

The World Bank Financed Zhengzhou Rail Transit

Line 3 Project

Resettlement Policy Framework

**Zhengzhou Rail Transit Project Construction Project
Management Office**

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A Project Introduction

- 1 Zhengzhou Rail Transit Line 3 is one part of urban rail transit network under construction. It is a subway line running from northwest to southeast of Zhengzhou downtown area. Full length of the line is 31.9km. There are 25 subway stations, including 12 transfer stations. Average clearance between the stations is 1.3km. Line 3 will be constructed in several phases. Phase 1 project includes the section from Xinliu Road to Huaihai East Road. Total length of this section is 25.2km. This section has 21 stations, 1 parking lot and one coach depot.
- 2 During project preparation, Zhengzhou Rail Transit Construction Management Office has prepared Resettlement Action Plan for involuntary resettlement related to Line 3 Phase 1 Project. The Technical Assistance subcomponent of the project will support land develop plans for adjacent areas to some six stations including Huanghelu station. The implementation of the plans will cause land acquisition and involuntary resettlement. However, during project preparation, these development plans are not finalized and the resettlement impact caused cannot be determined. During construction, adjustments of spoil grounds and public transportation integration sub-project, exits, entrances and pavilions, accessory land development of some stations might also involve new land expropriation and house demolishing. Impacts of such items are yet to be identified after design of above items. For this reason, Zhengzhou Rail Transit Construction Management Office has prepared Resettlement Policy Frame for land expropriation and house demolishing related to these sub-projects. Detailed resettlement measures and relevant policies will be provided after confirmation of relevant plan and impacts. Brief resettlement plan will be prepared and submitted to World Bank for approval prior to its implementation.

B Project Impact

- 3 Waste soil of Zhengzhou Rail Transit Line 3 Phase 1 Project will be moved to current landfills of Zhengzhou. New landfills will be constructed if necessary. For sub-project “public transportation integration”, some bus stops will be

adjusted, and some new bus stops will be constructed. The 21 subway stops, parking lots and coach depots of Line 3 Phase 1 will also be adjusted if necessary. Such items might cause new land expropriation and house demolishing. The design plan of such contents has not determined, condition for social economic investigation of affected population is not ready, and impact of land expropriation and house demolishing is not yet identified. After detailed design of relevant sub-projects, Zhengzhou Rail Transit Construction Management Office will organize social and economic investigation, so as to obtain detailed information for land expropriation and house demolishing work.

C Principles and Targets

- 4 To reduce amount of land expropriation and house demolishing in this project, all involuntary resettlement shall conform to basic principles specified in this Policy Framework. After impacts of land expropriation and house demolishing are identified, resettlement plan will be prepared on the basis of policies and procedures of this Policy Framework.
- 5 Target of this Policy Framework is to make sure that population affected by project construction can get reasonable compensation, necessary assistance, so as to maintain or improve original production capacity, income level and living standard.
- 6 In this Policy Framework, population affected by the project means:
 - (a) Population with all or part of its land permanently or temporarily affected by project construction;
 - (b) Population with all or part of its houses permanently or temporarily affected by project construction;
 - (c) Population with all or part of its production or business activities permanently or temporarily affected by project construction;
 - (d) Population with all or part of land attachments affected by project construction.
- 7 To realize above targets, principles of World Bank OP/BP4.12 have been applied in preparation of this Policy Framework. Details are as follows:
 - (a) Implementation of resettlement action plan shall be based on socio-economic survey of affected area and statistics of affected physical

indicators, national and local resettlement policies and laws, and the principles of Operational Policy OP/BP4.12 on Involuntary Resettlement of the World Bank.

- (b) Optimize project design to minimize impact of resettlement, avoid densely populated areas, and minimize involuntary resettlement. Apply convenient measures in construction, and apply construction plan that brings least disturbance to local residents.
- (c) Compensation and resettlement of displaced persons shall be one part of the project. Provide compensation to the displaced persons in a timely manner and make them benefit from the project.
- (d) Make sure that all affected persons can get all compensations to their damages prior to commencement of project. Provide reasonable life arrangement and production restoration help, and provide subsidy or assistance to help them overcome the difficulties.
- (e) After resettlement, make sure that life standard, production capacity and income level of affected population are the same or even better than before.
- (f) Compensation for demolished houses, facilities and attachments shall be based on replacement prices. Compensation shall not deduct the residual value of the demolished materials, or the depreciated value of the original properties.
- (g) Provide options of in kind resettlement and monetary resettlement to the affected population.
- (h) The displaced persons will receive compensation in the interim period and during resettlement process.
- (i) For non-residential houses, provide resettlement allowance and production or business suspension damage compensation.
- (j) Provide reasonable care to vulnerable population, help them choose resettlement houses and provide assistance of resettlement.
- (k) Provide compensations to all units of an infrastructure, and provide allowance to relocate and restore the demolished infrastructure.
- (l) Provide reasonable compensation for land expropriation and relevant loss.

