

*World Bank-financed Hebei Rural Renewable
Energy Development Demonstration Project*

Resettlement Policy Framework

Hebei Rural Renewable Energy Development Demonstration Project Management Office

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A. Overview of the Project

1. The development of civil biogas works will not only conserve resources and alleviate environmental pollution, but also meet farmers' demand for low-cost clean energy sources, reduce their financial pressure and improve their living quality, thereby promoting the development of modern agriculture, new countryside building and environmental protection. For this reason, the Hebei Provincial Government has applied for a loan with the World Bank for the implementation of the Hebei Rural Renewable Energy Development Demonstration Project (hereinafter, the "Project").

2. The Project consists of two batches construction, and the first batch includes 6 subprojects in Tangshan, Hengshui, Handan and Chengde Cities, or two components:

Component 1: Large-scale biogas facilities development and sustainable management. The proposed project activities are expected to demonstrate sustainable large-scale biogas facilities management and biogas supply to mainly meet local cooking and heating energy needs of rural communities/residents.

Component 2: Technical support, project management, and monitoring, including technical services, training and extension, policy advice, monitoring and evaluation, and project management

3. Among the 6 subprojects, available state-owned land has been acquired for the 3 subprojects of Yutian County, Zunhua city, and Anping County, and 215 mu of collective land will be acquired for the 3 subprojects of Linzhang, Chengde and Laoting Counties, affecting 45 households with 203 persons in 3 villages in 3 towns in 3 counties.

4. The estimated gross investment in the Project (for the 6 subprojects in Batch 1) is CNY0.923 billion, including a Bank loan of CNY71.5 million, while the remainder will be from domestic counterpart funds and self-raised funds.

5. This RPF is based on:

- The FSR cannot be determined temporarily occupied land area ;
- Related project construction: 4 CNG gas stations will be built in Laoting, Zunhua and Anping county
- Second phase construction in Laoting: the FSR cannot be determined the exact occupied land area
- The subprojects of batch 2 are to be identify and determined

The borrower has developed the Resettlement Policy Framework (RPF) of the Project in accordance with the Bank's policy on involuntary resettlement (OP4.12) to guide resettlement activities.

B. Objectives of Resettlement, Definitions and Key Principles

6. This RPF is based on OP4.12 "Involuntary Resettlement" in the World Bank Operational Manual issued in December 2001, and the overall objectives are:

- Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.
- Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. APs should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.

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- APs should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
7. This RPF defines the principles and objectives of resettlement, and appropriate guidelines, rights, and legal and institutional framework, compensation and restoration patterns, participation characteristics, and appeal procedure for resettlement, and is used to guide compensation, resettlement and restoration matters.
 8. Each RAP should be based on identifiable basic information collected, and include the following aspects:
 - Those whose farmland or rural houses together with housing sites is/are wholly or partly affected by the Project (permanently or temporarily);
 - Urban houses wholly or partly affected by the Project (permanently or temporarily);
 - Commercial facilities (enterprises and stores) wholly or partly affected by the Project (permanently or temporarily);
 - Young crops and ground attachments wholly or partly affected by the Project (permanently or temporarily).
 9. The key principles and objectives of this RPF are as follows:
 - Acquisition of land and other assets, and related resettlement should be minimized where possible;
 - As of the baseline survey date, all APs are entitled to restoration measures to help them improve or at least their living standard, ability to earn income and production level; the lack of legal title to asset losses does not impede their entitlement to resettlement measures;
 - The resettlement measures available include: (1) residential houses and other buildings are compensated for at replacement cost free from depreciation or recovery of residual value; (2) cash or other means of compensation, such as land replacement and endowment insurance; (3) equal replacement of housing and housing sites acceptable to APs; and (4) subsidies for relocation and living;
 - If APs can accept the replacement of housing, housing sites and farmland, replacements should be as close to their lost land as possible;
 - The transition period of resettlement should be minimized, and restoration measures should be made available to APs at the project site before the preset starting date;
 - The acquisition plan of land and other assets, and the restoration measures offered shall be negotiated with APs repeatedly to ensure minimum interference; APs will be empowered before the preset starting date;
 - The existing community service and resource levels should be maintained or improved;
 - Whenever and wherever necessary, financial and material resources for resettlement and restoration must be available; the budget in the RAPs should include contingencies;
 - The institutional and organizational arrangements should ensure that assets and resettlement are designed, planned, consulted and implemented effectively and timely;
 - The implementation of the RAPs shall be supervised, monitored and evaluated effectively and timely.
 10. Resettlement impacts have been minimized at the design stage on the following principles:

