be strengthened. In the situation of temporary land occupation, if it is because of the construction of works, the cropping is missed, compensation (in the value of young crops) to farmers will be implemented because of the forgone opportunity of farming;
- (5) One of the project activities is canal lining and sub-soil pipelining, which means that the larger cross-section area of the old canals will be reduced after lining. The replacement

of the existing open canals by sub-soil pipeline will increase arable land area; therefore, the implementation of the project in fact will reduce land use of irrigation canals in the project area;

- (6) Most pumping stations planned and designed for the project are rehabilitation of the facilities at the existing sites. The construction of some new irrigation and drainage stations will occupy some land. The approach of “*ad hoc*” villagers’ representative meeting will be adopted. Such land will voluntarily provided by farmers who will be compensated through land adjustment within the said villages;
- (7) The on-farm access road designed for implementation will be paving and upgrading the standard of the existing access road as much as possible. New access roads will be designed as much as possible on barren land and upland with less farm production value to reduce the occupation of arable land. The unavoidable arable land occupation will be settled by voluntary adjustment of villagers;
- (8) The on-farm windbreak forest belt will be partly rehabilitation and improvement of the existing forest belts and partly on the roadsides as a means of protection; hence, it will not occupy arable land;
- (9) The construction of drying fields of farmer cooperatives will be rehabilitation of the existing ones and no land acquisition will be involved.

In general, it is foreseeable that the impact of the above-mentioned project activities is very small. Meanwhile, the improvement of the quality of farmland through project development will enable farmers to garner more benefits. At present, China implements rigorous farmland protection policies of “Basic Farmland Protection Law”, which provides full legal and policy guarantee to zero negative social impact of land acquisition and resettlement.

The project will focus entirely on the improvement of existing low and medium-yielding farmland; therefore, it is unlikely for land acquisition and resettlement to occur, however, it should not be completely ruled out. The resettlement policy framework is developed against such context to provide full policy and legal support to issues of land acquisition and compensation to resettlement occurred during project implementation, and to minimize negative social impacts.

This RPF will serve as the guideline for the preparation and implementation of resettlement when any land acquisition and resettlement issues occur in association with project implementation in the project area.

## **II. Objectives of Resettlement, Definitions and Key Principles**

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

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

“Affected persons” refer to the group of persons affected in any of the following ways:

- (1) their standard of living is adversely affected;
- (2) their houses, land (including housing land, farmland and grassland), and other fixed and non-fixed assets are adversely affectedly, or

their land is occupied temporarily or permanently; (3) they have the right to use, either temporarily or permanently, productive resources that are adversely affected; or (4) their business, occupations, and working or living areas are adversely affected.

“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, paragraph 6.

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

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

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

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

- (1) In any case, the project design and the RAP should be prepared with a view to improving development opportunities for the displaced persons, so that the displaced persons fully benefit from the implementation of project activities, services, and the construction of relevant facilities.
- (2) All displaced persons should be entitled to compensation for lost assets or equivalent assistance in lieu of compensation; anyone who has no legal title to lost assets should not be excluded from compensation.
- (3) The compensation Standards in the RAP should be based on compensation to all collectives or individuals suffering asset losses, and the amount of compensation should never be discounted or reduced on the ground of depreciation or otherwise.
- (4) In case of acquisition of arable land, the first option is to reallocate co-owned land. If income on arable land accounts for a small part of a displaced person’s income, cash compensation or job placement may be taken as an alternative at the discretion of such displaced person.
- (5) The cost of alternative residential housing, housing sites, business premises, and agricultural sites to be provided can be set off against all or part of the compensation

payable for the corresponding asset lost.

- (6) The transition period should be minimized, and compensation for lost assets should be paid before residents are affected so that they can build new housing, relocate or replace fixed assets, and take measures to mitigate resettlement impacts before the beginning of resettlement. A certain level of transition assistance should be provided to residents who fail to obtain replacement housing until replacement housing is available.
- (7) The RAP should be developed in consultation with the displaced persons, and incorporate their requests and suggestions. The RAP should be disclosed to the displaced persons in an understandable manner.
- (8) In host communities, infrastructure and public services are provided as necessary to improve or maintain accessibility and levels of service for the displaced persons.
- (9) The borrower should provide all costs for land acquisition and resettlement, and meet financial and material demand adequately during resettlement and restoration.
- (10) The RAP should include appropriate institutional arrangements so as to design, plan and implement resettlement and restoration measures timely and effectively. It should be submitted to the World Bank team and PMO for review and no objection before it can be implemented.
- (11) Effective internal and external monitoring mechanisms should be established to monitor the implementation of resettlement measures.
- (12) A necessary appeal channel should be established and the appeal procedure disclosed to the displaced persons.

