

**World Bank Financed Second Gansu Cultural and Natural  
Heritage Protection and Development Project**

**Resettlement Policy Framework**



Gansu Yishan Yishui Center for Environmental and Social Development

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# TABLE OF CONTENTS

I.	Project Overview and Description of Objectives .....	3
II.	Objectives of Resettlement, Definitions and Key Principles .....	6
III.	Legal and Policy Framework for Resettlement .....	8
IV.	Preparation and Approval of the Resettlement Action Plan.....	15
V.	Entitlement to Compensation and Resettlement.....	17
VI.	Implementation Procedures .....	18
VII.	Resettlement Budget and Arrangements .....	21
VIII.	Consultation and Information Disclosure .....	21
IX.	Grievance Redress Procedure .....	22
X.	Monitoring and Evaluation Arrangements .....	24
	Appendix 1 Compensation Rates in the Project Area .....	27
	Appendix 2 Entitlement Matrix.....	29
	Appendix 3 Resettlement Grievance and Appeal Redress Registration Form.....	33

# **World Bank Financed Gansu Cultural and Natural Heritage**

## **Protection and Development Project Phase II**

### **Resettlement Policy Framework**

#### **I. Project Overview and Description of Objectives**

In recent years, China implemented a series of policies and measures such as steady growth, structure adjustment, reform acceleration, livelihood improvement, as well as risk control to promote economy transformation and development. In this context, as an open and comprehensive industry and as an important part of modern services, tourism industry is brought out from numerous industries for its distinct advantage in increasing employment and income, in promoting development of mid-west and lifting rural area out of poverty, as well as in promoting stable and rapid economic growth and improving eco-environment. The state introduced a series of policies to promote tourism development, such as Several Opinions of the State Council on Promoting Reform and Development of Tourism Industry, and Vision and Actions on Jointly Building Silk Road Economic Belt and Maritime Silk Road. In the meantime, Gansu Provincial Government also issued a series of strong polices to leverage economy transformation and development, such as Overall Scheme on “Silk Road Economic Belt” Gansu Section, Opinions on Promoting Tourism Industry Reform and Development, Implementation Suggestions on Promotion of Establishment of Chinese Civilization Heritage Innovation Area.

Under the background of support from good policies and booming development of tourism industry, proportion of output of cultural and tourism industry in the whole province’s GDP increased from 5.7% in 2005 to 10.24% in 2013. In the meantime, Gansu Province actively made overall coordination and introduced various types of funding to develop cultural and tourism industry in the province. In 2004, the province applied RMB38.4 million from the World Bank to implement “World Bank Financed Gansu Cultural and Natural Heritage Protection and Development Project”, implementation of which remarkably improved involving scenic spots’ capacity in heritage protection, institutional capacity building, tourism development, spot operational management and community poverty alleviation. Implementation of the project was also a major impetus for Gansu Province to stand among domestic important tourist destination and also accumulated rich experience for the province in terms of utilization, management and operation of international capital. In light of the results from project implementation, Gansu Provincial Government would like to continue to seek for support from the World Bank and to make new exploration and innovation in heritage protection, sustainable development of tourism industry and lifting community residents out of poverty through tourism. The province applied for World Bank Financed Second Gansu Cultural and Natural Heritage Protection and Development Project in 2013, when the project was included in the pipeline of the Bank for fiscal year 2016.

The second project is to be implemented in 6 scenic spots including Kongtong Mountain, Baili Grottoes, Yunya Temple, Guan'e Gou, Yangba as well as Songmingyan- Palaeotherium Fossils Geopark, which are located in 6 counties /district (Kongtong, Jingchuan, Zhuanglang,

Dangchang, Kang County and Hezheng) in 3 cities/prefecture (Pingliang, Longnan and Linxia), which are in southeast part of Gansu Province.

A number of criteria have been used for project site selection. First, the Longdongnan Regional Strategic Planning Study for the Cultural and Natural Heritage Conservation and Sustainable Tourism Development (Longdongnan Regional Study) provided the basis to screen project sites for inclusion in the project. Second, selected sites have a complete set of planning tools to expedite implementation, including heritage conservation and development plans at both county and site level, as well as tourism development plans at both county and site level. Third, sites with higher development potentials, including attractiveness for private sector investments, job creation, and income generation for local communities, were prioritized.