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- avoiding or minimizing occupation of high-quality farmland;
 - using unused land where possible; and
 - avoiding or minimizing occupation of environmentally sensitive areas

C. Preparation and Approval of the RAPs

11. The preparation and implementation of the RAPs (including the payment of all resettlement costs) will be the responsibility of the borrower.
12. When the affected population of the long-listed components exceeds 200, the Hebei and county PMOs will prepare RAPs and submit them to the Bank; in addition, APs should be fully consulted so that they have a chance to participate in the design and implementation of the RAPs.
13. The RAPs will cover the following (if relevant), and anything unrelated to the Project should be specified in the RAPs:
 - General description of the Project;
 - Identification of potential impacts of the Project;
 - Objectives (the main objectives of the resettlement program);
 - Socioeconomic studies: The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people;
 - Legal framework: The findings of an analysis of the legal framework, covering the scope of the power of eminent domain and the nature of compensation associated with it, the applicable legal and administrative procedures, environmental laws and social welfare legislation, laws and regulations, and any legal steps necessary;
 - Institutional framework: covering the identification of agencies responsible for resettlement activities and NGOs that may have a role in project implementation; an assessment of their institutional capacity, and any steps that are proposed to enhance their institutional capacity;
 - Eligibility: Definition of APs and criteria for determining their eligibility for compensation and other resettlement assistance;
 - Valuation of and compensation for losses;
 - Resettlement measures: a description of the packages of compensation and other resettlement measures that will assist each category of eligible APs to achieve the objectives of the policy;
 - Selection, preparation and rearrangement of the resettlement site;
 - Supply of housing, infrastructure and social services;
 - Environmental protection and management;
 - Public participation and consultation, where the APs and the related communities must be included;
 - Integration with host populations: measures to mitigate the impact of resettlement on any host communities;
 - Grievance procedures: affordable and accessible procedures for third-party settlement of disputes arising from resettlement;
 - Organizational responsibilities;
 - Implementation schedule;
 - Costs and budget;

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- Monitoring and evaluation.
14. The RAPs should be completed no later than 6 months before the starting date of resettlement, and submitted to the Bank for consideration at least 3 months before that. Only after the Bank has accepted the RAPs can compensation, resettlement and restoration activities begin. Such activities should be completed before the commencement of civil engineering.
 15. When the affected population of the long-listed components does not exceed 200, the Hebei and county PMOs will prepare abbreviated resettlement action plans (ARAPs) and submit them to the Bank; in addition, APs should be fully consulted so that they have a chance to participate in the design and implementation of the RAPs.
 16. The ARAPs covers the following minimum elements:
 - a census survey of APs and valuation of assets;
 - description of compensation and other resettlement assistance to be provided;
 - consultations with displaced people about acceptable alternatives;
 - institutional responsibility for implementation and procedures for grievance redress;
 - arrangements for monitoring and implementation; and
 - a timetable and budget.
 17. The ARAPs should be completed no later than 4 months before the starting date of resettlement, and submitted to the Bank for consideration at least 3 months before that. Only after the Bank has accepted the ARAPs can compensation, resettlement and restoration activities begin. Such activities should be completed before the commencement of civil engineering.

D. Institutional and Legal Framework

18. The legal framework guiding the implementation of the RAPs is based on the Bank's policy on involuntary resettlement (OP4.12), the applicable laws, regulations and ordinances of the state, Hebei Province, and the project cities/counties.
19. The PRC has developed a complete legal framework and policy system on land acquisition, house demolition, resettlement and compensation, including the Land Administration Law of the PRC (amended on August 28, 2004). Within the state legal and policy framework, local governments have promulgated relevant local regulations and policies to manage and direct local land acquisition, house demolition, resettlement and compensation work. The city/county governments have promulgated local regulations and policies in accordance with the applicable state laws and policies to manage and direct relevant local work.
20. The key laws, regulations and ordinances of the PRC used to prepare this RPF and ensure its legal validity are as follows:

Laws and regulations on LA:

- Land Administration Law of the PRC
- Real Right Law of the PRC (effective from October 1, 2007)
- Regulations on the Implementation of the Land Administration Law of the PRC (Decree No.256 of the State Council)
- Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28)