### III. Legal and Policy Framework for Resettlement

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

Resettlement Policy Framework

Level	Policy document	Effective date
State and central government	Property Law of the PRC	October 1, 2007
	Land Administration Law of the PRC	August 28, 2004
	Regulations on the Implementation of the Land Administration Law of the PRC (Decree No.256 of the State Council)	December 27, 1998
	Regulations on the Acquisition of Houses on State-owned Land and Compensation (Decree No.590 of the State Council)	January 21, 2011
	Measures for the Acquisition and Appraisal of Houses on State-owned Land (HC [2011] No.77)	June 7, 2011
	Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28)	October 21, 2004
	Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (MLR [2004] No.238)	November 3, 2004
	Circular of the State Council on Intensifying Land Control (SC [2006] No.31)	August 31, 2006
	Notice of the Ministry of Land and Resources on Formulating Uniform Annual Output Value Standards and Location-based Integrated Land Prices (MLR [2005] No.114)	July 23, 2005
	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)	April 10, 2006

Level	Policy document	Effective date
	Measures on Public Announcement of Land Acquisition (Decree No.10 of the Ministry of Land and Resources)	January 1, 2002
Liaoning	Circular on standardization of temporary land use management (Liaoning State Land and Resource, No. 2 [2011])	January 12, 2011
	Circular of the Issuance of Standards of Integrated Land Value of Compensation Area of Land Acquisition of Liaoning Province (Liaoning Government No. 2[ 2010])	February 1, 2010
Jiangxi	Implementation method of Jiangxi Province for the Land Administration Law of the People's Republic of China, adopted at the 16 <sup>th</sup> session of the Standing Committee of the 9 <sup>th</sup> People's Congress of Jiangxi Province	April 28, 2000
	Circular of Jiangxi People's Government on Publishing Standards of Integrated Land Value of Compensation Area of Land Acquisition and the Uniform Annual Output Value for Land Acquisition Compensation of Jiangxi Province (Jiangxi Government No 22 [2009])	February 18, 2009
	Jiangxi Province Land Registration Method (adopted by the 79 <sup>th</sup> Standing Committee of the Provincial Government in 2002)	March 27, 2002
Hunan	Hunan Province Implementation Methods for Land Administration law of the People's Republic of China	March 31, 2000
	Circular of Hunan Provincial Government on Publishing Land Acquisition Compensation Standards of Hunan Province (Hunan Government No 43 [2009])	March 1, 2010
Chongqing	Circular of Chongqing Municipality on Adjusting Land Acquisition Compensation and Resettlement Standards (Chongqing Government No 67 [2005])	January 1, 2005
	Circular of Chongqing People's Government on Adjusting Land Acquisition Compensation and Resettlement Policies (Chongqing Government No 45[2008])	January 1, 2008
Gansu	Circular of the Department of General Affairs of Gansu Provincial People's Government on Further Strengthening Administration of Demolishing and Protecting the Legal Rights of the Affected (Gansu Government Office No 115 [2010])	June 1, 2010
	Circular of the Issuance of Standards of Integrated Land Value of Compensation Area of Land Acquisition of Gansu Province and the Uniform Annual Output Value for Land Acquisition Compensation of Gansu Province (Gansu Government No 88 [2009])	November 2, 2009
	Circular on Management Method of Allocation and Use of Land Compensation Fees of the Acquired Farmer Collectively Owned Land of Gansu Province (Gansu Government No 41 [2006])	April 14, 2006
Xinjiang	Reply on Agreement upon the Uniform Annual Output Value of Land Acquisition (Xinjiang Government No 323 [2010])	January 1, 2011
	Provisional Management Method of Xinjiang on Resettlement of Large and Medium Scale Water Conservancy and Hydro Projects (Xinjiang Government No 13 [2010])	January 15, 2010
	Circular of Issuance of Compensation Standards for Land Acquisition and House Demolition in Xinjiang (Xinjiang State Land and Resources No.131 [2009])	April 3, 2009
World Bank	Operational Policy OP4.12 on Involuntary Resettlement and appendixes	January 1, 2002
	Bank Procedure BP4.12 on Involuntary Resettlement and appendixes	January 1, 2002

