

Resettlement Policy Framework

May 2016

**People's Republic of China:
Guangxi Rural Poverty Alleviation Pilot Project**

**Guangxi Foreign Funded Poverty Alleviation
Project Management Center**

Abbreviations

WB	World Bank
AHs	Affected Households
APs	Affected Persons
AAPV	Average Annual Production Value
AV	Administrative Village
CRO	County Resettlement Office
DMS	Detailed Measurement Survey
DI	Design Institute
DRO	District Resettlement Office
EA	Executing Agency
FS	Feasibility Study
HD	House Demolition
IA	Implementing Agency
LA	Land Acquisition
LAB	Land Resources Bureau
LAR	Land Acquisition and Resettlement
L & RO	County (district) Bureau of Land Resources
LEF	Landless Farmer
M & E	Monitoring and Evaluation
MOU	Memorandum of Understanding
NDRC	National Development and Reform Commission
PADO	Poverty Alleviation and Development Office
PAH	Affected Household
PAP	Affected Person
PDRC	Guangxi Development and Reform Commission
PRO	Resettlement Office
PRA	Participatory Appraisal
RPF	Resettlement Policy Framework
RIB	Resettlement Information Booklet
SES	Socio and Economic Survey
SPS	Safeguard Policy Statement

Units

m² -square meter
mu -666.7 square meters
km -kilometer

Glossary

Affected Person	People affected by project-related changes in use of land, water or other natural resources
Compensation	Money or payment in kind to which the people affected are entitled in order to replace the lost asset, resource or income
Entitlement	Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base
Income restoration	Reestablishing income sources and livelihoods of people affected
Resettlement	Rebuilding housing, assets, including productive land, and public infrastructure in another location
Resettlement impact	Loss of physical and non-physical assets, including homes, communities, productive land, income-earning assets and sources, subsistence, resources, cultural sites, social structures, networks and ties, cultural identity, and mutual help mechanisms
Resettlement plan	A time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation
Vulnerable group	Distinct groups of people who might suffer disproportionately from resettlement effects

A. Project Background and Introduction

1. The proposed project areas to be included in the World Bank (WB) financed Guangxi Rural Poverty Alleviation Pilot Project are 10 counties of Baise and Hechi cities that are located in the Yunnan-Guizhou-Guangxi degraded karst stony area. All 10 counties are national level poor counties, including Tiandong, Tianlin, Leye, Donglan, Bama, Fengshan, Dahua, Du'an, and contiguous and deeply embedded Pingguo County and Yizhou City. At the time the RPF was prepared, the project area was expected to cover 76 townships, 274 administrative villages, 4988 natural villages, 122,811 households and 523,038 persons and a poor population of 338,602 people was expected to benefit from the project. The project will support special industry-based poverty reduction, infrastructure and environment improvement, poverty alleviation industry service and finance, and project management and M&E. The special industry-based poverty alleviation will support the development of featured farming and animal husbandry, agricultural products processing, featured agricultural products packaging and marketing through value chains and operation through farmers' specialized cooperatives.
2. As some project components will potentially involve land acquisition, a RPF has been prepared prior to project implementation in accordance with WB requirements on project preparation. During November 12-22, 2015, the project preparation technical assistance (PPTA) team visited some of the project counties, and determined the contents, principles and requirements for the preparation of resettlement policy framework. The PPTA team confirmed the scope of work needed to prepare the RPF with Guangxi Foreign Funded Poverty Alleviation Project Management Center (PMC). Yunnan University was engaged by PMC for the relevant document preparation, and this resettlement policy framework was prepared by the consultant from Yunnan University for the project.
3. Guangxi Rural Poverty Alleviation Pilot Project consists of the following components:
 - ◆ Component 1: Improvement of Pro-Poor Value Chains. This component includes two subcomponents: a. Cooperative Development Fund (CDF), which will support the existing cooperatives and establishment of new cooperatives; b. Matching Grant for Enterprises (CG), which will provide matching grants to finance enterprise investments, demonstrating linkages

and benefit sharing with poor farmers/households.

- ◆ Component 2: Improving Public Infrastructure and Services. This component will support the establishment and strengthening of public infrastructure and service systems in support of value chain/key industry development under Component 1. The component includes two subcomponents: a. rural infrastructure; and b. industrialization risk management, including risk assessment and mitigation plan.
- ◆ Component 3: Enhancing Investment in Poor Areas. This component will improve and facilitate investment in poor areas by existing and new entrepreneurs and business entities (e.g. small and medium enterprises), returned migrant workers and cooperatives. This component includes two subcomponents: a. business incubation centers; and b. improve financing channels for credit rating and rural rights verification.
- ◆ Component 4: Project Management and M&E. This component aims to strengthen and develop the administrative and technical capacity of staff of the project management offices at the county, prefecture and regional level to manage the project effectively.

