

**The Project about Using the World Bank Loans to Enhance  
the Quality of Agricultural Products in Hunan Province**

# **Resettlement Policy Framework**

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Quality Improvement Project in Hunan Province**

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## **I. Project Overview and Description of Objectives**

### **1. Project Description**

The project is "the use of World Bank loans in Hunan Province Integrated Pollution Control Project". Implementation time is 6 years, that is 2017 to 2022 years. The selection of participating counties and the implementation of the project are confirmed by year.

### **2. Project objectives and content**

The objective of the project is to conduct risk factor analysis and assessment of heavy metal contaminated farmland in Hunan Province. Drawing lessons from and introducing the risk management experience of farmland heavy metal pollution at home and abroad in the final selected project counties. The establishment of risk-based integrated management of farmland pollution mechanisms, which is demonstration and promotion of different farmland pollution risk classification under the level of targeted prevention. And, forming the integrated management model to achieve sustainable and safe production of farmland

The contents of the project include the sustainable management of farmland pollution, agricultural environmental monitoring and management, project capacity building, project management and evaluation of the four sections.

#### **(1) Sustainable Management of Farmland Pollution**

Based on the finding of the farmland soil and the corresponding heavy metal content of agricultural products, the present situation of farmland pollution sources, the crop varieties and their cultivation and management measures to do the Risk assessment of farmland pollution. According to their respective soils, exogenous and management of risk levels to develop appropriate risk control measures. At the same time, according to farmland infrastructure, socio-economic conditions and farmers planting habits to develop different risk control measures and engineering measures. And the development of risk-based land management tools, the development of the province's agricultural risk maps, to guide the production of farming.

#### **(2) Agricultural environmental monitoring and management**

Setting up the agricultural environmental monitoring and early warning system. The project area for agricultural pollutant content of the survey, farmland pollutant input and output balance monitoring; Formulating the draft local regulations and technical standards for the management of farmland pollution prevention and control; Providing technical assistance to enterprises involved in heavy metal

emissions that have serious impact on pollution sources in the project area.

### (3) Project capacity building

The project will be government officials, technical personnel training organization to improve project management capabilities; Training local farmers to improve the farmers' awareness of the serious health impacts of farmland and agricultural products ,At the same time to improve the sustainable use of soil management technologies; Organizing and implementing a series of research projects to support the implementation of the project and optimization of technical measures; formulating a soil environmental protection action plan.

### (4) Project Management and Evaluation

Constructing the Project management Mis system, as well as collecting of project implementation process of farmland environmental quality changes and other relevant information in order to establish of integrated management of farmland pollution evaluation system; Acquisition of the office equipment required by the project management agency, as well as the costs incurred in the daily management of the project, procurement, financial management and project supervision.

## **3. The purpose of Formulate resettlement policy framework**

At present, the project is in the evaluation stage of the project. The activities of the project are basically carried out in the land within the project village. And, the land acquisition is not needed in the project activity. All the civil construction activities are carried out within the village. The land involved in the project is adjusted within the project village, As we all know, the construction facilities are also used by the villagers. In the first batch, three project counties were identified. The project areas and project activities identified in the three counties did not involve land acquisition and relocation, involving a small amount of land converted to crops, totaling 49 hectares. Among them, 15 hectares of sorghum, 21 hectares of flowers and trees, Bingtang orange 13 hectares, but specifically related to which farmers before the project assessment is uncertain. The change of crop may cause the impact of income of farmers living conditions in a short time. However, the project areas in other project counties have not yet been determined, and some villages in the implementation process may involve land acquisition and house demolition. There may also be a small number of villages that affect the livelihoods and incomes of some farmers or cooperatives due to shifting crops or fallowing or returning farmland. So the resettlement policy framework of the project is prepared.

The resettlement policy framework is designed to minimize the negative social

impacts of involuntary resettlement; for those unavoidable impacts, the necessary mitigation measures will be identified and implemented in accordance with the Bank's relevant policy requirements and relevant PRC laws.

The resettlement policy framework establishes objectives, procedures, institutional frameworks and implementation arrangements for resettlement, as well as a mechanism for public participation and public complaint grievances to identify and manage potential adverse social impacts arising from the project activity .

If any land acquisition and resettlement problems occurred in the project area, the framework will be used as a guide for resettlement preparation and implementation.

