

**THE WORLD BANK LOAN PROJECT**

**Landscape Approach to Wildlife Conservation in Northeast China Project**

**Resettlement Policy Framework**

**April, 2015**

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# **1 Basic Information of the Project**

## **1.1 Project Context and Purpose**

The Siberian tiger (*Panthera tigris altaica*) is one of the five surviving subspecies of tiger in the world, which only exist in northeast China, far east region of Russia and mountainous forests in north North Korea. In recent years, with the continuous population growth in northeast China, local people start to rely more and more on natural resources. This has caused increasing fragmentation of suitable habitats for the Siberian tiger and a shortage of ungulate prey resources. Moreover, with the interference of various human economic activities and the fecundity decline of small species group in isolated habitats, the distribution and population of the Siberian tiger have reduced dramatically. The Siberian tiger has become extremely endangered now.

In order to promote the protection and management of the Siberian tiger (*Panthera tigris altaica*), also known as Amur tiger, and its habitat, the State Forestry Administration and World Bank jointly applied for the GEF “Landscape Approach to Wildlife Conservation in Northeast China Project”, and got approval in principle on Feb 29th, 2012. This project is implemented in Northeast China, at the junction area of Heilongjiang Province and Jilin Province, close to the Primorsky Region of Russia and Hamgyong Province of North Korea. It involves Hunchun City, Wangqing County, Dongning County, and Muling County, with a total area of 1387.29 square kilometers. The aggregate amount of the project is 18 million US dollars. The undertaking units of the project include Jilin Forestry Department, Heilongjiang Forestry Department and the General Bureau of Heilongjiang Forest Industry.

Based on the above background, the main aims of this project include:

- To promote the wildlife conservation and restoration in northeast China through improving the ecological environment and friendly management in habitats of the Siberian tiger and its preys,
- To conduct social assessment of construction projects and put forward solutions or mitigation measures for its adverse impacts, so as to meet the requirement of protecting the ecological environment in the project area.

## **1.2 Main Contents of the Project**

The project consists of the following subprojects: to mainstream the wildlife protection through coordination and cooperation among various departments; to

improve the habitat protection effectiveness in Northeast ecological areas through ecosystem protection methods in priority areas; to reduce human-animal conflicts in the ecological areas (capacity building, law enforcement strengthening, environmental education, and incentive mechanism to promote community participation in protection); and project management. Contents of each subproject are listed in the Table 1.

**Table 1- Basic Information of Project Contents**

Project Name	Subproject Name	Project Contents
Mainstream the wildlife protection through coordination and cooperation among various departments.	Strengthen the enforcement and management of policy framework in priority ecological regions, so as to better protect tiger habitats in forest regions of the General Bureau of Heilongjiang Forest Industry.	Recommend priority regions of tiger habitats conservation
		Strengthen legal norms of Nature Reserves
		Update protection and restoration plans of Jilin province; draw up protection and restoration plans in forest regions of the General Bureau of Heilongjiang Forest Industry
		Set up the Siberian tiger regional conservation consultative committee
		Discuss how to make tiger habitats conservation part of economic activities/engineering construction
		Establish/update policies to reduce human-tiger conflicts(eg: compensation mechanism)
		Establish China-Russia trans-boundary conservation coordination mechanism
Improve the habitat protection effectiveness in Northeast ecological areas through ecosystem protection methods in priority areas.	Improve the management effectiveness of five current reserves	Legislate/update rules/plans of each Nature Reserve
		Strengthen capability construction of 22 conservation stations
	Expand reserve area	Expand the current two reserves; specify the legal status and implementation arrangements; legislate rules/plans of each region; build 8 new conservation stations
		Conduct staff training of Nature Reserve and local forestry bureaus
Reintroduce prey population, improve tiger habitats	Set up supplementary feeding stations, release domesticated spotted deer, red deer, wild boar,etc. into nature; increase prey population quantity	

Project Name	Subproject Name	Project Contents
	Restore vegetation to improve tiger habitats	Restore vegetation, improve habitat quality
	Patrol up mountains and clear up the hunting equipment (measurable indicators are demanded)	Conduct mountain patrol activities, take over hunting sets, fight against poaching activities, set up trial reward system
Reduce human-animal conflicts in the ecological areas (capacity building, law enforcement strengthening, environmental education, and incentive mechanism to promote community participation in protection).		Build 28 new conservation stations
	Strengthen monitoring and law enforcement efforts outside reserves	Improve the capability construction of 14 conservation stations
		Conduct training for staff and leader (include staff leaders of each station) in conservative stations
	Enhance publicity and education in community	Conduct promotions through television, broadcast, journal, slogan, leaflet to improve masses' awareness of the Siberian tiger protection
	Conduct trials on updating dissipation compensation method	Compensate the loss on the Siberian tiger and preys to buffer human tiger conflict
	Conduct environmental friendly practice on improving tiger habitats and farmers' livelihood	Conduct tiger friendly activities to create good habitats for the Siberian tiger meanwhile guarantee workers' livelihood
	Project monitoring evaluation	Monitor project progress and periodical results according to project monitoring objectives
Project management.	Monitor and control tiger and prey population quantity	Conduct surveys on the Siberian tiger and prey population quantity, master their distribution and number, which provides scientific evidence for conservation management and project implementation effectiveness evaluation
	Establish effective coordination mechanism between the country and different provinces	Set up project office in General Bureau of Heilongjiang Forest Industry, Heilongjiang Forestry Department, Jilin Forestry Department to coordinate the project implementation
	Effective implementation	Put the project into practice through establishing institutions, staff training and effective management

The major construction projects include construction and expansion of nature reserves, tiger-friendly forest operation activities and small civil engineering projects,

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which are all located in state-owned forest farms.