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- Notice of the Ministry of Finance, and Ministry of Land and Resources on Adjusting Policies on Fees for Compensated Use of Additional Construction Land (effective from January 1, 2009)
 - Land Administration Regulations of Hebei Province (effective from April 30, 2002)
 - Notice of the Hebei Province on Revising Location-based Land Prices for LA (HPG [2011] No.141) (effective from January 1, 2012)
 - Interim Regulations of Tangshan City on Compensation for Ground Attachments on Acquired Land (TMG [2013] No.1)

Laws and regulations on social security:

- Implementation Plan of the Labor and Social Security Department, and Land and Resources Department of Hebei Province for Social Security for Land-expropriated Farmers (HLSS [2007] No.41)
- Implementation Plan of Linzhang County for Trials on New-type Rural Endowment Insurance (LCG [2012] No.5)
- Notice of the Chengde County Government on the Combined Implementation of New-type Rural Endowment Insurance and Social Endowment Insurance for Urban Residents (CCG [2012] No.34)
- Notice of the Chengde County Government on Issuing the Interim Measures for Basic Endowment Insurance for Land-expropriated Farmers (CCG [2007] No.163) Implementation Plan for Endowment Insurance for Land-expropriated Farmers of Laoting County (LCG [2007] No.86)

See **Appendix 1** for detailed compensation rates.

21. The purpose of preparing the RAPs is to ensure that the APs have sufficient opportunities to replace their lost assets, and improve or at least restore their income level and living standard. To realize this purpose, all APs should be identified, and it should be ensured that all APs think the remedies defined in the RAPs are rational.
22. APs losing farmland will be entitled to the following compensation and restoration measures:
 - The direct APs will receive land compensation fees and resettlement subsidies in full;
 - The direct APs will receive young crop compensation fees in full;
 - Eligible APs will be included in endowment insurance for LEFs or the social security system; and
 - The APs will have priority in receiving job opportunities and skills training under the Project.
23. Demolished houses and attachments will be compensated for as follows, and the following restoration measures will be taken:
 - Supply of resettlement housing of equal value;
 - Compensation at full replacement cost;
 - Reconstruction or restoration of all affected facilities and services (e.g., roads, water and power supply, telephone, cable TV, schools);
 - The subsidy during the transition period should ensure that all assets are relocated or temporary housing is obtained.
24. The RAPs prepared should include an entitlement matrix for the APs. See **Appendix 2**.

E. Implementation Process

25. The RAPs should include an implementation schedule for all activities to be conducted. If necessary, compensation payment, other entitlement restoration measures (in cash or in kind) and resettlement should at least be completed one month before land acquisition. If full compensation is not paid or necessary assistance measures are not available before land acquisition, a transition subsidy should be provided.

F. Financial Arrangements

26. The subproject owners will bear all costs related to land acquisition and resettlement. Any RAP consistent with this RPF must include estimated costs and a budget. Whether identified as APs at the RAP preparation stage or not, and whether sufficient funds are available or not, all those adversely affected by land acquisition and house demolition are entitled to compensation or any other appropriate relief measure. For the above reason, the budget in the RAPs should include contingencies, which are usually 10% or more of the estimated resettlement budget in order to cover contingent resettlement costs.
27. The compensation rates specified in the RAPs provide a basis for the calculation of compensation fees for resettlement, which should be fully paid to individuals or collectives losing land or other assets, and should not be deducted for any reason. The RAPs should describe by what means compensation fees are paid by the local PMOs and IAs to the affected communities/villages or residents/villagers, entities and relevant right holders. A rationale is that the fund flow should be as direct as possible with minimum intermediate links.\

G. Public Participation and Information Disclosure

28. The RAPs must describe all measures taken or to be taken, involve the APs in the proposed resettlement arrangements, and foster the sense of participation in livelihood and living standard improvement or restoration activities. To ensure that the APs' opinions and suggestions are fully considered, public participation should be prior to project design and the implementation of resettlement relief measures. Public participation must run through the whole RAP planning, implementation and external monitoring process.
29. At the RAP drafting and finalization stages, the local PMOs and owners should also disclose the RAPs to the APs and the public at certain places of the project site and in certain languages. The first draft of the RAPs should be disclosed at least one month prior to Bank evaluation. The final RAPs must be disclosed again after acceptance by the Bank.