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

This resettlement policy framework is based on OP4.12 of *Involuntary Resettlement* as shown in the operation manual of the World Bank issued by World Bank in December 2001, with the overall objectives as follows:

- Discuss all feasible project design schemes to avoid or minimize the involuntary resettlement as much as possible;
- If the resettlement is inevitable, the resettlement activities should be designed and implemented as a sustainable development scheme. Provide sufficient funds for displaced persons so that they can share the project benefits, and allow them to grasp the opportunity to plan and implement the resettlement plan through careful negotiation with them;
- Provide assistance for displaced persons to improve their livelihood and living standards, at least to recover indeed to relatively high standard before resettlement or project.

### **Terminology in relation to resettlement:**

- “Displaced persons” are those persons, due to the project activities, (1) whose living standards are adversely affected; (2) or whose ownership, rights or benefits to any house, and land (including homestead, farmland and pasture) or other movables or immovables are temporarily or permanently acquired or occupied; (3) or whose production capital is temporarily or

permanently affected; (4) or whose operational, occupational, working or residential sites or habits are adversely affected; and the persons to be moved as included in the definition of “displaced persons”.

- “Resettlement cost” is defined as follows: for agricultural land, it refers to market value of the land with the same production potential or purpose near the affected land before the project or resettlement (calculated by the higher value of the two), plus expenses for acquisition of the affected land to be up to standard and all of registration and transfer taxes and fees. For housing and other buildings, it refers to market cost of materials required for building a replacement building in similar or superior region and quality, or for repairing the affected building, plus cost for building materials transportation to construction site, labor cost and contractor’s expenses and registration and transfer taxes and fees. It is neither that depreciation value of property and residual value of materials are considered nor that project benefits are deducted from estimated value of affected property in the determination of resettlement cost. If the local law fails to specify the standard for full resettlement cost compensation, other measures will be taken to supplement such standard so that the resettlement cost standard can be reached. Such supplemental assistance is different from resettlement measure under other clauses in Paragraph 6 of the World Bank OP4.12.
- “Land acquisition” refers to the case in which ownership, use right or access to the land is involuntarily lost due to implementation of project. It may cause a series of associated influences including loss of residence or other fixed assets (fences, wells, tombs or other buildings or improving infrastructure in connection with the land).
- “Resettlement” includes two aspects: first is capital compensation which means to provide various compensation expenses for affected persons in order to recover the productivity, income and living standard; second is technical compensation which means to provide agricultural anti-fouling production training for affected persons in order to improve the safety quality of agricultural products.

- “Deadline” is the date prior to which the ownership or use establishes eligibility as displaced persons for compensation or other assistance. It is defined in the resettlement plan, and generally coincides with census date of affected persons or announcement date of specific civil works causing demolition. And after it, any person in the project area will not be qualified for compensation or other assistance.

This policy framework is prepared based on the Operation Manual of World Bank *Involuntary Resettlement* (OP4.12), with the principle and objectives as follows:

- Minimize the acquisition of land and other property and corresponding resettlement;
- Before expiration of baseline survey date, the displaced persons are qualified for requiring recovery measures to help them improve or at least keep the living standards, income access ability and production level before project. Displaced persons’ lack of legal rights in asset loss shall not impede their rights to take resettlement measures.
- Resettlement measures offered include: (1) compensate for residence and other buildings according to replacement costs excluding depreciation or residual value; (2) replace with agricultural land with the same productivity and acceptable by the displaced persons; (3) replace with housing and homestead of the same quantity and acceptable by the displaced persons; (4) provide resettlement subsidies in relocation and transition periods;
- If replacing the agricultural land, housing and homestead of displaced persons, the replacing land and housing shall be close to the replaced ones as much as possible;
- Minimize the resettlement transition period, and provide the recovery measures for displaced persons in the project sites before commencement date of resettlement;

- Negotiate with the displaced persons in a repeated way on acquisition plan of land and other property and recovery measures provided to secure the minimal disturbance.
- Maintain or improve the original production and living standards in village group;
- No matter when and where needed, resettlement and recovery funds and material resources must be ensured to be provided in time and in adequate amount. The budget for resettlement plan should include the unforeseeable expense;
- System and institutional arrangement shall ensure that property and resettlement can be designed, planned, consulted and implemented effectively and timely;
- Implementation of resettlement plan shall be supervised, monitored and evaluated in an effective and timely way.

### **III. Legal and Policy Framework for Resettlement**

Any land acquisition and resettlement activities in the project are to be carried out within the framework of laws and regulations. The relevant laws, regulations and decrees mainly include the following:

1) **Laws and policies issued by Chinese national and central ministries and commissions**, e.g. *Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration*, *Notice of Ministry of Land Resources on Construction Regulations (for trial implementation) of High-standard Basic Farmland*, etc..

2) **Laws and policies of Hunan regional government**, e.g. *Notice of the People's Government of Hunan Province on Adjusting the Compensation Standard for Land Expropriation of Hunan Province*, and *Measures for Rural Land Improvement of Hunan Province*.