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

### **Key provisions of the Property Law of the PRC:**

Article 42 In order to meet the demands of public interests, it is allowed to acquire lands owned collectively, premises owned by entities and individuals or other realties according to the statutory power limit and procedures.

When acquiring land owned collectively, it is required to, in accordance with law and in full amount, pay land compensation fees, placement subsidies, compensations for the above-ground fixtures of the lands and seedlings and other fees, arrange for social security fees for the farmers with land acquired, guarantee their livelihood and protect their lawful rights and interests.

When acquiring the premises owned by entities and individuals or other realties, it is required to compensate for demolition and acquisition in accordance with law and protect the lawful rights and interests of the owners of the acquired realties; when acquiring the individuals' residential houses, it is required to guarantee the housing conditions of the owners of the acquired houses.

Article 43 Special protections are provided by the state for farm lands, the conversion of farm lands into construction lands is strictly restricted and the aggregate quantity of construction lands is under control. No one may acquire any land owned collectively with violation of the statutory power limit and procedures.

### **Key provisions of the Land Administration Law:**

Article 47 In acquiring land, compensation should be made according to the original purposes of the land acquired.

Compensation fees for land acquired include land compensation fees, resettlement fees and compensation for attachments to or green crops on the land. The land compensation fees shall be 6-10 times the average output value of the three years preceding the acquisition of the cultivated land.

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

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

Article 57 In the case of temporary using State-owned land or land owned by peasant collectives by construction projects or geological survey teams, approval should be obtained from the land administrative departments of local people's governments at and above the county level. Whereas the land to be temporarily used is within the urban planned areas, the consent of the urban planning departments should be obtained before being submitted for approval. Land users should sign contracts for temporary use of land with related land administrative departments or rural collective organizations or villagers committees depending on the ownership of the land and pay land compensation fees for the temporary use of the land according to the standard specified in the contracts.

Users who use the land temporarily should use the land according to the purposes agreed



upon in the contract for the temporary use of land and should not build permanent structures. The term for the temporary use of land shall not usually exceed two years.

**Key provisions of the Regulations on the Acquisition of Premises on State-owned Land and Compensation:**

Article 17 The compensation to be paid by the city and county people's governments that have made the decisions on house acquisition to the persons whose houses are to be acquired shall include:

- (1) The compensation for the value of the houses to be acquired;
- (2) The compensation for relocation and temporary resettlement arising from the house acquisition; and
- (3) The compensation for losses arising from production and business suspension caused by the house acquisition.

City and county people's governments shall formulate the procedures for subsidies and incentives, and grant subsidies and incentives to the persons whose houses are to be acquired.

Article 19 The compensation for the value of houses to be acquired shall not be less than the market price of the real estate comparable to the houses to be acquired on the date of the public notice of the house acquisition decisions. The value of the houses to be acquired shall be assessed and determined by real estate appraisal agencies with appropriate qualifications in accordance with the procedures for evaluating houses to be acquired.

Anyone who has objection to the value of the houses to be acquisition that has been assessed and determined may apply to the real estate appraisal agency for reassessment. Anyone who disagrees with the results of the review may apply to the real estate appraisal expert committee for appraisal.

Article 20 Real estate appraisal agencies shall be selected by the persons whose houses are to be acquisition through consultation. If consultations fail, the same shall be determined by majority decision, random selection and other methods. The specific procedures shall be formulated by the authorities of provinces, autonomous regions and municipalities directly under the central government.

Article 21 The persons whose houses are to be acquisition may choose monetary compensation or house property rights exchange.

If the persons whose houses are to be acquisition select house property rights exchange, city and county people's governments shall provide the houses to be used for property rights exchange, and, jointly with the persons whose houses are to be acquisition, calculate and settle the price difference between the values of the houses to be acquisition and the values of the houses to be used for property rights exchange.

