

World Bank Loan Project

**Shaanxi Poor Rural Areas
Community Development
Project (P153541)**

Resettlement Policy Framework (RPF)

**Prepared for: PMO of Shaanxi Provincial Poverty Alleviation and Development
Office**

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1. Project Overview and Objectives

1.1 Project Overview

Shaanxi Poor Rural Area Community Development Project is another innovation in poverty alleviation by Shaanxi Province utilizing World Bank loans for the purpose of building rural communities in poverty-stricken areas with the advanced poverty-reduction concepts of the World Bank during the new decade of poverty alleviation and development. The project was approved by the State Council in October of 2014 and has been officially included into the candidate list of projects utilizing World Bank loans by National Development and Reform Commission and Ministry of Finance for the 2015-2017 fiscal year. The total investment for the project is 718,060,000 RMB, or 109,460,000 USD, including 656,000,000 yuan of World Bank loans of (accounting for 91.36% of total investment) and 62,060,000 yuan of domestic counterpart funds o (accounting for 8.64% of total investment). The project covers 11 counties under five prefecture-level cities i.e. Linyou and Longxian of Baoji City, Changwu of Xianyang City, Fuping, Baishui and Heyang of Weinan City, Dingbian and Mizhi of Yulin City, Yichuan, Yanchang and Yanchuan of Yan'an City. 29 moderate-size poverty-stricken areas are selected as project areas, 12 of which are identified as the first batch of project areas. The poverty incidence rate of project area is 29.93% in 2014, 1.81 times as high as that of the whole province. Due to the high poverty incidence of project areas, this project is highly demonstrative and representative of the development of poor rural areas in Shaanxi.

This project will make use of the local advantages in resources and the existing traditional advantageous industries to carry out precise poverty alleviation by means of agriculture industrialization and modernization and to realize development-oriented poverty reduction strategy by integrating value chain development, supporting rural and agricultural economic infrastructure establishment and services, agriculture production system and farmer cooperative development capability support. The primary objective of this project is to improve the income of the poverty population in the project areas, consolidate and promote the potential of economic development in the poverty areas and maintain sustainable development of the poverty alleviation industries. To be more specific, the objectives include building leading industries with unique local advantages, forming a pillar industry system with features unique to the poverty areas, enabling each poverty household to grasp one or two production skills, the net income per capita in the project areas increasing at a higher rate than the provincial average, and the 170,000 beneficiaries in the project areas living a moderately well-off life by 2020.

Construction of the project includes four components: Cooperative and Value Chain Development, Economic Infrastructure and Services Support, Technical Assistance and Capability Building Support, and Project Management, Monitoring and Evaluation. Cooperative and Value Chain Development focuses on utilizing the local advantages in resources and geographic locations to support the improvement of value chain of the chosen agricultural products; building new farmer cooperatives or enhancing existing ones to make them valid operation entities and strengthening the ties between the two. It has two sub-projects: Cooperative Construction and Development, and Cooperative Development Fund. Economic Infrastructure and Services Support is aimed at improving the basic public service function of project areas with focus on infrastructure construction in project areas, including production infrastructure, other infrastructure that helps to increase farmers' income. Technical Assistance and Capability Building Support consists of five components, including project area capability building, cooperative capability building, community development study, farmer capability building and project facilitator building. It constructs the management framework of rural organizations and improves the self-governing capability of institutions in project areas.

1.2 Analysis of Land Use

Constructions that may involve land use in this project include: 1. Cooperative construction and development, cooperative agencies construction, agro-products storage and processing and market development, etc.; 2. Agricultural infrastructure construction, such as land treatment, production roads and rainwater harvesting facilities, etc.; 3. Cooperative Development Fund, for construction of plantations, pens and feedlots, etc.; 4. Economic infrastructure and Services support, including water supply and drainage engineering, road engineering and environmental engineering, etc.

After in-depth investigations into government line agencies by social assessment teams, it's found that 57 constructions are involved in land use covering 2718.1825 mu, see table 1. According to No.127 document *Notice About Further Supporting the Healthy Development of Protected Agriculture* issued by Ministry of Land and Resources in 2014 and its classification of land for agricultural facilities and for construction, 48 land uses fall into the category of protected agriculture with a total area of 2681.2125 mu , which are land for agriculture owned collectively by the villages and can be obtained through land transfer without the need for land acquisition nor getting through agricultural land transfer approval procedure. In the project, as common practice in China, any land transfer from and contract with households only after reaching written agreements between the household and the new land user. And the agreements clearly define land use period, payment amount and way, and others. **The land transfer agreements will be reached in the project implementation stage and before any land transfer; and will be signed voluntarily between farmers and cooperatives, including duration, annual rent or benefit sharing methods, etc., to ensure farmers' land use right.** Nine land uses fall into the category of land use for non-agriculture construction which covers an area of 36.97 mu , which are

land for agriculture owned collectively by the villages. They have to be obtained through land acquisition or getting approval for transferring agricultural land to non-agriculture construction, see table 2.

Table 1. Classification Based on Construction Items

Land for Protected Agriculture Purpose				Land for Construction Purpose			
Quantity	Percentage (Quantity) %	Area (Mu)	Percentage (Area) %	Quantity	Percentage %	Area (Mu)	Percentage (Area) %
48	84.21	2681.2125	98.64	9	15.79	36.97	1.36

In the meantime, the exact location and plan for these nine facilities cannot be identified until in the implementation stage. Constructions needed for later projects after the first batch is not clear either at this stage in terms of construction items, location and land use. As such, this Resettlement Policy Framework is drafted.

Table 2. Estimates for Land Use for Construction Purpose

No.	Project Area	Construction Items	Planned Land Use (Mu)
1	Lingao of Baishui County	Cold storage facility	1.8
2	Tingkou of Changwu County	2000T Modified Atmosphere Storage Facility	8.47
3	Yangjing of Dingbian County	5000km ² livestock trading space	7.5
4	Ganjing of Heyang County	100 m ² mushroom cold storage facility	0.15
5	Ganjing of Heyang County	Land for market development	0.15
6	Liangquan of Longxian County	Processing plants, warehouses and open storage sapce	13.8
7	Leichi of Yanchang County	Apple cold storage facility	1.8

8	Leichi of Yanchang County	slaughtering, preservation and processing integrated equipments and plants, pork sales points	3
9	Longzhen of Mizhi County	Plants for Jiami donkey preservation, storage and packaging	0.3
Total			36.97

2. Objectives, Definitions and Major Principles of Resettlement

2.1 Objectives

The scope of census survey of the physical inventory impacted in this project is determined based on the actual land occupation delineated by project design agency. When the survey started, the project was undergoing optimization and adjustments. Thus the land use data may be subject to change. The Relocation Office of the project will conduct resettlement work based on the final data of impact. In the meantime, any major changes to the project impact will be reported to World Bank before implementation together with causes for changes. In case the impact increases, the resettlement policies in this action plan also apply to the increased population and villages under impact.

2.2 Definitions

Land in China is owned by the State and by rural collectives. Rural collectives, villages, collectively owned their land, and the village members are contractually authorized with term of land use rights.

“Resettlers” refer to those, due to above activities, 1) whose life standards are impacted adversely; 2) or whose ownership, title, or interests of any house, or land (including house sites, farmland and ranches) or other movable or fixed property is expropriated or occupied temporarily or permanently; 3) whose productive assets are impacted temporarily or permanently; 4) whose business, occupation, job or living environment or habit is impacted negatively; and all the resettlers.

The definition of “Replacement Cost” is as follows: For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors’ fees, plus the cost of

any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard. Such additional assistance is distinct from resettlement measures to be provided under other clauses in OP 4.12, Para. 6.

“Land acquisition” methods when, due to the implementation of projects, one involuntarily loses ownership, tenure of land or access to land. Land acquisition may lead to a series of related impacts, including loss of houses or other fixed assets (walls, wells, cemeteries or other structures or improvement facilities attached to the land).

“Permanent occupation of land” happens when land of any type is occupied permanently within the scope of the project;

“Temporary land use” methods temporary occupation of various kinds of land during construction which can be restored after construction;

“Demolished structures” refer to all residential or non-residential structures on the land of the project including those of bricks and cement, bricks and wood, earth and wood or makeshift ones.

“Impacted ground attachments” refer to ground fixtures on project occupied land, including plants, trees, electric poles and cables, etc.

“Vulnerable groups” refer to those, by virtue of social participation ability, social security, disability and poverty, who are prone to harm, lack of adaptability to changes and disadvantaged in society. Vulnerable people in the urban area include children, the old, the sick, the disabled, women, those living on minimum living allowances, etc. Groups living on minimum living allowances are low-incomers that may also include the unemployed, the poor, the laid-off or disaster victims, etc. The vulnerable in the rural areas include children, the old, the sick, the handicapped, women and people living on five-guarantee subsistence. Those who are qualified for the five-guarantee subsistence in the rural areas include the senior, the handicapped, the under aged who have lost the ability to work, have no source of income, or no legal guardians whatsoever to support them, or whose guardians do not have the ability to do so, as well as childless widowed old people, orphans, poverty-stricken families and disabled sick people.