H. Grievance Redress Procedure

30. Since the resettlement work is conducted with the participation of the APs, no substantial dispute will arise. However, in order to ensure that APs have a channel to file an appeal on any issue concerning land acquisition and resettlement, a grievance redress procedure must be established.
 - **Stage 1:** If any AP is dissatisfied with resettlement or construction, he/she may file an appeal with the village committee orally or in writing, which should make a disposition within two weeks.

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- **Stage 2:** If the AP is dissatisfied with the disposition of Stage 1, he/she may file an appeal with the town government after receiving such disposition, which should make a disposition within two weeks.
 - **Stage 3:** If the AP is still dissatisfied with the disposition of Stage 2, he/she may file an appeal with the LA Management Section of the county land and resources bureau or county PMO after receiving such disposition, which should make a disposition within two weeks.
 - **Stage 3:** If the AP is still dissatisfied with the disposition of Stage 3, he/she may file an appeal with the Hebei PMO after receiving such disposition, which should make a disposition within two weeks.
 - **Stage 5:** If the AP is still dissatisfied with the disposition of Stage 4, he/she may file a suit in a civil court in accordance with the Civil Procedure Law of the PRC after receiving such disposition.

I. Monitoring and Evaluation

31. The Hebei and county PMOs will supervise and monitor the implementation of the RAPs. Supervision and monitoring results will be recorded in quarterly reports for submission to the Bank.
32. Internal monitoring and supervision:
 - Check implementation, including checking the baseline information, valuation of asset losses, and the implementation of compensation, resettlement and restoration rights according to the RPF and the RAPs.
 - Monitor if the RAP is implemented as designed and approved.
 - Check if the funds for RAP implementation are appropriated timely and fully, and if such funds are used in a manner consistent with the RAPs.
 - Record all appeals and their solutions, and ensure that appeals are handled timely.
33. Independent external monitoring: The Hebei PMO will appoint an independent agency through public bidding to perform period external M&E on the implementation of the RAP. Such agency may be an academic or independent consulting firm, but must have qualified and experienced staff, and their terms of reference must be accepted by the Bank.
34. In adaptation to the internal supervision information and monitoring reports checked, the external M&E agency will perform a sampling survey (sampling rate: over 20%) after 6 months of implementation of the RAP. The main objectives are:
 - To evaluate if the participation and compensation payment procedures, and restoration rights are implemented practically, and consistent with the RPF and the RAPs;
 - To evaluate if the RPF objective of improving or at least maintaining the living standard and income level of the APs has been realized;
 - To gather qualitative socioeconomic impact indicators of project implementation; and
 - To propose suggestions for improving the implementation procedure of the RAPs in order to realize the principles and objectives of this RPF.

Appendix 1 Compensation Rates in batch 1 the Project Area as example

1 Compensation Rates for LA

1.1 Permanent LA

According to Notice of the Hebei Province on Revising Location-based Land Prices for LA (HPG [2011] No.141), the compensation rates for LA are shown in Attached Table 1.

Attached Table 1 Compensation Rates for Permanent LA

City	County	Township	Village	Compensation rate	
				Yuan/mu	0,000 yuan/ha
Handan	Linzhang	Linzhang	Luocun	38000	57
Tangshan	Laoting	Laoting	Hantuo	62000	93
	Zunhua	Baozidian	Xixindianzi	56100	84.15
	Yutian	Guojiatun	Ruanzhuangzi	39478	59.22
Chengde	Chengde	Sangou	Beigushan	60000	90
Hengshui	Anping	Xiliangwa	Dongzhaizi	58485	87.73

Note: The table just lists the compensation rates for LA of the first batch subprojects, the second batch subprojects compensation standard should refer to HPG [2011] (No.141) after the construction sites are determined.

1.2 Temporary land occupation

Based on consultation, if any collective land will be occupied inevitably during construction, young crops thereon will be compensated for based on the actual period of occupation. After the completion of construction, the construction agency will restore the temporarily occupied land.

1.3 Attachments

See Attached Tables 2 and 3. The ground attachments and infrastructure affected by the subprojects of the second batch will be compensated for at the local rates after the construction sites are determined.

