

**World Bank-financed Ningbo Sustainable Urbanization  
Project**

**Resettlement Policy Framework**

**Ningbo Municipal Government**

**January 2016**

## Abbreviations

V	AAO	-	Average Annual Output Value
	AH	-	Affected Household
	AP	-	Affected Person
	HD	-	House Demolition
	LA	-	Land Acquisition
	LEF	-	Land-expropriated Farmer
	M&E	-	Monitoring and Evaluation
	PMO	-	Project Management Office
	PRC	-	People's Republic of China
	RAP	-	Resettlement Action Plan
	RPF	-	Resettlement Policy Framework

## Units

Currency unit	=	CNY
CNY 1.00	=	\$0.15
1 hectare	=	15 mu

## **A. Background**

In recent years with rapid economic and social development in Ningbo City, import and export trade and population flow have increased tremendously. However, urban transportation infrastructure and flood risk control remains weak, reflected by traffic congestion, serious roads rundown and damages, unsound road landscaping and poor drainage facilities. In view of this, the Ningbo Municipal Government has applied for a loan with the Bank to implement the Ningbo Sustainable Urbanization Project (hereinafter, the "Project"). In order to ensure that the production level and living standard of the affected persons (APs) is not reduced during and after construction, and equally benefit from the Project, the implementing agency, PMO, and RAP preparation agency have prepared this resettlement policy framework (RPF) jointly.

The implementation of subsequent resettlement activities will be reflected in external M&E reports.

## **B. Objectives of Resettlement, Definitions and Key Principles**

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.
- 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.

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.

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).

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 RAP 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 RAP shall be supervised, monitored and evaluated effectively and timely.

The key principles of this RPF are as follows:

- Avoiding or minimizing LA, especially the occupation of high-grade farmland;
- Avoiding the demolition of residential houses;
- Using unused land where possible; and
- Avoiding or minimizing the occupation of environmentally sensitive areas.

### **C. Preparation and Approval of the RAP**

The preparation and implementation of a RAP (including the payment of all resettlement costs) will be the responsibility of the borrower. Ningbo PMO and the relevant county PMOs are fully responsible for the Project.

The RAP will cover the following (if relevant), and anything unrelated to the Project should be specified in the RAP:

- 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;
- 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;
- M&E.

On the basis of the Operational Policy on Involuntary Resettlement (OP4.12), a RAP 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.

The RAP 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 RAP can compensation, resettlement and restoration activities begin. Such activities should be completed before the commencement of civil engineering.

#### **D. Institutional and Legal Framework**

The legal framework guiding the implementation of the RAP is based on the Bank's policy on involuntary resettlement (OP4.12), the applicable laws, regulations and ordinances of the state, Zhejiang Province, and the project cities/counties.

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.

The key laws, regulations and ordinances of the PRC, and Bank policies used to prepare this RPF and ensure its legal validity include:

**Table 1 Policy Framework**

Level	Policy document	Effective date
State	Land Administration Law of the PRC	2004-8-28
	Real Right Law of the PRC	2007-10-1
	Regulations on the Implementation of the Land Administration Law of the PRC (Decree No.256 of the State Council)	1998-12-27
	Notice on Adjusting the Policy for the Compensated Use of Additional Construction Land	2009-1-1
	Notice of the Ministry of Land and Resources on Doing a Practical Job in Compensation for Land Acquisition	2004--
	Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (MLR [2004] No.238)	2004-11-3
	Regulations on the Expropriation of Houses on State-owned Land and Compensation Therefor	2001-1-21
	Notice of the Ministry of Land and Resources on Doing a Better Job in Land Acquisition Management	2010-6-28
Local	Measures of Zhejiang Province for the Implementation of the Land Administration Law of the PRC	2000-7-5
	Notice on Strengthening and Improving Land Acquisition Work(ZPG [2002] No.27)	2002-12-3
	Guidelines of Zhejiang Province on Further Regulating the Management of Village-level Land Reserved for Resettlement (ZPLRD (2006))	
	Measures of Zhejiang Province for Compensation for Land Acquisition and Basic Living Security for Land-expropriated Farmers (Decree No.264 of the Zhejiang Provincial Government)	2010-1-1
	Regulations of Zhejiang Province on Master Land Utilization Planning	2011-7-1
	Notice of the Zhejiang Provincial Government on Re-promulgating the Provincial Minimum Living Standard of Compensation for Land Acquisition (ZPG [2012] No.2)	
	Measures of Zhejiang Province for the Implementation of Farmland Occupation Land (ZCNSZ [2008] No.17)	
	Opinions of the Zhejiang Provincial Government on Promoting the Redevelopment of Urban Low-efficiency Land Comprehensively (ZPG [2014] No.20)	2014-5-5
	Notice of the Zhejiang Provincial Government on Adjusting Compensation and Resettlement Policies for Land Acquisition (ZPG [2014] No.19)	2014-4-29
	Regulations of Ningbo City on Compensation, Subsidies and Rewards for the Demolition of Houses on State-owned Land (NMG[2015] No.28)	2015-3-19
	Regulations of Ningbo Municipality for the Demolition of Houses on Acquired Collective Land	2006-1-1
	Rules of Ningbo City for the Implementation of House Demolition on Collective Land	2006-12-1
	Notice of the Ningbo Municipal Government on Issuing the Interim Measures for Endowment Insurance for Land-expropriated Farmers (MPG [2002] No.125)	2002-11-11
	Notice on Adjusting Basic Endowment Insurance Benefits for Urban and Rural Residents of Ningbo City (NMLSSB [2015] No.48)	2015-1-1
Some Opinions on the Implementation of the Regulations on the Acquisition of and Compensation for Houses on State-owned Land (Trial) (NMG [2011] No.96)		
Bank	Operational Policy OP4.12 on Involuntary Resettlement and appendixes	2002-1-1
	Bank Procedure BP4.12 on Involuntary Resettlement and appendixes	2002-1-1