“Resettlement” refers to the process of providing adequate opportunities to the impacted people to restore their productivity, income and living standards. Assets compensation is usually inadequate for realizing full recovery.

“Cut-off date” is a date, prior to which, all ownerships and use rights under impact of the project are established. All people impacted, as a result, are eligible for compensation or other assistance. The cut-off date is determined in

resettlement plan. The date is often the day when the census of persons commences and the list of structures to be demolished is publicly displayed. Any persons entering the project area after the cut-off date is not eligible for compensation.

2.3 Principles

World Bank Operational Policy OP4.12 sets forth the guiding principles for resettlement plan and implementation. The following is those pertinent to this Resettlement Policy Framework (RPF). Types of compensation and ways of resettlement for impacted groups are listed in Table 5 of Para. 3.3.

(1) Under any circumstances, the design of project and resettlement plan should take improving the resettlers' chance of development into account and give resettlers full benefits in the implementation of the project activity and during the construction of services and facilities.

(2) All resettlers get compensated against lost assets or get compensation in the forms of assistance of the same value. Those without legal rights to lost assets will not be exempt from the entitlement.

(3) In case of land acquisition, preference is given to land-based resettlement on public land. If land only accounts for a small proportion of resettlers' income, options of cash compensation or employment opportunities may be offered at the consent of the resettlers.

(4) Replacement houses, housing sites, business venues, sites for agricultural production, as a result of land acquisition, should be at least equivalent to the advantages of the land taken.

(5) The borrower is responsible for providing all costs incurred from land acquisition and resettlement and meet the needs, in real terms, of the resettlement and rehabilitation.

(6) The resettlement plan should contain appropriate organizational arrangements to ensure timely and effective design, planning and implementation of resettlement and rehabilitation measures. The resettlers are encouraged to participate in the planning and implementation of resettlement plan, consulted on their opinions and suggestions about the compensation standards and resettlement measures. Resettlement policies, compensation standards and resettlement measures shall be released in a timely manner.

(7) Effective internal and external monitoring will be arranged to monitor the implementation of resettlement measures. Related agencies in charge of resettlement should intensify coordination and cooperation. Training of resettlement agencies and staff at all levels and

will be intensified.

(8) High attention will be given to the complaints and grievances of the resettlers and improving legal aid system in the local level to solve their problems caused by land acquisition and relocation. Negotiations are preferred as a methods of resolving disagreements on compensation standards. If no agreements are reached, arbitration or law suits may be resorted to. In addition, it can also be solved by petitioning to the government through NGOs (such as Mass Autonomous Organizations, intermediary agencies, trade associations, and the people's organization, etc.), or by education, communication, guidance, and psychological counseling, etc.

(9) Any major changes that happened during resettlement implementation should be reported to the World Bank prior to changes, including the changes in demolition compensation standards, change in location and size of land acquisition and newly added subprojects.

(10) The following principles should be observed: no expansion of the size of construction (that is, without causing the increase of land occupation or acquisition), no change of construction sites (that is, without causing newly acquired land) and no opening of new construction passages (that is, without causing temporary occupation of land).

(11) Proper care should be given to the disadvantaged groups to help them with selecting resettlement houses and relocation.

(12) Measures will be taken to facilitate women participation, preferential training and employment. If heads of the affected house are women, special assistance will be provided in addition to standard compensations.

3. Legal and Policy Framework for Resettlement

3.1 Main Legal and Policy Grounds for Resettlement

The objective of RPF is to ensure that the planning and implementation of resettlement is in compliance with World Bank Operational Policy OP4.12. In the meantime, all land acquisitions and resettlement activities in this project will be in line with the laws and regulations at national level and of Shaanxi Province, Baoji City, Xianyang City, Weinan City, Yulin City and Yan'an City. Details of policy framework are shown in table 3.

Table 3. Policy Framework for Project Resettlement

Level	Policy Documents	Effective Date
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Level	Policy Documents	Effective Date
State Council and Ministries	The Enforcement Regulations of Land Administration Law of the People's Republic of China (2011 Revision) (Decree of the State Council No.588)	January 1st, 1999
	Measures for Announcement of Land Expropriation (Decree of Land and Resources Ministry No.10)	January 1st, 2002
	The Land Administration Law of the People's Republic of China	August 28th, 2004
	Decision of the State Council on Deepening the Reform and Enhancing the Land Management (State Council, 2004, No. 28)	October 21, 2004
	Guiding Opinions on Improving Compensation System for Land Acquisition (Ministry of Land and Resources, 2004, No. 238)	November 3, 2004
	Notice on Formulating Standard Annual Production Value and Area Comprehensive Land Price for Land Expropriation (Ministry of Land and Resources, 2005, No. 114)	July 23rd, 2005
	Notice on Intensifying Land Regulation (State Council, 2006, No. 31)	August 31st, 2006
	Notice on Forwarding Guiding Opinions of the Ministry of Labor and Social Security on Effectively Ensuring the Job Training and Social Security of Farmers with Land Expropriated (State Council, 2006, No.29)	April 10th, 2006
	Property Law of the People's Republic of China	October 1st, 2007
	Notice on Improving the Management of Land for Protected Agriculture (Ministry of Land and Resources, 2010, No. 155)	Sept. 30th, 2010
Regulation on the Expropriation of and Compensation for Buildings on State-owned Land	Jan. 21st, 2013	

Level	Policy Documents	Effective Date
	(Decree of the State Council, No. 590)	
	Notice on Issuing the Measures for the Expropriation and Evaluation of Housing on the State-owned Land (Ministry of Housing and Urban-Rural Development, 2013, No.77)	June 7th, 2013
	Notice on Further Supporting the Healthy Development of Facility Agriculture(Ministry of Land and Resources, 2014, No. 127)	Sept. 29th, 2014
	Notice on Intensifying the Rural Land Ownership Rectification (Ministry of Land and Resources, 2012, No. 99)	June 20th, 2012
	Notice on Further Standardizing the Classification of Rural Roads(Ministry of Land and Resources, 2013, No. 581)	June 27th, 2013
Shanaix Provincial Laws and Regulations	Measures of Shaanxi for the Sales and Transference of State-Owned Land Use Rights	June 27th, 1994
	Detailed Rules for Implementation of “Regulation for Basic Farmland Protection” of Shaanxi	April 4th, 1996
	Measures of Shaanxi for Implementation of “Land Administration Laws of the People’s Republic of China” (2010 Revision)	March 26th, 2010
	Measures of Shaanxi for Acquisition of Land for Construction Purpose	March 1st, 2002
	Opinions on Implementing Evaluation of Social Stability Risks Caused by Land Acquisition	July 1st, 2010
	Notice on Average Standards of Annual Production Value and Area Comprehensive Land Price for Land Expropriation(Shaanxi Provincial Government, 2010, 36)	April 30th, 2010

Level	Policy Documents	Effective Date
Local governments	Compensation Standards for Land Expropriation of Cities Based on Comprehensive Land Price	
World Bank	Operational Policy OP4.12 Involuntary Resettlement and Annex	Jan. 1st, 2002
	Business Procedures BP4.12 Involuntary Resettlement and Annex	Jan. 1st, 2002

The above laws, regulations and policy documents constitute the legal basis and policy framework for resettlement.

3.2 Legal and Policy Framework relevant to Resettlement

3.2.1 Key rules in *Notice on Further Supporting the Healthy Development of Protected Agriculture*:

1. Proper Definition of Land for Protected Agriculture

(1) Further clarification of land for productive facility. Land for productive facility refers to the land for facilities directly used for agro-production in the project area, which includes:

- (i) Land for glass or PC board steel-frame structure multi-span greenhouses for factory crop farming;
- (ii) Land for productive facilities like animal and poultry pens (including passages within) in large scale farming, organic matter handling facilities and greenbelts;
- (iii) Land for aquaculture pond, factory-like aquaculture ponds and drainage systems;
- (iv) Land for breeding and seedling conservatory and production watch houses (single floor, less than 15 m²).

(2) Proper clarification of land for ancillary facilities. Land for ancillary facilities refers to land for facilities assisting production of Protected Agriculture, which includes:

- (i) Land for technological facilities for inspection and quarantine, prevention and control of animal and plants epidemics necessary for Protected Agriculture;

- (ii) Land for environmental protection facilities for collection, storage and treatment of livestock excrements or waste water as well as organic fertilizer production facilities necessary for Protected Agriculture;
- (iii) Land for temporary storage, sorting and packaging of equipment, raw materials and agro products necessary for facility agricultural production, as well as roads within the production site as in line with rules for rural land.

(3) Strict Definition of Land for Supporting Facilities. This type of land is those for facilities necessary for supporting the large-scale production of grains by professional farmers with large farmlands, family farms, farmer cooperatives and agro businesses. It includes open space for drying grains, venues for grain drying facilities, space for temporary storage of grain and agricultural materials and large agricultural equipment.