Article 22 If any relocation is caused by house acquisition, the house acquisition department shall pay relocation costs to the persons whose houses are to be acquisition. If any persons choose house property rights exchange, the house acquisition department shall, prior to the delivery of the houses to be used for property rights exchange, pay temporary resettlement costs or provide transitional houses to the persons whose houses are to be acquisition.

Article 23 The compensation for any losses arising from production and business suspension caused by house acquisition shall be determined according to profits, duration of production and business suspension and other factors prior to the house acquisition.

Article 25 The House Acquisition Departments and the persons whose houses are to be acquisition shall, pursuant to these Regulations, enter into compensation agreements with

respect the compensation method, the compensation amount and payment terms, the location and area of the houses to be used for property rights exchange, relocation costs, temporary resettlement costs or transitional houses, losses arising from production or business suspension, period of relocation, methods and periods of transition and other matters.

If, after any compensation agreement is entered into, one party fails to perform its obligations set forth in the compensation agreement, the other party may file an action according to law.

**Article 26** If any House Acquisition Departments and any persons whose houses are acquisition fail to enter into compensation agreements within the time limit for contract execution specified in the acquisition compensation program, or the owners of the houses to be acquisition are uncertain, the House Acquisition Departments shall request the city and county people's governments that have made the decisions on house acquisition to make decisions on compensation in accordance with the acquisition compensation program and publish the same to the public in the areas of house acquisition pursuant to these Regulations.

If any person whose house is to be acquisition has objection to the compensation decision, such person may apply for administrative reconsideration or file an administrative lawsuit according to law.

**Article 27** In carrying out house acquisition, compensation shall be paid first before relocation.

**Article 28** If the persons whose houses are acquisition fail to apply for administrative reconsideration or institute administrative proceedings within the statutory time limit, and fail to relocate within the period set forth in the compensation decision, the city and county people's governments that have made the decisions on house acquisition shall petition the people's court for enforcement.

**Key provisions of the Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration:**

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

(13) Resettling land-expropriated farmers properly. County-level and above local people's governments shall take specific measures to guarantee long-term livelihoods of farmers affected by land acquisition. For projects with a stable income, farmers may become a shareholder using the right to use of land used for construction approved pursuant to law. Within the urban planning area, local people's governments shall bring farmers who lose all

land due to land acquisition into the urban employment system, and establish a social security system; out of the urban planning area, in acquiring land collectively owned by farmers, local people's governments shall reserve necessary arable land or arrange appropriate jobs for farmers affected by land acquisition within the same administrative area; farmers without land who do not have the basic living and production conditions shall be subject to non-local resettlement. The labor and social security authorities shall propose guidelines for the employment training and social security systems for farmers affected by land acquisition as soon as possible.

**Key provisions of the Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (Document No.238):**

1. Fixation of uniform AOV Standards: The province-level land and resources department shall fix minimum uniform AOV Standards for arable land of each county (city) within the province together with other departments concerned, and report to the provincial government for approval and implementation. Uniform AOV Standards may be fixed in consideration of land type, quality and grade, farmer investment, farm product price, etc.
2. Fixation of uniform annual output value multiples. The uniform multiple of annual output value for land compensation fees and resettlement subsidy shall be fixed within the statutory range so that land-expropriated farmers' standard of living is not reduced; if compensation fees for land acquisition calculated from the statutory uniform multiple of annual output value are insufficient for land-expropriated farmers to maintain their former standard of living or insufficient to cover their social security costs, the multiple shall be increased appropriately with the approval of the province-level people's government; if an aggregate multiple of 30 for land compensation fees and resettlement subsidy is still insufficient for land-expropriated farmers to maintain their former standard of living, the local people's government shall allocate a certain proportion from the income from the compensated use of state-owned land for subsidization. For basic farmland occupied with lawful approval, the highest compensation rate announced by the local people's government shall apply.
3. Fixation of composite land prices for land acquisition areas. Where conditions permit, the province-level land and resources authority may fix composite land prices for land acquisition for different counties and cities in the province together with other competent authorities, and report such prices to the province-level people's government for approval, disclosure and implementation. Such prices shall be fixed in consideration of land type, output value, geographic location, farmland rating, per capita arable area, land supply-demand relationship, local economic level and minimum living security level of urban residents, etc.
4. Distribution of land compensation fees: Since land compensation fees are used mainly on households affected by land acquisition, land compensation fees shall be distributed within rural collective economic organizations reasonably. The detailed distribution measures shall be formulated by the provincial government. If all land of a village is acquired and the rural collective economic organization is cancelled, all land compensation fees shall be used for the production and livelihood resettlement of land-expropriated farmers.