In order to achieve the above objectives, this resettlement policy framework has quoted the principles summarized in OP/BP4.12 of the World Bank, specified as follows:

(a) The resettlement work will be implemented based on the socioeconomic survey and affected quantity statistics, and in accordance with national and local resettlement policies and regulations, as well as the Involuntary Resettlement Business Policy OP/BP4.12 of the World Bank.

(b) The project design will be optimized to minimize the resettlement work. The populous area will be excluded as much as possible, so as to minimize the involuntary resettlement. The construction scheme will be optimized to reduce disturbance to the public.

(c) All compensations for involuntary resettlement will be regarded as a part of this project. Sufficient fund will be provided to the relocated people, so as to ensure they can benefit from this project.

(d) It will be guaranteed that all the affected people can receive all the compensations for the resettlement loss before the implementation of the project. Their daily life will be properly arranged, and their production will be effectively restored. Subsidies and assistance will also be given to solve their temporary difficulties.

(e) It will be guaranteed that the living standard, production capacity and income level of all the affected people can recover to their original level or even increase to some extent.

(f) The compensation for the demolished structures, specialized facilities and land attachments will be calculated according to the replacement price. The residual value of demolished materials cannot be deducted, nor can the depreciation of original property.

(g) Both physical resettlement and monetary resettlement will be offered to the affected people for them to choose freely.

(h) The relocated people will receive compensation during the transition period and relocation process.

(i) The relocated non-residential units will receive relocation subsidy and compensation for production and business suspension.

(j) Special attention will be given to the vulnerable group, helping them select the resettlement houses and move into the new houses.

(k) Compensation will be given to the owners of the infrastructure for the relocation and restoration of infrastructure affected by the project.

(l) Reasonable compensation will be given to the to-be-acquired land and related losses.

(m) The compensation for the to-be-acquired land will be paid within three months starting from the date when the resettlement plan is approved, no later than the date when the land is used for construction purpose.

(n) During the preparation and implementation stage of resettlement work, the relocated people will be encouraged to participate in the process, so as to solicit their suggestions for the resettlement work and publicize the resettlement policy in time.

(o) Great attention will be given to the complaints of affected people. Timely assistance will be given to them to solve the difficulties and inconvenience during the resettlement process. The disputes on the compensation rate will be solved through consultations as far as possible. If consultation fails, it can be submitted for arbitration.

(p) Units involved in the resettlement work will enhance cooperation and coordination among each other. Resettlement organizations at all levels will be established, and all the employees will be well trained.

(q) During the implementation process of the resettlement work, any major changes, including the alteration of compensation rate, alteration of relocated position and scale, adding new items, etc., will be reported to the World Bank in advance.

Considering that there are some gaps between the domestic resettlement policy and the Bank's OP4.12, during the resettlement implementation stage of projects covered by this RPF, PMO will adopt good practices and policy from the Bank on the basis of domestic laws. Below is a description of policy gaps between PRC and the World Bank, and guidance on which policies to be implemented.