- (m) Compensation for land expropriation shall be paid within three months after approval of land expropriation compensation and resettlement plan according to actual progress. Payment shall be no later than commencement of construction.
- (n) Invite the displaced persons to get involved in the preparation and implementation of resettlement plan, solicit their opinions on resettlement and compensation, and announce policies and rates of compensation and resettlement.
- (o) Listen to the complaints and claims of the affected population, and help them to solve the difficulties or inconvenience related to land expropriation and resettlement. Discuss with the displaced persons to solve their complaints on compensation rate. If agreement can't be reached after discussion, resort to arbitration or litigation.
- (p) The resettlement offices shall reinforce cooperation and coordination. Establish all levels of resettlement offices and provide training to resettlement workers.
- (q) During resettlement plan implementation, if there are major changes such as the change of compensation rate, change of land expropriation location and scale, or adding of new items, a report shall be submitted to the World Bank.

D Preparation and Review of Resettlement Plan

- 8 For land expropriation and resettlement caused by spoil ground, public transportation integration, bus stop adjustment and other sub-projects, prepare and implement resettlement plan according to procedures below:
- (a) After completion of preliminary project design, prepare brief resettlement plan according to policies of this Policy Frame.
 - (b) Brief Resettlement Plan shall be submitted to project team of World Bank one month prior to implementation. It shall be implemented only after being approved.
 - (c) Zhengzhou Rail Transit Construction Management Office, external monitoring agencies and World Bank shall visit the project site to inspect the implementation of resettlement plan. The construction contractor shall cooperate and coordinate with above agencies. For problems of

resettlement, the World Bank will demand Zhengzhou Rail Transit Construction Management Office to take immediate measures to resolve them.

- 9 According to this Policy Frame, the resettlement plan shall include the contents as below:
 - (a) Investigation of affected population and valuation of affected properties.
 - (b) Announce resettlement compensation and other resettlement assistance measures to be provided;
 - (c) Solicit displaced persons' opinions on acceptable optional plan;
 - (d) Implementation office of resettlement plan and grievance procedures;
 - (e) Arrangement of monitoring and implementation;
 - (f) Timetable and budget.

E Qualifications of Compensation

- 10 Objective of compensation qualifications is to make sure that affected population can receive compensation for damages incurred by project construction, restore or improve living standard as soon as possible after resettlement. In general, resettlement and rehabilitation plan includes the following contents: (1) provide compensation for loss of house and other properties; (2) provide rehabilitation allowance to compensate temporary impacts on displaced persons' life and business activities; (3) provide employment-oriented training for those who lose their jobs, and provide financial and policy supports to help them restore income; (4) provide facilities for affected community, and provide relevant community services.
- 11 Those who lose their crop fields because of project construction will receive compensations and rehabilitation allowance as follows:
 - (a) Receive land expropriation compensation, resettlement allowance and green crops compensation.
 - (b) Receive compensations for damages of green crops, loss of income, damages of infrastructure, and reclamation cost for temporary expropriation of land.

- 12 Population that loses their houses or auxiliary structures are entitled to the following compensations and rehabilitation allowances:
 - (a) After completion of project, receive in kind compensation no less than the quality prior to resettlement;
 - (b) If monetary resettlement is chosen, replacement price compensation will be provided;
 - (c) Receive resettlement allowance;
 - (d) Receive allowance for the interim period. Amount of allowance is based on actual time of interim period.

- 13 Population that loses their production or business opportunities will receive the compensations and resettlement allowances as below:
 - (a) Provide acceptable production or business space for the displaced person;
 - (b) Provide reasonable compensation for equipment relocation and relevant losses;
 - (c) Provide compensation for loss incurred by production or business suspension during the interim period;
 - (d) For completely or partly affected houses and other real estates, provide compensation based on replacement price.

F Legal Framework

- 14 Resettlement of population affected by land expropriation and resettlement related to spoil ground, public transportation integration, bus stop adjustment and other sub-projects shall conform to national laws and regulations as below:
 - *The Land Administration Law of the People's Republic of China*, implemented in January 1999, and amended on August 28, 2004;
 - *Notice on Reinforcing Land Resources Regulation*, issued by the State Council on August 31, 2006;
 - *The Decision on Furthering the Reform and Intensifying the Land Administration*, issued by the State Council on October 21, 2004;
 - *Property Law of the People's Republic of China*, implemented on October 1, 2007;