Based on the criteria listed above, six sites with rating have been selected for inclusion in the project:

Kongtong District:	Kongtong Mountain Cluster of Historic Buildings	5A
Jinchuan County:	Hundred Mile Grottoes Corridor Conservation	4A
Zhuanglang County:	Yunya Temple Cultural Heritage and Scenic Area	4A
Tanchang County:	Guan’egou Ethnic Cultural and Natural Heritage Conservation	4A
Kangxian County:	Yangba Natural Heritage Conservation	4A
Hezheng County:	Hua’er Traditional Music Conservation and Inheritance Program	4A

The three project components described below would blend investments in sites and communities with capacity building.

**Component 1:** Heritage Conservation and Tourism Services Improvement This component will support carrying out of site conservation and protection activities, construction, upgrading and/or rehabilitation of basic infrastructure and services facilities within project sites, consisting of, inter alia:

- i.) Protection and conservation of cultural and natural heritage and cultural heritage, including the carrying out of studies on Project-related activities and the design of cultural heritage preservation programs;
- ii.) Construction, rehabilitation and/or upgrading of tourist roads, footpaths, pedestrian bridges, and scenic lookouts, including associated equipment;
- iii.) Provision and upgrading of services including water supply, drainage, wastewater collection and disposal, solid waste collection, power, and tourist signage, including associated equipment;
- iv.) Construction and/or rehabilitation of selected scenic areas’ administration facilities, museums, heritage and service centers, and parking space associated thereto; and
- v.) Implementation of mitigation measures and works for natural heritage aimed at landslides, floods, and other natural hazards; including associated equipment.

**Component 2:** Community Basic Services Delivery This component will support construction, upgrading and/or rehabilitation of basic infrastructure, and provision of basic services to the communities within and in proximity of areas targeted by Component 1, consisting of, inter alia: (i) improvement of pavement for village access roads and lanes; (ii) provision of water supply, wastewater collection and disposal; (iii) solid waste collection and sanitation improvements; (iv) street lighting; and (v) construction of village classrooms for teaching and practicing local intangible cultural heritage.

Component 3: Capacity Building for Project Sites, Institutional Strengthening, and Project Management Support. This component consists of:

i.) Provision of training to selected project-related staff, scenic area administrators and operators, and residents of local communities in the project sites, as appropriate, on cultural heritage conservation, natural heritage conservation, intangible cultural heritage preservation, scenic area management, tourism development strategies, and tourism products and market development.

ii.) Provision of project management support and technical assistance on, inter alia: (i) design review; (ii) project management, monitoring and supervision; (iii) construction supervision; (iv) independent monitoring of the implementation of environmental and social safeguards; and (v) project reporting.

iii.) Carrying out of studies on heritage preservation and the culture of local ethnic minorities.

iv.) Development of a tourism information system and website to be shared by all Project Sites, and fully integrated with the province-wide Gansu E-Tourism system.

The objective of the project is to integrate cultural heritage protection, tourism development with community poverty alleviation, and to drive the local community residents out of poverty through tourism development; in turn, with the help of tourism income, the community residents could enhance the scenic spots development by participating in the tourism service. This action not only fits in the development policy advocated at national and provincial levels based on benefiting the people, but also helps the scenic spots develop in harmony with the surrounding communities, as well as achieve the sustainable development of tourism.

Development of the Resettlement Policy Framework is based on the following:

(1) The project civil works will be constructed on state-owned scenic area or village collective land, with no need for additional land acquisition or resettlement according to current project design and selection of location for civil works. But a resettlement policy framework (RPF) has been prepared to address any future land acquisition and resettlement that might emerge due to change to identified locations of project civil works or design changes to community basic service facilities during project implementation.

(2) However, project implementation may use some small pieces of land for small scale village-level facilities when the needs emerge during project implementation. In general, it is foreseeable that the impact of the above-mentioned project activities is very small. If such land is voluntarily provided by villagers, they will be compensated through land adjustment within the same village through “*ad hoc*” villagers’ representative meeting. The area and quality of readjusted land of the affected villagers will be not lower than their land before such adjustment.

Following the prior experiences of localities, the following measures will be adopted to minimize or avoid involuntary resettlement and mitigate negative impacts associated.