The above rules must be strictly observed. Expanding land for Protected Agriculture without approval is prohibited. The following purposes for land use is subject to the rules and regulations about land for construction purposes: space for grain storage, processing and agricultural machines and materials storage and maintenance for commercial use; agriculture-based leisure sites, all kinds of countryside mansions, chateaus and farmer catering facilities; and permanent land use for catering, lodging, conference, parking, agro products processing and exhibition in all types of agricultural parks.

2. Supporting the Land Use for Protected Agriculture Development

(1) Land for Protected Agriculture is managed as agricultural land. As land for productive facilities, ancillary facilities and supporting facilities are directly used or serve agricultural production, they fall under the category of agricultural land and are managed as such without the need of obtaining approval for land purpose shifting. Upon finishing of production, the operator should rehabilitate the land according to related rules. Occupied cultivated land should be rehabilitated into cultivated land.

When land for Protected Agriculture is occupied for non-agricultural construction, approval procedures should be gone through to shift the purpose of land use. In case that cultivated land is taken for non-agricultural construction, the constructor should pay for the loss caused according to related laws.

(2) Appropriate control of land use for ancillary facilities and supporting facilities. For factory crop farming, ancillary facilities, in principle, should take up no more than 5% of total project land area with no more than 10 Mu in size; For large scale livestock and poultry farming, ancillary facilities should, in principle, take up no more than 7% of total project land area (Land size for ancillary facilities for large scale farming of cows and sheep, in principle, should be no more than 10% of total project land size) with no more than 15 Mu in size; For

aquaculture farming, ancillary facilities should, in principle, take up no more than 7% of total project land area with no larger than 10 Mu in size.

The size of land for supporting facilities should be appropriately determined for large-scale grain production. In case of large scale grain production, for 500 Mu of planting area or less in Southern China and 1,000 Mu of Planting area or less in Northern China, land for supporting facilities should take up no more than 3 Mu. For larger planting area, the land for supporting facilities may be increased, but to 10 Mu at maximum.

3. Regulation of Land Use for Protected Agriculture

(1) Signing of land use agreements. Prior to land use, the operator should draft a plan for facility construction, including the following contents: project name, construction site, facility type and purpose, quantity, specifications and land area, etc. The operator should also negotiate with town governments and rural collective economy organizations on such land use terms as duration, purpose, requirements for rehabilitation and time frame, land returning and liabilities for breach of contracts. Upon reaching agreement, construction plans and land use terms should be displayed in the forms of making public administrative affairs of towns and villages for no less than 10 days. If there is no objection after the end of information display, agreements for land use should be signed among township governments, rural collective economic organizations and Protected Agriculture operators.

In cases involving the transference of land use rights, the operator should first obtain the consent of the contracting farmer by signing transference contracts with them.

(2) Registration of land use agreement. After the signing of land use agreements, the township governments shall submit the agreement and facility construction plan to county-level land and resources authority and agricultural administration agencies for registration. Construction shall not be commenced, if it's not in line with rules relating to land use for Protected Agriculture.

County-level land and resources authority and agricultural authority should verify the information based on their respective responsibility. Any of the following situations shall be corrected under the supervision of township governments after County-level land and resources authority and agricultural authority notifying within 15 working days township governments, rural collective economy organizations and Protected Agriculture operators: Site selection is improper; Land for ancillary and supporting facilities exceeds specified land area; Content about land rehabilitation is missing in the agreement; Land use for non-agricultural construction is registered as for Protected Agriculture; The establishment of project is not in line with local agricultural development plan; Construction is not in compliance with the requirements for Protected Agriculture operation or large-scale grain production; The construction of ancillary and supporting facilities is not up to the related technological standards; The transference of land use right is not in line

with related rules.

4. Intensifying the Service and Supervision of Land for Protected Agriculture

(1) Releasing policies and rules concerning the construction and management of land for Protected Agriculture. Through government or agency websites or other methods, land and resource authority should make public rules and requirements about classification and size specifications of land for Protected Agriculture, general planning of related land use, protection of basic farmlands, land rehabilitation, signing of land use agreements and land registration; Agricultural authority should make public industrial development policies and planning, types of facility and construction standards, agricultural environment protection, epidemics prevention and control so that Protected Agriculture operators can check and learn about relevant policies and regulations. In the process of constructing Protected Agriculture, land and resources authority and agricultural authority should offer their service and guidance to tackle problems in a timely fashion so as to promote the healthy development of Protected Agriculture.

(2) Intensifying the supervision of land for Protected Agriculture. County-level land and resources authority and agricultural authority as well as town government shall work together to intensify supervision through institutionalization and include land for Protected Agriculture into their daily administration to develop an interlocking work mechanism. City and county level land and resources authority should follow closely the implementation of land use for Protected Agriculture including the use and rehabilitation of land, and carry out the survey of land use change and account books management. County-level agricultural authority should step up the supervision of construction and operation of Protected Agriculture and carry out management and service for land transference. Township government shall be responsible for supervising the construction of agricultural facilities by the operator, implementing land rehabilitation and ensure changes to land contracting documents are made by rural collective organizations.

Provincial land and resources authority and agricultural authority should document information on land for Protected Agriculture to have a bigger picture of the situation and trend of Protected Agriculture and land use so as to conduct land change survey and verification of land for Protected Agriculture in a timely and accurate manner. Inspections should be made periodically. Potential problems should be identified and solved in a timely fashion and reported to Ministry of Land and Resources and Ministry of Agriculture.

(3) Intensifying enforcement of law relating to land for Protected Agriculture. Operators engaged in Protected Agriculture and large-scale grain production shall use the land in line with the agreement to make sure the agricultural purpose of the land. Use of land for Protected Agriculture should not be altered. Using land for Protected Agriculture, for other non-agricultural construction purposes without permission or in disguised form is forbidden. The area of land should not exceed the size as specified. Increasing land for facility without

permission or through multiple applications is prohibited. The purpose of facility used for directly serving agricultural production should not be changed. Using the facility for other business operation without permission is forbidden.

County-level land and resources authority and agricultural authority shall step up daily law enforcement inspection based on their respective responsibility. Facility construction and land use against related regulations shall be discovered, curbed, reported, investigated and punished as early as possible. Severe punishment shall be imposed according to laws and regulations on using land for Protected Agriculture for non-agricultural construction without permission or in disguised forms. Increasing land area for ancillary facility without permission or through multiple applications is forbidden. Changing the purpose of agricultural production facility for business should be stopped and corrected within a certain time period and related people should be held accountable.

3.2.2 Related Rules from *Regulations for Implementation of Land Administration Law of the People's Republic of China (2011 Revision)*

Article 23 Where land use is required for specific construction projects, state-owned land for construction purpose within the urban area covered by the overall plan for land utilization must be applied for. In case that the land needed for energy, transport, water, mine and military projects is outside the scope of urban land for construction delineated in the overall planning of land use, the following rules must be abided by for using agricultural land:

- (1) In conducting the feasibility study of construction projects, land administration departments shall file a preliminary review of the construction project based on its examination of the project land use. The feasibility study must be submitted together with the review report on the land use made by land administration departments.
- (2) The construction unit applies for land use with approval documents of the construction project to municipal and county level land administration departments which shall make reviews and draft plan for conversion of agricultural land, plan for compensation of cultivated land, plan for land acquisition and plan for land supply (There is no need for plan of acquisition for state-owned agricultural land.) which shall be reviewed and approved by municipal and county governments and submitted for final approval to higher level government agencies with approval authority. Plan for compensation of cultivated land shall be approved by the government together with plan for conversion of agricultural land. Plan for supply of land shall be approved by the government together with plan for land acquisition (Where agricultural land is involved, plan for supply of land shall be approved by the government together with plan for conversion of agricultural land).
- (3) After being approved, plan for conversion of agricultural land, plan for compensation of cultivated land, plan for land acquisition and plan for

land supply shall be implemented by municipal and county governments who issue construction land approval certificates to construction units. For compensated use of state-owned land, contract shall be signed between land administration departments at municipal or county level and land users. Where state-owned land is allocated for use, land allocation certificates shall be issued to land users by land administration departments at municipal or county level.

(4) Land users shall apply for land registration according to laws.

For construction projects that need land outside the scope of urban construction land delineated in overall plan for land use, where unused collective-owned land is involved, only plan for land acquisition and supply are required to be approved.

Article 25 Upon approval, plan for land acquisition shall be implemented by the local municipal and county governments. Approval authority, approval document number, purpose, scope, area and compensation standards of acquisitioned land, resettlement measures of population engaged in agriculture and the time frame for compensation shall be announced and made public in the town and villages where land is acquisitioned.

Units and individuals that own or have the right to using the land to be acquired shall, within the time frame fixed in the announcement, register for compensation with the land administration departments of the local people's government by presenting their certificates of land ownership or land-use rights.

Land authorities at municipal and county level shall, based on approved plan for land acquisition, draft plans for compensation and resettlement together with related agencies and have the plans announced and made public in the towns and villages where land acquisition takes place and hear the opinions of rural collective organizations and farmers whose land is acquired. Land authorities at municipal and county level shall have the approved plans for compensation and resettlement implemented. Disagreements about compensation standards shall be mediated by county level government or above. If the mediation fails, it shall be arbitrated by the government that grants approval to land acquisition. Disagreements about compensation and resettlement have no impact on the implementation of land acquisition plan.

