

Resettlement Policy Framework

RP1707 v2

China Huainan

Coal Mining Subsidence Area Comprehensive Restoration Project

I. Brief Description of the Project

Huainan Municipal Government has requested World Bank to finance the comprehensive restoration of its Jiu-Da coal mining subsidence areas. The project zone encompasses Jiu-Da coal mining subsidence areas, totaling 9.3km². It consists of three Components: 1) environmental reparation and water system restoration; 2) infrastructure improvement and area development, and project management; and 3) technical assistance. The project aims at both improving the environment of the project area and benefitting the residents through a reasonable degree of land development. Its planned implementation period is from 2015 to 2020.

II. Rationale for Resettlement Policy Framework

The sinking of the coal mining areas took place over more than 30 years. The residents affected by the subsidence have been gradually relocated out of the area in the past ten years based on the relocation policy of Huainan Municipal Government. However, there are still some people living in the project area. Those residents who were not satisfied with the government relocation policy requirements are still living in the project area. These people include: 1) the people did not live within the subsidence areas; 2) the people did not meet the general conditions, e.g. floating population, owners of illegal structures, and people whose household registration (hukou) is not registered in Huainan city. In addition, some already resettled residents who were unwilling to demolish their old houses and still live in the project area. These are mainly the elder people the new resettlement houses to their children and

they stay in their old houses in the project area. They are mainly the old employees of the mining company. Such remaining residents are concentrated in a few locations such as Chongwen Village, Kuangbei Village and Kuangnan Village (see Table 1).

Table 1 Remaining Population Locations and Numbers in Subsidence Areas

No.	Resident site	Community	Town or Subdistrict	Households	Population
1	Chongwen	Hongqi Community	Jiulonggang Town	22	60
2	Kuangbei	Chonghua Community	Jiulonggang Town	60	212
3	East side of Cement Plant Road	Kuangnan Community	Datong Street	368	1500
4	Kuangnan	Kuangnan Community	Datong Street	38	130
5	Zhanqian	Zhanqian Community	Datong Street	6	26
Total				494	1928

All these residents in the project area were required to be relocated in next 5 years. The current Resettlement Action Plan only covers the population who are directly affected by the proposed project activities in the area of 2768 mu. Within this area, there 6 households with 26 people will be relocated (shown as Zhanqian Community in Table1). The relocation of the rest 1902 people in the remaining project area (11182 mu) will be implemented according to this Resettlement Policy Framework if they are going to be resettled during the project implementation. 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 grievance procedures for resettlement, and is used to guide compensation, resettlement and restoration matters.

III. Objectives and Key Principles

Objectives: The purpose of the RPF is to set down the principles for resettlement impact mitigation, as well as to clarify the organizational arrangements. This includes compensating all project affected persons (PAPs) for the loss of lands, properties, and livelihoods resulting from displacement and resettlement, as well as assisting these people in relocation and rehabilitation. Since resettlement often affects the most vulnerable and marginalized groups (economically, politically, and socially),

the RPF shall be particularly sensitive to the affects which displacement may have on these groups, including the poor, landless, elderly, women, children, ethnic minorities, or persons with specific mental or physical disabilities. Every effort will be made to avoid or minimize the need for land acquisition and resettlement.

Key Principles: The principles outlined in the World Bank's OP/BP 4.12 have been adopted in preparing this RPF. In this regard the following principles would be applied:

- (a) Acquisition of land and other assets, and resettlement of people will be minimized as much as possible. Where land acquisition is unavoidable, the project will be designed to minimize adverse impact on the PAPs, especially the vulnerable groups;
- (b) All PAPs will be compensated, relocated and rehabilitated, if required, so as to improve their standard of living, income earning capacity and production capacity, or at least to restore them to pre-Project levels;
- (c) All PAPs residing in, or cultivating land, or having rights over resources within the projects areas are entitled to compensation for their losses and/or income rehabilitation. Lack of legal right to the assets lost will not bar the PAP from entitlement to such compensation, rehabilitation and relocation measures;
- (d) The rehabilitation measures to be provided are (i) compensation at full replacement cost for houses and other structures; (ii) compensation for land acquisition; (iii) dislocation allowance and transition subsidies; (iv) full compensation for crops, trees and other similar agricultural products at market value; and (v) other assets, and appropriate rehabilitation measures to compensate for loss of livelihood;
- (e) Land-for-land is the preferred option. Land-for-land may be substituted by cash provided that: (i) land is not available in the proximity of the project area; (ii) PAP willingly accept cash compensation for land and all assets on it; and receive full replacement value without any deductions for depreciation; and (iii) cash compensation is accompanied by appropriate rehabilitation measures which together with project benefits results in restoration of incomes to at least pre-projects levels;

- (f) Resettlement plans will be implemented following consultations with the PAPs, and will have the endorsement of the PAPs;
- (g) Any acquisition of, or restriction on access to resources owned or managed by PAP as common property will be mitigated by arrangements ensuring access of those PAP to equivalent resources on a continuing basis.