(4) For civil works that cannot be completed between two cropping seasons, planting should be avoided in the proposed project sites to avoid crop loss;

(5) Monitoring of land use and its impact of the project will be strengthened and regularly reported. In the situation of temporary land acquisition caused by 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;

(6)

- (7) The land used by the village-level civil works designed by the project are mainly to be built on village collective land with no need to change land ownership. Other land use for village-owned civil works should be voluntarily contributed by project villages based on villagers' representative meeting and agreement. . And land acquisition of the affected farmers should be compensated through internal adjustment of the village land. This kind of civil works neither changes the nature of the collective ownership of land, nor involves the use of land expropriation.

In general, the civil works of this project is small in scale, and most of the site selection is located on the state-owned land in the scenic spots. Even if land acquisition may arise during project implementation, the area of land acquisition and its impact will be small. This Resettlement Policy Framework (hereafter refers to 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 a group of persons affected in any of the following ways:

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

"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 ownership to, use right to 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, usually consistent with the date of census of the affected population or the date of announcement issued by local authorities (usually the resettlement office of local government of project localities in China). 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
	Measures on Public Announcement of Land Acquisition (Decree No.10 of the Ministry of Land and Resources)	January 1, 2002
	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])
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
A Regulation on Land Acquisition Compensation Disputes in Gansu Province		Apr. 15, 2006
Gansu Provincial Provisions on Regulations on the Acquisition of Houses on State-owned Land and Compensation		Jan.1, 2013
Circular on Management Method of Allocation and Use of Land Compensation Fees of the Acquired Farmer Collectively Owned Land of Gansu Province		Feb. 27,2010
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		Nov.19,2009



Level	Policy document	Effective date
	Province	
The WB	The World Bank's Operational Policy OP4.12 Modified Version of Involuntary Displacements and Their Accessories	Apr.1,2013
	The World Bank's Operational Procedure BP4.12 Modified Version of Involuntary Displacements and Their Accessories	Apr.1,2013

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 hydro-power 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.

Article 19 If people whose land was acquisitioned, who are eligible and voluntary to choose affordable housing, they should submit written applications to the House Acquisition Department, and the House Acquisition Department shall timely submit the written applications to the House Management Department at the same level. The House Management Department should carry out verification and validation of the priority applicants confirmed by the House Acquisition Department and then deal with relevant formalities.

Article 20 People who enjoy priority of resettlement housing can firstly get monetary compensation before house resettlement. Property right replacement is also available.

Article 21 If resettlement housing adopts equity swap, the compensation area should be indicated in the note column of the House Ownership Certificate when the property is dealt with. And its original property attributes will also be kept.

### **Key provisions of the Management on the Compensation distribution and use on Farmers Collective Land in Gansu province**

Article 7 Resettlement fees shall be distributed to different targets according to different resettlement approaches. People resettled by the rural collective economic organizations, the resettlement fees should be paid to the rural collective economic organizations and will be used as the collective development fund. People resettled by other departments, the resettlement fees should be paid to the resettled departments. Persons seeking profession by themselves and needing no resettlement, they will get the resettlement fees after signing an agreement with the rural collective economic organizations that enjoy the ownership of acquisition land. People who are resettled according to social security policy should get full resettlement fees which will be used for paying old age security pension.

Article 11 The rural collective economic organizations should establish and improve community organizations in villagers discussion, democratic financial management, and supervision of village affairs so as to guarantee the collective economic organization members to have the information right, decision-making right and supervision right in distribution, use and management of acquisition land compensation fees.

Article 14 The land requisition compensation fees must be used for specified purpose only, any departments or individuals must not keep or misuse the fees. Land requisition compensation fees must not be used for repaying the debts of the collective economic organizations, nor for paying taxes and salary. Violators will be disposed according to the relevant regulations.

See *Appendix 1* for detailed compensation rates as reference. The latest valid regulation on compensation standards should be applied during actual implementation under the project.

### **Gap analysis on involuntary resettlement policies between the World Bank OP 4.12 and Chinese domestic requirements**

In principle, there is no big gap on involuntary resettlement requirement between the World Bank OP 4.12 and Chinese domestic policies.

Generally speaking, World Bank OP4.12 is consistent with land acquisition and resettlement policies and regulations of China in terms of goal and general procedures. Both focus on avoiding or minimizing involuntary resettlement, ensure long-term livelihoods for displaced persons and restore their living standard to that prior to involuntary resettlement. Both

demand for not only compensation also rehabilitation, supervision and evaluation during implementation of involuntary resettlement. There are some gaps on specific areas which include the following:

(i) Linkage coverage of involuntary resettlement impact scope. World Bank includes the scope of lending project and its linkage project in addressing involuntary resettlement. While the Chinese land acquisition and resettlement regulation does not have requirements for a project to cover its linkage project.