## **2 Objectives, Definition and Main Principles of Resettlement**

In World Bank-assisted projects, borrowers are expected to take all necessary measures to mitigate adverse social impacts, including those associated with land acquisition. World Bank Operational Policy 4.12, Involuntary Resettlement, provides essential guidance on objectives and principles that are applicable in projects generating land acquisition and resettlement-related impacts.

Every reasonable effort is to be made to avoid or minimize the need for land acquisition, and to minimize all resettlement-related adverse impacts. If land acquisition and associated adverse impacts cannot be avoided altogether, the principle objective of the RPF is to ensure that all persons subjected to adverse impacts (“displaced persons” as defined below) are compensated at replacement cost (as defined below) for lost assets and otherwise provided with any rehabilitation measures or other forms of assistance necessary to provide them with sufficient opportunity to improve, or at least restore, their incomes and living standards.

“Displaced persons” refers to all the people who, on account of the activities listed above, would have their (1) standard of living adversely affected ; or (2) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed temporarily or permanently; (3) access to productive assets adversely affected, temporarily or permanently; or (4) business, occupation, work or place of residence or habitat adversely affected; and “displaced person” means any of the displaced persons.

"Replacement cost" is defined as follows: For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity 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

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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.

World Bank's OP 4.12 establishes key principles to be followed in resettlement planning and implementation. Of particular relevance for this RPF are the following:

- 1) Wherever possible, project designs and Resettlement Plans (RPs) should be conceived as development opportunities, so that displaced persons may benefit from the services and facilities created for, or by, project activities.
- 2) All displaced persons are entitled to compensation for lost assets, or to alternative but equivalent forms of assistance in lieu of compensation; Lack of legal rights to the assets lost will not bar displaced persons from entitlement to such compensation or alternative forms of assistance.
- 3) Compensation rates as established in an RP refer to amounts to be paid in full to the individual or collective owner of the lost asset, without depreciation or deduction for any purpose.
- 4) When cultivated land is acquired, it often is preferable to arrange for land-for-land replacement through collective land redistribution. In some cases, as when only small proportions of income are earned through agriculture, alternative measures such as payment of cash or provision of employment are acceptable if preferred by the persons losing agricultural land.
- 5) Replacement houseplots, sites for relocating businesses, or redistributed agricultural land should be of equivalent use value to the land that was lost.
- 6) The resettlement transition period should be minimized. Compensation for assets should be paid prior to the time of impact, so that new houses can be constructed, fixed assets can be removed or replaced, and other necessary mitigation measures can be undertaken prior to actual displacement. Adequate transitional support should be provided to any persons unable to obtain replacement housing prior to displacement, until replacement housing is obtained.
- 7) Displaced persons should be consulted during the process of RP preparation, so that their preferences regarding possible resettlement arrangements are solicited and considered; RPs are publicly disclosed in a manner accessible to displaced persons.
- 8) The previous level of community services and access to resources will be maintained or improved after resettlement.

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- 9) The borrower is responsible for meeting costs associated with land acquisition and resettlement. Financial and physical resources for resettlement and rehabilitation will be made available as and when required.
  - 10) Resettlement program will include adequate institutional arrangements to ensure effective and timely design, planning and implementation of resettlement and rehabilitation measures.
  - 11) Adequate arrangements for effective internal and external monitoring will be made on implementation of all resettlement measures.
  - 12) Methods by which displaced persons can pursue grievances will be established as necessary, and information regarding these grievance procedures will be provided to displaced persons.



### 3 Legal Framework

The primary purpose of this RPF is to ensure that resettlement planning and implementation meet the requirements of World Bank OP 4.12. Additionally, any land acquisition or resettlement activity should be designed in accordance with a series of laws of the People's Republic of China. Specific policy framework is shown in the following table.

Land Administration Law of the People's Republic of China (adopted at the 16<sup>th</sup> Meeting of the Standing Committee of the Sixth National People's Congress on June 25, 1986, amended in accordance with the Decision on Revising the Land Administration Law of the People's Republic of China made by the Standing Committee of the Seventh National People's Congress at its 5<sup>th</sup> Meeting held on December 29, 1988, and revised at the 4<sup>th</sup> Meeting of the Standing Committee of the Ninth National People's congress on August 29, 1998), and relevant provincial and sub-provincial regulations.

**Table 2 - Resettlement Policy Framework of this Project**

Level	Policy Document	Time of Becoming Effective
The state and the central ministry	Management Measures of State-Owned Forest Farms (2011, No.254)	2011, Nov. 17th
	the Real Right Law of the People's Republic of China	2007, Oct. 1st
	the Law of Land Administration of the People's Republic of China	2004, Aug. 28th
	Regulation on the Implementation of the Land Administration Law of the Peoples Republic of China (Order No.256 of the State Council)	1998, Dec. 27th
	Regulation on Expropriation of Buildings on State-owned Land and Compensation (Order No.590 of the State Council)	2011, Jan. 21st
	Regulation on the Expropriation of Buildings on State-owned Land ([2011] No. 77)	2011, June 7th
	Decision of the State Council on Intensifying the Reform and Tightening of Land Management (Guo Fa [2004] No. 28)	2004, Oct. 21st
	Notice of Guidelines on Perfecting Compensation and Resettlement System of Land Acquisition ([2004] No.238):	2004, Nov. 3rd
	Circular of the State Council on Strengthening Land Control (Guo	2006, Oct. 31st

Level	Policy Document	Time of Becoming Effective
	Fa [2006] No. 31)	
	the Ministry of Land and Resources: Notice on Formulating Unified Annual Output Value of Land Acquisition and Comprehensive Regional Land Price (Guo Fa [2005] No. 114)	2005, July 23rd
	Circular on The State Council's Transmission from the Ministry of Labor and Social Security about Offering Employment Training and Social Security to Peasants involved in Land Requisition (Guo Fa [2006] No. 29)	2006, April 10th
	Law of the People's Republic of China on Land Contract in Rural Areas	2002, Oct. 29th
	Law of the People's Republic of China on Autonomy of Villagers Committee	2010, Oct. 28th
	Methods of Land Acquisition and Announcement (The Ministry of Land and Resources No.10)	2002, Jan. 1 <sup>st</sup> .
Heilongjiang Province	Provincial People's Government of Heilongjiang Province on the Issuance of Implementation Measures of Comprehensive Regional Land Price (2008 No.101)	2008, Dec. 22nd
Jilin Province	Notice on publishing statewide unified annual output value of land acquisition and the Comprehensive Regional Land Price (2010 No. 85)	2010, July 9 <sup>th</sup>
The World Bank	Operation policy OP4.12 Involuntary Resettlement and its attachments	2002, Jan. 1st.
	Operation procedure OP4.12 Involuntary Resettlement and its attachments	2002, Jan. 1st.

