

Wuhan Intelligent Transportation Demonstration Project,
a subproject of the World Bank-funded Wuhan Urban Circle Transportation Integration
Demonstration Project

Resettlement Policy Framework

**Wuhan Municipal Foreign Investment-funded Urban
Construction Projects Office**

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A. Project Summary

1. The proposed Wuhan Intelligent Transportation Demonstration Project, a subproject of the World Bank-funded Wuhan Urban Circle Transportation Integration Demonstration Project, consists of four tasks: (i) the Transportation Policy Support Center; (ii) Front-end Traffic Information Collection; (iii) Three Application Management Systems: traffic monitoring and management system, external traffic monitoring and decision system, smart parking management information system; (iv) technical assistance for the implementation of the project, strategic research, and development of institutional functionalities.

2. According to the feasibility study report, the tasks laid out by the plan mainly consist of software development unrelated to land expropriation and resettlement. The actual facility of the project will also be located within existing institutions according the early plans. We have carefully reviewed the project during its project identification and preparation stages (as stipulated by the work procedure for involuntary resettlement in World Bank-funded projects), and have understood that the Wuhan Intelligent Transportation Demonstration Project does not involve any involuntary resettlement, and a Resettlement Action Plan is not needed.

3. As the project is currently in the preparation stage, the related designs and hardware plans may yet be changed. This “Resettlement Policy Framework” has formulated as a pre-emptive measure for any potential land expropriation and resettlement that may be needed during the implementation stage. In case any resettlement works as defined by the Policy Framework are required, detailed information and policies regarding said works will be provided, and a concise Resettlement Plan will be formulated according

to World Bank requirements, and submitted to World Bank for approval before its execution.

B. Project Impact

4. The central tasks of the subproject involve the development of the intelligent transportation system, which only require a small amount of facility establishment which serves as the hardware for the software system. At present, it is impossible to accurately predict whether land expropriation and resettlement will or will not be needed. The final confirmation may only be reached during the actual implementation.

C. Principles and Objectives

5. All project tasks that involve involuntary resettlement shall comply with the principles provided by this Policy Framework, in order to reduce the amount of resulting land expropriation and resettlement. After the impact of land expropriation and resettlement tasks have been identified, a Resettlement Plan shall be prepared, based on the policies and procedures provided by this Framework.

6. This Policy Framework is aimed at ensuring reasonable compensation and assistance can be provided to the population affected by construction works in the project, so that their original production capacity, income level and living standard can be maintained or improved upon.

7. "Population affected by the project" herein refers to:

(a) Population with all or part of its land permanently or temporarily affected by project construction;

(b) Population with all or part of its houses permanently or temporarily affected by project construction;

(c) Population with all or part of its production or business activities permanently

or temporarily affected by project construction;

(d) Population with all or part of its other land attachments affected by project construction.

8. The World Bank OP/BP 4.12 principles were utilized for the preparation of this Framework, namely:

(a) Implementation of the Resettlement Action Plan shall be based on socio-economic survey of affected area and statistics of affected physical indicators, national and local resettlement policies and laws, and the principles of World Bank's Operational Policy OP/BP 4.12 (Involuntary Resettlement).

(b) Optimize project design to minimize impact of resettlement, avoid densely populated areas, and minimize involuntary resettlement. Apply convenient measures in construction, and apply construction plan that causes the least disturbance to local residents.

(c) Compensation and resettlement of displaced persons shall be considered one part of the project. Provide compensation to the displaced persons in a timely manner and make them benefit from the project.

(d) Ensure all affected persons to obtain all compensations to their damages prior to commencement of project. Provide reasonable life accommodation and effective measures of production restoration, and provide subsidy or assistance to help overcome any temporary difficulties.

(e) Ensure the affected population's original living standard, production capacity and income level before the resettlement can be restored or improved upon after the resettlement.

(f) The compensation for the demolished houses, specialized facilities and land

attachments should be calculated according to the replacement price. The residual value of demolished materials cannot be deducted, nor can the depreciation of original property.

(g) Compensation options, including physical resettlement and monetary compensation, should be offered to the affected persons to choose from at their own discretion.

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

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

(j) Special attention should be given to the vulnerable group, including help in selecting the resettlement houses and relocation into the new houses.

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

(l) Reasonable compensation should be given to the expropriated land and related losses.

(m) All compensations for the expropriated land should be paid within three months starting from the date when the resettlement plan is approved, no later than the date when construction works start on said land.

(n) During the preparation and implementation stages of resettlement work, the relocated people should 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 should be given to the complaints and grievances of affected persons. Timely and reasonable assistance should be given to them to mitigate their difficulties and inconveniences during the resettlement process. The disputes on the

compensation rate should be solved through consultations as far as possible. If consultation fails, it can be submitted for arbitration or even litigation.

(p) Coordination and collaboration should be emphasized between all institutions involved in resettlement works. Resettlement institutions should be established at each level. All workers should be properly trained.

(q) Any major changes during the implementation process should be submitted to World Bank beforehand, such as changes to compensation standards and location and size of land expropriation and demolition, and addition of new subprojects.

D. Preparation and Review Process of Resettlement Plan

9. The resettlement plan for populations and organizations affected by the subproject will be prepared and implemented according to the following procedures:

(a) Upon the completion of the initial project design, a brief resettlement plan will be prepared according to the resettlement policies specified in this report.

(b) The brief resettlement plan should be submitted to the World Bank for approval one month prior to its implementation.