3) **Relevant policies and regulations of the World Bank**, e.g. OP4.12

*Involuntary Resettlement* of operation policy of the World Bank.

The specific policy framework is shown below.

### Resettlement Policy Framework

Level	Policy Document	Effective Date
Chinese national and central ministries and commissions	<i>Law of the People's Republic of China on Water and Soil Conservation</i>	June 29, 1991
	Property Law of the PRC	October 1, 2007
	Land Administration Law of the PRC	August 28, 2004
	Regulations on the Implementation of the Land Administration Law of the PRC (Decree No.256 of the State Council)	December 27, 1998
	Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28)	October 21, 2004
	Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (MLR [2004] No.238)	November 3, 2004
	Measures on Public Announcement of Land Acquisition (Decree No.10 of the Ministry of Land and Resources)	January 1, 2002
	<i>Regulations on the Protection of Basic Farmland (The State Council)</i>	December 27, 1998
	<i>Notice of Ministry of Land Resources on Construction Regulations (for trial implementation) of High-standard Basic Farmland (GTZF (2011) No. 144)</i>	September 24, 2011
Hunan province	<i>Environmental Protection Regulations of Hunan Province</i>	January 17, 1994
	<i>Regulations on Land Development and Consolidation of Hunan Province</i>	November 30, 2006
	<i>Opinion of CPC, Hunan Provincial Committee, and the People's Government of Hunan Province on Promoting the Comprehensive Improvement of Rural Land</i>	November 27, 2009

Level	Policy Document	Effective Date
	<i>Notice of the People's Government of Hunan Province on Publishing the Compensation Standard for Land Expropriation of Hunan Province (XZF (2009 No. 43))</i>	March 1, 2010
	<i>Notice of the People's Government of Hunan Province on Adjusting the Compensation Standard for Land Expropriation of Hunan Province (XZF (2012 No. 46))</i>	December 18, 2012
	<i>Measures for Rural Land Improvement of Hunan Province (XGTZF [2014] No. 5)</i>	April 16, 2014
The	The World Bank's Operational Policy OP4.12 Modified Version of Involuntary Displacements and Their Accessories	Apr.1,2013
WB	The World Bank's Operational Procedure BP4.12 Modified Version of Involuntary Displacements and Their Accessories	Apr.1,2013

The aforementioned laws, regulations and policy documents form the basis for legal and policy framework for compensation and production and living recovery of the persons affected by land acquisition and resettlement. The key provisions of relevant laws and policy documents are as follows.

**Key provisions of the Property Law of the PRC:**

**Article 42**

In order to meet the demands of public interests, it is allowed to acquire lands owned collectively, premises owned by entities and individuals or other realties according to the statutory power limit and procedures.

When acquiring land owned collectively, it is required to, in accordance with law and in full amount, pay land compensation fees, placement subsidies, compensations for the above-ground fixtures of the lands and seedlings and other fees, arrange for social security fees for the farmers with land acquired, guarantee their livelihood and protect their lawful rights and interests.

When acquiring the premises owned by entities and individuals or other realties, it is required to compensate for demolition and acquisition in accordance with law and protect the lawful rights and interests of the owners of the acquired realties; when acquiring the

individuals' residential houses, it is required to guarantee the housing conditions of the owners of the acquired houses.

### **Article 43**

Special protections are provided by the state for farm lands, the conversion of farm lands into construction lands is strictly restricted and the aggregate quantity of construction lands is under control. No one may acquire any land owned collectively with violation of the statutory power limit and procedures.

### **Article 47**

In acquiring land, compensation should be made according to the original purposes of the land acquired. Compensation fees for land acquired include land compensation fees, resettlement fees and compensation for attachments to or green crops on the land. The land compensation fees shall be 6-10 times the average output value of the three years preceding the acquisition of the cultivated land.

The resettlement fee shall be calculated according to the number of agricultural population to be resettled. The number of agricultural population to be resettled shall be calculated by dividing the amount of cultivated land acquired by the per capital land occupied of the unit whose land is acquired. The resettlement fees for each agricultural person to be resettled shall be 4-6 times the average annual output value of the three years preceding the acquisition of the cultivated land. But the maximum resettlement fee per hectare of land acquired shall not exceed 15 times of the average annual output value of the three years prior to the acquisition.

Whereas the land compensation fees and resettlement fees paid according to the provisions of the second paragraph of this article are not enough to maintain the original level of living, the resettlement fees may be increased with the approval of the people's governments of provinces, autonomous regions and municipalities. But the combined total of land compensation fees and resettlement fees shall not exceed 30 times the average output value of the three years prior to the acquisition.