**Table 2 Gaps between China and the World Bank's policy and Measures in This Project**

	Policy of China	Policy of the World Bank	Policy to be followed
Goal	Guarantee the construction project can be finished in time and effectively, ensure social stability and harmony.	Avoid or minimize involuntary resettlement as far as possible; ensure living standard of project affected persons is not lower than before.	Carry out the Bank's policy
Compensation approach	Land acquisition is generally compensated by currency, supplemented by employment assistance and social security. The following resettlement approaches are available to the households affected by the demolition of rural residential houses: 1. Cash compensation; 2. Housing land + self-built houses. The project owner will offer housing land for relocation and conduct land leveling and constructing infrastructure for AHs. 3. Resettlement housing. When resettlement house is chosen as compensation mode, the location and type of resettlement house have been determined.	Replacement land shall be provided for population depending on land as main source of income in the case of land acquisition. Affected people have their own right to choose mode of compensation, including cash compensation, replacement housing, or land + self-built houses. The project should provide land leveling and basic infrastructure for AHs. Location of the resettlement house should be chosen freely by the relocated persons.	Carry out the Bank's policy
Calculation method of compensation fees	Take the market price of house that of the same type and purpose at the same district as the compensated price.	The price shall be calculated based on estimated replacement cost, without considering depreciation.	Replacement housing should be used if chosen by APs. Full market price for new houses should be used if cash compensation is selected by APs. Total compensation will include market price plus all transaction cost to match replacement cost.
compensation for illegal building	No compensation shall be provided for illegal buildings.	Compensation is provided for illegal buildings.	Those occupied affected houses before cut-off date are entitled to full compensation.
Public participation	Public participation system is not sound enough, public can only participate in some phases of the project implementation.	A complete and sound public participation process should be followed, during the full process of impact assessment and determination of compensation mode, and implementation of LA and resettlement.	Wide public consultation should be ensured for APs to participate in impact assessment, alternatives identification, and implementation of resettlement work.
Monitoring	Internal management mechanism of project owner and resettlement	Including internal monitoring from the internal management	Set up external and internal monitoring



	Policy of China	Policy of the World Bank	Policy to be followed
arrangement	implementation agency conducts the monitoring process.	mechanism of project owner and resettlement implementation agency and external monitoring from the external independent monitoring unit.	systems as required by the Bank.
Grievance mechanism	Set up specialized agency to accept public grievance.	Public can appeal through multiple channels and ways, including community, sub-district, project owner, external monitoring agency, etc.	Set up grievance mechanism as required by the Bank.

The purpose of preparing the RAP 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 accept that remedies defined in the RAP is rational.

APs losing farmland will be entitled to the following compensation and restoration measures:

- Land reserved for resettlement obtained through LA should be used to develop the collective economy with the consent of villagers, offer collective jobs for collective resettlement, generate operating income, etc.
- Where land reallocation is impossible, land-expropriated farmers must be identified. They will be provided with jobs with a remuneration level at least equivalent to their lost income, or receive a resettlement subsidy at 4-6 times the average annual output value (AAOV) of the acquired land in the 3 years before LA. If the former living standard of the APs still cannot be fully restored like this, resettlement subsidy may be increased to 15 times the AAOV.
- If land compensation fees and resettlement subsidy are still insufficient to restore the living standard of the APs, they will receive subsidies from fees on the use of state-owned land.
- Land compensation fees and resettlement subsidy will be paid to the affected village committees, and used to: (1)increase cultivated area if land is available; (2)improve agriculture through irrigation, etc.; and (3)develop nonagricultural income. Like fixed assets, affected young crops, fruit and commercial forests will be compensated for at replacement cost.
- The lost income, young crops and infrastructure, and land restoration costs of the persons affected by temporary land occupation will also be compensated for.
- Eligible APs will be included in endowment insurance for LEFs or the social security system;
- Timely and rational skills training will be offered to the APs to improve their agricultural and nonagricultural skills, and enhance their ability to earn income.
- Jobs will be offered to the APs, including public welfare jobs, jobs offered under the Project, jobs in industrial parks, etc., and unskilled jobs will be first made available to local laborers to create income-generating opportunities.

Demolished houses and attachments will be compensated for as follows, and the following restoration measures will be taken:

- Demolished residential houses may be subject to either property swap or cash compensation, and eligible AHs may also be subject to relocation. AHs have the right to choose modes of compensation and resettlement.

- Replacement housing will be calculated on the basis of appraised market price, which includes construction and installation cost of the houses ready for move in, plus all transaction cost. In all cases, the replacement houses will have bigger spaces than the demolished houses and with location comparable to the demolished houses in terms of access to key social services such as shopping, schools, and hospitals etc.
- Cash compensation will be based on replacement cost.
- All facilities and services will be reconstructed or restored, such as roads, water supply, power supply, telephones, cable TV and schools.
- The displacer will provide transition housing or transition subsidies before APs moving in new houses.

Proposed compensation rates:

According to the survey and the applicable policies of Ningbo city, the possible compensation rates are as follows:

#### I. Compensation rates for LA

##### ➤ Compensation rates for permanently acquired collective land

According to the Measures of Zhejiang Province for Compensation for Land Acquisition and Basic Living Security for Land-expropriated Farmers Decree No.264 of the Zhejiang Provincial Government), Notice of the Zhejiang Provincial Government on Adjusting Compensation and Resettlement Policies for Land Acquisition (ZPG [2014] No.19), Regulations of Xiangshan County on Compensation and Resettlement for Land Acquisition (XCG [2014] No.140), Notice of the Fenghua Municipal Government on Adjusting and Improving Compensation Rates for Land Acquisition (FMG [2014] No.174), and Notice on Reissuing Compensation Rates for Land Acquisition of Ninghai County (NMG [2012] No.17), the LA compensation rates of the Project are as follows:

**Table 3 Location-based Composite Land Prices for LA of Xiangshan County**

Area	Land type	Location-based composite land price (0,000 yuan/mu)		
		Amount	Land compensation	Resettlement subsidy
Tier-1	Type 1: cultivated land, construction land, garden land, other farmland	6.0	3.0	3.0
	Type 2: woodland, unused farmland	3.0	1.5	1.5
Tier-2	Type 1: cultivated land, construction land, garden land, other farmland	5.3	2.65	2.65
	Type 2: woodland, unused farmland	2.65	1.325	1.325
Tier-3	Type 1: cultivated land, construction land, garden land, other farmland	4.6	2.3	2.3
	Type 2: woodland, unused farmland	2.3	1.15	1.15

2) The LA compensation rates of Fenghua City are as follows:

**Table 4 Location-based Composite Land Prices for LA of Fenghua County**

Area	Land type	Location-based composite land price (0,000 yuan/mu)
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		Amount	Land compensation	Resettlement subsidy
Tier-1	Type 1: cultivated land, construction land, garden land, other farmland	6.0	3.0	3.0
	Type 2: woodland, unused farmland	4.5	1.5	3.0
Tier-2	Type 1: cultivated land, construction land, garden land, other farmland	5.4	2.4	3.0
	Type 2: woodland, unused farmland	4.2	1.2	3.0
Tier-3	Type 1: cultivated land, construction land, garden land, other farmland	4.6	1.6	3.0
	Type 2: woodland, unused farmland	3.8	0.8	3.0

3) The LA compensation rates of Ninghai County are as follows:

**Table 5 Location-based Composite Land Prices for LA of Ninghai County**

Area	Township/ sub-district	Within/out of planning area	Land type	Location-based composite land price (0,000 yuan/mu)		
				Amount	Land compensation	Resettlement subsidy
Tier-1	Yuelong, Taoyuan, Meilin, Qiaotouhu	Within planning area	Cultivated land	5.4	2.44	2.96
			Woodland, unused land	2.7	1.22	1.48
		Out of planning area	Cultivated land	4.86	2.18	2.68
			Woodland, unused land	2.43	1.09	1.34
Tier-2	Huangtan, Qiangjiao, Xidian	Within planning area	Cultivated land	4.5	2.02	2.48
			Woodland, unused land	2.25	1.01	1.24
		Out of planning area	Cultivated land	4.06	1.82	2.24
			Woodland, unused land	2.03	0.91	1.12
Tier-3	Shenzhen, Changjie, Liyang, Chayuan, Chalu, Qiantong, Dajiahe	Within planning area	Cultivated land	4	1.76	2.24
			Woodland, unused land	2	0.88	1.12
		Out of planning area	Cultivated land	3.6	1.6	2
			Woodland, unused land	1.8	0.8	1
Tier-4	Huchen, Yishi, Yuexi, Sangzhou	Within planning area	Cultivated land	3.6	1.6	2
			Woodland, unused land	1.8	0.8	1
		Out of planning area	Cultivated land	3.24	1.46	1.78
			Woodland, unused land	1.62	0.73	0.89

➤ **Compensation rates for attachments**

The ground attachments and structures affected by the Project will be compensated for at appraised price.

➤ **Compensation rates for temporary land occupation**

According to the feasibility study report, some collective land will be used temporarily to store building materials, park vehicles, etc. at the construction stage, but positions and size cannot be fixed for the moment. Through consultation with the owner, agencies concerned and affected village committees, the owner will negotiate compensation rates for young crops on temporarily occupied land with the affected village committees and households, and grant compensation based on the actual period of occupation.

## II. Compensation rates for HD

The HD compensation rates of the Project have been fixed in accordance with the Regulations of Ningbo Municipality for the Demolition of Houses on Acquired Collective Land, and the Rules of Ningbo City for the Implementation of House Demolition on Collective Land as follows:

### ➤ Rural residential houses

**Resettlement modes:** The following resettlement modes are available to the households affected by the demolition of rural residential houses:

#### 1. Cash compensation

Cash compensation will be paid to households who selected cash compensation to purchase houses on their own. The compensation rate for the demolished house should be based on the average price of local commercial housing of the same type and size when purchased new as replacement cost. The demolished house should be compensated for at full replacement cost. The displacer should pay cash compensation to the AH within 30 days after entering into an HD compensation agreement with the AH.

#### 2. Housing land + Self-built house

For AHs who selected housing land plus compensation for self-building houses, the displacer will offer housing land for relocation and construction according to village development plans, assist AHs in relocation and construction approvals, and issue grant compensation at full replacement cost for building replacement houses by AHs themselves.

**Site selection, site preparation, and relocation:** 1). In places where land for housing construction is available, township leading groups headed by township heads, and composed of township and village officials and PAP representatives should be established, and hold meetings regularly to solve issues in housing land selection, construction approvals, funding, etc.; 2) land for housing construction should be selected in consultation with the AHs, and in places with convenient transportation; and 3) The AHs should participate in housing land selection, allocation and leveling.