(ii) Compensation on legal and illegal structures and squatters. In general, only the affected legal structures and displaced person can be compensated under Chinese regulations. In contrast, under the World Bank requirements, whether the affected structure or displaced person (such as squatter) is legally recognized, should be compensated or receive other necessary resettlement assistance as appropriate.

(iii) In terms of compensation standard, the World Bank OP4.12 policy requires for compensation at full replacement cost or direct replacement of asset with assets for affected housing property and other assets. However, the World Bank also stipulates that if resettlement cost cannot be fully covered in accordance with the country domestic regulation, other necessary measures should be taken to reach level of full replacement cost. This policy does not allow depreciation of asset value and often leads to a higher compensation standards in its lending project than domestic projects.

(iv) Public Participation. The requirements for participation and consultation of the Chinese government policies and regulations are very general. No Chinese government policies or regulations requires for the participation of affected people in resettlement planning, except in hydropower projects. In contrast, the Bank policy has very clear and specific requirements for information disclosure as a policy, and public people's participation (esp. those affected people) in project design, resettlement planning, implementation, and monitoring and evaluation as well as grievance mechanisms. The Bank encourage project owner to prepare resettlement information leaflets and distribute them to the public, particularly the affected people.

#### **How to fill the gap on involuntary resettlement policies between the World Bank OP 4.12 and Chinese domestic requirements?**

**Overall the entitlement matrix of this framework has provided general measures to fill the gap between OP/BP 4.12 and the national policies and laws and will apply to all components of the Project.**

(i) Continual identification of linkage activities will be carried out. Once it is confirmed that there is any involuntary resettlement under linkage projects during project implementation, This RPF will be also followed for mitigation measures to handle properly the involuntary resettlement.

(ii) It has been agreed that under the project whether the affected structure or displaced person (such as squatter) is legally recognized, the affected property will be compensated at full replacement cost, including other necessary resettlement assistance as appropriate.

(iii) It is confirmed when compensation is needed for the affected persons who will benefit from the Bank's project, other necessary measures should be taken to reach level of full replacement cost if resettlement cost cannot be fully covered in accordance with the Chinese domestic regulation.

(iv) The project will continue to promote public participation through various measures of community organization development, local residents' engagement, grievance and complaint handling mechanism. These include incubating support to community organizations, capacity building for community and local residents, wide and adequate dissemination of project relevant information and reflecting local people's views and suggestions in project activity planning and implementation.

The above gap filling measures will be reflected in all components of the project as appropriate.

#### **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.

The RAPs should be prepared and submitted to the Bank for review and no objection at least 3 months before the starting date of resettlement. Only after the Bank has accepted the RAPs can compensation, resettlement and restoration activities begin. Such activities should be completed before the commencement of civil works.

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.

The ARAPs should be prepared and submitted to the World Bank for review and no objection at least 3 months before the starting date of resettlement. Only after the Bank has accepted the ARAPs can compensation, resettlement and restoration activities begin. Such activities should be completed before the commencement of civil engineering.



## V. Entitlements to Compensation and Resettlement

The compensation standard for land requisitioned by the project shall follow “all regions should establish dynamic adjustment mechanism for land acquisition compensation standard and adjust land acquisition compensation standard every 2 to 3 years in accordance with economic development level and increase of local per capita income to gradually improve land acquisition compensation level” prescribed in Notice of the Ministry of Land and Resources on further Improve Land Acquisition Management (2010.6.26)

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 RAPs are rational.

(1) APs losing farmland will be entitled to the following compensation and restoration measures:

- Village committee shall relocate remaining collective arable land after land acquisition or collective land of the village among all collective members. In this case, land should be fully requisitioned if partial acquisition of land lead to unsafety or function loss of houses or buildings. All displaced person are entitled to participate in relocation of land and benefit from collective land compensation investment projects.
- In accordance with Land Administration Law and related laws, displaced person who lose arable land must be identified where land cannot be relocated. In some cases, paid job opportunities might be provided to them and the salary at least match the income the loss. In some other cases, displaced person shall get resettlement subsidy which is at least 4 to 6 times average annual output value of their land over the past three years prior to land requisition. If displaced person still cannot be fully restored to the living standard prior to the land acquisition, resettlement subsidy can be increased to 15 times of the average annual output value of their land over the past three years prior to land requisition.
- If land compensation and resettlement subsidy still cannot recover living standards of the displaced person, related municipal and county government can provide subsidy using income from the use of state-owned land;
- Land compensation and resettlement subsidy paid to land affected village committee or displaced person are to 1) increase arable land area if the land can be used this way; 2) develop non-agricultural income based on current livelihoods activities. Like fixed assets, affected green crops, fruits and cash tree and crops shall be compensated at replacement cost.
- The project shall compensate for loss of income, green crops and land recovery fees and damaged infrastructure of displaced person affected by temporary land acquisition of the project.
- If displaced person who lose land meets conditions of participating in social security for landless farmers, the displaced person should be timely included into social security system for landless farmers in accordance with related policies of project counties.
- Provide timely and reasonable skill training for displaced person to improve agricultural/non-agricultural skills of displaced person and enhance their capacity in generating income.
- Provide job opportunities for displaced person, including government public jobs, job opportunities provided by project organizations, jobs in industrial parks, etc. Priority should be given to local labors in choosing non-technical job opportunities to create income generation opportunities for displaced person.

(2) Demolished houses and ground attachments will be compensated, and the following restoration measures will be taken as applicable and appropriate:

- Supply of resettlement housing of equal value;
- Compensation at full replacement cost;
- Reconstruction or restoration of all affected infrastructure and services. Infrastructure (e.g., water resources, road, sewage system or power supply) and public services (e.g., school, clinic or community center) should be restored or replaced for free for any affected community. In new resettlement sites, infrastructure and public services are provided as necessary to improve or maintain accessibility and levels of service for the displaced persons. Patterns of community organization appropriate to the new circumstances are based on choices made by the displaced persons. To the extent possible, the existing social and cultural institutions of the displaced persons and any host communities are preserved and the displaced persons' preferences with respect to relocating in preexisting communities and groups are honored;
- The subsidy during the transition period should ensure that all assets are relocated or temporary housing is available.

### (3) 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.

### (4) 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. Project PIUs should ensure ethnic minority' participation in consultation and that communicate in ethnic minority language or plain language, to improve social equity and inclusion awareness of PMO and related township planning and management staff, to strengthen social inclusion of the project. In the meantime, PMO should closely follow the RAP for affected ethnic minority people in compensation and livelihood restoration.

The RAPs prepared should include an entitlement matrix for the APs. See *Appendix 2*.

## **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 acquisition 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;