These laws, regulations and policy documents constitute the legal basis and policy framework to provide compensation for people affected by land acquisition and resettlement and to resume production and life.

Key articles of relevant laws and regulations are as follows:

**Key articles of the Real Right Law of the People's Republic of China:**

Article 42:

In order to meet the demands of public interests, it is allowed to requisition lands

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owned collectively, premises owned by entities and individuals or other realties according to the statutory power limit and procedures.

When requisitioning land is owned collectively, it is required to, in accordance with law and in full amount, pay land compensation fees, placement subsidies, compensations for the above-ground fixtures of the lands and seedlings and other fees, arrange for social security fees for the farmers with land requisitioned, guarantee their livelihood and protect their lawful rights and interests.

When requisitioning the premises owned by entities and individuals or other realties, it is required to compensate for demolition and relocation in accordance with law and protect the lawful rights and interests of the owners of the requisitioned realties; when requisitioning the individuals residential houses, it is required to guarantee the housing conditions of the owners of the requisitioned houses.

Article 43:

Special protections are provided by the state for farm lands, the conversion of farm lands into construction lands is strictly restricted and the aggregate quantity of construction lands is under control. No one may requisition any land owned collectively with violation of the statutory power limit and procedures.

**Key articles of the Law of Land Administration of the People's Republic of China:**

Article 47:

For requisition of land, compensation shall be given in accordance with the original use of the requisitioned land.

Compensation fee for the cultivated land requisitioned include land compensation fee, subsidy for resettlement as well as compensation fee for ground appendixes and young crops. Land compensation fee for the cultivated land requisitioned shall be six to ten times of the average annual output value in the three years prior to requisition.

Subsidy for resettlement for the cultivated land requisitioned shall be calculated on the basis of the agricultural population that requires resettlement. The agricultural population that requires resettlement shall be calculated on the basis of the amount of cultivated land requisitioned divided by the average per capita occupancy of cultivated land of the unit requisitioned. The rate of subsidy for resettlement per head of the agricultural population that requires resettlement shall be four to six times of the average annual output value in the three years prior to requisition of the said cultivated land. However, the maximum subsidy for resettlement for cultivated land

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requisitioned per hectare shall not exceed fifteen times of the average annual output value in the three years prior to the requisition.

Additional subsidy for resettlement may be provided for those peasants who require resettlement and cannot maintain their original living standards on the basis of land compensation fee and subsidy for resettlement the payment of which is effected pursuant to the provisions of the Second Paragraph of this Article subject to the approval of people's governments of the provinces, autonomous regions and municipalities directly under the Central Government. However, the total of land compensation fee and subsidy for resettlement shall not exceed thirty times of the average annual output value in the three years prior to requisition of the land.

Article 57:

Where land owned by the State or by peasant collectives needs to be used temporarily for construction of projects or for geologic prospecting, the matter shall be subject to approval by the land administration department of a people's government at or above the county level. However, if the land to be temporarily used is located in the area covered by city planning, the matter shall be subject to agreement by the city planning administration department concerned before it is submitted for approval. The land user shall, depending on who owns the land and who has the land-use right, enter into a contract for the temporary use of the land with the land administration department concerned, or the rural collective economic organization, or the villagers committee, and pay compensation for it in accordance with the provisions of the contract.

The temporary land user shall use the land for purposes stipulated in the contract for temporary use of the land and may not build permanent structures on it. Generally, the period for temporary use of land shall not exceed two years.

**Key articles of the Regulation on the Expropriation of Buildings on State-owned Land and Compensation:**

Article 17:

The compensation granted to an owner by the people's government at the city or county level which makes a building expropriation decision shall include:

- (1) compensation for the value of the building expropriated;
- (2) compensation for the relocation or temporary settlement resulting from the building expropriation; and
- (3) compensation for the production or business interruption losses resulting from the building expropriation.

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The people's government at the city or county level shall formulate subsidization and incentive measures to give subsidies and incentives to the owners.

Article 19:

The compensation for the value of the building expropriated shall not be less than the market price of real estate similar to the building expropriated on the date of announcement of the building expropriation decision. The value of the building expropriated shall be assessed by an eligible real estate price assessment institution according to the assessment measures for building expropriation.

An owner who opposes to the assessed value of the building to be expropriated may apply to the real estate price assessment institution for reassessment. An owner who opposes to the reassessment result may apply to the real estate price assessment expert committee for appraisal.

The administrative department of housing and urban-rural development under the State Council shall formulate the assessment measures for building expropriation, in the process of which the public opinions shall be solicited.

Article 20:

The real estate price assessment institution shall be decided by the owners through consultation. If the consultation fails, the institution shall be determined according to the majority's decision, at random or by any other means, and the specific measures shall be formulated by a province, autonomous region or municipality directly under the Central Government.

A real estate price assessment institution shall carry out assessment of buildings to be expropriated in an independent, objective and impartial manner, and no entity or individual shall interfere with it.

Article 21:

An owner may choose either monetary compensation or exchange of titles.

If an owner chooses exchange of titles, the people's government at the city or county level shall provide a building for exchange of titles, and calculate and settle with the owner the difference between the value of the expropriated building and the value of the building provided for exchange of titles.

