China
Western Poverty Reduction Project

Involuntary Resettlement Plan

Qinghai Provincial PMO
May, 1999
Attachment I:

Qinghai Component Involuntary Resettlement Plan

A. Project Objective

1. The objective of the proposed Western Poverty Reduction Project (WPRP) is to alleviate chronic poverty for the absolute poor living in remote and inaccessible villages of Gansu and Qinghai Provinces and Inner Mongolia Autonomous Region. The Qinghai Province component would assist 57,775 persons from poor households to raise their incomes through increasing grain and livestock production sufficient to meet their basic food and clothing needs and, in many cases, also generate marketable surplus to improve their living standards. Access to health, education and other rural services would also be improved for the poor households. The development objective has emerged from the expectations and aspirations of the target population surveyed during project preparation.

B. Qinghai Province Component

2. To achieve its objectives in Qinghai Province, the project would support:

i) Land and Household Development: Provision of improved agricultural and livestock technology packages -- seeds, fertilizer, plastic mulches, breeding/fattening stock; forestry development; and upgrading agricultural and livestock support services;

ii) Irrigation and Land Improvement: Construction of a reservoir, renovation of an existing dam and construction of irrigation and drainage systems on 19,200 ha;

iii) Rural Infrastructure: Construction of Class IV rural roads construction of drinking water supply; and extension of electric power;

iv) Rural Enterprises: Provision of credit to establish non-state owned and household-based rural enterprises for construction of food and fiber processing facilities based on appraisal criteria;

v) Voluntary Settlement: Voluntary settlement for 57,775 poor people currently living in degraded mountainous areas of eastern Qinghai. Start-up costs of settlement including grants for transport, housing, fuel, and initial subsistence expenses would be financed out of counterpart funds;

vi) Social Sectors - Education and Health: Construction and upgrading of basic education (21) and health ( ) facilities in Qinghai's new settlement area;

vii) Institutional Building and Project Management: Establishing project management offices at provincial, prefecture, and county levels, and township work stations and village project implementation groups (VPiG); and establishing systems to monitor, evaluate and disseminate project impact on poverty reduction, voluntary settlement, and environment.

3. Issues and impacts associated with land acquisition and resettlement are expected to arise only in the case of the creation of new or expanded voluntary settlements. (Details regarding migrant selection criteria, forms of assistance to be provided, and technical specifications for settlements are provided in a separate Voluntary Settlement Implementation Plan.)

C. Impact on Settlement Receiving Areas

4. The Qinghai component of the WPRP involves voluntary relocation of 57,775 persons from poor counties of eastern Qinghai Province to the Xianggride-Balong (XB) area in Dulan County in central Qinghai Province. About 19,200 hectares of land belonging to Balong and Zongjia townships will be
developed for general irrigation works. Almost all of this land is arid, uninhabited, and largely unutilized. In terms of involuntary resettlement-related issues and impacts, however, development or expansion of settlements is expected to adversely affect some 4,000 persons (600 households) from Balong and Zongjia townships. Based on a census and survey of affected areas, these impacts are as described below:

- 1,333 hectares of the settlement area land is used, under formal lease agreements with the townships, by 63 households (352 persons) as winter and spring pastures. The impact of the loss of this pasture is marginal as the affected area is only a small part of the available pastures- 17% of their contracted pastures and only 2.5% of the total available pastures.

- A part of the settlement area is used as a passageway between winter and spring pastures by an additional 289 herder households (2411 persons), however, they have no lease rights over this land. The project will nevertheless disrupt their seasonal transhumance routes.

- A part of the land is used by 248 households (1237 persons) for farming. This area is served by an existing irrigation system. This land will be integrated into the new irrigation systems to be developed as part of the project.