3. Arrangement of organizational structure

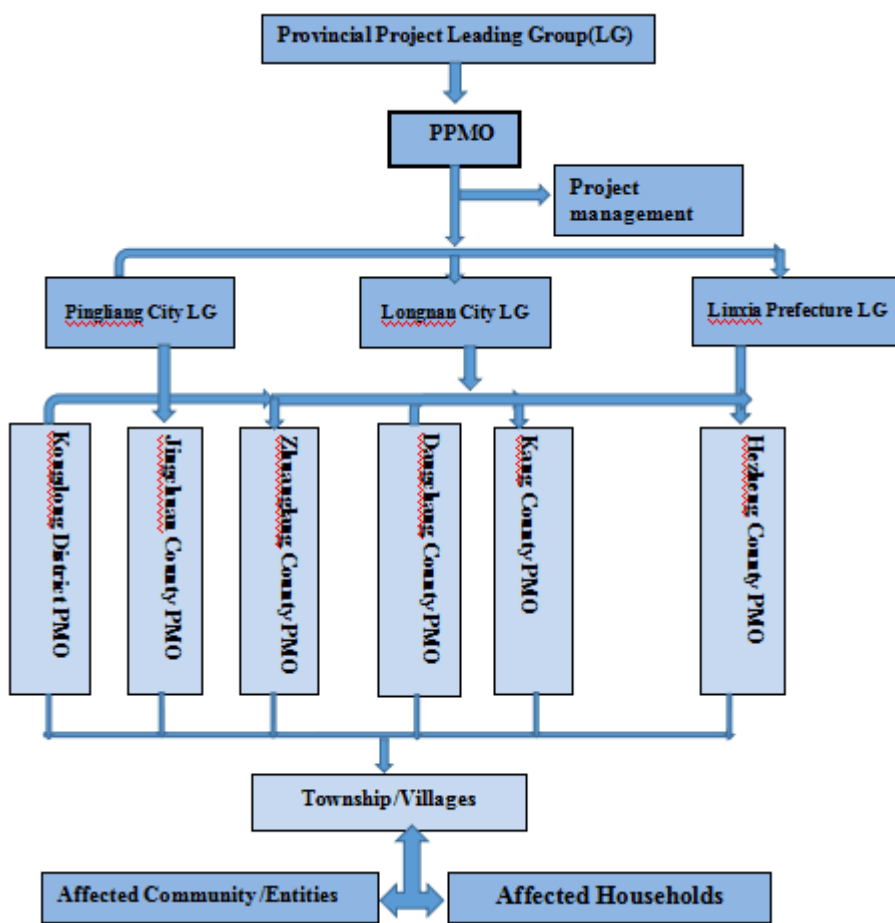


Figure 6.1 Project Organizational Structure

1. To ensure smooth implementation and expected results of resettlement, a vertical organizational structure should be established in project implementation to effectively

implement the approved resettlement plan and RPF as required. The provincial PMO will take overall responsibility to coordinate and oversee the RPF/RAPs implementation, including management and supervision, training and capacity building, and preparation of project progress report based on the reports and monitoring information from each project county/district, etc. Each county/district PMO will take respective responsibility for their own RPF/RAP implementation, including hiring qualified social/resettlement experts for social and resettlement monitoring, supervising implementation of the mitigation measures together with related local authorities and stakeholders, promoting good practice of resettlement and social development. Each project PMO at provincial and county/district level will assign a dedicated social staff to coordinate social safeguards work, together with related local government departments, project towns and affected villages handling local land requisition and house demolition. See figure 6.1 for resettlement organization arrangement of the project.

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

Any RAP prepared in accordance with this RPF should include costs and budget. All persons adversely affected by land acquisition 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.

See appendix 1 for current compensation standard for land acquisition. If the project has needs for land acquisition during implementation, compensation standard shall refer to the latest standard.

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

At resettlement planning, RAP preparation and implementation stages, 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 all means, such as the socioeconomic survey and the impact evaluation survey. Through extensive public participation, coordination and communication, the local governments, affected villages and affected persons could thoroughly understand the project, the potential project 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) Disclosure of involuntary 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 by posting or through broadcast, TV or online media in the project area and prepare resettlement information leaflets 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. All safeguards documents-each RAP need to be cleared by the World Bank and disclosed locally in local language and in the Bank Infoshop in English.

(2) Holding public consultative meetings

The resettlement office of PMO should regularly hold consultation meetings according to situation of land acquisition and displacement. The times of public consultation meetings should be a few times as required and participants of each meeting should be at least 30% of affected population. Representative of vulnerable groups such as women and ethnic minorities should be invited to attend the meetings. The number of attendees including women and ethnic minorities should reach 30% of the total in each meeting. An independent monitoring and evaluation organization should be invited to monitor the meetings. Project components, progress and displacement policy should be widely advocated through TV, broadcasting, newspapers, websites and other channels.

(3) Holding public hearings

China's legislation has not stipulated the scope of the testimony. Considering the status quo of the public hearing activities, the National People's Congress enacted the Legislative Public Hearing Rules (demonstration draft), clarifying provisions on the scope of the testimony. The scope of the testimony according to the demonstration draft regulation distinguishes two kinds of cases: a public hearing should be held, and a hearing may be held. Public hearings should be conducted when matters that laws and regulations determined and social hot issues happen such as interest tax, marriage law modification, concerns from almost all the citizen) or when things that would put significant impact on the rights and interests of citizens, legal persons or other organizations such as housing demolition regulations or when things may result in the most influential results on a specific group although they may not put impact on majority of individuals or organizations.

(4) Holding village meeting

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.

## **IX. Grievance Redress Procedure and Principles**

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 I: Oral or written appeals might be delivered to the village committees of related community organizations funded by the project if displaced person is neither satisfied with resettlement plan or the implementation of the plan. If oral appeals are delivered, the village committees should make a written record. The villages committees or project funded community organizations in the project sites should respond to the appeals as appropriate within two weeks.
- Stage II. The displaced person may appeal orally or in a written way to the township government that governs the village where the displaced persons reside if this person is unsatisfied with the village committees' decision and response at stage I. If oral appeals are delivered, the township government should respond the appeals within 2 weeks and make a written record.
- Stage III. If displaced person is unsatisfied with the township's decision, they may continue to appeal to county PMO. If they are still unsatisfied with the PMO's decision, they may appeal to the provincial PMO.
- Stage IV. If the displaced person is not satisfied with the PMO's decision, they can appeal to the civil court in accordance with the civil procedure law.