If personal housing is expropriated due to the rebuilding of an old urban area, and an owner chooses exchange of titles in the rebuilt area, the people's government at the city or county level which makes the building expropriation decision shall provide a building in the rebuilt area or in a nearby area.

Article 22:

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In case of relocation due to building expropriation, the building expropriation department shall pay relocation fees to the owners; and if an owner chooses exchange of titles, the building expropriation department shall, prior to delivery of the building for exchange of titles, pay temporary settlement fees to the owner or provide the owner with a temporary dwelling.

Article 23:

The compensation for production or business interruption losses resulting from building expropriation shall be determined on the basis of the proceeds from the building before expropriation, duration of production or business interruption and other factors. The specific measures shall be formulated by a province, autonomous region or municipality directly under the Central Government.

Article 25:

The building expropriation department and an owner shall, according to this Regulation, enter into a compensation agreement on the method, amount and time of payment of compensation, location and area of the building provided for exchange of titles, relocation fees, temporary settlement fees or temporary dwelling, production or business interruption losses, time limit for relocation, transition manner, transition period and other matters.

After a compensation agreement is signed, if one party fails to perform any obligation under the compensation agreement, the other party may file a lawsuit according to law.

Article 26:

If a compensation agreement cannot be reached by the building expropriation department and an owner within the contracting period as determined in the expropriation and compensation plan, or the owner of the building to be expropriated is unclear, the building expropriation department shall report it to the people's government at the city or county level which makes the building expropriation decision for making a compensation decision under the expropriation and compensation plan in accordance with this Regulation, which shall be announced within the scope of expropriation.

A compensation decision shall be fair, and include the relevant matters in a compensation agreement as prescribed in paragraph 1 of Article 25 of this Regulation.

An owner who disagrees on a compensation decision may apply for administrative reconsideration or file an administrative lawsuit according to law.

Article 27:

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Compensation shall be made before relocation in building expropriation.

After the people's government at the city or county level which makes a building expropriation decision compensates an owner, the owner shall complete relocation within the time limit for relocation as agreed on in the compensation agreement or as determined in the compensation decision.

No entity or individual shall force an owner to relocate by violence or threat, by cutting off the supply of water, heating, gas or electricity or road passage in violation of the relevant provisions or by any other illegal means. Construction entities shall be prohibited from involvement in relocation activities.

Article 28:

Where an owner does not apply for administrative reconsideration or file an administrative lawsuit within the statutory time limit and fails to relocate within the time limit as determined in the compensation decision, the people's government at the city or county level which makes the building expropriation decision shall apply to the people's court for enforcement according to law.

Documents on the compensation amount, account number of the related special deposit account, location and area of the building provided for exchange of titles or the temporary dwelling, etc. shall be attached to the written application for enforcement.

Article 29:

The building expropriation department shall establish building expropriation and compensation files according to law, and announce the information on division of household and compensation to the owners within the scope of expropriation.

**Key articles of the Decision of the State Council on Intensifying the Reform and Tightening of Land Management:**

12. Perfect the measures of compensation for land expropriation. Local people's governments at or above the county level shall take practical measures to ensure that no decline in the living standard of the farmer whose land has been expropriated is caused due to the land expropriation. Guarantee that the compensation for land, resettlement fees and the compensation for attachments to or young crops on the land are fully paid in time. Where the compensation for land and resettlement fees paid in accordance with existing laws fail to maintain the original living standard of the farmers whose farmland has been expropriated due to the land expropriation, or are not sufficient enough to cover the expenses on the social security of the farmers who have lost farmland due to the land expropriation, the gap may be bridged by the local government with the income gained from the compensated use of state-owned land.

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The peoples' government of all provinces, autonomous regions and municipalities directly under the Central Government shall formulate and promulgate the unified annual value of production or regional integrated price of the land expropriated in each city and country so as to compensate the land of the same class with the same price, and the compensation for the land expropriated for the key construction projects of the State shall be listed into the budget in full. The compensation standard and resettlement measures for the land expropriated for the construction of the large and medium-size water conservancy and hydro-power projects shall be formulated by the State Council separately.

13. Appropriately resettle the farmers whose land has been expropriated. Local people's governments at or above the county level shall make detailed measures to guarantee the long-term life of the farmers whose land has been expropriated. With respect to the project with stable earnings, the farmer may buy a share with the right to use the land which has been approved to be used for construction in accordance with the law. Within the urban planning area, the local government shall bring the farmers who have lost land due to the land expropriation into the urban employment system, and the relevant social security system shall be set up; outside of the urban planning area, where the land collectively owned by the farmers is expropriated, the local people's government shall reserve necessary arable land for or arrange relevant working positions for such farmers within the local administrative area; the farmers, without basic production and living conditions, who have lost land shall be resettled in other areas. The department of labor and social security shall put forward the guidelines for the employment training and social security system concerning the farmers whose land has been expropriated together with other relevant departments as quickly as possible.

**Key articles of the Notice of Guidelines on Perfecting Compensation and Resettlement System of Land Acquisition (No.238):**

(1) Identification of unified annual output value. Provincial department of land resources with relevant departments shall formulate the minimum standard of unified annual output value of each county (city) within the province, and announce the execution after approval of the provincial people's government. When formulating the unified annual output value, some elements need to be taken into consideration, such as type and quality of expropriated land, farmers' input on the land, prices of agricultural products, farmland grade, etc.

(2) Identification of unified annual output value multiple. The unified annual output value multiple of land compensation and resettlement fees shall be determined within the limits prescribed by law, and it shall be in line with the principle that farmers' living standard will not be lowered. If the land compensation and



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resettlement fees calculated with the legal unified annual output value multiple can not maintain the living standard of farmers who are affected by land acquisition, or it is not sufficient to cover their social security expenses, the multiple should be improved after approved by the provincial people's government. If the land compensation and resettlement fees in total calculated at 30 times, are still insufficient for farmers to maintain their living standard, a certain percentage of income of state-owned land should be given to farmers in as subsidies, which should be arranged by the local government. If basic farmland are occupied with lawful approval, land compensation should be executed at the highest compensation standard announced by the local government.