The following procedures will be followed: 1) a leading group will be established comprising representatives from township land bureau, township finance bureau, village committee, and project affected households; 2) land allocation will be the responsibility of the land bureau to select replacement housing construction sites comparable to previous houses in terms of basic infrastructure, connectivity to neighboring communities, schooling and market etc., with agreement from project affected households; 3) the leading group will carry out consultations with PAPs to reach agreement on replacement housing construction sites; 4) once construction sites are finalized, resettlement compensation will be agreed based on investigation and appraisal of previous houses and entitlements; 5) the leading group will coordinate communications between resettlement staff of the project and PAPs, and ensure timely payment of replacement land compensation including all transaction cost; 6) the leading group will supervise land leveling, provision of basic infrastructure such as roads, water and electricity, and conduct planning of replacement housing construction; 7) PAPs will select experienced representatives to participate in planning and provision of basic infrastructure; 8) during the process of selecting replacement housing land, project owner is responsible for providing PAPs with information with regard to high quality local designers and assisting housing design.

**Table 6 Relocation Procedures and Timetable**

Activity	Remarks and timing
Initial assessment of impact caused by required relocation/resettlement caused by project design, including alternative analyses.	PAPs should be consulted during assessment.
Once project activities finalized after assessment of alternatives, detailed impact assessment covering all affected households.	Learning the APs' opinions and suggestions through adequate public participation
Drafting of Resettlement Action Plan if	First disclosure of draft RAP should allow at least 6 months

required by OP4.12, and first draft disclosed in local papers and public places.	for feedback before project construction commence. RAP should be submitted to and accepted by WB task team.
All compensation payments will be paid before the project commences. Land acquisition will not take place until compensation is paid and, resettlement sites and moving allowances are provided.	Land acquisition will not take place until compensation is paid and, resettlement sites and moving allowances are provided.
Reach agreements with affected households, including detailed items such as cash or replacement housing compensation.	AHs should be given full information and free selection of compensation methods. Cash compensation should be transferred to affected villages no later than 30 days from signing contracts.
Basic infrastructure provision if AHs selected construction of housing by themselves, including but not limited to land leveling, water, electricity, and gas.	Land leveling should start no later than 4 weeks from signing of contracts.
Payment of transition cost.	Transition cost should be paid no later than 2 weeks from contract signing if replacement resettlement housing is selected as mode of compensation. Transition cost should be paid before final moving in, and rate will increase based on local practice.
Final acceptance and move-in	Progress will be monitored by commissioned external monitoring team and captured in 6-monthly external monitoring reports submitted and accepted by WB. Overall time for provision of resettlement housing should be no later than 6 months before project closing date.

The following conditions should be met in the selection of housing land: 1) complying with the applicable state, provincial, municipal and county regulations; 2) selecting housing land within village groups in principle, or reallocating land from other village groups if necessary at a location not worse than that of the former housing land; 3) selecting housing land through consultation with AHs.

For the AHs choosing the housing land + self-construction mode, the displacer and the agencies concerned should be responsible for land preparation and basic infrastructure provision to make the land ready for house construction. First, the displacer should level the land used for building houses. Second, the housing land should be provided with necessary roads, and sewers, water supply pipelines, power lines and electricity, septic tanks, etc. constructed as necessary. All facilities should be functioning and ready for use. In addition, the implementation agency may offer assistance in house design to the AHs, such as offering information on multiple design agencies.

### 3. Resettlement housing

In case of resettlement housing is selected as compensation mode, the AHs should enjoy the rights to choose available resettlement houses. The size of resettlement houses should follow local regulations as calculated by minimum square meters per capita, but not smaller than their original house. In case bigger size is selected by AHs, the portion of the building area of the resettlement house above the building area entitled to should be compensated for at the average price of local commercial housing of the same type. The building area exceeds what is entitled to should be less than 250 m<sup>2</sup>.

The resettlement site has been compared with the former site in terms of house quality, living environment, infrastructure, public services, employment, income increase, etc. The new site has advantages in these aspects.

**Table 7 Comparison between Old and New Sites**

Type	Old site	New site
House quality	Houses are old, mostly in masonry concrete, masonry timber and simple	New houses are in masonry concrete structure and of good quality.

	structures, with potential risks.	
Living environment	Pollution by MSW is serious.	There is no MSW pollution.
Infrastructure	Roads are obstructed. There are no landscaping, lighting, drainage and MSW collection facilities.	Roads, and landscaping, lighting, drainage and MSW collection facilities are planned.
Convenience of public services	Usually no bus stops nearby, and the site is far away from hospitals, schools and commercial centers.	The new site is closer to bus stops, hospitals, schools and commercial centers.
Employment and income increase	Villagers deal with farming and outside employment mainly.	Villagers may lease houses or do business to increase income due to the better geographic location.