### **Article 57**

In the case of temporary using State-owned land or land owned by peasant collectives by construction projects or geological survey teams, approval should be obtained from the land administrative departments of local people's governments at and above the county level. Whereas the land to be temporarily used is within the urban planned areas, the consent of the urban planning departments should be obtained before being submitted for approval. Land users should sign contracts for temporary use of land with related land administrative departments or rural collective organizations or villagers committees depending on the ownership of the land and pay land compensation fees for the temporary use of the land

according to the standard specified in the contracts.

Users who use the land temporarily should use the land according to the purposes agreed upon in the contract for the temporary use of land and should not build permanent structures. The term for the temporary use of land shall not usually exceed two years.

**Key provisions of the Regulations on the Acquisition of Premises on State-owned Land and Compensation:**

**Article 17** The compensation to be paid by the city and county people's governments that have made the decisions on house acquisition to the persons whose houses are to be acquired shall include:

- (1) The compensation for the value of the houses to be acquired;
- (2) The compensation for relocation and temporary resettlement arising from the house acquisition;
- (3) The compensation for losses arising from production and business suspension caused by the house acquisition.

City and county people's governments shall formulate the procedures for subsidies and incentives, and grant subsidies and incentives to the persons whose houses are to be acquired.

**Article 19** The compensation for the value of houses to be acquired shall not be less than the market price of the real estate comparable to the houses to be acquired on the date of the public notice of the house acquisition decisions. The value of the houses to be acquired shall be assessed and determined by real estate appraisal agencies with appropriate qualifications in accordance with the procedures for evaluating houses to be acquired.

Anyone who has objection to the value of the houses to be acquisition that has been assessed and determined may apply to the real estate appraisal agency for reassessment. Anyone who disagrees with the results of the review may apply to the real estate appraisal expert committee for appraisal.

**Article 20** Real estate appraisal agencies shall be selected by the persons whose houses are to be acquisition through consultation. If consultations fail, the same shall be determined by majority decision, random selection and other methods. The specific procedures shall be formulated by the authorities of provinces, autonomous regions and municipalities directly under the central government.

**Article 21** The persons whose houses are to be acquisition may choose monetary compensation or house property rights exchange.

If the persons whose houses are to be acquisition select house property rights exchange, city and county people's governments shall provide the houses to be used for property rights exchange, and, jointly with the persons whose houses are to be acquisition, calculate and settle the price difference between the values of the houses to be acquisition and the values of the houses to be used for property rights exchange.

**Article 22** If any relocation is caused by house acquisition, the house acquisition department shall pay relocation costs to the persons whose houses are to be acquisition. If any persons choose house property rights exchange, the house acquisition department shall, prior to the delivery of the houses to be used for property rights exchange, pay temporary resettlement costs or provide transitional houses to the persons whose houses are to be acquisition.

**Article 23** The compensation for any losses arising from production and business suspension caused by house acquisition shall be determined according to profits, duration of production and business suspension and other factors prior to the house acquisition.

**Article 25** The House Acquisition Departments and the persons whose houses are to be acquisition shall, pursuant to these Regulations, enter into compensation agreements with respect the compensation method, the compensation amount and payment terms, the location and area of the houses to be used for property rights exchange, relocation costs, temporary resettlement costs or transitional houses, losses arising from production or business suspension, period of relocation, methods and periods of transition and other matters.

If, after any compensation agreement is entered into, one party fails to perform its obligations set forth in the compensation agreement, the other party may file an action according to law.

**Article 26** If any House Acquisition Departments and any persons whose houses are acquisition fail to enter into compensation agreements within the time limit for contract execution specified in the acquisition compensation program, or the owners of the houses to be acquisition are uncertain, the House Acquisition Departments shall request the city and county people's governments that have made the decisions on house acquisition to make decisions on compensation in accordance with the acquisition compensation program and publish the same to the public in the areas of house acquisition pursuant to these Regulations.

If any person whose house is to be acquisition has objection to the compensation decision, such person may apply for administrative reconsideration or file an administrative lawsuit according to law.

**Article 27** In carrying out house acquisition, compensation shall be paid first before relocation.

**Article 28** If the persons whose houses are acquisition fail to apply for administrative reconsideration or institute administrative proceedings within the statutory time limit, and fail to relocate within the period set forth in the compensation decision, the city and county people's governments that have made the decisions on house acquisition shall petition the people's court for enforcement.