(3) Confirmation of the comprehensive land price in expropriation area. Areas with proper conditions, the provincial department of land and resources, together with relevant departments, shall make the comprehensive land price in expropriation area of each county (city) within the province. After approved by the provincial people's government, the price shall be announced and implemented in the process of compensation for land acquisition. When formulating the comprehensive land price, some elements need to be taken into consideration, such as type and output value of the expropriated land, land location, farmland grade, land amount per capita, land supply and demand, local economic level and the minimum standard of living for urban residents, etc.

(4) Allocation of land compensation fee. Land compensation is mainly used for farmers affected by land acquisition. In accordance with the principle, land compensation fee shall be reasonably assigned within the rural collective economic organizations. Specific allocation methods shall be formulated by the provincial government. In cases where all the land is expropriated and the rural collective economic organization is disbanded, the land compensation fee should be fully used for production and living resettlement of farmers whose land is expropriated.

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## 4 Preparation and Approval of Resettlement Plans

Responsibility for preparation and implementation of Resettlement Plans (including responsibility for meeting all costs associated with resettlement) rests with the borrower, who will make necessary coordination through the managerial offices of the project to make effective resettlement plan and implement it. The resettlement plan should combine with the local construction, resource development, economic development and environmental protection. It should fully reflect the sustainable development of local economy and the affected displaced persons. Considering local natural, social and economic situation, practical resettlement plan should be made to effectively restore the production and living standards of displaced persons and maintain the sustainable development.

Once it is determined that land acquisition is essential to complete any project-supported activities, and once siting criteria establish the land area to be acquired, resettlement planning should begin. The borrower will carry out, or cause to be carried out, a census survey to identify and enumerate the persons to be displaced by the subproject, and a socioeconomic survey to determine the range and scope of adverse impacts in the affected area. The census survey must cover 100% of the persons to be displaced; the socioeconomic survey may be undertaken on a sample basis. The surveys, which may be undertaken separately or simultaneously, determine whether a full RP or an “abbreviated” RP (as defined in OP 4.12, Annex A) is necessary. When the number of persons affected exceeds 200, a full RP is necessary. Where impacts on the entire affected population are minor, or fewer than 200 people are affected, an abbreviated RP may be prepared. Impacts are considered “minor” if the affected people are not physically forced to relocate and less than 10% of their productive assets are lost.

If a RP is necessary, it will be prepared in accordance with the policy principles and planning and implementation arrangements set forth in this RPF. The RP is based on accurate baseline census and socioeconomic survey information, and establishes appropriate mitigation measures (e.g., compensation for assets, transitional assistance, economic rehabilitation assistance) for all categories of adverse impacts. Depending on the categories of impacts, the RP specifically addresses the following:

- 1) description of the activity causing land acquisition;
- 2) range and scope of potential adverse impacts;
- 3) socioeconomic survey and baseline census survey information;
- 4) review of relevant laws and regulations relating to land acquisition and

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resettlement;

- 5) specific compensation rates (or alternative measures) for all categories of affected assets;
- 6) other measures, if any, necessary to provide opportunities for economic rehabilitation of displaced persons;
- 7) eligibility criteria for compensation and all other forms of assistance;
- 8) relocation arrangements, if necessary, including transitional support;
- 9) site selection and site preparation, if necessary;
- 10) restoration or replacement of community infrastructure and services;
- 11) organizational arrangements for implementation;
- 12) consultation and disclosure arrangements;
- 13) resettlement implementation schedule;
- 14) costs and budget;
- 15) monitoring arrangements;
- 16) grievance procedures;
- 17) summary entitlements matrix

If an abbreviated RP is to be prepared, it also must be based on principles and planning and implementation arrangements established in this RPF. An abbreviated RP normally includes the following contents:

- 1) a census survey of displaced persons and valuation of assets;
- 2) description of compensation and other resettlement assistance to be provided;
- 3) eligibility criteria;
- 4) consultation and disclosure arrangements;
- 5) organizational arrangements for implementation
- 6) timetable and budget;
- 7) monitoring arrangements;
- 8) grievance procedures; and
- 9) arrangements for monitoring and implementation.

Any RPs prepared in accordance with this Framework must be reviewed and accepted by the World Bank prior to awarding of contracts for the civil works causing the displacement.



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## **5 Compensation for Displaced Persons and Rights of Resettlement**

All displaced persons affected by the project have the right to get compensations and/or aids in other forms. Specifications depend on the influence on them.

Generally, people who have the right to get compensations include people who are impacted in the following ways.

Lands are forever collected due to the project. Affected people of this kind include A) villagers who have the official right to use land in affected villages, and B) villagers in unaffected villages who rent the affected lands. Villagers of A category have the right to get replacement cost and villagers of B category have the right to get compensations for crops and buildings.

Houses, other buildings and fixed assets including trees and unharvested crops are lost. Affected people of this kind include all people whose houses and other assets are lost (no matter whether they own the right of land or permit of buildings before the deadline).

Loss related to temporary impacts. This includes temporary loss of land, transitional cost related to resettlement and disruption to business during the construction period.