The above appeal channels 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.

Responsible organizations should adhere to following principles in redressing appeals and grievances:

- 1) Related organizations of the project delegate specific staff to take care of appeal letters and arrange specific staff to consolidate and record oral responses, and demand for effective reply to appeals and grievances at each level within two weeks;
- 2) All organizations handle appeals and grievances of affected people and reasonable expenditures involved shall be paid through government matching funds of the project. .
- 3) The appeal procedures shall keep effective during all construction phase of the project, to ensure that affected people could deal with related problems using the mechanism. Approaches for appeal and grievance will be informed to displaced person through public meeting and resettlement information booklets distributed. In the meantime, appeal and grievance process will be published among affected population through media.
- 4) During execution of resettlement action plan, land acquisition organizations should carefully register and manage grievance document and results and should report to PMO in written document on a monthly or quarterly basis as required. PMO shall conduct periodic review on handling and registration of grievances. To completely record grievances of affected population and results, PMO shall develop affected population grievance and appeal redress registration form. See **appendix 3** for sample of resettlement grievance and appeal redress registration form.

## **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.



## Appendix 1 Compensation Rates in the Project Areas

In accordance with Gansu Province Land Acquisition Area Unified Land Price (GANZHENGFA[2012]151), acquisition of collective land in accordance with law shall pay full amount of compensation fees in accordance with land requisition compensation and resettlement plan, and withhold, occupation, intercept or used for any other purposes is strictly prohibited. Each area shall establish a dynamic adjustment mechanism for land acquisition compensation standard, and adjust land acquisition compensation standard every 2 to 3 years based on economy development level and growth rate of local per capita income, to improve land acquisition compensation level gradually. If new land acquisition needs arise during the project implementation, compensation standard shall refer to latest effective standard. See attached table for current compensation standard.

Attached Table 1 Unified land price in land acquisition area

Administration Area		Scope of Areas	Land Price in land acquisition area (Yuan/ha)
Long Nan	Dang Chang Kang Xian	Chengguan Township Xin Chengzi Township	1650158
	Zhuang Lang	Yangba Township	1410487
		Handian Township	973301
Ping Liang	Jing Chuan	Yanfeng, Gongchi in Chengguan district (urban planning area)	1268982
	Kong Tong District	Chengguan town (non-urban planning area) Wangcun Township Luo Handong Township	1158624
	He Zheng	Songming Township (Ketuo,Zhongxin,Diaotan,Bianpo,Dashanzhuang, Cheba)	927825
	Dang Chang	Chengguan Township Xin Chengzi Township	787320
Lin Xia	Kang Xian	Yangba Township	1108805

Attached Table 2 List of unified annual output value standard for land requisition compensation

Administration Area		Community	Unified annual output value (Yuan/ha)
Long Nan	Dang Chang	Chengguan Township Xin Chengzi Township	419339.25
	Kang Xian	Yangba Township	219625.89
Ping Liang	Zhuang Lang	Handian Township	166326.6
	Jing Chuan	Yanfeng, Gongchi in Chengguan district (urban planning area)	253341
	Kong Tong District	Chengguan town (non-urban planning area) Wangcun Township Luo Handong Township	610236
Linxia	He Zheng	Songming Township (Ketuo,Zhongxin,Diaotan,Bianpo,Da shanzhuang,Cheba)	429000

Note: The administration area of compensation standard for unified annual output value in the table is general area of townships and villages. Specific area shall be subject to boundaries in county/city results map.

## Appendix 2 Entitlement Matrix

Type of impact	APs	Resettlement measure	Entitlement
Permanent LA	Collective	Collective land	Full compensation will be paid to the village collective and used as resolved at village meeting.
		Attachments	
	Farmers affected by land acquired	Land compensation fees and resettlement subsidy	1) The AHs will receive all land compensation fees and resettlement subsidies without land reallocation 2) 80% of land compensation fees will be paid to the AHs, with the remaining 20% used for public welfare
		Attachments and infrastructure	The AHs will receive full compensation for attachments and infrastructure, which will be restored elsewhere themselves.
		Temporary land use	Full compensation will be paid and the temporarily occupied land will be restored to the original condition.
		Young crops	The APs will receive full compensation for young crops.
		Social security	The APs may cover endowment insurance for LEFs, new-type rural insurance, endowment insurance for urban and rural residents, and endowment insurance for urban employees voluntarily.
		livelihood restoration	Free training and employment assistance measures
Property demolition and rebuilding	Proprietors of affected properties on rural collective land	Cash or house-for-house compensation	Cash compensation for affected property based on full replacement cost, moving subsidy and transition subsidy. New resettlement housing acceptable to affected people in location of site, size, quality and accessibility.
	Proprietors of affected properties on state-owned land	Cash compensation for the property based on the appraised market value, or offering	Resettlement property of equivalent size, location and quality, and satisfactory to the displaced person, or cash compensation sufficient to purchase similar property. Plus resettlement moving subsidy and transition subsidy.