5. On the whole, the impact of land acquisition and land use change on the sparse local population is small. No housing, wells, fences, or other fixed assets are affected. The project will take all necessary measures to assist affected households in their efforts to improve their incomes and living standards. This will be done by giving affected households the opportunity to participate in the voluntary settlement program. The program is fully integrated with the VSIP and all benefits provided voluntary settlers will be extended to the affected households. The main components of the program for the three different groups are as follows:

**Herders who lose contracted pasture land:**

6. In a Social Assessment conducted as part of project preparation and design, herder households losing contracted pasture land have expressed their desire to shift to a semi-nomadic life, giving them an opportunity to engage in agricultural production in addition to herding, to build permanent housing instead of residing in yurts, and to improve their access to schools, clinics and other services. Accordingly, the project has designed a compensation and resettlement program with the following features:

- Compensation for acquired land: Each member of the affected 63 herder households will be provided a 30-year lease for irrigated land to replace their leased grazing lands, which they can use for growing either grain or forage crops. The quantity of replacement land is based on the conservative assumption that irrigated land is 11.4 times more productive than unimproved and rain-fed pasture land. Accordingly a total of 117 hectares (1754 mu) of irrigated land will be provided proportionally to the 63 households in exchange for the 1,333 hectares (19,995 mu) lost to the project. Though the replacement land averages 0.33 hectares (4.95 mu) per capita, the amount of replacement land households actually will receive varies from a high of 1.85 hectares (27.75 mu) per capita to as low as 0.05 ha (.75 mu) per capita.

- Land for house construction: Every affected herder household will receive 0.04 hectares (0.6 mu) as land for house construction free of charge.

- Setting up a village site: The house plots for the 63 households will be given in a compact area so that it can form a natural village near newly developed irrigated lands they will lease. The project will provide all necessary amenities and services, including a primary school, a health clinic, water and power supply, and access roads. Households indicating that the proposed village site is too far for effective access to their remaining pastoral lease lands will be given an opportunity to join any more conveniently located settlement sites instead.
Rehabilitation Allowance: In order to assist the affected households to resettle comfortably and without incurring any debt, the project will provide a direct rehabilitation allowance to each family at the rate of 850 Yuan per person. This includes 240 Yuan as resettlement cost, 500 Yuan for house construction and 110 Yuan for fuel supplies. This allowance will be paid directly to affected households, with no deductions for any purpose.

Contingency Arrangement: As is the case for voluntary settlers, no lease fees or agricultural taxes are to be charged during the first three years following relocation. This assumes that all project-related inputs and services are delivered on time and that settlers will be able to achieve improved incomes within three years. For those involuntarily affected, no lease charges or taxes will be assessed until net per-capita annual income reaches the level of 1,300 Yuan.

Farmer Households

7. The 248 affected farmer households will be eligible for the following forms of assistance:

- They will be provided replacement land in the newly developed irrigated areas. Since the new irrigated areas are developed around the old system, the replacement land will be located close to their present farms and therefore will not cause any hardships.

- Each household will retain their existing landholdings. If the household’s existing landholding area is less than 0.31 hectares, they will be provided additional land in the vicinity so that their total landholding reaches 0.31 hectares (4.65 mu) per person, including 0.22 hectares (3.3 mu) per person of irrigated agricultural land. The terms of their lease will be the same as for voluntary settlers, except that they will be charged only for the incremental landholding above the area they previously possessed.

- Any farmer household losing access to land before irrigation improvements are complete and replacement land can be provided will be eligible for paid temporary employment as a transitional measure to maintain incomes.

Herder Households affected by disruption of herding routes

8. The land these households currently use does not belong to them, nor do they have any formal lease rights. However, in order to provide uninterrupted passage to men and cattle, the project would create three protected passageways through the project area so that they are not subjected to any difficulties on account of the project.

9. In addition, the project will offer these households the opportunity to join the VSIP program. If they join, they are to receive the same level of benefits as voluntary settlers, including the 30-year lease on 0.31 hectares (4.65 mu) of land (including 0.22 hectares of irrigated agricultural land), 0.04 hectare (0.6 mu) house plot provided without charge, and a settlement allowance of 850 Yuan per person.