The purpose of resettlement plan is to ensure that displaced persons have sufficient opportunity to replace assets they will lose, and to improve or at least restore their incomes and living standards. To achieve these objectives, it is essential to ensure that all displaced persons are identified, and to ensure that all displaced persons are deemed eligible for mitigation measures included in the RP. In particular, affected displaced persons have the right to get compensation and resettlement measures as follows:

(1) Displaced persons losing agricultural land:

a) The priority mechanism of compensation for loss of agricultural land is to provide lands with the same production capacity with which the affected displaced people would be satisfied. If satisfactory substituted land can not be determined, compensation can be provided by means of replacement cost. If the displaced persons do not take land as the preferred option, or the land offered to them would have adverse effects on the sustainability of parks and reserves, or they can not get enough land at a reasonable price, a resettlement plan based on employment opportunities or self-employment should be provided in addition to land

compensation and cash compensation for other property losses. The there is no adequate land, it should be demonstrated and included in the documents in accordance with the requirements of the World Bank. If land acquisition is caused in the project, the compensation standard will not be lower than the unified annual output value standard made by the country or each province (autonomous regions and municipalities).

b) Individual displaced persons will be compensated at the market price for the loss of standing crops and industrial trees in terms of net present value; and for other fixed assets (such as outbuildings), they will be compensated in terms of replacement cost.

c) Temporary use of land will be compensated. The compensation rate is related to the lifespan. Besides, the land or other assets will be restored to the condition prior to use, while the owner or user shall not have to bear the restoration costs.

### (2) Vulnerable Groups

Vulnerable groups in this project include the old, the disabled, and households with women as the main labor forces. These people should be identified during the general investigation.

Provisions of compensation and resettlement aiming at all affected persons are applicable to these groups as well. In addition, vulnerable groups will also enjoy additional assistance to ensure that the implementation of the project would recover or improve their income and livelihood.

### (3) Ethnic Minorities

Resettlement of ethnic minorities is particularly complex. Resettlement may cause severe adverse effects on their identity and cultural continuity. Therefore, the borrower should explore all feasible designs of the project to avoid the actual displacement of these groups. If the displacement can not be avoided, the borrower should should develop a resettlement strategy on the base of land for them. The strategy should be based on consultations, and in line with the cultural characteristics of the affected minorities.

**Table 3 - Compensation and Resettlement of Affected Displaced People**

Type of Impact	Affected People	Compensation Category	Resettlement Methods
Permanent land acquisition	Villagers who have the official right to use land in affected villages	Land compensation, resettlement subsidies and compensation for young cultivated crops	Land adjustment within the village or cash compensation, skill training, employment

Type of Impact	Affected People	Compensation Category	Resettlement Methods
			promotion and support, as well as social security measures of farmers
	Individuals who temporarily rent the land for farming	Compensation for young crops	To assist them to find other agricultural land to rent.
House demolition and reconstruction	Owners of buildings on rural collective land	New residential land, cash compensation at full replacement cost of affected buildings, the relocation allowance, resettlement subsidies for temporary relocation transition.	New residential land that is acceptable in terms of size and accessibility
	Owners of buildings on state-owned land	To offer cash compensation for housing based on assessment of the market price; and provide resettlement houses for expropriated person to choose; subsidies for relocation and transitional resettlement.	Equivalent resettlement housing in terms of size, location and quality that is accepted by the expropriated person, or compensation fund adequate to purchase such housing.
	House Tenants	To negotiate with the house owners about compensation for loss generated by housing leases.	To assist them to find other houses to rent.
Loss of non-residential buildings	Business people and their employees forced to migrate.	1) New business places or cash compensation at replacement cost; and 2) cash compensation for loss of operating buildings; 3) transitional support for loss of income (including employees' wages) ; 4) allowance for relocation costs	New business places that are acceptable in terms of size, location and operating conditions
Loss of appurtenance and other asserts	Owners of appurtenance and other asserts	Cash compensation based on replacement cost.	
Direct loss	vulnerable groups	To give extra support to ensure that	

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<b>Type of Impact</b>	<b>Affected People</b>	<b>Compensation Category</b>	<b>Resettlement Methods</b>
of all kinds	(the impoverished, women, the elderly, the disabled, etc.)	their income and living standards can be restored or improved.	



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## 6 Implementation Process

A detailed implementation schedule of all activities to be undertaken will be included in the RP. Payment of compensation and furnishing of other rehabilitation entitlements (in cash or in-kind), and relocation if necessary, should be completed at least one month prior to land acquisition. If it is not possible to make all compensation payments, or to provide other necessary forms of assistance, prior to land acquisition, additional transitional allowances may be required. Meanwhile, during the implementation process of land acquisition and resettlement, the following legal proceedings should be followed.

### 1. General Procedures of acquisition of collectively-owned land.

According to the Article 20 of the Regulation on the Implementation of the Land Administration Law of the Peoples Republic of China, occupation of land for the implementation of urban planning within the scope of land for urban construction determined in the overall planning for land utilization shall be handled pursuant to the following provisions:

(1) municipal, county people's governments shall, pursuant to the annual plans for land utilization, draft agricultural land conversion plans, cultivated land supplement plans, land requisition plans, and submit them in batches and level by level to people's governments with the authority of approval.

(2) the competent departments of land administration of people's governments with the authority of approval shall examine the agricultural land conversion plans, cultivated land supplement plans, land requisition plans, put forth examination remarks and submit the same to people's governments with the authority of approval for approval; among which, the cultivated land supplement plans shall be approved simultaneously with the approval of agricultural land conversion plans by people's governments that approve the agricultural land conversion plans.

(3) municipal, county people's governments shall, upon approval of the agricultural land conversion plans, cultivated land supplement plans and land requisition plans, organize their implementation and provide land separately according to specific construction projects.

#### Article 25:

Municipal, county people's government of the locality whose land has been requisitioned shall , upon approval of the land requisition plan according to law, organize its implementation, and make an announcement in the village(township), hamlet whose land has been requisitioned on the approval organ of the land

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requisition, number of the approval document, use, scope and area of the requisitioned land as well as the rates for compensation of land requisition, measures for the resettlement of agricultural personnel and duration for processing land requisition compensation.

Persons of ownership and persons of use right of the requisitioned land should, within the duration prescribed in the announcement, go to the competent department of people's government designated in the announcement to go through the registration for land requisition compensation on the strength of land ownership certificates.