The compensations and charges for land acquisition shall be fully disbursed within three months of approval of plans for land acquisition and resettlement.

Article 26 Compensations for land shall go to rural collective economic organizations. Compensations for ground attachments and young crops shall go to the owner.

3.2.3 Key rules from *Notice of the General Office of Land and Resources Ministry on Further Standardizing the Classification of Land for Rural Roads*

I. Rural Roads refer to roads outside the national road network, built mainly to

connect village and farmlands (including farm tracks) for serving agricultural production in rural areas and in line with the definitions of roads specified in *Classification of Current Land Use* (GB/T21010—2007). Public roads (interchanges included) within towns and villages and road for line trees are not rural roads.

II. The width of rural roads shall not exceed 6.0 meters, or the subgrade shall be no wider than 6.6 meters. One-way roads and rural roads with width or subgrade width exceeding the upper limit after expansion shall not be classified as rural roads and shall be managed as land for construction and necessary procedures shall be gone through according to related rules. Width of rural roads within large machine work area can be determined based on *Construction Standards for High-Standards Basic Farmlands* (TD/T 1033—2012).

3.2.4 Key Rules from *Notice on Intensifying Administration of Rectification of Rural Land Ownership*

iv. Straightening the procedures for rural land ownership rectification administration. Where ownership adjustment is involved in rural land rectification, Local land and resources administration department shall organize all project applicants to implement the adjustment of rural land title by following steps below based on the project progress:

(a) In the stage of project feasibility study or application, status and title of land for rectification shall be identified, wish of the land title holder shall be learned and preliminary intentions for adjustment shall be collected and analyzed as the basis for adjustment application.

(b) In the stage of project planning and design, plan for land title adjustment shall be drafted and agreement be signed, combining the project design plan.

(c) In project implementation, any changes to land use other than land rectification are prohibited. Where there is need to alter the plan for land title adjustment, supplementary agreements shall be signed.

(d) Upon completing the project and in the stage of acceptance, land title adjustment plan shall be implemented and new land titles shall be surveyed and demarcated to form maps and signed for confirmation by land title holder, based on which land title rectification report shall be prepared.

Where land title adjustment is not involved in rural land rectification, explanatory document shall be submitted for project application and written documents provided by rural collective economic organizations of the project area shall be enclosed to simplify the procedures.

3.2.5 Details for Implementation of *Regulations for Protection of Basic Farmlands of Shaanxi*

Article 11 Once the basic farmland protection area is delimited, no units or individuals shall make changes or occupy without permission. Major national energy, transport and water projects that are unable to make a detour and have to occupy cultivated land within the basic farmland protection area shall obtain from county level land administration department and fill out “Application Form for Permission for Occupying Basic Farmlands” and apply for permission to provincial level land administration department after gaining approval of county level agriculture administration agency. The following documents shall be held by applicant for the permission:

- (1) Approval documents for construction projects;
- (2) Application form for construction land or application form for land use appointment;
- (3) Agreement about Prepayment of land reclamation expenses for occupation of basic farmlands.

Article 12 Provincial level land administration department shall propose and submit suggestions to provincial government after consulting provincial level agriculture administration department within 15 days of accepting the application. After being approved by provincial government, Permission for Occupying Basic Farmlands shall be issued by provincial level land administration departments.

It is only after obtaining Permission for Occupying Basic Farmlands, shall construction unit go through approval procedures according to procedures for construction land approval specified in *Measures for Implementation of Land Management of Shaanxi*.

Article 13 Units that acquisition and occupy basic farmland within protection area for non-agricultural construction shall pay land reclamation fees to county level land administration departments apart from paying taxes according to related laws and regulations. Standards for land reclamation are as follows:

80%-100% of land compensation and resettlement subsidy for first-degree basic farmlands, 60%-80% of land compensation and resettlement subsidy for second degree basic farmlands.

Considering the difference between domestic resettlement policy and OP4.12 of the World Bank, PMOs will adopt the good practice and policies of the World on the basis of domestic laws in the resettlement phase. The following table describes the policy differences between China and the World Bank as well as the guidance on policy implementation.

Table 4 Differences between Chinese and World Bank Policies

	Chinese Policies	World Bank	Policies to be
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		Policies	Adopted
Objectives	Make sure project be completed effectively according to schedule to ensure stability and harmony among all levels of society.	Try as much as possible to avoid or reduce involuntary resettlement to make sure that the living standards of people impacted by the project are not lower than before.	World Bank policy
Ways of Compensation	Land acquisition is usually compensated with money, supplemented with employment aid and social security support. The following resettlement policies are applied to rural households impacted by land acquisition: 1. Cash compensation, 2 land for building houses on their own. The project owner will provide land for rebuilding houses for impacted families and make sure that the land provided is even with necessary construction facilities. 3. Resettlement	Where there is land acquisition, land replacement should be provided to the impacted population whose living mostly depending on the land. The impacted people are entitled to choose the way of compensation, including cash compensation, house replacement, or land for building houses on their own. The project will provide impacted households with even land and necessary building facilities. The location of resettlement should be chosen freely by	World Bank policy

	housing. When resettlement housing is chosen as the compensation method, the location and type of resettlement houses are decided.	the relocated people.	
Calculation of Compensation	Compensation prices should be decided according to the market prices of houses of the same type and nature in the same region.	Compensation is calculated according to estimated resettlement cost without taking into consideration of discounted prices.	The impacted people can choose house replacement. If the impacted people choose cash compensation, it should be calculated according to the prices of new houses on the market. The total compensation money should include market prices and all the transaction costs that supports replacement cost.
Compensation for Illegal Building	There is no compensation for illegal buildings	There is compensation for illegal buildings	The impacted houses occupied before the deadline are entitled to full compensation.

Public Participation	The public participation system is incomplete. The public can only participate in parts of the project implementation.	A complete and mature public participation process should run through the whole process of impact evaluation, compensation method decision, land acquisition and resettlement.	Extensive public consultation should be conducted to make sure the impacted households participate in the impact evaluation, identification of planning options and the implementation of resettlement.
Monitoring Arrangement	Internal management mechanism in the monitoring process carried out by project owners and resettlement implementation institutions.	Internal monitoring including internal management mechanism in the monitoring process carried out by project owners and resettlement implementation institutions, and external monitoring carried out by an independent third party.	Set up internal and external monitoring institutions as required by the World Bank.
Complaint Mechanism	Set up special institution to take care of public complaints.	The public may file complaints through a number of channels, including community, administrative districts, project	Set up complaint mechanism as required by the World Bank

		owners, external monitoring institutions, etc.	
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3.3 Resettlement Policy for this Project

Resettlement policy to be implemented for this project is formulated based on related laws and regulations of the PRC, Shaanxi Provincial Government, Baoji, Xianyang, Weinan, Yan'an and Yulin City as well as resettlement policies of the World Bank. The following methods of compensation and resettlement shall be adopted for people impacted by this project:

Table 5. Entitlements for Compensation and Resettlement for All Types of Impacted People

Type of Impact	Impacted People	Type of Compensation	Resettlement Method
Permanent acquisition	Villagers with land use rights in impacted villages	Land compensation, resettlement subsidy and compensation for young crops on cultivated land	Land adjustment within village, skill training, employment facilitation and support, measures for safeguarding social security for farmers whose land is acquired
	Individuals who rent the cultivated land on a temporary basis	Compensation for young crops	Assistance in renting other farmers' land
House demolishing and reconstruction	Owner of impacted buildings on rural collective land	New house sites, cash compensation of full replacement of impacted buildings, subsidy for relocation, compensation for temporary relocation during transition	New land plot for housing with acceptable size and connectivity

Type of Impact	Impacted People	Type of Compensation	Resettlement Method
	owner of impacted buildings on state-owned land	Cash compensation based on market valuation, provision of relocation houses options, subsidy for relocation, compensation for temporary transitional relocation	Relocation house of equivalent size, location and quality and accepted by resettlers.
	House Tenants	Negotiation with house owners about compensation for loss caused by termination of lease	Assistance in seeking other houses for rent
Loss of non-residential structures	Business operators and its staff that have to move	1) new land for operation or cash compensation based on replacement cost; 2) cash compensation for loss of structures for operational purpose; 3) transitional support for loss of revenue (including staff remuneration); 4) subsidy for moving	new lots for operation that are acceptable in terms of size, location and conditions for operation
Loss of attachments and other assets	Owner of attachments and other assets	Cash compensation based on replacement cost	
Direct losses of all types	Vulnerable groups, such as poverished population, the old, the handicapped and family with women heads		Offer additional support, including employment rights, education and training, social security, etc. to make sure that their income levels and living standards can be restored or improved.

i. Compensation for Permanent Acquisition of Land

According to *Land Administration Law of the People's Republic of China*, *Guiding Opinions about Improving the Mechanism of Compensation and Resettlement for Acquired Land*, World Bank Involuntary Resettlement Operational Policy OP 4.12 and *Unification of Average Standards for Annual Output Value and Area Comprehensive Land Price* (New Compensation Standards for Land acquisition), new compensation standards for land Acquired consist

of two parts: compensation for land and relocation subsidy, excluding compensation for young crops, above-ground attachments and social security fees. For average standard rates, see table 5. Based on the actual local situations, compensation standards may be adjusted accordingly and regional compensation standards may be made. Where initial compensation standards are higher than new ones, initial compensation rates shall be implemented. Taking the advantage of new standards to lower compensation rates is prohibited. In the case of acquisition of land collectively owned by villages, land compensation, resettlement allowances, compensation for ground attachment and young crops should be paid in full amount according to the law, social security fees for the impacted farmers should be arranged to guarantee the life and legal rights of the impacted farmers.