**IV. Preparation and Approval of the Resettlement Action Plan**

The borrower should prepare and implement the RAP (including meeting all funds needed for involuntary resettlement). However, many aspects of land acquisition and resettlement are implemented by the project county level land administration departments. The borrower will coordinate project activities through the project management institution to ensure that an effective RAP is prepared and implemented. The RAP should be combined with local construction, resources exploitation, economic development and environmental protection, and fully embody the sustainability of local economic development and the development of the displaced persons. A feasible RAP should be prepared in consideration of the local natural

and socioeconomic conditions in order to restore the production level and standard of living of the displaced persons effectively, and maintain sustainability.

Once it is determined that land acquisition is unavoidable in project implementation, it is necessary to conduct involuntary resettlement, and determine the amount of land acquisition and resettlement impacts. At this point, relevant resettlement report documents, such as the RAP, the Abbreviated Resettlement Action Plan (ARAP) and the Due Diligence Report on Resettlement, should be prepared and submitted to the World Bank. Only when these report documents have been reviewed with no objection by the World Bank can the PMO and the project implementing agencies begin to implement land acquisition, property demolition and resettlement activities.

The RAP should estimate a transition period according to the time possibly required for restoring livelihoods and the standard of living, and ensure that displaced persons can receive assistance during the transition period. The borrower identifies and enumerates the persons to be acquired of land or displaced in the project through a census, determines which persons are entitled to assistance and prevents the influx of those without such entitlement; the borrower determines the scope and extent of potential impacts in the project area through a socio-economic survey. The census must cover all persons directly affected, and the socioeconomic survey may be conducted on a sampling basis. If the census and the socioeconomic survey are conducted concurrently or separately depends on if a full RAP or an Abbreviated RAP (see Annex A to OP 4.12) is prepared. If over 200 persons are affected, a full RAP should be prepared. If the whole displaced population is affected slightly, or less than 200 persons are affected, an ARAP may be sufficient. If the affected persons do not have to be displaced, and the loss of means of production is less than 10%, the project is deemed to have a “slight impact”.

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

- (1) Description of activities resulting in land acquisition;
- (2) Scope and extent of potentially negative impacts;
- (3) Baseline results of socioeconomic survey and census;
- (4) Review of laws and regulations on land acquisition and resettlement;
- (5) Compensation Standards for all types of affected assets (or other options);
- (6) Other necessary resettlement measures to provide economic restoration opportunities to the displaced persons;
- (7) Acceptable Standards of compensation and other assistance;
- (8) Replacement arrangements, including assistance measures during the transition period if necessary;
- (9) Selection or preparation of resettlement site if necessary;
- (10) Restoration or replacement of community infrastructure and services;
- (11) Organizational arrangements for implementation;

- (12) Consultation and information disclosure arrangements;
- (13) Resettlement implementation schedule;
- (14) Costs and budget;
- (15) Monitoring and evaluation (M&E) arrangements;
- (16) Grievance redress procedure;
- (17) Summary entitlement matrix.

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

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

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

## **V. Entitlement to Compensation and Resettlement**

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

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

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

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

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

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

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

- (1) Affected population losing farmland.
  - (a) Preference should be given to land-based resettlement strategies for displaced persons

whose livelihoods are land-based. If land is not the preferred option of the displaced persons, the provision of land would adversely affect the sustainability of a park or protected area, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of adequate land must be demonstrated and documented to the satisfaction of the World Bank. If the Project causes land acquisition, the compensation Standards will not be lower than the standard of annual production value uniformly stipulated by the state or each province (autonomous region and municipality).

