

World Bank Loan  
*Shaanxi Small Towns Infrastructure  
Project*

## Resettlement Policy Framework

The Foreign Loan Supporting Project Management Office of Shaanxi Province

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## I. Project Background

The project development objective is to improve infrastructure service delivery in selected small and medium towns in Shaanxi Province. The objective will be achieved through financing new construction and rehabilitation of urban infrastructure, and expanding coverage of urban services, and introducing key management improvement approaches in project counties/districts.

In order to further accomplish the Guanzhong-Tianshui Economic Development Zone Plan approved by the State Council, PRC, to promote the development of the urban-rural integration in Shaanxi province, and to search for an urbanization way suitable to our country, Shaanxi Province will implement WB-supported Small Town Infrastructure Project, with the aim to the socioeconomic development of key towns. Construction of this demonstration project will bring up new growth points of urban economy, optimize the scientific urban planning and rational layout, and massively transfer the rural surplus labor force, and accordingly enhance the province's urban infrastructure construction level, promote the urban industrial development, and consequently further utilize the urban system and coordinate the urban and rural development in the Economic Zone.

The basic principle of the project is demonstration, with the focus on towns in Guanzhong and moderate consideration of towns in south Shaanxi. The criteria of choosing the project town is as follows:

(1) Key towns with good-sized population and industry; urgent municipal needs such as roads, water supply and drainage, and highly correlated with township development planning.

(2) With highly relevance to the project principle, urgent needs, implementation time in line with the project, and great motivation of exploiting entities.

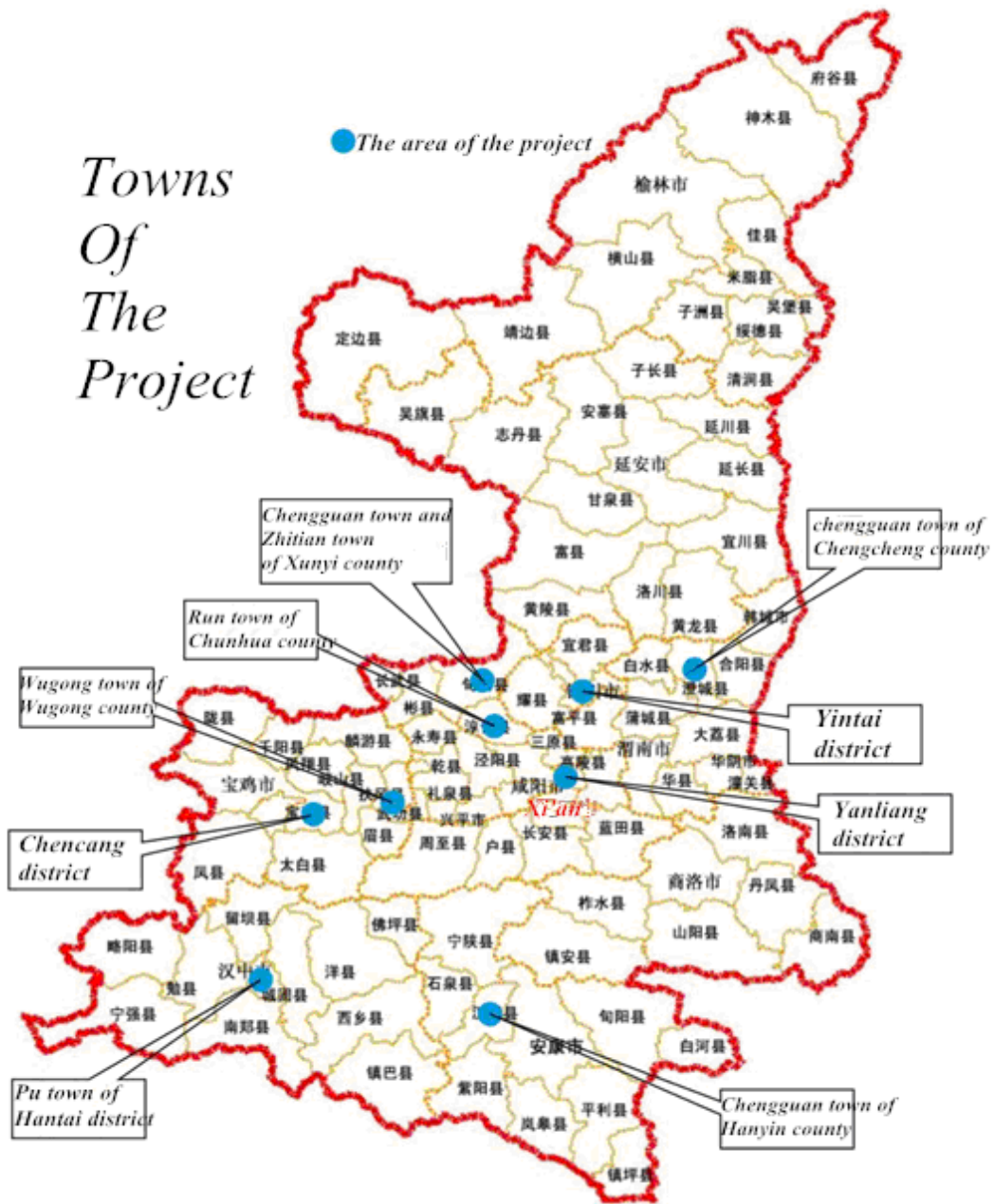
(3) With good industrial base, excellent location and traffic conditions, great development potential, and being advanced industrial, attractive commerce or tourist towns with the capacity of population absorption as well as ability of leading changes.