IV. Legal Framework

The legal framework guiding the implementation of the resettlement planning and implementation is based on the Bank's policy on involuntary resettlement (OP4.12), the applicable laws, regulations and ordinances of the state, Anhui Province, and Huainan City.

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 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 used to prepare this RPF and ensure its legal validity are as follows:

- Land Administration Law of the PRC
- Real Right Law of the PRC (effective from October 1, 2007)
- Regulations on the Implementation of the Land Administration Law of the PRC (Decree No.256 of the State Council)
- Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28)
- Notice of the Ministry of Finance, and Ministry of Land and Resources on Adjusting Policies on Fees for Compensated Use of Additional Construction Land (effective from January 1, 2009)

V. Preparation and Approval of the RAPs

The preparation and implementation of the Resettlement Action Plans (RAPs) (including the payment of all resettlement costs) will be the responsibility of the Huainan City government. The Project Management Office (PMO) will be entrusted by the City Government to prepare the RAP and submit it to the Bank for approval. The RAPs will cover the following (if relevant), and anything unrelated to the Project should be specified in the RAPs:

- 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 that will assist each category of eligible APs to achieve the objectives of the policy;
- Selection, preparation and rearrangement of the resettlement site;
- Supply of housing, infrastructure and social services;

- Environmental protection and management;
- Public participation and consultation, where the APs and the related communities must be included;
- Grievance procedures: affordable and accessible procedures for third-party settlement of disputes arising from resettlement;
- Organizational responsibilities;
- Implementation schedule;
- Costs and budget;
- Monitoring and evaluation.

VI. Public Participation and Information Disclosure

The RAPs must describe all measures taken or to be taken, involve the PAPs in the proposed resettlement arrangements, and foster the sense of participation in livelihood and living standard improvement or restoration activities. To ensure that the PAPs' opinions and suggestions are fully considered, public participation should be carried out during project design and the implementation of resettlement measures. Public participation must run through the whole RAP planning, implementation and external monitoring process.

At the RAP drafting and finalization stages, the local PMOs and owners should also disclose the RAPs to the APs and the public at certain places of the project site and in certain languages. The first draft of the RAPs should be disclosed at least one month prior to Bank evaluation. The final RAPs must be disclosed again after acceptance by the Bank.

During the disclosure of the RAPs, this RPF was also disclosed in the project area to collect comments from the APs.

VII. Grievance Redress Procedure

Since the resettlement work is conducted with the participation of the PAPs, no substantial dispute will arise. However, in order to ensure that PAPs 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 PAP 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 PAP is dissatisfied with the disposition of Stage 1, he/she may file an appeal with the county/district resettlement office after receiving such disposition, which should make a disposition within two weeks.
- **Stage 3:** If the PAP is still dissatisfied with the disposition of Stage 2, he/she may file an appeal with the provincial PMO after receiving such disposition, which should make a disposition within 4 weeks.
- **Stage 4:** If the PAP is still dissatisfied with the disposition of Stage 3, he/she may file a suit in a civil court within 15 days after receiving such disposition.

VIII. Monitoring and Evaluation

PMOs will supervise and monitor the implementation of the RAPs. Supervision and monitoring results will be recorded in quarterly 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 RAPs.
- 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 RAPs.
- Record all appeals and their solutions, and ensure that appeals are handled timely.

Independent external monitoring: The PMO 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: 5-20%) 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 RAPs;
- To evaluate if the RPF objective of improving or at least maintaining the living standard and income level of the PAPs has been realized; and
- To gather qualitative socioeconomic impact indicators of project implementation.

Any issue identified during M&E shall be submitted to the Bank. The county PMOs shall find out root causes of issues, and take effective measures timely.

Suggestions for improving the implementation procedure of the RAPs will be proposed in order to realize the principles and objectives of this RPF.