The competent departments of municipal, county people's governments shall, on the basis of the approved land requisition plan and in conjunction with the departments concerned, draw up land requisition compensation and resettlement plan, make an announcement thereof in the village(township),hamlet wherein the requisitioned land is located to solicit the views of the rural collective economic organizations and peasants on the requisitioned land. The competent departments of land administration of municipal, county people's governments shall, upon approval of the land requisition compensation and resettlement plan submitted to the municipal, county people's governments, organize its implementation. Where a dispute arises over the compensation rates, coordination shall be carried out by local people's government above the county level; where coordination has failed, arbitration shall be resorted to by the people's government that approved the land requisition. Land requisition compensation and resettlement dispute shall not affect the implementation of the land requisition plan.

Payment of various expenses for land requisition should be effected in full within 3 months starting from the date of approval of the land requisition and resettlement plan.

## **2. General procedures of Expropriation of buildings on state-owned land**

According to Regulation on Expropriation of Buildings on State-owned Land and Compensation, expropriation of buildings on state-owned land should conform to the following procedures:

(1) To make decisions of house expropriation on the base of legal conditions and procedures.

(2) To post announcement of house expropriation and taking back rights to use state-owned land.

(3) To select qualified assessment institution, conduct value assessment of houses, and publicize the assessment results.

(4) To sign agreement of house expropriation and compensation.

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(5) To publish the compensation situation and make record of house expropriation.

(6) To demolish and expropriated houses and transfer requisitioned land.

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## **7 Funding Arrangement**

The borrower bears responsibility for meeting all costs associated with land acquisition and resettlement. Any RPs prepared in accordance with this RPF require inclusion of estimated costs and budgets. All persons adversely affected by land acquisition are entitled to compensation or other appropriate mitigation measures, regardless of whether these persons have been identified at the time of resettlement planning, and regardless of whether sufficient mitigation funds have been allocated. For these reasons, the budget in the resettlement plan includes contingency funds, typically 10% or more of the estimated total resettlement costs, to meet unanticipated resettlement costs.

Compensation rates included in the RP provide the basis for calculating compensation amounts due to displaced persons. Compensation must be paid in full to the individual or collective losing land or other assets. No deductions from compensation will occur for any reason. The RP should describe the procedures by which compensation funds will flow from the borrower to the displaced persons. As a general principle, the flow of funds should be as direct as possible, reducing the number of intermediary agencies to a minimum.

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## **8 Consultation and Disclosure Arrangements**

During the formulation, planning and implementation stages of resettlement policy, participation and consultation of displaced persons must be attached with great importance. Resettlement policies of the project shall be widely promoted and introduced through various means, including social and economic survey, social impact assessment and investigations, etc. Opinions and suggestions can be collected from all types of affected people. Through broad public participation, coordination and communication, local government, affected villages and people have fully understood the potential impact of the project, resettlement policies and income restoration plan.

Participation of affected people or consultation with them is the starting point for resettlement activities. Consultation, as a basic way to achieve the resettlement and rehabilitation, can help the smooth implementation of the project. The RP must describe measures taken, or to be taken, to consult with displaced persons regarding proposed resettlement arrangements, and to provide relevant information in time for displaced persons, their communities and those that could adopt them. They are encouraged to jointly participate in the formulation of plans, and will be offered with opportunities of participating in planning, implementing and monitoring the resettlement. In the new resettlement sites or communities, necessary infrastructure and public services shall be provided to improve, restore or maintain the original degree of facility utilization and service level. Appropriate and convenient grievance mechanisms shall be established for these groups to improve or restore their incomes and living standards. To ensure that opinions and preferences of displaced persons are considered, consultations should begin prior to finalization of project designs and mitigation measures. Consultations should continue throughout the period in which the RP is implemented through external monitoring arrangements (see below).

The project office in charge of resettlement as well as each local implementation department of resettlement can adopt the following procedures and methods to encourage the participation and consultation of affected people.

### **(1) Promote Resettlement Information**

To ensure that the displaced people and local governments in affected areas know details of the resettlement plan and the compensation and resettlement program of each sub-project well, the project office of resettlement should collect and post the resettlement information reviewed by the World Bank in affected areas, or publish it through radio, television or Internet; and make information booklets and distribute the booklets to every displaced person. Main contents of resettlement information include:

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the loss of all property subjects; compensation standards; the amount of compensation and resettlement policy; rights and benefits of displaced people; feedback and complaint channels.

(2) Hold Public Consultation Meeting

According to the actual situation of land acquisition and relocation, the project office in charge of resettlement shall organize regular consultative meetings for affected people. Representatives of vulnerable groups, especially women, should be invited to participate in each meeting, which should be monitored by external independent monitoring bodies. Construction contents schedule and resettlement policy should be promoted through television, radio, newspapers, Internet and so on.

(3) Hold Hearings

(4) Hold Village Congress

The project office should also publicize the draft and the final version of the resettlement plan to displaced people and the public, and give out them in convenient places accessible to displaced people. In general, the resettlement plan can be disclosed in public libraries, villagers' activity room in the committee of affected villages, public information websites of the government, etc. The language should be easy to understand. The draft of resettlement plan should be published one month before it is submitted to the World Bank for approval. After approved by the World Bank, the final version can be publicized.

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## 9 Grievance Procedures

The main purpose of the resettlement work is to ensure the restoration and improvement of affected people's living and production. Since the resettlement work will be carried out in consultation with displaced persons, major grievances are not likely to arise. However, various problems may occur during the implementation of the project. To ensure that the resettlement goes on smoothly and displaced persons have avenues for redressing grievance related to any aspect of land acquisition and resettlement, the following grievance procedures have been established:

Stage 1, any person who is not satisfied with the resettlement plan or its implementation can lodge an oral or written grievance to the Village Committee. The Village Committee shall solve this within 2 weeks.