According to the above criteria, project implementation towns are selected as follows:

Table 1 List of Selected Towns

city	County/district	Project town
Xian	Yanliang	Wutun
		Guanshan
Baoji	Chencang	Guozhen
		Qianwei
Xianyang	Xunyi	Chengguan
		zhitian

	Chunhua	Runzhen
	Wugong	Wugong
Weinan	Chengcheng	Chengguan
Tongchuan	Yinta	Chenlu
Hanzhong	Yinta	Beicheng
Ankang	Hanyin	Puzhen
		Chengguan



As the above figure shows, the Small Towns Infrastructure Project chooses 9 counties and districts in 7 cities as project implementation area. The 13 project towns (subdistricts) are Guanshan town and Wutun town of Yanliang district in Xian city; Chengguan town and Zhitian town of Xunyi county, Run town of Chunhua county, Wugong town of Wugong county in Xianyang city; chengguan town of Chengcheng county in Weinan city; Chenlu town and Beicheng town of Yintai district in Tongchuan; Guo town and Qianawei subdistrict of Chencang district in Baoji,; Pu town of Hantai district in Hanzhong city; and Chengguan town of Hanyin county in Ankang city. The project towns are mainly county towns and members of “a hundred towns in Guanzhong”. The project mostly chooses the towns within Guanzhong-Tianshui Economic Development Zone, as well as some towns in south Shaanxi in view of demonstration for whole province and differences between towns in south and middle Shaanxi. The project will make best use of funding and experts from World Bank to improve the infrastructure in the key towns and county towns, giving a demonstration to the urban system in Shaanxi.

The construction of the project includes two kinds of work: traffic infrastructure and water supply and drainage systems, involving road construction, channel digging, water supply and drainage pipeline layout, laying of pipe network, etc. which will inevitably affect the local population. In order to define the project immigrants impact, to avoid or reduce the impact as far as possible, and to optimize the immigrant settlement, FL\_PMO entrusts Project Assessment Center of Shaanxi Academy of Social Sciences to draw up the RAP of Shaanxi Small Towns Infrastructure Project. The RAP will be established based on the field survey, public consultation and participation.

All of the resettlement negative impacts were identified prior to the project appraisal and presented in the resettlement action plan. For those particular cases that it may be possible that one of the small natural villages/sub-projects may be dropped or replaced after project appraisal or during implementation, the RPF is prepared to guide the resettlement action plan for the Bank review prior to the implementation of the proposal.

## **II. Measures to Avoid Involuntary Resettlement and Land Acquisition**

Under Shaanxi Small Towns Infrastructure Project, the selection and design of subprojects fully considered how to avoid involuntary resettlement caused by any permanent land acquisition and temporary land occupation. This Policy Framework for Resettlement and Land Acquisition is in compliance with the World Bank OP/BP4.12 and Guidelines for Involuntary Resettlement Action Plan, as well as Chinese laws and regulations. The objectives are as follows;

(a) Avoid and minimize potential negative impacts, which include involuntary resettlement and cropping compensation caused by land occupation in project period;

(b) Strengthen monitoring and evaluation so as to find in time the possible land acquisition and resettlement;

(c) Some of the subprojects which would cause land requirement and resettlement have to be redesigned and re-selected, these subprojects will not be financed unless the resettlement plans are prepared and arrangements are properly made following the requirement of the Policy Framework;

(d) Develop measures to adequately mitigate the adverse impacts if they cannot be avoided, and to restore the livelihoods of the affected people; and

(e) Clarify institutional responsibilities to implement the rehabilitation measures; and the project participated districts should prepare their individual policy framework guidelines, following the requirements of the Policy Framework.

### **III. Resettlement and Land Acquisition Policies, Laws, and Regulations**

In case when resettlement and land acquisition cannot be avoided, necessary rehabilitation measures will be developed in the form of action plans. These action plans will be based on the following laws, regulations, and policies.

(a) The land acquisition of local roads will strictly abide by the Law of the PRC on Land Management, the Implementation Regulations of the Law of the PRC on Land Management and related laws, regulations issued by Shaanxi Province. The agency needing land for the construction of the proposed subprojects components will make application to the local department of land management and acquire the right for land use through administrative planning or paid transfer;

(b) The land acquisition for the proposed subproject component must follow the procedures stipulated by the Law of the PRC on Land Management. Related departments, including village councils, district governments, regional and municipal departments of land management have to clear the purposes of the project and the quantities of land acquisition. The departments of land management at all levels have to guarantee to provide quantified compensation in the case of livelihood affected by land acquisition;

(c) The definition of the component must follow up relevant laws and regulations of the PRC if any activities including civil engineering work and resettlement work fall into the above captioned provisions; and

(d) Preparation and implementation of the resettlement plan and/or compensation for acquired land in any components must be in accordance with the World Bank OP/BP4.12;

- (e) Policies to be adopted by the RAP.