D. Legal Framework and Policy Principles

10. The measures described above are intended to be consistent with, and to meet the requirements of, the following laws, regulations and policies.

(a) Land Administration Law of the People's Republic of China;
(b) Implementation Regulations of the Land Administration Law in Qinghai Province; and
(c) Operational Directive 4.30 on Involuntary Resettlement of the World Bank

11. Based on the above laws and policies, the design of this resettlement plan reflects the following basic principles:
(a) Involuntary resettlement and land acquisition should be avoided and minimized as much as possible.
(b) If resettlement and land acquisition cannot be avoided, detailed plans should be prepared for compensation and rehabilitation of the affected people.
(c) Adequate funds should be provided in a timely manner for implementation.
(d) Preparation and implementation of resettlement activities should be conducted in consultation with the local governments and the affected people.
(e) Absence of legal title to land or other assets affected by the project is not a barrier to compensation or other forms of assistance; Access to customary grazing areas, water or forest resources will be maintained.
(f) Compensation should be paid at replacement cost without depreciation, and without deductions for any purpose.
(g) Compensation should be paid prior to the move and acquisition of land.
(h) Rehabilitation and relocation measures provided to affected people should be compatible with their social and cultural preferences.
(i) Affected people should receive transitional assistance during relocation and in their livelihood rehabilitation activities.
(j) Incomes and living standards of the affected people should be improved or at least restored after resettlement.
(k) For this component, annual activity plans should be prepared, reviewed by the province and accepted by the World Bank before the relevant civil works are started.

E. Budget and Financial Arrangements

12. The costs associated with rehabilitation measures result from providing affected herders and farmers with the opportunity to participate in the voluntary settlement program. Accordingly, all costs, including contingencies, are subsumed in the budget reported for the Voluntary Settlement Implementation Plan. Land development costs are to be borne by the project. The only form of direct compensation - 850 Yuan per capita provided for settlement costs, housing costs, and fuel subsidy - will be paid to relevant persons or households before they are affected by project construction or other activities.

F. The Timing of Involuntary Resettlement

13. The Qinghai VSIP is highly complex and calls for detailed planning and phasing of a multitude of activities. It requires close cooperation and coordination between implementing agencies of both sending and receiving areas. The technical and logistical complexities of the VSIP will be tested through a small pilot program to settle about 200 families in one village. The pilot program will be carried out in such a way that it does not interfere with current land use patterns of the herders or farmers living in the area, nor will it result in loss of their shelter, productive assets or access to pastures. Irrigation will be through use of ground water and diesel engine driven pumps so as to avoid the necessity of developing major irrigation works during the pilot phase.

14. The pilot settlement will be closely monitored to measure the efficacy of the various program components and also, to identify any emerging trends in the relationship between settlers and receiving area population. Settlement under the main phases of VSIP will begin only after the pilot program is completed and is evaluated.

15. These measures make it possible to ensure that no direct impacts associated with land acquisition or resettlement are imposed until the feasibility of the voluntary settlement program is demonstrated through the pilot program. Because no resettlement-related activities are to be undertaken until pilot program results are evaluated, it is impossible at present to provide a resettlement timetable.
16. Following completion of the pilot program, the project will prepare and submit annual work programs for Bank review. In outlining the scale and scope of planned settlement and other activities, these annual work plans will identify adverse impacts and the persons involuntarily affected by them.

G. Implementation and Monitoring Arrangements

17. Implementation and management arrangements are as described in the VSIP (Chapter 20). Additionally, the PMO will designate personnel responsible for ensuring effective delivery of services and benefits as described in this plan. Monitoring arrangements are as described in the VSIP (Chapter 21). Additionally, the external monitoring agency will ensure that adversely affected herders and farmer households are represented in surveys and assessments of implementation effectiveness.