**Other subsidies:** The AHs will also receive the following subsidies:

Transition subsidy will be paid to AHs for the whole duration between leaving their old houses and moving into the new houses. If the displacer offers transitional housing and accepted by AHs, no transition subsidy will be paid. If the displacer fails to offer resettlement housing at the agreed date, it shall either offer transitional housing plus transition subsidy at the rate stated by local policy, or pay the standard transition subsidy plus additional supplementary subsidy.

In the case of cash compensation as resettlement mode, the displacer should pay a transition subsidy for 6 months at the specified rate from the date on which the HD compensation agreement is entered into and the HD compensation is paid.

➤ **Rural non-residential properties**

- Any demolished non-residential property subject to cash compensation should be compensated for at local appraised price. If any demolished non-residential property complies with the master land utilization plan, township and village development plans, or other conditions specified by the municipal and county governments, it may also be subject to relocation.
- In case of cash compensation, the demolished non-residential property should be compensated for at local appraised price recommended by a real estate appraisal agency through market comparison or based on cost.
- In case of relocation, 1) the displacer should offer land for relocation based on the village and township development plans; 2) they should be responsible for water and power supply, road construction and land leveling, or pay for the same services; 3) the displacer should assist the affected entity in going through the land use, house construction and planning formalities; and 4) the demolished property will be compensated for at replacement cost.
- If any entity is affected by production or business suspension, and needs relocation and transition due to the demolition of its non-residential property, the displacer should grant one-time compensation based on the building area, purpose and location of the demolished property, and the entity's business status.

➤ **Social security**

**1. Policy on pension insurance for urban and rural residents**

According to the Opinions of the Ningbo Municipal Government on Further Improving the Pension Insurance System for Urban and Rural Residents (NMG [2015] No.1), and the Notice on Adjusting Basic Endowment Insurance Benefits for Urban and Rural Residents of Ningbo City (NMLSSB [2015] No.48):

**1) Eligibility**

Urban and rural residents with local registered residence, having attained 16 years (except active students), other than civil servants, staff of public institutions and social organizations, and not covered by basic pension insurance, may be eligible for enrollment in pension scheme in their residential area.

## **2) Funding**

The funding of pension insurance for urban and rural residents consists of individual contribution, collective subsidy and government subsidy:

1) Individual contribution: If the insured is less than 60 years, he/she will choose a contribution level based on personal and household scheme. Currently, 8 contribution levels are available: 100 yuan, 300 yuan, 500 yuan, 800 yuan, 1,100 yuan, 1,400 yuan, 1,700 yuan and 2,000 yuan per annum.

b) Collective subsidy: Any financially abundant village collective may grant a subsidy to the insured members as determined at a village meeting. Other social economic and public welfare organizations, and individuals are encouraged to grant financial support to the pension scheme.

c) Government subsidy: local governments are encouraged to provide subsidies based on fiscal conditions. The standard for subsidy is: 60 yuan per capita per annum if contribution level is 100 or 300 yuan, 200 yuan per capita per annum if contribution level is 500, 800 or 1,100 yuan, or 300 yuan per capita per annum if contribution level is 1,400, 1,700 or 2,000 yuan.

## **3) Individual account**

The pension insurance management agency will establish an individual account for all enrolled members. All individual contributions, collective and government subsidies, and other donations will be credited to the individual accounts

## **4) Benefit and eligibility**

a) Benefit: The benefit of basic pension insurance for urban and rural residents consists of a basic pension, an individual account pension and a contribution period pension, and will be paid on a lifelong basis.

Basic pension is 210 yuan per capita per month in urban districts, and may be fixed based on local conditions.

Monthly individual account pension is the balance of the individual account divided by 139.

Contribution period pension is based on contribution period, being 30 yuan if contribution period does not exceed 16 years, to be increased by 5 yuan per annum from the 16<sup>th</sup> year.

The insured will receive a one-time funeral subsidy upon death at 20 times the basic pension of the month of death.

b) Eligibility for payment from pension

The insured with local registered residence, having attained 60 years and paid contribution for 15 years, and not receiving any pension under basic pension insurance from employers, or any retirement pension from any state organ, public institution or social organization may receive a pension monthly.

## **2. Pension insurance for Land Loss Farmers**

According to the Notice of the Ningbo Municipal Government on Issuing the Interim Measures for Pension Insurance for Land-expropriated Farmers (MPG [2002] No.125), the Rules of Ningbo City for the Implementation of Endowment Insurance for Land-expropriated Farmers (NMLSSB [2002] No.267), and the Notice on Adjusting Benefits and Contribution Levels of Endowment Insurance for Land-expropriated Farmers (NMLSSB [2013] No.135), eligible Land-expropriated Farmers (LEFs) under the Project may enroll in pension insurance for LEFs.