Table 6. Average Compensation Standards based on Annual Mean Output Value of Land in Project County (City and District)

City	County(or District)	Annual Mean Output Value at County Level (CNY/Mu)	Average Multiplier for Compensation	Average Compensation (CNY/Mu)
Baoji City	Linyou County	778	22	17119
	Longxian County	1197	22	26337
	Average	1188	24.5	29083
Xianyang City	Changwu County	1107	20	22147
	Average	1382	22.8	31484
Weinan City	Heyang County	1423	20	28460
	Fuping County	1412	22	31063
	Baishui County	1137	21	23883
	Average	1482	21.5	31855
Yulin City	Dingbian City	1077	21	22617
	Mizhi City	1012	20	20240
	Average	1046	21.5	22451
Yan'an City	Yichuan County	1222	28	34207

	Yanchuan County	1189	27	32107
	Yanchang County	1264	28	35392
	Average	1439	23.7	34179
Across the Province	Average	1219	24.1	29338

Note: Annual output compensation standard is the weight average with its weight being land area.

Standards for Land Compensation

Land acquired shall be compensated with 16-18 times of average annual output value of land of the same kind over the past three years prior to acquisition.

Standards for Resettlement Subsidy

Land acquired shall be subsidized with 4-6 times of average annual output value of land of the same kind over the past three years prior to acquisition.

Compensation Standards for Young Crops and other ground attachments

(1) Crops will be compensated with one time of mean annual output value over the past three years. Crop seeds will be compensated with 60% of cost.

(2) Young trees in timber forests will be compensated with 2 times the cost of planting. Middle-aged forests will be compensated with 40%-60% of value of mature timber per Mu. Mature timbers will be compensated with 30% of value of timber per Mu;

(3) Fruit trees and other cash woods will be compensated with two times of costs for those without yield, four to seven times of costs for those productive ones based on its growing cycle and the tree vigor;

(4) Trees for special purposes and defense will be compensated four to seven times of same type of timbers;

(5) Crops and other plants grown after announcement of land acquisition will not be compensated;

(6) Other above-ground fixtures such as pig pens, wells, walls and cemeteries will be compensated in the form of replacement costs;

(7) Impacted infrastructure, such as electrical cables, radio cables,

telecom cables, transformers, underground cables and water channels will be compensated in the form of replacement costs.

ii. Principles for Resettlement as a Result of Land Acquisition

- (1) For farmers who lose most of land as a result of land acquisition and whose life is mainly reliant on land may have their household registration converted from rural to urban on a voluntary basis, included into urban social insurance system and given jobs in township businesses by township government. They are also entitled to minimum life allowance in accordance with related regulations. These farmers may also create township companies or agro products processing company according to local industrial structure. They may also be employed in the service industry, such as catering, trading, maintenance, transport, production service(eg. supply of agricultural materials) and daily life services(barbering, house service and house moving etc). For villages and towns with land, land with equivalent area and fertility may be allocated to displaced farmers based on their willingness and assist them in restoring production, adjusting planting structure and improve land production value, thus finally improving life standards.
- (2) For farmers who lose most of land as a result of land acquisition and for whom land is not a major source of income may also have their household registration converted from rural to urban on a voluntary basis and offered job opportunities in township companies by township government. They may also be employed in the tertiary industry, such as catering, trading, maintenance, transport and service. For those who wish to work away from home, job training, agricultural technology training and information on labor supply and demand will be provided based on actual needs.
- (3) For villagers who lose a small part of land to land requisition, assistance will be provided for industrial restructuring based on the construction of socialist new rural area and the development of “One product for one Village” project. Structure of plants and varieties will be adjusted based on market demand and supply and local planning and a flagship product will be determined to promote industrialized operation step by step and according to plan. Life standards of villages will be improved by expanding and strengthening “One product for one village” project.
- (4) Vulnerable groups involved in the project, including the old, the handicapped and family with women heads shall be identified and verified in the census. All terms of compensation and resettlement for all impacted people apply to this category of people. In addition, the vulnerable groups shall be entitled to additional

assistance to ensure that their income and life shall be restored or improved through the implementation of the project.

- (5) Labor forces impacted by the project shall be properly settled.

iii. Relocation of Displaced Residents or Villagers

House demolition is not involved in this project. In case house demolition is not able to be avoided, an option shall be chosen between cash compensation and property right exchange based on the impacted people's willingness.

(1)Cash Compensation

Compensation is made on the basis of replacement cost. Based on opinions collected from surveys and the real situations, cash compensation is largely adopted in this project.

(2)Property Rights Exchange

In case that the resettlers do not opt for cash compensation, Property rights exchange may be carried out instead. It's settled by offsetting the market value with the replacement cost of demolished houses. See relevant laws for details.

iv. Relocation of shop owners, businesses, public institutions and government agencies

Relocation of shop owners, businesses, public institutions and government agencies is not involved in this project. In case they are unavoidable, the following principles shall be observed.

First, a comprehensive technological and economic analysis of the resettlement plan of all businesses to be relocated shall be made. For impacted businesses, preference shall be given to alteration, reconstruction, and restoration of production and operation on the original spot. For those whose operation scale can not be restored on the original spot, business shall be reconstructed on a different spot. Preference shall be given to demolition and reconstruction by business operators themselves to avoid loss caused by production and business suspension. The project office together with planning departments shall provide appropriate sites selection or industrial parks in the vicinity for business relocation. Relocation sites shall be determined based on negotiations between impacted businesses and project resettlement offices and in line with local overall planning. For industrial producers whose facilities and structures have to be demolished, reconstruction and restoration shall begin prior to demolition. For malls and stores to be demolished, local government may allocate resettlement land or offer compensation for transition. When the project is completed, reconstruction may be done on the original site or in the vicinity.

4. Preparation and Approval of Resettlement Plan

4.1 Preparation

The project is under the administration of Development and Reform Commission, Finance Department, Housing and Urban Construction Department, Poverty Alleviation and Development Office of Shaanxi Province in the form of joint conference. Shaanxi Provincial Poverty Alleviation and Development Office, PPMO is the agency in charge of project implementation. If necessary, the borrower will make coordination through project management agency (PPMO for loans from World Bank) to make sure effective resettlement action plan is made and implemented. The resettlement plan shall be combined with the construction, social and economic development and environmental protection of cities, districts and counties of Shaanxi to accommodate the sustainability of local economy and development of impacted people. A viable resettlement action plan shall be prepared according to local natural and social and economic conditions to effectively rehabilitate the production and life of impacted people and ensure their capacity for sustainable development.

Estimation about transitional period shall be made based on the time required for restoration of livelihood and life standards and efforts shall be made to ensure assistance to impacted people during the transitional period. Project offices at all levels shall, through detailed census of impact, determine the area of land to be acquired, displaced and impacted population in specific projects as well as population eligible for assistance to prevent the inflow of those not eligible. The scope and severity of negative impact in impacted areas shall be determined through economic and social surveys. When over 200 people are impacted, a complete resettlement action plan(RAP) shall be prepared. When minor impact is caused to the impacted group or less than 200 people are impacted, an abbreviated RAP shall be prepared. Impact is considered minor when there is no need for impacted people to move and less than 10% of productive materials loss is caused.

4.2 Content of Resettlement Plan

Resettlement action plan, if needed, shall be prepared based on the policy principles, plans and implementation arrangements contained in this RPF. RAP shall be made based on exact data of impact survey and economic and social survey data. Measures for mitigating all kinds of negative impact caused by resettlement shall be made (e.g. compensation for assets, assistance for transitional period, assistance for economic restoration). In order to ensure that there will no relocation or limitation of access to resources or assets prior to the implementation of necessary resettlement measures, the implementation of resettlement activities shall be linked to all phases of project construction. Based on the category of negative impact, a full RAP shall give special attention to the following:

- (1) Description of activities causing land acquisition;

- (2) Scope and extent of potential negative impacts;
- (3) Data of economic and social survey and impact survey;
- (4) A review of laws and regulations relating to land acquisition and resettlement;
- (5) Detailed Compensation standards for impacted assets of all types;
- (6) Other necessary measures to provide resettlers opportunities for economic restoration;
- (7) Standards for compensation and other forms of assistance;
- (8) Resettlement arrangements, including assistance measures during transitional period if necessary;
- (9) Selection and preparation of resettlement sites when necessary;
- (10) Restoration or replacement of community infrastructure and services;
- (11) Institutional arrangements as necessary for implementation;
- (12) Arrangements for negotiations and information disclosure;
- (13) Timetable for resettlement implementation;
- (14) Cost and budgets;
- (15) Arrangements for monitoring and evaluation;
- (16) Procedures for grievance handling;
- (17) Table of rights and interests.