#### **IV. Resettlement and Compensation Principles**

The following principles will be binding under the project:

- (a) Involuntary resettlement and land acquisition will be avoided/minimized as much as possible;
- (b) If resettlement and land acquisition cannot be avoided, action plans will be prepared for compensation and rehabilitation of the affected people;
- (c) Adequate funds will be timely provided for implementing such action plans;
- (d) Preparation and implementation of such action plans will be conducted in consultation with the local governments and the affected people, on all the components with resettlement and compensation;
- (e) Compensation will be paid at replacement costs without depreciation;
- (f) Compensation will be paid prior to the move and acquisition of land;
- (g) The affected people will be assisted during relocation and in their livelihood rehabilitation activities;
- (h) The living standards of the affected people will be restored at least or improved after resettlement activities;
- (i) All the costs related to land acquisition and structure demolition will be included in the project cost estimates; and

#### **V. Management Organizations and Responsibilities**

The PMO at all levels will be responsible for the planning and implementation of the project. The selection and implementation of components will be made strictly according to the Resettlement Action Plan..

The planning and statistics groups in PMO at all levels will assign special persons to be in charge of review and management of land use under the component. If it happens that the components change design/site for some reasons and hence need land acquisition, they must follow the procedures and requirements of the resettlement

plan which will be compiled by the implementation agencies and submitted to the PMO at higher level.

Resettlement caused by changing design/site will be carried out by both PMO and land management bureaus sectors at the same level. PMO will guide implementation agencies to compile the allocation and implementation plan according to the Policy Framework as well as provide resettlement guidance. Meanwhile, PMO will also assist rising of funds, adopting reasonable measures, handling problems, and supervising the implementation.

The governmental departments of land management at all levels will implement management by various levels according to the authorization given by the state, review and check the scope and quantity of land acquisition, record land acquisition, handle the procedures for land acquisition and supervise the implementation of compensation measures. Only after approval by the department of land management can the subprojects be included in the annual investment plan under the project.

## **VI. Resettlement Action Plan**

The subproject component with resettlement must have the plan as a basic condition for being financed under the project. For this purpose, a review mechanism will be established for examining the annual investment plan to identify the components that require resettlement.

The basic planning procedure will involve: (1) socio-economic survey in the affected areas; (2) census of the population to be affected and inventory of the land to be acquired and other assets to be affected (e.g. numbers, households, villages, type and quantity of land to be requisitioned, severity of impacts); (3) preparation of the resettlement measures and compensation standard based on related policies, laws, regulations, and consultation with people to be affected; and (4) preparation of the action plan and implementation schedule.

The plan will include: (1) description of the civil work related, and location and scope of the land acquisition; (2) purpose of land acquisition; (3) related policies and laws; (4) basic data (basic information of the affected people); (5) compensation rates; (6) institutions, responsibilities, and staffing (7) community participation; (8) effect on livelihoods and communities; (9) land acquisition schedule; (10) detailed livelihood rehabilitation plan; (11) cost estimates and timeframe; and (12) supervision, monitoring and evaluation of land acquisition.

## **VII. Monitoring and Evaluation**

Construction land area, acquisition and compensation rates will be included in the implementation statement of PMO and submitted for review. Monitoring staff will

periodically inspect and visit the field to identify the problems and then make recommendations to PMO to solve them.

Externally, an independent unit will be contracted to monitor and evaluate land acquisition and the implementation of the action plans. The independent monitoring will be conducted on baseline and sampling survey before resettlement activities, an annual basis, covering both the physical progress of action plan implementation and the evaluation of livelihood rehabilitation.

### **VIII. Grievance Procedures**

The land acquisition and compensation of the project must follow laws, respect the willingness of affected people for the land is to be acquired, and encourage their consultation and participation. In the preparation stage of land acquisition, under the charge of PMO, the agencies for the component implementation will go to villages and visit farmer households, invite village leaders and farmers to participate in the evaluation, selection, and discussion of the location and quantity of land to be acquired, and the compensation rates and relocation methods. Only the agreements are made after farmer consultation can the action plan for land acquisition be signed finally.

PMO will be responsible for explaining to farm households whose land is to be acquired about their rights and grievance steps. If farmers are not satisfied with the methods of resettlement, they can report their opinions to the village councils, and the councils can directly consult with the implementation agencies for solution. Farmers can also make grievance verbally or in written form to the higher level PMO. The PMO should record their grievances in the documents and consult with related sectors and the agencies to solve the problem raised by farmers within fifteen days after receiving the grievances. If the grievances/disputes cannot be solved through consultation, the village council can apply to the administrative department with jurisdiction for reconsideration, or take legal proceedings to the court, Written Reply on If Application Can Be Made for Reconsideration for a Case of Right of Land of Administrative Lawsuit and Regulations on Administrative Reconsideration. PMO will be responsible for setting all the grievances and the solving process will be recorded.