1) Eligibility:

- a) Registered agricultural population in administrative villages approved for village-to-community transformation;
  - b) Members of households with all or most of land acquired as approved by county-level or above land and resources authorities.
- 2) Eligibility for pension and pension levels:
- a) The insured must paid pension insurance in full, and attained 60 years for men or 55 years for women to receive pensions monthly.
  - b) The monthly pension levels include 650yuan, 600yuan and 550yuan, which correspond to different contribution levels.
- 3) Contribution levels
- a) LEFs will get insured and pay contributions at one of the 3 levels (62,600, 45,600 and 28,600 yuan) voluntarily. Levels cannot be changed once chosen. See Table 5.
  - b) LEFs will usually get insured in villages or community committees. Pension insurance contribution should be paid at a time in principle. Payment by installment is allowed in special cases, where the first installment should not be less than 50% of the total amount, and any subsequent annual installment not less than 10% plus current interest.

**Table 8 Contribution Levels of Pension Insurance for LEFs and Corresponding Pensions in Ningbo city**

Contribution level		Level 1	Level 2	Level 3
Amount of contribution (yuan)	Age ( years)			
60-61 years	55-56 years	58370	42770	27170
61-62 years	56-57 years	54340	40040	25740
62-63 years	57-58 years	50210	37310	24310
63-64 years	58-59 years	46180	34580	22880
64-65 years	59-60 years	42150	31850	21450
65-66 years	60-61 years	38120	29120	20020
66-67 years	61-62 years	34190	26390	18590
67-68 years	62-63 years	30160	23660	17160
68-69 years	63-64 years	26130	20930	15730
69-70 years	64-65 years	22100	18200	14300
70 years or above	65 years or above	18070	15470	12870

➤ **Employment**

The Project will provide farmers with appropriate jobs. The owner will offer employment information and other employment assistance to them, including placement to public welfare jobs and jobs generated by the Project, and development on reserved collective land, including:

1. Public welfare jobs

The local county and city governments will make additional public welfare jobs first available to LEFs, including municipal, landscaping, cleaning and security jobs, in order to reduce their income losses, and restore their production level and living standard.

2. Jobs under the Project

The jobs generated at the construction stage will be first made available to the APs. The permanent jobs after project completion, such as cleaning and landscaping, will also be first made available to the APs to promote their employment.

➤ **Skills training**



In order to help LEFs get employed or startup businesses independently after receiving training, skills training programs will be developed tailored to market needs. Qualified trainees will be granted certificates of qualification.

➤ **Supporting measures for vulnerable groups**

Supporting measures will be taken by the owner, agencies concerned, township governments and village committees for vulnerable groups affected by the Project:

1) Priority in employment

Vulnerable population able and willing to work will have priority in receiving jobs under the Project or public welfare jobs offered by the county government.

2) Skills training

Vulnerable population able and willing to work will receive skills training on house-keeping, computer, animal husbandry, etc. in order to become employed.

3) Social security

Eligible vulnerable residents (e.g., the disabled and low income residents) affected by the Project will be included in the local Minimum Living Standards (MLS) system and receive an MLS benefit monthly.

4) Assistance in relocation

Vulnerable population with almost no ability to work will be provided assistance in relocation by agencies concerned and village collectives, including furniture relocation, new house cleaning, etc.

➤ **Supporting measures for women**

All village committees affected by the Project should have female members, who enjoy the same participation rights as men at village meetings and congresses. Women's opinions will be collected and considered in surveys on LA and HD; women will enjoy the same rights in future LA and HD compensation. The jobs generated at the construction and operation stages will be first made available to women willing to take these jobs. Women will also be entitled to local employment training and recommendation.

The RAP prepared should include an entitlement matrix for the APs. See **Table 6** as an example.

**Table 9 Entitlement Matrix**

Type of impact	Degree of impact	APs	Compensation and resettlement policy	Compensation rate
Permanent LA	359.55 mu	203 households with 798 persons in Zhushuixi, Liusheng, Dongheqi, Sanchalu, Jiuqing, Dongchen, Lixin, Zhoujian, Dongmenwai, Nanchang, Nansha, Panjiaqiao, Baishi and, Luxialin Villages	1)Cash compensation; 2) Employment; 3)Skill training; 4)Social security	Cultivated land, construction land and garden land: 60,000 yuan/mu; woodland and unused land: 3,000 yuan/mu
Temporary land occupation	93.71m <sup>u</sup>	56 households with 216 persons in Luxialin, Zhushuixi, Liusheng, Dongheqi, Sanchalu, Jiuqing, Dongchen, Lixin and Zhoujian Villages	Cash compensation	Demolished ground attachments will be compensated for at replacement cost, or restored by the owner to the original standard, size and function under the construction budget.
Demolition of residential houses	22035 m <sup>2</sup>	63 households with 222 persons in Lixin, Luxialin, Zhushuixi, and Baishi Villages	1)Cash compensation; 2)relocation; 3)property swap	As per Documents XCG [2014] No.96 and XCGO [2015] No.103
Demolition of non-residential properties	4838.38 m <sup>2</sup>	15 households with 51 persons, and 6 enterprises with 45 persons in Luxialin, Zhushuixi and Dongmenwai Villages.	Cash compensation	As per Documents XCG [2014] No.96 and XCGO [2015] No.103

### **E. Implementation Process**

The RAP 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**

The local county and district government should bear all costs related to LA 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 RAP should include contingencies, which are usually 10% or more of the estimated resettlement budget in order to cover contingent resettlement costs.