When an abbreviated RAP is needed, policy principles, plans and implementation arrangements contained in this RPF shall also be followed. The following content shall be included:

- (1) Detailed survey of impacted population and evaluation of impacted assets;
- (2) Description of compensations and other resettlement assistance or measures to be offered;
- (3) Proper compensation standards;
- (4) Arrangements for negotiations and information disclosure;

- (5) Institutional arrangements;
- (6) Progress chart and implementation and budget;
- (7) Arrangements for monitoring and evaluation;
- (8) Procedures for grievance redress;

4.3 Commissioning, preparation and approval of resettlement plan

Outline of resettlement plan shall be made by the legal person of project, if there is a legal person. If there is no legal person for the project, the outline shall be made by project administration agency together with the local government at county or above level of the area to be resettled and resettlement area. Contracts of construction resulting in relocation shall be signed only after the RAP prepared in line with this framework is reviewed and approved by the World Bank.

In reality, accredited design agencies are commissioned to make outline of resettlement plan by the legal person or administration department of the project.

When drafting outline for resettlement plan, the legal person of the project shall fully listens to the opinions of the local governments at county or above level of both the impacted areas and resettlement areas, which shall be annexed to the resettlement plan. The impacted areas and resettlement areas at county or above level shall provide support for drafting the outline of resettlement plans in an active way.

5. Institutional Framework

Institutional Framework refers to the institutions responsible for preparing, implementing and monitoring the land acquisition, resettlement plan and their duties. Only sound and effective institutional framework is able to ensure the good implementation of the land acquisition and resettlement plan, thus the proper resettlement of impacted persons.

5.1 Implementing agencies and their responsibilities

If land acquisition and demolition is involved in this project, the following agencies will be involved in land implementation and resettlement, as shown in the diagram.

(1) County-level Land and Resources Bureau, which will be responsible for land acquisition. Its responsibilities include: assisting in conducting and announcing physical quantity census survey of the area involved in road construction, issue of land acquisition announcement, signing of land acquisition agreements with impacted communities and farmers, disbursement of compensation, completion of land acquisition procedures and turning it over to road construction agency

which shall commence construction after land is turned over.

(2) Poverty alleviation office at city or county level (county PMO) involved in land acquisition shall fully conduct land acquisition and resettlement. The office's duties include carry out census survey of physical inventory and social and economic survey, announce survey data, conducting community consultation and participation, land acquisition and resettlement financing, timely payment of all kinds of charges involved in land acquisition to land and resources departments, assisting poverty alleviation office at provincial level in monitoring the implementation of resettlement plan.

(3) poverty alleviation office at provincial level (provincial PMO) shall have full responsibility of preparing, implementing and monitoring resettlement plan, financing of expenses for land acquisition and resettlement and providing assistance to county level poverty alleviation office in internal monitoring with the participation of county government agencies and communities. In addition, poverty alleviation office at provincial level will also hire independent agencies for external monitoring.

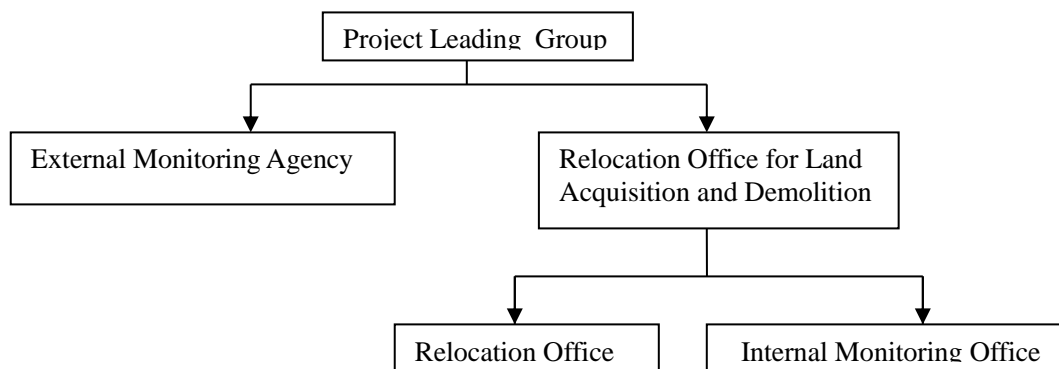


Figure 1. Diagram of Institutional Arrangements

5.2 Institutional Arrangements

To ensure the smooth implementation of resettlement plan (if there is any) in the future, a staff member will be appointed at the provincial, city and county level for coordinating the preparation, implementation and monitoring of resettlement plan:

(1) World Bank Project Office of Provincial Poverty Alleviation Office appoints a person for coordinating the preparation and implementation of plan and monitoring. Project office will also hire an independent agency for external monitoring.

(2) Municipal PMO involved in land acquisition and relocation will also appoint one person to participate and coordinate the preparation and implementation of plan and its monitoring.

(3) PMO of Counties involved in land acquisition will also appoint one person to participate in the preparation and implementation of plan and its monitoring.

Land acquisition will be implemented by county level land and resources bureau (on behalf of government) while township government and village committee shall provide necessary assistance.

6. Fund for Resettlement

Governments and project offices at all levels will be responsible for all work related to land acquisition and resettlement. All expenses incurred during land acquisition and resettlement are included into the overall budget of this project. Since relocation is not involved in the first 12 project areas, the actual situation of relocation has not be identified for the rest 17 project areas, thus budget for resettlement of resettlers is not included in this framework. However, in the stage of project implementation, governments and project offices at all levels shall ensure funds are allocated in full amount and in a timely manner.

6.1 Fund Allocation

Agreement about compensation for land acquisition and resettlement shall be signed between the resettlement office and impact persons based on full consultation and in accordance with related laws and regulations. The compensation shall be directly disbursed to impacted persons within 15 days of signing of the agreement. Agreement about cash compensation shall specify amount of compensation, payment methods, time limit of payment, time limit of moving, liability for breach of contract and terms agreed between parties after negotiation. Where property rights are exchanged, items about house sits, area and structure, etc. shall be clarified. The resettlement action plan shall contain descriptions that compensation shall be paid to impacted people as directly as possible to minimize the intermediary steps of coordination or arbitration.

6.2 Flow of Funds

Resettlement compensation shall be allocated by project management office to resettlement offices at district or county level who disburse the compensation to impacted persons directly based on resettlement agreements. The compensation for land acquisition and resettlement subsidies shall be disbursed to impacted villages by the resettlement implementing agency of the project. Compensation for houses shall be disbursed to house property owners in installments in accordance with house demolition contracts signed. Compensation for infrastructure shall be disbursed directly to property owners by resettlement implementing agencies. See diagram below.

Compensation for lost land and resettlement subsidy shall be disbursed to impacted villages prior to land acquisition. Compensation for house loss shall be disbursed to resettlers prior to demolition in installments.

Resettlement implementing agency shall turn copies of contracts about land acquisition and payment vouchers to project office for registration.

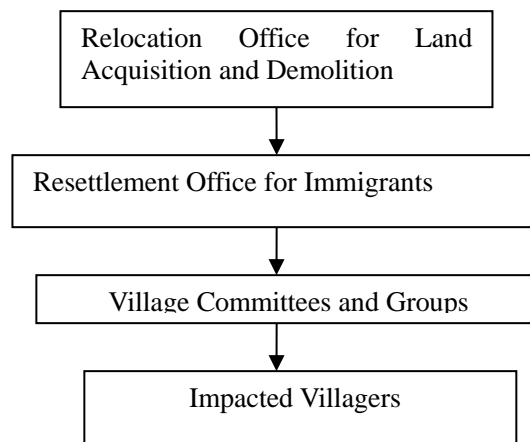


Figure 2. Flow of Fund for Resettlement

7. Public Participation and Information Disclosure

7.1 Public Participation Methods

In order to safeguard the legal rights and interests of resettlers and minimize grievance and disputes, attention is given to participation of and consultation with resettlers and collection of opinions of government agencies, communities and villagers under the RPF of this project on the basis of policies, laws and regulations about land acquisition, displacement and resettlement at national level, of Shaanxi province, Baoji, Xianyang, Yan'an and Yulin city.

When social risk evaluation was being done in the stage of project preparation, the project office and provincial academy of social Sciences had solicited opinions broadly with land and resources department, Foreign Capital Center of Provincial Poverty Alleviation Office and County level Poverty alleviation offices and people's representatives. Public participation is mainly carried out by publicizing the land use status of World Bank projects, work flow of land acquisition and resettlement plans in the forms of posters, boards and mobile publicity car and government announcements to make resettlement policies known to every household. In addition, SA teams also increased their knowledge about land use of project through meetings with villager representatives, visits to farmers' houses and questionnaires and informed villagers of the right to filing complaints and channels for complaints.