B. Project Impact

4. It is initially identified that the project counties of Bama, Leye and Pingguo under Component 1 (Improvement of Pro-Poor Value Chains), Component 2 (Rural Infrastructure) and Component 3 (Increase Investment in Poor Areas) will be affected by acquisition of collective land or state-owned land in order to build (a) small construction such as farmer cooperative office space, rural markets, storage facilities for agricultural products, incubation centers and (b) village infrastructure including production roads and small scale irrigation facilities. In addition, other project counties/cities, during the implementation of Component 1, will expect within-community land acquisition (LA) and internal land adjustments, as well as a small part of ground structures or attachment demolition, but no residential housing demolition. Currently the scale of LA and number of affected households (AHs) have not been determined yet as the detailed construction scope is still under discussion and will be decided through the operation of relevant cooperatives. Therefore this RPF is prepared to guide the proper procedures that will ensure compliance with OP/BP4.12.
5. The 10 project counties are potentially affected by land acquisition/adjustment to some extent. Occurrence of permanent land acquisition, within-community land

acquisition and structure demolition in each county/city identified at this stage is listed in Table 1.

Table 1 Basic Information on LAR

Area	County	Permanent LA	Within-community Land Acquisition/Adjustment	Demolition
Hechi City	Du'an	No	Yes	No
	Dahua	No	Yes	No
	Donglan	No	Yes	No
	Bama	Yes	Yes	No
	Fengshan	No	Yes	No
	Yizhou	No	Yes	No
Baise City	Tiandong	No	Yes	No
	Pingguo	Yes	Yes	No
	Tianlin	No	Yes	No
	Leye	Yes	Yes	No

C.Principles and Objectives

1. The project will minimize land acquisition and will minimize its impact in cases where LA is unavoidable. In order to do so, any involuntary resettlement work must follow the fundamental principles proposed in this Resettlement Policy Framework. Once the quantities of to-be-acquired land and demolished structures are determined in a project county, a resettlement plan will be prepared for that county according to the policies and procedures specified in this policy framework.
2. This policy framework is prepared for the purpose of ensuring fair compensation and necessary support to the affected persons by project construction, so as to improve or at least maintain their original production level, income level and living standard.
3. The population affected by the project herein refers to the following people:
 - (a) Those people whose land are partially or totally, permanently or temporarily acquired by the project;
 - (b) Those people whose houses are partially or totally demolished due to project

construction;

- (c) Those people whose business activities are partially or totally, permanently or temporarily affected by project construction;
 - (d) Those people whose land attachments are partially or totally affected by project construction.
4. In order to achieve the above objectives, this resettlement policy framework has referred to 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 Policy OP/BP4.12 of the World Bank.
 - b) The project design will be optimized to minimize resettlement impact. The populous area will be excluded as much as possible, so as to minimize 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 affected people, so as to ensure their living standards restored to previous level.
 - d) It will be guaranteed that all affected people can receive all due compensations to cover for 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 increase.
 - f) Compensation for the demolished structures, specialized facilities and land attachments will be calculated according to the replacement cost. The value of demolished materials cannot be deducted, nor can the depreciation of original property.
 - g) Both cash and in kind resettlement will be offered to the affected people for them to choose freely.
 - h) 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 groups, 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 cover for acquired land and related losses.
- m) The compensation for the 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. Any disputes on compensation rates 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 staff managing resettlement work 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 the projects covered by this RPF, PMO will absorb good practices and policy from the Bank on the basis of domestic laws.

Gaps between China and the World Bank's policy and Measures under this Project

	Policy of China	Policy of the World Bank	Policy under this project
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 relocated person is not lower than before.	Carry out the Bank's policy

	Policy of China	Policy of the World Bank	Policy under this project
Compensation approach	Land acquisition is generally compensated by currency, supplemented by employment assistance and social security. Demolition is generally compensated by money; real house can be taken as compensation if conditions permitted. When real house is chosen as compensation, the location and type of resettlement house have been determined.	Land replacement resettlement shall be provided for population depending on land. Affected people have their own right to choose be compensated by currency or real house. Location of the resettlement house can be chosen freely by the relocated person.	In addition to cash compensation, other measures include returning land (10% of acquired agricultural land area will be returned to the farmers), employment in enterprises and social security. No housing resettlement is involved
Calculation method of compensation fees	Take the price of second-hand 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.	No residential house demolition is involved
compensation for illegal building	No compensation shall be provided for illegal buildings.	Compensation is provided for illegal buildings.	Give compensation for those before cut-off date
Public participation	Public participation system is not sound enough, public can only participate in some phases of the project implementation.	Has a complete and sound public participation plan, public can participate in the whole process of the project.	Set up a public participation mechanism covering multi-levels and multi-channels
Monitoring arrangement	Internal management mechanism of project owner and resettlement implementation agency conducts the monitoring process.	Including internal monitoring from the internal management mechanism of project owner and resettlement implementation agency and external monitoring from the external independent monitoring unit.	Set up external and internal monitoring systems in accordance with the Bank requirements
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 in accordance with the Bank requirements