The compensation rates specified in the RAP 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 RAP should describe by what means compensation fees are paid by the project to the affected villages or villagers. A rationale is that the fund flow should be as direct as possible with minimum intermediate links.

## G Public Participation and Information Disclosure

The project owner will implement the public engagement and consultation procedure in the project area. The specific measures proposed by the resettlement plan, including resettlement area, compensation policy, compensation standard, measures for restoring production and living standard, etc., will be widely recognized by the affected population before it is approved and implemented. The RAP will 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.

The affected population will participate in the whole process from the preparation to implementation of the resettlement plan. During the preparation of the RAP, the APs' expectations must be fully respected, and their needs and suggestions should be reflected to the design agency timely; the socioeconomic profile of the project area should be learned; the APs should be consulted on LA and HD compensation rates and resettlement policies; issues arising from resettlement should be solved in consultation with the APs. To achieve this purpose, a public meeting will be held before preparing the resettlement plan to inform the general public of this resettlement policy framework. The local government will help the affected households or non-residential units understand the compensation standards and their options specified in the resettlement plan.

At the RAP drafting and finalization stages, the PMO and owner should also disclose the RAP to the APs and the public at certain places of the project site and in certain languages. The first draft of the RAP should be disclosed at least three months prior to Bank evaluation. The final RAP must be disclosed again after acceptance by the Bank.

During project preparation, this RPF was disclosed on 26<sup>th</sup> November in the project area to collect comments from the APs.

**Table 10 Public Participation Activities**

Time	Venue	Participants	Mode	Key points	Key topics	Feedback
Jun. – Jul. 2014	Xiangshan, Ninghai, Fenghua	PMO, town governments, APs	Village congress, FGD	1. Disclosure of basic project information 2. Determination of resettlement impacts	Scope of construction, affected area, schedule	Project information was disclosed by means of Web, newspaper, broadcast, village meeting, etc.
Aug. 2015	Xiangshan, Ninghai, Fenghua	RAP preparation agency, PMO, village committees	FGD, socioeconomic survey, personal interview	Socioeconomic survey	/	/
Oct. – Nov. 2015	Xiangshan, Ninghai, Fenghua	PMO, local authorities, RAP preparation agency, town governments, village committees	Village congress	Discussion of resettlement programs	1. Learning policy basis, and compensation rates for LA and HD; 2. Covering endowment insurance for LEFs; 3. Assisting in employment	1. The municipal policies on LA and HD were distributed on site, and compensation rates introduced in detail; 2. The policy on endowment insurance for LEFs was introduced, and eligibility defined; 3. Unskilled jobs generated

					4. Offering housing land, infrastructure and basic public services	by the Project should be first made available to the APs, and skills training provided to them; 4. The APs will be resettled in multiple modes, including cash compensation, property swap, etc.
Dec. 2015	Xiangshan, Ninghai, Fenghua	PMO, RAP preparation agency, town governments, village committees	FGD	Disclosure of grievance redress mechanism	1. Participating in all aspects of resettlement, and protecting the right of information and supervision power 2. Reflecting opinions and suggestions timely and effectively to protect lawful rights and interests	1. The APs are allowed to participate by various means. 2. The PMO introduced the grievance redress mechanism in detail, and disclosed the contact information of the agencies concerned.

## H. Grievance Redress Procedure

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.
- **Stage 2:** If the AP is dissatisfied with the disposition of Stage 1, he/she may file an appeal with the sub-district office/township 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 PMO after receiving such disposition, which should make a disposition within two weeks.
- **Stage 4:** If the AP is still dissatisfied with the disposition of Stage 3, he/she may file an appeal with the Ningbo 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 after receiving such disposition.

In addition, the local villager autonomy pattern is also an effective way for dispute resettlement within communities. For example, the “three-in-one” villager autonomy pattern in Xiangshan County has proven effective, where prestigious villagers are elected as advocates of villager interests and wills, and democratic decision-making, management and supervision are practiced at the village level. First, matters for voting are collected by village officials and compiled into proposals through consultation; second, proposals are reviewed and revised by the village committee, and then distributed to villagers for comment; third, revised proposals are voted on by villager representatives. This pattern ensures that matters to be voted on are based on adequate consultation, thereby giving full play to villager representatives and ensuring that decisions truly reflect public will.

## **I. Monitoring and Evaluation**

Ningbo PMO and the component owners will supervise and monitor the implementation of the RAP. Supervision and monitoring results will be recorded in 6-monthly reports for submission to the Bank.

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 RAP.
- 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 RAP.
- Record all appeals and their solutions, and ensure that appeals are handled timely.

Independent external monitoring: Xiangshan PMO and other participating counties 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.

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 RAP;
- 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 RAP in order to realize the principles and objectives of this RPF.