7.2 Public Participation Procedures

(1) The physical inventory survey of impacted areas was participated by project office, project areas, cooperatives, groups within villages and villager representatives at all levels.

(2) PPMO organized a policy publicity meetings for all related staff of municipal and county PMOs where detailed explanation of current policies about resettlement at national, provincial and municipal levels and policies of the World Bank was given and requirements for the work are also proposed. County (district) level PMOs also organized policy briefings for all types of impacted people at all levels where policies about land acquisition and resettlement of the World Bank and China were widely disseminated. Meanwhile, their opinions were also heard about mitigating project impact, restoration and compensation for all kinds of impact and broad consultations were also made.

(3) For the purpose of publicity and collecting opinions of impacted people, villages and groups within villages about project construction and resettlement, survey of public participation and opinions about resettlement was conducted in areas impacted by projects in the forms of questionnaires and interviews by resettlement offices and survey design agencies of all subprojects. AS the survey indicates, the surveyed agree that the project is necessary for promoting local economic and social development and are willing to support the construction of the project with actions. Farmers mostly are willing to have their land transferred, acquired, their houses demolished and relocated for the purpose of the project. Therefore, there is a sound public foundation for project construction.

(4) In case relocation of people is unavoidable in following project construction, resettlement office will, as part of resettlement preparation, solicit opinions of local governments at all levels and representative of displaced population on resettlement and compensation polices, including their requests and suggestions on selection of relocation sites, measures for production restoration, house demolition and compensation for land acquisition and house loss. RAP will also be prepared under the assistance of local governments at all levels.

(5) In the stage of project implementation, resettlement agencies at all levels shall encourage the public to participate in production rehabilitation and reconstruction.

(6) In the future, project offices at provincial and local levels shall take the following procedures and methods to encourage public participation and negotiation:

-Disseminating information about resettlement

In order to ensure resettlers and local governments are fully aware of the details of the resettlement plan, compensation and relocation plans of all subprojects, the project resettlement office also plans to collect all kinds of information about resettlement approved by the World Bank and disseminate them in impacted areas via posters, bulletins or radio. The information will also be compiled into booklets and given out to every displaced person. Such information includes: all impacted assets, compensation standards, compensation amount and resettlement polices, rights and interests of resettlers, feedback and channels of

grievance.
-Meetings

Meetings will be arranged prior to implementation of land acquisition and resettlement where related policies, regulations and compensation standards will be explained to the public in depth so that they can get to know as early as possible and make early arrangements accordingly.

-Project details, progress and resettlement policies will be publicized via TV, radio and newspaper.

7.3 Public participation and social interview

SA teams conducted questionnaires and interviews about land use and resettlement of the displaced. In the interviews, it's learnt that land in the project areas are basically typical contiguous destitute mountainous areas with fragile ecology and weak infrastructure. Although farmers in the project area have strong demand and wish about developing industries and improving infrastructure, the rate of land transference is low with most farmers tilling their own land. There is a lack of variety in the operation of land. Demolition is not involved in the first batch of projects where mainly land transference is involved with land for few projects falling under the category of land for non-agricultural facilities that needs to be approved. Survey shows that 81.63% of farmers are willing to have their land transferred or acquired to support project construction. But they are more inclined to participate in project construction in the form of land lease or with land shares. Most farmers are happier about supporting crop growing projects. Upon completion, the projects will lift local people out of poverty in a more effective way: improve local industrial development and infrastructure level; push forward local economic development; improve the production and living conditions of local farmers and farmers in the vicinity; create favorable informational and infrastructural conditions for operating other industries. Meanwhile, related departments made a quite complete mechanism for complaint filing and addressing in order to maintain farmers' rights and social stability. See Table 6 for details of social interviews.

Table 7. Information about Project survey and interview

Project area	Time	Interviewee, questions and methods	Findings of Survey	Surveyor
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Liang quan town of Longxian County	Jan. 20th, 2016- March 3rd, 2016	<p>Major questions: 1. Whether there are challenges about resettlement in project area, how the land problem will be settled</p> <p>2. Compensation standards for resettlement of population in project area</p> <p>3. Approaches to settlement of disputes and issues and mechanism for filing complaints</p> <p>4. release of information about resettlement</p> <p>Interviewees: related departments at county level</p> <p>Methods of survey: individual visits</p>	<p>Land acquisition is not involved in this project area. Construction items in this project are released and publicized at Villager Representative Meetings. Idle land of village cooperatives is rented for plants for processing, warehouses and open air storage space. Land for multi-span greenhouses for chili breeding was taken as shares of the project as specified in written agreements. Compensation standards in the project area are set based on latest standards at provincial, municipal and county level and rate for areas. There is a whole package of procedures for complaint handling.</p>	Feng yuwen
Tingkou of Changle County	Dec. 7-9, 2015	<p>Major questions: 1. whether there are challenges about resettlement in project area, how the land problem will be settled</p> <p>2. farmers' attitudes about project land use and resettlement of impacted people</p> <p>3. approaches to disputes and issues settlement and mechanism for filing complaints</p> <p>Interviewees: 1. project management units, related government agencies</p> <p>2. farmers (women, the youth, the senior and the handicapped)</p> <p>3. village committees (of three administrative villages)</p> <p>4. cooperatives and relevant businesses</p> <p>Methods of survey: meeting+group visits+questionnaires</p>	<p>Resettlement is not involved in this project. Land for cooperative administration, MAP warehouses, sites for sorting and packaging, temporary storage of raw materials are rented collective land for agricultural facility. Production roads and roads within the villages are all expansions from previous roads. Farmers are all very supportive of project construction and are willing to improve income through land shares. Relevant agencies accept farmers complaints and grievance free of charge. Complaints are addressed level by level.</p>	Luo Cheng

<p>Ganjing of Heyang County</p>	<p>Dec. 16th, 2015</p>	<p>Major questions: 1. whether there are challenges about resettlement in project area, how the land problem will be settled 2. farmers' attitudes about project land use and resettlement of impacted people</p> <p>Interviewees: government administrative agencies, village officials and vulnerable groups of six villages in project area of Heyang County, nine specialized planting cooperatives, villager representatives</p> <p>Methods of survey: meetings+group visits+individual visits+questionnaires</p>	<p>Resettlement is not involved in project construction. 100 km² mushroom cold warehouse and land for market developing is cooperative idle land rented from the village. Land for newly grown and upgraded apple orchards are taken as shares of cooperative members as specified in written agreements. Farmers are willing to support project construction in the form of land shares.</p>	<p>Lai Zuolian</p>
<p>Caocun Town of Fuping County</p>	<p>Dec. 16-17, 2015</p>	<p>Questions: 1. whether there are challenges about resettlement in project area, how the land problem will be settled 2. farmers' attitudes about project land use and resettlement of impacted people</p> <p>Interviewees: poverty alleviation office, tourism bureau, women's federation, water facility bureau, agricultural bureau, civil affairs bureau, fruits industry bureau, forestry bureau; village officials and villagers of six villages in the project area of Cancun Town, Fuping County</p> <p>Methods of survey: meetings+group visits+questionnaires</p>	<p>Resettlement is not involved in project construction. Land for cooperatives administrative venues, sites for making, sorting, packaging, and temporary storage of persimmon pies are uncultivated land of village cooperatives rented on a 30-year contract with an annual rental of 5, 333 CNY. Farmers are all very supportive of project construction and are willing to provide support as long as there is reasonable compensation and resettlement plan for land rental, acquisition and demolition.</p>	<p>Lai Zuolian</p>

Leichi of Yanchang County	July, 20-23, 2015	<p>Questions: 1. whether there are challenges about resettlement in project area, how the land problem will be settled 2. farmers' attitudes about project land use and resettlement of impacted people</p> <p>Interviewees: relevant government administrative agencies, 30 farmers of Hujia village, Wacun Village, Zhongcun Village and First community of Leichi Town as well as 15 township and village officials in contiguous poor areas of Heijiabu Town</p> <p>Methods of survey: meetings+group visits+questionnaires</p>	<p>Resettlement is not involved in project construction. Land for Guoxianju cooperatives, cold storage house for apples, pork sales points, pens for good-breed pigs and biogas project construction is cooperative idle land rented from Wapenyaozi village on a 30-year contract with a total rental of 900, 000 CNY. Apple cold storage house, plants for slaughtering, preservation, processing equipments and pork sales points fall under the category of land for non-agricultural construction needing to be approved. Farmers in the cooperatives are highly supportive of project construction and are happy to provide support through land acquisition, house demolition and relocation and land transference.</p>	Wei Wen
Heerchoun of Yichuan County	Jan. 25, 2016	<p>Questions: 1. attitudes of relevant government departments of Longxian County 2. methods of land acquisition and house relocation and approaches to problems</p> <p>Interviewees: Relevant government departments</p> <p>Methods of survey: individual visits</p>	<p>Resettlement is not involved in project construction. Office buildings of Jiyifeng Bee Farming Cooperative and Fuyuan Specialized Animal Farming Cooperative are house sites provide by villagers as shares, demonstration farms of Jiyifeng Bee Farming Cooperative is village cooperative idle land provided as shares with oral agreement reached and written deal to be signed. Land for sheep farms is village cooperative cultivated land rented on signed written agreements. In the meantime, a series of complete complaints handling procedures have been made by county project office.</p>	Yang Lan