H. Participation

18. Potentially affected people have been given opportunities to express their views and to participate in the project designing at different stages of the planning and implementation. A social assessment was carried out in the receiving areas during the early stages of the project planning. As a part of the assessment, a sample survey of the affected households were carried out to elicit their views and concerns regarding the proposed voluntary settlement program, and to determine their interest in joining in the voluntary settlement program. All 63 households who would be affected by loss of pasture land was also surveyed similarly to elicit their views about various resettlement options. The RAP is based in large part on this social assessment.

19. Extensive consultation was carried out with village leaders and administrative functionaries and cadres of village, township and county. The concerns expressed and the suggestions made by them have been incorporated into resettlement planning.

20. During the implementation phase, the project (and the external monitoring agency) will consult with affected people at each stage. They will be given the opportunity to participate in the VSIP if they desire. The location of settlement areas, formation of communities, the timing of relocation and other activities will be decided in consultation with affected communities.

I. Grievance Procedure

21. If a project affected person is aggrieved by an aspect of the resettlement rehabilitation program, he or she can lodge an oral or written grievance, through the village committee and the township work station, to the county PMO. In case an oral complaint is made, it will be written on paper by the county PMO and processed. The county PMO will resolve the issues within two weeks. If the aggrieved person is not satisfied with the decision, he or she can bring the complaint to the attention of the provincial PMO. The provincial PMO will resolve the issue within two weeks. If the aggrieved person is not satisfied with the decision, he or she can bring the complaint to the attention of the monitoring institution. Monitoring institutions are also responsible for arbitration. It arbitrate on the complaint within 3 weeks. If the affected person is dissatisfied with the arbitration, he or she can appeal to the People's Court in accordance with the “Civil Procedure Act” after receiving the decision of the institutions for arbitration. A PAP can make an appeal on any aspect of the resettlement and rehabilitation program, including compensation rates being offered. Procedures for grievance will be publicized during participation meetings.

22. All complaints, both oral and written, should be recorded including resolution and the time of resolution. External monitoring reports will include a summary of grievances received, if any, and the manner in which they were resolved.
## RESETTLEMENT ENTITLEMENT MATRIX

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<thead>
<tr>
<th>Type</th>
<th>PAPs</th>
<th>Resettlement Compensation Principle</th>
<th>Standard</th>
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| Pasture land       | Herder households         | The affected households will be provided replacement land based on the principle that irrigated land is 11.4 times more productive than rainfed pastures. If project activities disrupt income-generating activities, employment at project works will be provided during the transitional period. They also have the opportunity to join the voluntary settlement program and receive benefits ordinarily extended to the voluntary settlers. | Irrigated land – 0.33 ha per person on average, but proportional to the land lost; At least one member of the affected household will be offered employment at the project works during the transitional period; If they join, they will receive:  
- 0.31 ha per capita of land including 0.22 ha irrigated farm land; The land will be given on 30-year lease contract with exemption from fees and taxes during the first three years.  
- A free house plot – 0.04ha per household;  
- Rehabilitation allowances of 850 Yuan per person, consisting of 240 Yuan towards resettlement cost, 500 Yuan for house construction, 110 Yuan for fuel supplies. |
| Nomadic routes     | Herder households         | Affected nomadic herder routes will be compensated by providing three protected passageways through the project area. They also have the option of joining the voluntary settlement program. If they do they will receive all the benefits ordinarily extended to the voluntary settlers. | Three protected passage way through the project areas. If they join, they will receive:  
- 0.31 ha per capita of land including irrigated farm land of 0.22 ; The land will be given on 30-year lease contract with exemption from fees and taxes during the first three years.  
- A free house plot – 0.04ha per household;  
- Rehabilitation allowances of 850 Yuan per person, consisting of 240 Yuan towards resettlement cost, 500 Yuan for house construction, 110 Yuan for fuel supplies. |
| Farm land | Farmer households | Replacement land to the extent affected, subjected to a minimum area of 0.22 ha per person. If income-generated activities are disrupted because of construction or other project work, temporary employment will be provided during the transition period. | Irrigated replacement farm land – minimum 0.22 ha per person or to the extent affected. At least one member of the affected household will be offered employment at the project works during the transitional period. |