(c) The project entity, the external monitoring institution and World Bank can conduct field inspections on the implementation progress of resettlement plan. The organizations involved in project works should cooperate with their inspection. In case of any problem in the resettlement works, World Bank will request the Project Management Office to take immediate measures to mitigate the problem.

10. In accordance with this Policy Framework, the Resettlement Plan should include the following content:

(a) Survey of resettlement impacts and estimates of affected properties;

(b) Compensation for resettlement and other assistances to displaced populations;

(c) Soliciting the opinions of displaced populations regarding acceptable alternative plans;

(d) Institutions responsible for implementing the resettlement works, and grievance procedure;

(e) Arrangements for monitoring and implementation;

(f) Time schedule and budget.

E. Compensation Standard

11. The compensation standard policy is aimed at giving proper compensation to the affected population for property loss incurred by the project, and restoring or improving their living standard in the shortest possible time. In overall, the resettlement and restoration plan will encompass the following: (1) compensation for property losses such as houses; (2) provision of living expense allowances as compensation for temporary impact on the displaced persons' livelihood and economic activities; (3) provision of job opportunities or vocational training for unemployed persons in order to restore their income level, with support from enterprises; (4) provision of community facilities and services for affected communities.

12. Populations who have lost their farmland are entitled to the following compensation:

(a) Monetary compensation for farmland, resettlement and crop.

(b) For temporary expropriation of farmland, appropriate compensations will be provided for the crop losses, income losses, damage to infrastructure, and costs of reclamation.

13. Populations who have lost their houses and the houses' affiliated structures are entitled to the following compensation:

(a) The option for physical resettlement of a grade no lower than the original house

after the completion of the project;

(b) The option for monetary compensation at the replacement price;

(c) Relocation subsidies;

(d) Allowances for expenses during the transitory period, determined by the length of the period.

14. Populations who have lost production and business opportunities are entitled to the following compensations:

(a) Provision of locations for production and business activities elsewhere, which are deemed acceptable by the affected persons;

(b) Reasonable compensation for the relocation and/or damage of facilities;

(c) Compensation for suspension of production and business during the transitory period;

(d) Compensation for fixed assets such as houses that are partially or totally affected by the project according to the replacement price.

F. Legal Framework

15. The resettlement work shall be based on the following legislations and policies:

- *Property Law of the People's Republic of China;*

- *Regulation of the People's Republic of China on the Disclosure of Government Information;*

- *Regulation on the Expropriation of Buildings on State-owned Land and Compensation;*

- *Assessment Method for the Expropriation of Buildings on State-owned Land;*

- *Notice on Announcing Standard Annual Production Value and Comprehensive Land Price for Land Expropriation in Hubei Province by the People's Government of*

Hubei Province;

- *Implementation Measures for Expropriation of Buildings on State-owned Land*

in Wuhan Municipality;

- World Bank Operation Policy OP 4.12 *Involuntary Resettlement* and its appendices;

- World Bank Business Procedure BP 4.12 *Involuntary Resettlement* and its appendices.

G. Organizational Structure

16. The resettlement-related tasks will be the responsibility of resettlement office of each project.

H. Implementation Procedure

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

I. Grievance Procedures

18. In order to ensure the affected population can express their complaints about the resettlement work, this policy framework has formulated detailed complaint procedures, with an aim to timely respond to residents' complaints and avoid complex formalities. The detailed complaint procedures are as follows:

Stage 1: Affected persons can express their complaints to the district Resettlement Office in oral or written form. The Office must make proper written records for oral complaints. The Office must provide a definite answer to any complaint within two

weeks.

Stage 2: If the Stage 1 answer fails to satisfy the affected persons, they may appeal to the Project Management Office within one month after receiving the Stage 1 answer, and the Project Management Office shall make decisions to settle the complaint within three weeks.

Stage 3: If the Project Management Office's answer fails to satisfy the affected persons, they may submit the case to a civil court within 15 days after receiving the answer.

J. Compensation Policies

19. The compensation policy for land expropriation and resettlement will conform to relevant legislations and policies of PRC, and World Bank policies regarding involuntary resettlement. It includes the following main guidelines:

Land expropriation compensation:

Collective land (rural) will be compensated according to the standard annual production value and district general land price as stipulated by the Hubei Provincial Government. State-owned land (urban) will be compensated according to the compensation measures for expropriation of state-owned land as stipulated by the Wuhan Municipal Government, according to market evaluation prices.

House demolition compensation and resettlement:

For expropriation of residential buildings, the option of monetary compensation and property right replacement will be offered as choices for affected persons at their own discretion.

The compensation price of demolished buildings will be determined through market evaluation, using national policies and procedures regarding the selection and working

of evaluation institutions.

For expropriation of corporate or institutional buildings or storefronts, monetary compensation will be offered according to market evaluation prices, using national policies and procedures regarding the selection and working of evaluation institutions.

K. Public Engagement and Consultation

20. Resettlement office of each project will be responsible for the public engagement and consultation procedures within the project zone. 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 recognized by the affected population before it is approved and implemented.

21. The affected population should participate in the whole process from the preparation to implementation of the resettlement plan. To this end, public meetings will be held before preparing the resettlement plan to inform the general public of this Resettlement Policy Framework. The local governments should inform the affected households or non-residential organizations of the compensation standards and their options specified in the resettlement plan.

L. Monitoring

22. Resettlement office of each project is responsible for internal monitoring of resettlement impacts. Monitoring is an integral component of the implementation process, and will evaluate the effects of resettlement according to the planned targets, amend the resettlement plan when necessary, and report any major problem to World Bank promptly. The external monitoring is performed by a qualified independent institution as required by World Bank.