Yangjing of Dingbian	July, 21-24th, 2015	<p>Questions: 1. whether there are challenges about resettlement in project area, how the land problem will be settled 2. farmers' attitudes about project land use and resettlement of impacted people</p> <p>Interviewees: poverty alleviation office, rural operation management and guidance station, agricultural bureau, village committees of Baiwanzi community, village officials and villager representatives of Xiaojianzi Village, Baiwanzi Village, Yaotai Village, Liutai Village, Jinpenwan Village of Baiwanzi County</p> <p>Methods of survey: groups+one-on-one interview+questionnaires</p>	<p>Resettlement is not involved in project construction. Administrative buildings of cooperatives, Yangzi animal farming area is village cooperative idle land rented through a written agreement signed. Dispersed animal pens and rainwater collecting cellar are provided by farmers as shares. Agreements have not been signed yet. Approval procedures is to been completed for simple livestock trading points. Farmers are very supportive of project construction and need reasonable resettlement compensation if land acquisition and house relocation is needed.</p>	Yang Lan
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8. Complaints and Grievance

8.1 Procedures for Complaints Redress

The main purpose of resettlement is to ensure the rehabilitation and improvement of the production and life of the impacted. Resettlement based on consultations with the impacted won't lead to complaints in most cases. However, in implementation of project, problems do occur. In order to resolve problems effectively and in a timely manner, smooth implementation of resettlement and methods of complaints about land acquisition and resettlement, the following procedures for complaints will be made:

Phase 1: Project offices at all levels shall designate individuals for addressing the complaints and grievances of villages in the project area. Prior to the implementation of project, the names, addresses, numbers, fax and email address of complaint handler at provincial, municipal and county level shall be announced in project village. In case of change of complaint handler, related information shall be updated via all possible methods and all related parties shall be notified of such changes.

Phase 2: Complaints may be filed to the village committee in the forms of letter, phone call, email etc and be handled by village committee and keep written record. village committee shall respond and have it settled within 15 days.

Phase 3: If villagers in project area are not satisfied with the feedback of phase 2, they may file complaint to complaint and grievance office of township, county and provincial project offices upon receiving feedback. All administration

agencies shall make decisions about handling within 15 days. All agencies will take villagers grievance and complaints free of charge. Expenses incurred will be disbursed from the unforeseeable fees of the project. The number and office address of staff taking complaints may be released via websites, posters and radios etc.

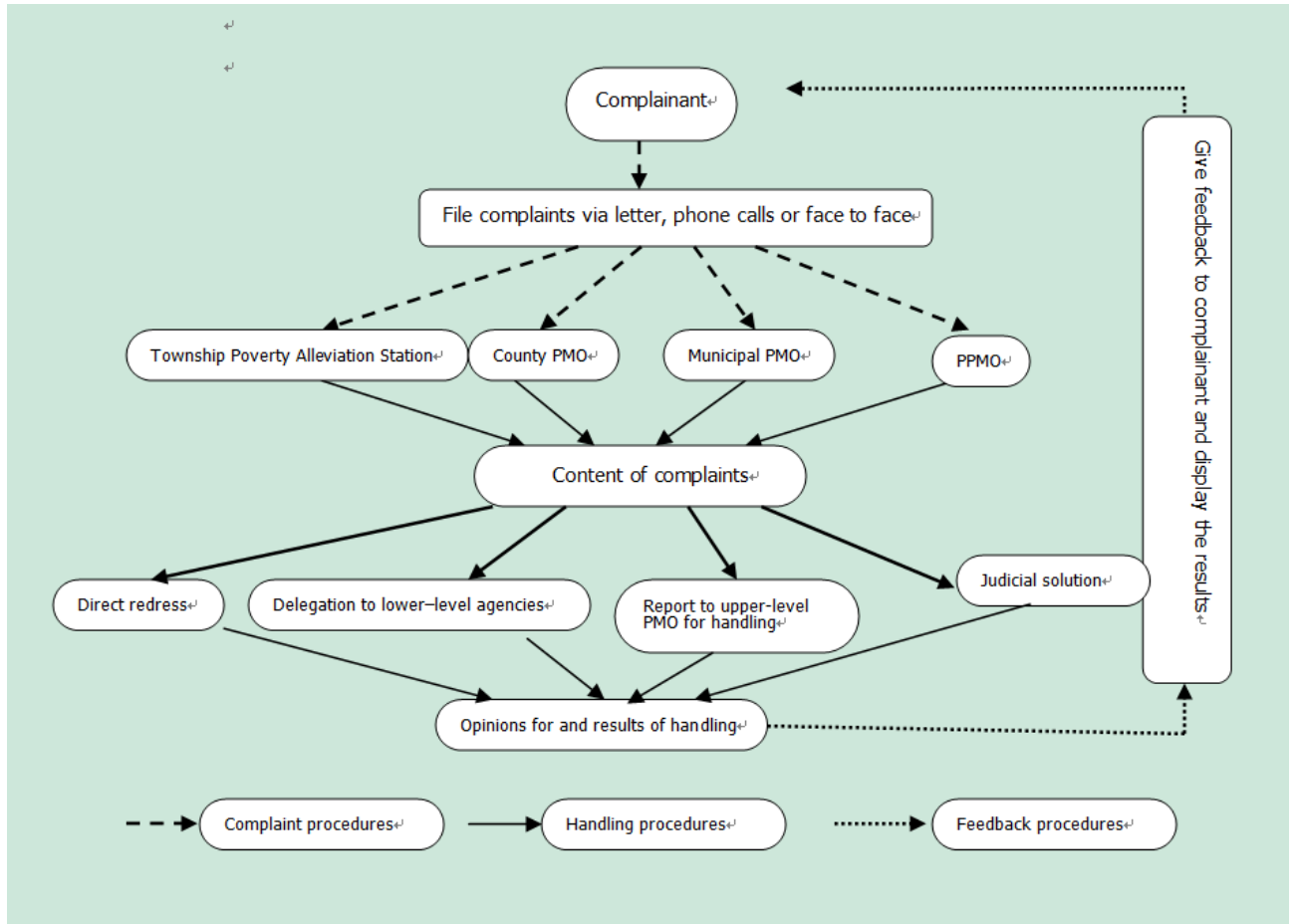


Figure 3. Procedures of Complaint Addressing

8.2 Rules about Grievance Redress

(1) Complaints are taken and addressed level by level;

(2) Upon receiving complaints, the project office shall document the information immediately in as much detail as possible. The procedures of complaints acceptance, redress and relevant materials shall be taken down in full length;

(3) In principle, project office shall complete complaint handling within 15 working days and give feedback to complaint filer and release the information in related villages;

(4) Complaint handler shall keep it confidential. Informing the complained of information about complainer is prohibited.

9. Monitoring and Evaluation Arrangements

According to requirements of World Bank Operational Policy(OP 4.12) and operational manual (OP 10.72), regular monitoring shall be carried out for resettlement, including internal and external monitoring.

9.1 Internal Monitoring

Internal Monitoring is carried out, assisted by project offices at county level, land administration department at county level as well as impacted villages and groups and impacted farmer. The focus is monitoring the progress of implementation.

Contents internal monitoring includes mainly: (1) progress of land requisition; (2) progress of relocation; (3) disbursement of compensation; (4) implementation of resettlement measures; (5) complaints and its redress; (6) hiring of impacted people for project construction.

9.2 External Monitoring

If land acquisition and resettlement are involved, an external agency with experience in monitoring World Bank or Asia Development Bank shall be hired by provincial-level poverty alleviation office prior to the start of resettlement work to conduct independent monitoring of the resettlement work.

The external monitoring agency will make two regular monitorings each year, major indicators and contents for monitoring include: (1) Institutional arrangements and capacity; (2) major challenges faced by the impacted; (3) income restoration of the impacted; (4) amount and time of compensation disbursement; (5) utilization of compensation for impacted household's acquired land; (6) whether the impacted households benefit from the project, e.g. the impacted is hired for project construction; (7) satisfaction of impacted or problems found; (8) participation of the impacted; (9) assistance to the vulnerable; (10) participation, project employment and training of impacted women; (11) The operation of complaint filing system and the handling of complaints about land contracting; (12) challenges and suggestions.

During the relocation of the resettlers, two on-site surveys, monitoring and assessments will be conducted each year by the external monitoring agency. Upon completion of relocation, one on-site survey, monitoring and assessment may be conducted. The frequency may be adjusted based on actual needs of the resettlement work, but has to be consented by World Bank. External monitoring usually continues till the fulfillment of the goals of resettlement. Opinions and suggestions about the relocation process and restoration of production and life of the impacted are supposed to be proposed by the monitoring agency. The report must be submitted to project office and World Bank at the same time.