- (b) The affected population will receive compensation at market price for young crops, at net present value for commercial forests, and replacement cost for other fixed assets (attached structures, etc.).
- (c) Compensation will be paid for temporary land use at a rate associated with the period of use, and the occupied land and any affected asset will be restored to the pre-use condition at no expense for the proprietor or the user.

## (2) Vulnerable groups

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

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

## (3) Ethnic minorities

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

Type of impact	Type of affected persons	Type of compensation	Resettlement policy
Permanent land acquisition	Villagers having formal rights to land in the affected village	Land compensation fees, resettlement subsidies and young crop compensation fees	Land reallocation in the village or cash compensation, skills training, employment support, and social security for land-expropriated farmers
	Individuals farming on rented land temporarily	Young crop compensation fees	Assisting in looking for other farmland
Property demolition and rebuilding	Proprietors of affected properties on rural collective land	New housing site, cash compensation for affected property based on full replacement cost, moving subsidy and transition subsidy	New housing site acceptable in size and accessibility
	Proprietors of affected properties on state-owned land	Providing cash compensation for the property based on the appraised market value, offering resettlement housing at the displaced person's option; moving subsidy and transition subsidy	Resettlement housing of equivalent size, location and quality, and satisfactory to the displaced person, or cash compensation sufficient to purchase such housing
	Property tenants	Consulting with the proprietor about compensation for the loss arising from the termination of the lease	Assisting in looking for another property
Loss of non-residential buildings	Business operators and employees forced to move	1) New operating plot or cash compensation based on replacement cost; 2) cash compensation for loss of operating property; 3) transitional support for loss of	A new operating plot acceptable in size, location and operating conditions

Type of impact	Type of affected persons	Type of compensation	Resettlement policy
		income (including employee wages); 4) moving subsidy	
Loss of attachments and other assets	Proprietors of attachments and other assets	Cash compensation based on replacement cost	
Direct losses of various types	Vulnerable groups, such as the poor, the elderly, the disabled, woman-headed households	Offering extra support so that their income level and standard of living are restored or improved	

## VI. Implementation Procedures

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

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

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

- (1) The municipal or county people's government shall draft farmland conversion programs, arable land replenishment programs and land acquisition programs according to the annual land utilization plan, and submit them to competent people's governments level by level in batches.
- (2) The competent department for land administration of a competent people's government shall examine farmland conversion programs, arable land replenishment programs and land acquisition programs, give opinions, and submit them to the competent people's government for approval; an arable land replenishment program shall be approved by the people's government approving the corresponding farmland conversion program together with such farmland conversion program.
- (3) Approved farmland conversion programs, arable land replenishment programs and land acquisition program shall be implemented by the municipal or county people's government, and land shall be provided for specific construction projects.

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

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

The competent departments of municipal, county people's governments shall, on the basis of

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

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

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

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

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

## **VII. Resettlement Budget and Arrangements**

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

The compensation Standards in the RAP provide a basis for resettlement compensation. All collectives or individuals losing properties should be compensated at full replacement cost, and discount for any reason is prohibited. The RAP should describe the flow of compensation fees from the borrower to the affected persons. As a principle, funds should be paid to the affected population as directly as possible, with minimum intermediate processes, such as coordination and arbitration.

## **VIII. Consultation and Information Disclosure**

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



understood the potential impacts, resettlement policies and income restoration program of the Project.

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

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

(1) Publicity of resettlement information

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

(2) Holding public consultation meetings

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

(3) Holding public hearings

(4) Holding village congresses

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

## **IX. Grievance Redress Procedure**

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

resettlement, the following grievance redress procedure will be adopted for the Project:

Stage 1: If any affected person is dissatisfied with the RAP, he/she can file an oral or written appeal to the village committee. In case of an oral appeal, the village committee shall handle such appeal and keep written records. Such appeal should be solved within 2 weeks.

Stage 2: If the affected person is dissatisfied with the disposition of Stage 1, he/she may file an oral or written appeal to the township government after receiving such disposition. In case of an oral appeal, the township government shall handle such appeal and keep written records. Such appeal should be solved within 2 weeks.

Stage 3: If the affected person is still dissatisfied with the disposition of Stage 2, he/she may file an appeal to the district land and resources bureau or bureau for letters and calls; the land and resources bureau shall make a disposition within 2 weeks; the bureau for letters and calls shall make a disposition within one week or forward it to the land and resources bureau.