- *Regulation of the People's Republic of China on the Disclosure of Government Information*, implemented on May 1, 2008;
- *Regulation on the Expropriation of Buildings on State-owned Land and Compensation*, implemented on January 21, 2011;
- *Assessment Method for the Expropriation of Buildings on State-owned Land*, implemented on June 3, 2011;
- *Regulations on Implementation of “Regulations on Expropriation and Compensation of House on State-owned Land”* ([2012] No. 39), issued by Henan provincial government on April 15, 2012;
- *Opinions on Standardize Collectively-owned Land Expropriation Compensation Distribution and Application* ([2006] No. 50), issued by Henan provincial government on June 22, 2006;
- *Notice on Announcing Comprehensive Land Expropriation Price and Social Security Standard* ([2008] No. 72), issued by Henan Labor and Social Security Department
- *Opinions on Providing Employment Training and Social Security Coverage to Farmers Affected by Land Expropriation* ([2008] No. 19), issued by Henan Labor and Social Security Department, Henan Land and Resources Department, and Henan Financial Department on November 26, 2008;
- *Notice on Announcing Comprehensive Land Expropriation Price in Henan Province* ([2009] No. 87), issued by Henan provincial government on October 16, 2009,
- *Interim Measures on Expropriation of Buildings on State-owned Land and Compensation* (Zhengzhou Municipal Government [2011] 31, May 12, 2011)
- *Regulations on State-owned Land Expropriation Compensation*, issued by Zhengzhou municipal government in October 2013;
- *Notice on Adjusting the Compensation Rate for Green Crops and Attachments on Collectively-owned Land* (Zhengzhou Municipal Government, [2009] No. 127)
- World Bank Operational Policy OP4.12 on Involuntary Resettlement and Its Appendixes, implemented since January 1, 2002;

- World Bank Business Procedures BP4.12 on Involuntary Resettlement and Its Appendixes, implemented since January 1, 2002.

G Organization Structure

15 Zhengzhou Rail Transit Construction Management Office will implement resettlement plan of sub-projects of this Policy Framework. Local land expropriation and compensation offices will be responsible for resettlement work of relevant areas.

H Implementation Procedures

16 Resettlement document shall include a detailed implementation plan of all activities to be done. Payment of compensation, and furnishing of rehabilitation allowance (monetary or in kind) shall be timely carried out according to resettlement progress schedule.

I Grievance Mechanism

17 To make sure that the affected population can resort to grievance procedures for complaints about land expropriation and resettlement, this Policy Frame has established detailed grievance procedures, so as to respond quickly and fairly to complaints of residents, and avoid complicated legal litigation. Details of grievance procedures are as follows:

Phase 1: affected population submits verbal or written complaints to village or community resettlement office. For verbal complaints, the village or community resettlement office shall take written records and provide response within two weeks. For major problems, report to superior resettlement office and solicit opinion from superior office within two weeks.

Phase 2: if the affected population is not satisfied with response of phase 1, a grievance can be submitted to local land expropriation and compensation office within one month after receiving the response of phase 1. Local land expropriation and compensation office will provide response within 3 weeks.

Phase 3: if the affected population are not satisfied with response of local land expropriation and resettlement office, they can submit grievance to Zhengzhou Rail Transit Construction Management Office within one month

after receiving the response. Zhengzhou Rail Transit Construction Management Office will provide response within four weeks.

Phase 4: if the affected population is not satisfied with response of phase 3, litigation can be filed in civil court within 15 days after receiving the response.

J Compensation Policies

18 In this Policy Framework, compensation policies for sub-project land expropriation and house demolishing will be consistent with compensation policies of Rail Transit Line 3 Phase 1 Project. Details are as follows:

- Land expropriation compensation and resettlement policies
 - 1) For collectively owned land, provide compensation according to comprehensive land price in land expropriation area.
 - 2) In land expropriation compensation, 60% of resettlement allowance will be directly paid to affected household, 80% of land expropriation compensation will also be paid to affected farmer's household. Remained 20% of land expropriation compensation will be used for collective causes after discussion on village representative committee. Superior authority will monitor and audit the distribution and use of land expropriation compensation and resettlement allowance.
 - 3) After land expropriation, affected farmers will be included in the range of farmer employment training services and social security coverage.
 - 4) The farmer, village committee and local government will provide contributions to retirement fund of farmer whose land is expropriated. Contribution of farmer shall be no more than 30%. Personal and village contributions will be deducted from land expropriation compensation approved by local government. If land expropriation compensation is insufficient to pay the retirement fund, local government will use state-owned land paid use income to fill the gap.
 - 5) Provide free employment services to farmers whose lands are expropriated, including employment consulting, employment

guidance, vocational training, and job introduction, so as to promote employment of farmers after land expropriation. Unemployed farmers can register as unemployed in local employment service agency, and receive relevant employment services offered for urban unemployed persons.