D. Preparation and Review of Resettlement Plans

5. Resettlement plans will be prepared and implemented according to the following procedures:
 - a) Upon the completion of project design and confirmation of LA scope, a resettlement plan or a brief resettlement plan will be prepared according to the resettlement policies specified in this report.
 - b) The resettlement plan or the brief resettlement plan will be submitted to the World Bank for approval one month prior to its implementation.
 - c) The project owner, external monitoring unit and the World Bank may conduct field inspection on the implementation progress of resettlement plan. The construction unit will coordinate with the above units during the inspection. Should any issues be identified in the resettlement work, the World Bank will urge the project owner to take immediate measures to solve the issue.
 - d) In accordance with this policy framework, the resettlement plan will include the following contents:
 - (a) Socioeconomic survey and estimates of affected properties;
 - (b) Compensation for resettlement and other assistances;
 - (c) Soliciting the opinions of relocated people towards alternative plans;
 - (d) Resettlement implementation organizations and complaint procedures;
 - (e) Monitoring and implementation arrangements;
 - (f) Time schedule and budgets.

E. Eligibility Criteria

6. The compensation standard is specified to give proper compensation to the affected population, including for persons without recognizable legal rights, for property loss incurred by the project, and restore their living standard to the original level or even higher level within the shortest period of time. On the whole, the resettlement and restoration plan will include the following contents:
 - (1) giving compensation for property loss such as houses;
 - (2) offering living allowance to alleviate the temporary impact of project construction on the daily life and business activities of relocated people;
 - (3) offering occupational training and job opportunities to the unemployed people, so as to restore their income level;
 - (4) restoring the facilities in the affected communities and providing community services.
7. Persons who lose their farmland due to project construction can receive the

following compensation:

- Directly receiving land compensation fund, resettlement subsidies and crop compensation fee.
 - The crop loss, income loss, damaged infrastructure and reclamation cost caused by temporary land acquisition will receive appropriate compensations.
8. For persons who lose their houses and affiliated buildings due to project construction, all the loss will be valued based on full replacement cost, and affected persons will receive the following compensation:
- a) Receiving in-kind resettlement upon the completion of the project;
 - b) Receiving monetary compensation according to replacement price;
 - c) Receiving relocation subsidies;
 - d) Receiving transitional subsidies according to the actual transitional period.
9. People who lose production and business opportunities due to project construction can receive the following compensation:
- (a) Providing other places available for the affected people to conduct production and business activities;
 - (b) Giving reasonable compensation for relocation of equipment and relevant loss;
 - (c) Giving compensation for production suspension during the transitional period;
 - (d) Giving compensation for fixed assets such as houses that are partially or totally affected by the project according to the replacement price.

F. Legal Framework

10. Resettlement work involved in the project should follow the domestic laws and regulations:

- Land Administration Law of the PRC (implemented in January 1999, amended on August 28, 2004)
- Guidelines of Ministry of Land and Resources on the Improvement of Land Acquisition Compensation System (November 3, 2004)
- Notice of the Land Resources Department of Guangxi Autonomous Region on the Issuance of Uniform AAPV Rates for New Round of Land Acquisition (No. 89, 2015)
- Notice of Pingguo County Government on the Issuance of Uniform AAPV

Rates for New Round of Land Acquisition (No.5, 2016)

- Notice of Pingguo County Government on the Issuance of Interim Measures for Returning Land for Land Acquisition in the Urban Area of Pingguo (No. 6, 2016)

- Forwarding the Notice of the Land Resources Department of Guangxi Autonomous Region on the Issuance of Uniform AAPV Rates for New Round of Land Acquisition (Leye County Government, No.7, 2016)

- World Bank Operational Policy OP4.12, Involuntary Resettlement and appendix, implemented on January 1, 2002;

- World Bank Business Procedure BP4.12, Involuntary Resettlement and appendix, implemented on January 1, 2002.