Stage 4: If the affected person is still dissatisfied with the disposition of the land and resources bureau, he/she may file a suit in a civil court in accordance with the Civil Procedure Law of the PRC after receiving such disposition.

The above appeal channel should be disclosed in a manner understandable to the displaced persons, so that they fully understand their right of appeal. The relevant agencies should conduct a field investigation on any grievance raised by the displaced persons, and make a disposition objectively and justly in consultation with the displaced persons, and in accordance with the state laws and regulations, and the principles and standards specified in the RAP.

## **X. Monitoring and Evaluation Arrangements**

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

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

Internal monitoring should usually cover the following:

- (1) Organization: setup and division of labor of resettlement implementation and related agencies, staffing of the resettlement agencies, capacity building of the resettlement agencies;
- (2) Resettlement policies and compensation Standards: enactment and implementation of resettlement policies; practical implementation of compensation Standards for different types of losses, with particular stress on if the compensation Standards in the RAP are complied with, and the reason for any difference;
- (3) Implementation progress of land acquisition, property demolition and resettlement;
- (4) Resettlement budget and implementation;
- (5) Resettlement by production and employment: main modes of resettlement for rural areas (land reallocation, new land development, resettlement of enterprises and public institutions, self-employment, pension and other social insurance, etc.), resettlement of vulnerable groups (ethnic minorities, woman-headed households, the elderly, the disabled, etc.), land reclamation for temporarily occupied land, effectiveness of resettlement, etc.;

- (6) Housing rebuilding and livelihood resettlement of displaced persons: modes of resettlement for rural areas, allocation of housing sites, form of housing rebuilding, “three supplies and one leveling” of housing sites, payment of compensation fees, provision and relocation of public facilities (water, electricity, road and market network);
- (7) Grievances, appeals, public participation, consultation, information disclosure and external monitoring;
- (8) Handling of issues in the Memorandum of the World Bank Mission;
- (9) Existing issues and solutions.

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

- (1) Resettlement agencies: monitoring the setup, division of labor and staffing of the project owner and the resettlement agencies, and capacity building and training activities of the resettlement agencies through investigation and interview; evaluating the appropriateness thereof through comparison with the RAP;
- (2) Resettlement policies and compensation Standards: studying the main policies for resettlement implementation, and evaluating the appropriateness thereof through comparison with the RAP; verifying the implementation of the compensation Standards for different types of losses (especially major losses such as permanent land acquisition and property demolition) through sampling, and evaluating the appropriateness thereof through comparison with the RAP;
- (3) Progress of resettlement implementation;
- (4) Resettlement costs and budget;
- (5) Resettlement by production and employment: evaluating the production and employment resettlement of the displaced persons, and the implementation of the income restoration program through sampling survey and the follow-up monitoring of typical displaced households;
- (6) Housing rebuilding and livelihood resettlement of the displaced persons: conducting analysis and evaluation through sampling survey;
- (7) Restoration of the income, production level and standard of living of the displaced persons: learning the income sources, amount, structure and stability, and expenditure structure and amount of typical displaced households through baseline survey before land acquisition and property demolition, and sampling survey and follow-up monitoring thereafter, evaluating the level of fulfillment of income restoration and other resettlement objectives through a comparative analysis; analyzing and evaluating the level of fulfillment of income and standard of living restoration objectives of the displaced persons through comparison in residential conditions, traffic, public facilities, community environment, culture, amusement and economic activities, etc.;
- (8) Grievances and appeals: monitoring the appeal channel and procedure for the displaced persons, main grievances and handling thereof through literature review and sampling survey;
- (9) Public participation, consultation and information disclosure: monitoring public participation and consultation activities, and the effectiveness thereof, the preparation, issue and feedback of the resettlement information booklet, and information disclosure activities and the effectiveness thereof during resettlement implementation through literature review and field investigation;

- (10) Handling issues proposed in the Memorandum of the World Bank Mission and the last resettlement M&E report;
- (11) Conclusion and suggestions: summing up resettlement activities and draw to a conclusion and make recommendations; tracking existing issues until they are solved.

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