- 6) If affected farmer becomes non-agricultural residents and is qualified for urban resident minimum subsistence allowance, the farmer can apply for urban minimum subsistence allowance.
- 7) For vocational training of farmer whose land is expropriated, provide allowance according to urban employment training allowance method and rate. Local financial department will provide relevant fund. Such farmer can also go to qualified agency to receive vocational training.
- 8) Compensation for land attachment and green crops belongs to the owner. Compensation will be directly paid to the owner.

- Demolition compensation and resettlement policies

- 1) All displaced households can choose a compensation method, namely monetary compensation or house ownership replacement.
- 2) For monetary compensation, the amount of compensation will be 30% more than appraised value of the house in local real estate market..

House price shall be based on appraisal result of qualified real estate price appraisal agency. Such agency will be determined after discussion with the house owner. If agreement can't be reached, house expropriation office and the house owner will randomly choose one qualified appraisal agency.

- 3) Affected household can also accept replacement method by choosing a resettlement house offered by local government.

If the option of house replacement is selected, there are two calculation methods: if house ownership certificate has noted the construction area, provide resettlement allowance according to the construction area; if the construction area is not specified on house ownership certificate, the area of house to be expropriated will be

120% of actual construction area of the house. The extra area will not be counted in price calculation.

Replacement house will be offered to household according to area of house expropriated. If area of house expropriated is 5 square meters more than area of replacement house, provide compensation of 6000Yuan/square meter, if area of house expropriated is 5~10 square meters more than area of replacement house, provide compensation of 110% of market price of every square meter; if area of house expropriated is above 10 square meters more than area of replacement house, provide compensation on the basis of market price.

4) Provide relocation allowance to affected households

Provide relocation allowance of 30Yuan per square meter of construction area of the expropriated house. If the allowance amount is less than 1200Yuan, count it as 1200Yuan. Optional house resettlement will receive two allowances, while monetary compensation and replacement resettlement will receive only one allowance.

5) Provide interim period allowance for affected households

If affected household chooses house replacement and finds an interim house, provide the affected household with interim period allowance of 20Yuan per month for each square meter of expropriated house. If allowance amount is less than 1200Yuan, the allowance will be counted as 1200Yuan.

For both replacement resettlement and monetary compensation, provide 6-month interim period allowance. If interim house is provided, interim resettlement allowance can be exempted.

Interim period of multi-floor building shall be no more than 24 months, and that of high-rise building shall be no more than 36 months. If actual interim period is 6 months (or less than 6 months) more than predicted period, provide allowance to affected household on the basis of 30Yuan per month for every square meter of house construction area. If actual interim period is above 6 months more than predicted interim period, provide allowance to

affected household on the basis of 40Yuan per month for every square meter of house construction area.

6) Compensations for indoor facilities, fixtures and decorations

Provide compensations to affected households according to quantity and types of indoor facilities and specified rates. Compensation for house decorations shall be determined after discussion with affected household. If agreement can't be reached, determine compensation rate according to result of valuation by qualified real estate price appraisal agency.

7) Provide property management fee allowance for the relocated households.

For house to be expropriated, provide allowance of property management fee of three years at the rate of 1 Yuan per month of every square meter of construction area noted on property ownership certificate. If construction area is less than 60 square meters, calculate allowance amount on the basis of 60 square meters.

8) Provide transportation allowance for students of affected households

Provide transportation allowances to affected households according to number of students, monthly transportation expense, and actual duration of interim period.

9) Provide rewards for households that sign contract and finish resettlement within scheduled period.

For households that have signed resettlement compensation contract, finished resettlement, and handed over houses for expropriation within resettlement period, provide rewards of no more than 200Yuan per square meter of construction area as noted on house ownership certificate. Provide bonus rewards according to time of signature. Reward for every house ownership certificate shall not exceed 30,000Yuan.

K Public Involvement and Discussion

- 19 Zhengzhou Rail Transit Construction Management Office will be responsible for public involvement and consulting within project area. Resettlement measures and policies, including resettlement area, compensation policy, compensation rate, and production or business restoration measures shall be widely accepted by affected population, since this is the precondition of this plan being approved.
- 20 Affected population shall get involved in the whole process of resettlement plan preparation and implementation. For this concern, disclose this Policy Frame to the affected population before preparation of resettlement plan. Local government shall help the affected households or non-residential persons to get informed of compensations and options specified in the resettlement plan.

L Monitoring

- 21 Zhengzhou Rail Transit Construction Management Office will carry out internal monitoring of impact on displaced persons. Monitoring is one part of resettlement plan implementation. Monitoring will check implement targets, and evaluate resettlement effect. Resettlement plan will be adjusted if necessary. Serious problems during implementation will be reported to World Bank. According to requirements of World Bank, qualified and independent external monitoring agency will be invited to monitor the resettlement activities.