Type of impact	APs	Resettlement measure	Entitlement
		resettlement housing at the displaced institution's option;	
	Property tenants	compensation for the loss arising from the termination of the lease	Affected tenants are adequately consulted, provided with compensation for all losses due to the termination of the lease and assistance in looking for another property.
Loss of non-residential buildings Property demolition and rebuilding	Business operators and affected people	1) New operating plot or cash compensation at replacement cost; 2) cash compensation for business loss; 3) transitional support for loss of income; 4) moving subsidy	A new operating plot provided acceptable in size, location and operating conditions or Cash compensation at full replacement cost; Plus cash compensation for business loss, transitional assistance and moving subsidies.  Affected workers will receive compensation for lost wage income; unemployed workers will also enjoy skills training and reemployment assistance services.
Vulnerable groups	All	Training and employment	<ol style="list-style-type: none"> <li>1) Jobs such as cleaning and waste collection will be offered where possible.</li> <li>2) They will have priority in receiving tourism services, tourism-driven farming and non-farming job training.</li> <li>3) They will have priority in job selection and receiving employment information.</li> <li>4) Enjoy minimum living standard allowance</li> </ol>
Women	All	Public participation and employment	<ol style="list-style-type: none"> <li>1) Unskilled jobs, such as material shipment, pipeline construction, biogas residue disposal and logistics will be offered;</li> <li>2) The owners will organize workshops for women, distribute instructions, and conduct free door-to-door maintenance regularly;</li> <li>3) Women have the right to receive relevant information during resettlement, and have equal speaking and decision-making rights. Not less than 30% of participants should be women.</li> <li>4) Women have the same right to sign LA compensation agreements and</li> </ol>

Type of impact	APs	Resettlement measure	Entitlement
			compensation vouchers as men.
Ethnic Minority	All	Public participation and employment	<ul style="list-style-type: none"> <li>➤ Ensure ethnic-minority groups' participation and consultation during project implementation with ethnic-minority group member in community organizations;</li> <li>➤ Comments of ethnic minorities are understood and taken into consideration in land acquisition and demolition;</li> <li>➤ Ethnic minorities shall enjoy equal rights as the majority people do in compensation for land acquisition and demolition;</li> <li>➤ Ethnic minorities who have job willingness, especially ethnic-minority women, shall be given priority to choose job opportunities during project construction.</li> </ul>
Loss of attachments and other assets	Proprietors of attachments and other assets	Cash compensation based on replacement cost	Cash compensation based on replacement cost
Loss of infrastructure	Proprietors or management agencies of affected facilities	Funds provided for restoring the affected facility to the original condition and function, or money paid to competent authority for restoration	<p>Infrastructure and services should be restored timely to avoid any adverse impact on the host community or entity. or money paid to competent authority for restoration.</p> <p>If cultural and religious buildings or worship sites are affected, monetary compensation based on full replacement cost and if reconstruction is required, new site and monetary compensation should be provided in full consultation with the affected community and residents, including religious leaders and the believers for worship sites.</p> <p>Affected employees/workers/owners: Compensation and resettlement should be offered according to actual situation in compliance with related government regulations and World Bank involuntary resettlement requirements.</p>





### Appendix 3 Resettlement Grievance and Appeal Redress Registration Form

#### Resettlement Grievance and Appeal Redress Registration Form

Name of Appellant		Date	
Receiving Agency		Location	
Content of Appeal			
Deserved Solution			
Proposed Solution			
Actual Redress			
Appellant (Signature)		Recorder (Signature)	
<p>Note: 1. Record should faithfully record the content and requirements of appellant. 2. The appeal process shall not be subject to any interference or obstacles. 3. Proposed solution should be replied to appellant within required time.</p>			