Attached Table 2 Compensation Rates for Infrastructure and Attachments

Subproject	Type	Unit	Qty.	Compensation rate
Linzhang	Winter wheat	mu	70	Based on negotiation, not less than 600 yuan/mu
	Tomb	/	1	Based on negotiation, not less than 2,000 yuan each
	Mechanical well	/	1	Based on negotiation, not less than 8,000 yuan each
Laoting	Fruit trees	/	9110	Based on trunk diameter, see Table 4-3
	Greenhouses	/	4	180 yuan/m ² of floor area
	Wells	/	4	4,000 yuan each
	Underground irrigation pipes	m	1000	100 yuan/m
	Low-voltage telegraph poles	/	15	1,200 yuan each
	High-voltage telegraph poles	/	3	3,000 yuan each
	Wires	m	540	60 yuan/m

Attached Table 3 Compensation Rates for Fruit Trees in the Laoting Subproject

Type	Trunk diameter (unit: yuan)								
	3-5cm	5-8cm	8-11 cm	11-14 cm	14-17 cm	17-20 cm	20-23 cm	23-26 cm	?>26 cm
Peach	50-80	80-120	120-210	210-300	300-440	440-570	570-660	660-750	750
Apple	70-110	110-190	190-300	300-440	440-570	570-660	660-760	760-870	870
Pear	70-110	110-200	200-345	345-510	510-660	660-765	765-870	870-975	975

Plum	70-110	110-200	200-300	300-440	440-570	570-660	660-765	765-870	870
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2 Compensation Rates for HD

2.1 Demolition of rural residential houses

Demolished rural residential houses will be appraised by a qualified third party at market value, and compensated for through consultation between the PMO, owner, village committee and affected household on the basis of appraisal.

2.2 Demolition of rural non-residential properties

Rural non-residential properties demolished for the Project will be appraised by a qualified third party at market value, and compensation will be fully paid to proprietors.

- 1) Compensation for buildings (structures): Permanent buildings (structures) will be appraised at replacement cost for compensation or property swap.
- 2) Machinery and equipment will be appraised at replacement cost. Those immovable will be compensated for, and for those movable, a moving subsidy will be paid.
- 3) Young crops will be compensated for through appraisal.

Appendix 2 Entitlement Matrix

Type of impact	APs	Resettlement measure	Entitlement
Permanent LA	Collective	Collective land	Full compensation will be paid to the village collective and used as resolved at a village meeting.
		Attachments	
	LEFs	Land compensation fees and resettlement subsidy	1) The AHs will receive all land compensation fees and resettlement subsidies without land reallocation; or 2) 80% of land compensation fees will be paid to the AHs, with the remaining 20% used for public welfare.
		Attachments and infrastructure	The AHs will receive full compensation for attachments and infrastructure, which will be restored elsewhere themselves.
		Temporary land use	Full compensation will be paid and the temporarily occupied land will be restored to the original condition.
		Young crops	The APs will receive full compensation for young crops.
		Social security	The APs may cover endowment insurance for LEFs, new-type rural insurance, endowment insurance for urban and rural residents, and endowment insurance for urban employees voluntarily.
Production and livelihood development	Free training and employment measures		
Demolition of rural residential houses	APs	Cash compensation	Demolished rural residential houses will be appraised by a qualified third party at market value, and each affected household will receive full compensation.
		Property swap	Each affected household will receive housing of equal quality and size.
Demolition of rural non-residential properties	APs	Cash compensation	Compensation for buildings (structures): Permanent buildings (structures) will be appraised at replacement cost for compensation or property swap.
			Machinery and equipment will be appraised at replacement cost. Those immovable will be compensated for, and for those movable, a moving subsidy will be paid.
			Young crops will be compensated for through appraisal.
Vulnerable groups	All	Training and employment	1) Jobs such as cleaning, stalk recovery, biogas production and kitchen waste recovery will be offered. 2) They will have priority in attending agricultural and nonagricultural training. 3) They will have priority in job selection and receiving employment information. 4) The household affected by disability will receive medical assistance.
Women	All	Public participation and employment	1) Unskilled jobs, such as material transport, pipeline construction, biogas residue disposal and logistics will be offered; 2) The owners will organize workshops for women, distribute instructions, and conduct free door-to-door maintenance regularly; 3) Women have the right to receive relevant information during resettlement, and have equal speaking and decision-making rights. Not less than 30% of participants should be women. 4) Women have the same right to sign LA compensation agreements and compensation vouchers as men.