G. Responsibilities

11. County PMOs where LA occurs (hereinafter referred to as the PMOs) will be responsible for all the resettlement activities covered by this RPF, including the arrangements for disclosure and consultation and preparing and implementing RAPs. At this stage Pingguo, Bama and Leye are confirmed to be such counties. The resettlement implementation agencies for the subprojects covered by RPF will be the same as for individual subprojects financed by the World Bank. The PMOs are responsible for their safeguard capacity. All resettlement funding will be raised by the project county governments, and the resettlement funds will be included in the total investment.

H. Implementing Procedure

12. The resettlement documents will include a detailed implementation plan. The compensation fund (monetary or physical compensation) and other subsidies will be paid in time according to the actual progress of resettlement work.

I. Complaint Procedures

13. In order to effectively address relevant issues and ensure successful project implementation and LA, a transparent and effective complaint channel has been established for the Project. The complaint channel will remain effective

during project implementation to provide timely response to the affected persons. The basic procedures are as follows:

Phase 1: If not satisfied with the RP, the APs can express their complaints to the village committees in oral or written form; oral complaints must be recorded in written form and given definite reply within 2 weeks by village committees

Phase 2: If the replies from Phase 1 are not satisfactory, the complainants can file complaint with their townships; the townships shall respond within 2 weeks.

Phase 3: If still not satisfied with the response from the townships, the complainants can file complaint with the county PMOs who shall respond within 30 days.

Phase 4: If still not satisfied, the complainants can appeal to the Municipal People's Court.

All complaints and measures to address the complaints should be maintained by the PMOs.

14. The APs can complain against any aspects of the resettlement, including compensation standards. The above complaint channel and the name, location, responsible person and contact number of the handling agencies will be disclosed to the APs through meetings, announcement etc. to inform the APs of their right to file a complaint.
15. All agencies shall accept the APs' complaints free of charge, and reasonable expenditures occurred herein will be covered by project monitoring and management cost. These complaint procedures will remain effective for whole duration of project implementation to allow APs to address relevant issues through such channel.

J. Compensation Policy

16. The LA compensation policies of the subcomponents under the World Bank Project will remain the same for the same area. The compensation policies mainly include the following:

Land Acquisition Compensation

- Compensation standard will be calculated according to the latest uniform

AAPV rates issued by the Land Resources Department of Guangxi, depending on the compensation standards of different project counties, the land acquisition compensation fees (including land compensation and resettlement compensation fee) range from 35688 yuan/mu to 55083 yuan/mu; crop compensation standards range from 1487 yuan/mu to 2627 yuan/mu.

- The APs will receive 100% of the land compensation fee and resettlement compensation fee.

- 100% of the crop compensation fee will be directly paid to the person farming the land.

- Compensation and resettlement aid will be audited and monitored by relevant agencies.

- Land acquisition compensation fees in principle should be one-off payment to the AHs.

Demolition Compensation

Currently the project doesn't involve house demolition, if occurs, compensations including house replacement and cash compensation will be provided for AHs to choose freely.

- Resettlement housing in the three new communities will be completed before house demolition.

- Furnishing will be compensated according to relevant laws and regulations.

- Simple structures will be given monetary compensation based on their reconstruction cost

Special Assistance to Vulnerable Groups

- Priority will be given to the vulnerable groups in housing site arrangement. Considering such families usually have a disabled member or a person suffering from some illness, they will be given priority preference for first floor resettlement housing or housing on lower levels.

- During house demolition and reconstruction process, PMO will arrange dedicated personnel to provide necessary assistance to the house demolition and reconstruction of those vulnerable families.

- During the construction period, appropriate job opportunities will be provided to the affected vulnerable families to increase their income.

- Vulnerable families shall be given priority for governmental subsistence allowance and social security for lose-lost farmers.

- Training shall be provided for members of vulnerable families who are willing and able to work; they shall also be recommended to firms in the district.

- Eligible orphans, “five guarantee” families, and disabled people who have difficulty buying houses shall receive a 3000~5000 yuan housing stipend.

K. Public Participation and Consultation

17. The project owner will conduct the public participation and consultation activities 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., should be widely accepted by the affected population before it is approved and implemented.

18. The APs will participate in the whole process from the preparation to implementation of the resettlement plan. 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 APs understand the compensation standards and their options specified in the resettlement plan.

L. Monitoring

19. The PMO will conduct internal monitoring on the resettlement work. The resettlement monitoring is an integral part of the resettlement plan. The resettlement performance will be evaluated by comparing to the objectives, and RP will be revised as necessary. Any major issues that occur during the implementation process of resettlement plan will be reported to the World Bank in time. The external monitoring will be carried out by the qualified independent monitoring institute in accordance with the requirements of the World Bank.