Stage 2, if the aggrieved person is not satisfied with the decision made in stage 1, can lodge an oral or written grievance to the town government. If it is an oral grievance, the town government shall make an written record and solve this within 2 weeks.

Stage 3, if the aggrieved person is not satisfied with the decision made by the town government, she/he can present the case to the land administration bureau or bureau of letters and visits of the district/county in which the project is located. The land administration bureau of the district/county shall solve this within 2 weeks. The bureau of letters and visits shall give an response within 1 week or transfer this to the land administration bureau.

Stage 4, if the aggrieved person is still dissatisfied with the decision of the land administration bureau, authorities, the case may be submitted for consideration by the People's Court in accordance with the "Civil Procedure Act".

The above ways to appeal should be publicized in a way that affected people are able to understand, so that they are fully aware of their right of complainant. Relevant institutions should conduct on-site investigation aiming at grievances raised by displaced people and fully collect the views of affected displaced people. Objective, impartial views to solve the grievances should be put forward based on various principles and criteria in accordance with national laws and regulations and the provisions of the resettlement plan.

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## 10 Monitoring and Evaluation

Base of resettlement monitoring and evaluation include: (1) relevant national laws and regulations relating to resettlement; (2) operation guidelines of the World Bank; (3) legal documents directly related to the project, such as the resettlement plan recognized by the World Bank and project owners.

Principles of resettlement monitoring and evaluation include: (1) periodic surveys to know and evaluate the implementation of resettlement; (2) accurate data collection and data analysis to ensure the accuracy of results of monitoring and evaluation; (3) Scientific, objective and impartial evaluation of the implementation of the resettlement; (4) promptly report to project owners and the World Bank to enable them to keep abreast of the progress of the project and make scientific decisions.

Internal monitoring should cover the following contents:

- 1) Organization. Implementation of resettlement, the setting and function division of relevant agencies, staffing and capacity building of resettlement agencies;
- 2) Resettlement policies and compensation standards. Formulation and implementation of resettlement policies; compensation standard for various types of loss and the actual implementation. In particular, it should be notified that whether the compensation is conducted in accordance with the standard specified in the resettlement policy framework. If it is subject to change, reasons are needed;
- 3) Land acquisition and implementation progress of resettlement;
- 4) Budget and implementation progress of resettlement
- 5) Resettlement of production and employment. The main resettlement methods of rural displaced people (land adjustment, new land development, resettlement of enterprises, self-employment and social insurance, etc.), resettlement of vulnerable groups (ethnic minorities, women, the elderly, the disabled, etc.); reclamation of temporarily occupied land, effects of resettlement, etc.;
- 6) Houses rebuilding and life restoration. Resettlement methods of rural displaced people and their direction after resettlement; arrangement and distribution of homestead, forms of housing reconstruction, the payment of compensation funds, complement of public facilities (water, electricity, roads, commercial outlets, etc.),



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relocation, etc.;

- 7) Complaints, appeals, public participation, consultation, information disclosure and external monitoring;
- 8) Resettlement of related issues in the memorandum of the World Bank's inspection mission;
- 9) Existing problems and their solutions.

External monitoring and evaluation will be contracted to an agency which is independent from project owners and implementation institutions of resettlement. External monitoring and evaluation will cover the following contents:

(1) Resettlement agencies. To monitor the setting, division of work and staffing of the resettlement implementation agencies and project owners through investigation and interviews, and their capacity-building and training activities; to compare with the resettlement action plan to assess their suitability;

(2) immigration policy and compensation standards for investigation major policy resettlement implementation, and compared with the Resettlement Action Plan, to analyze its changes, to assess their suitability. Representative sampling to verify the various types of migration losses (especially permanent land acquisition, house demolition and other major loss) compensation for the actual implementation of the standard, and compared with the Resettlement Action Plan, to analyze its changes, to assess their suitability;

(3) the implementation progress of the resettlement;

(4) Compensation funds and budget of the resettlement;

(5) Production and employment resettlement. To assess the implementation situation of production and employment resettlement and income restoration program through typical sampling surveys and monitoring of typical households of displaced people.

(6) Houses rebuilding and living arrangement of displaced people. To make analysis and evaluation through sampling surveys.

(7) Recovery of income and living standards of displaced people. Through the baseline survey before the land acquisition and sampling surveys afterwards and following monitoring, to get to know the sources of income, amount, structure, stability as well as the amount and structure of expenditure of typical displaced households; to compare and analyze the economic status and income and expenditure level before and after the resettlement; and to assess the accomplishment of resettlement objectives, such as income. To make comparison in terms of typical

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sample households, residential condition (housing, etc.), transportation, public facilities, community environment, culture and entertainment, economic activity, and other aspects to analyze and evaluate the recovery of their income and living standards;

(8) Complaints and appeals. To monitor channels, procedures, main issues and solution of complaints and appeals through reviewing documentation and on-site investigation of typical household;

(9) Public participation, consultation and information disclosure. To monitor public participation, consultation and their effects in the implementation process of resettlement preparation, issuance and feedback of resettlement information booklet, information disclosure and the effects through reviewing documentation and on-site investigation;

(10) To solve questions put forward in the memorandum of the World Bank's inspection group and the previous resettlement monitoring and evaluation report;

(11) Conclusions and recommendations. To summarize the resettlement implementation and draw appropriate conclusions and recommendations. To track the existing problems until they are solved.

During the resettlement, the external monitoring and evaluation agency generally carry out field investigations and monitoring and evaluation twice a year; once a year after the resettlement. They can also increase or decrease the number of site investigation and monitoring and evaluation according to actual situation of resettlement with agreement of the World Bank. External monitoring and evaluation usually continue until the achievement of resettlement objectives. Through external monitoring and evaluation, opinions and suggestions about the whole process of resettlement and the recovery of production and living standard shall be put forward. External monitoring reports will be prepared for simultaneous submission to the project office and the World Bank.