**Key provisions of the Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration:**

Improving measures of compensation for land acquisition. County-level and above local people's governments shall take practical measures so that the standard of living of farmers affected by land acquisition is not reduced by land acquisition. Land compensation, resettlement subsidy and compensation for ground annexes and crops shall be paid in full and timely pursuant to law. If the land compensation and resettlement subsidy pursuant to the prevailing laws and regulations are insufficient to maintain the former standard of living of the farmers affected by land acquisition or to pay the social security expenses of farmers who lose all land due to land acquisition, the people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall approve an increased resettlement subsidy. If the sum of the land compensation and the resettlement subsidy attains the statutory upper limit and is still insufficient to maintain the former standard of living of the farmers affected by land acquisition, local people's governments may pay a subsidy from the income from compensated use of state land. The people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall fix and publish the uniform annual output value standards or integrated land prices for land acquisition of all cities and counties, so that the same price applies to the same kind of land. For key construction projects of the state, land acquisition expenses must be listed in the budgetary estimate in full. Compensation Standards and resettlement measures for large and medium-sized water resources and hydro-power projects shall be otherwise stipulated by the State Council.

Resettling land-expropriated farmers properly. County-level and above local people's governments shall take specific measures to guarantee long-term livelihoods of farmers affected by land acquisition. For projects with a stable income, farmers may become a shareholder using the right to use of land used for construction approved pursuant to law. Within the urban planning area, local people's governments shall bring farmers who lose all land due to land acquisition into the urban employment system, and establish a social security

system; out of the urban planning area, in acquiring land collectively owned by farmers, local people's governments shall reserve necessary arable land or arrange appropriate jobs for farmers affected by land acquisition within the same administrative area; farmers without land who do not have the basic living and production conditions shall be subject to non-local resettlement. The labor and social security authorities shall propose guidelines for the employment training and social security systems for farmers affected by land acquisition as soon as possible.

**Key provisions of the Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (Document No.238):**

Fixation of uniform AOV Standards: The province-level land and resources department shall fix minimum uniform AOV Standards for arable land of each county (city) within the province together with other departments concerned, and report to the provincial government for approval and implementation. Uniform AOV Standards may be fixed in consideration of land type, quality and grade, farmer investment, farm product price, etc.

Fixation of uniform annual output value multiples. The uniform multiple of annual output value for land compensation fees and resettlement subsidy shall be fixed within the statutory range so that land-expropriated farmers' standard of living is not reduced; if compensation fees for land acquisition calculated from the statutory uniform multiple of annual output value are insufficient for land-expropriated farmers to maintain their former standard of living or insufficient to cover their social security costs, the multiple shall be increased appropriately with the approval of the province-level people's government; if an aggregate multiple of 30 for land compensation fees and resettlement subsidy is still insufficient for land-expropriated farmers to maintain their former standard of living, the local people's government shall allocate a certain proportion from the income from the compensated use of state-owned land for subsidization. For basic farmland occupied with lawful approval, the highest compensation rate announced by the local people's government shall apply.

Fixation of composite land prices for land acquisition areas. Where conditions permit, the province-level land and resources authority may fix composite land prices for land acquisition for different counties and cities in the province together with other competent authorities, and report such prices to the province-level people's government for approval, disclosure and implementation. Such prices shall be fixed in consideration of land type, output value, geographic location, farmland rating, per capita arable area, land supply-demand relationship, local economic level and minimum living security level of urban residents, etc.

Distribution of land compensation fees: Since land compensation fees are used mainly

on households affected by land acquisition, land compensation fees shall be distributed within rural collective economic organizations reasonably. The detailed distribution measures shall be formulated by the provincial government. If all land of a village is acquired and the rural collective economic organization is cancelled, all land compensation fees shall be used for the production and livelihood resettlement of land-expropriated farmers.

***Key provisions of Notice of the People's Government of Hunan Province on Publishing the Compensation Standard for Land Expropriation of Hunan Province (XZF [2009] No. 43)***

First, the compensation standard shall include the sum of land compensation and resettlement subsidy. For acquisition unit or personal housing and other immovables, crop compensation etc., the compensation standard prepared by cities and approved by the People's Government of Hunan Province shall prevail. For state-owned agricultural land i.e. for farming, forestry, husbandry and fishing grounds recovered for non-agricultural construction land, the compensation standard for collective land of neighboring farmers shall be referred to.

Second, for acquisition of collective construction land, rural roads and ponds, the regional compensation standard shall be referred to.

Third, the People's Governments of cities, counties and districts shall prepare the guidelines for allocation of land acquisition compensations on the basis of the principle that they will be mainly used for production and living of farmers whose land is acquired. The land acquisition expenses should be fully paid within 3 months from the date when the resettlement plan is approved. For social guarantee of farmers whose land is acquired, the relevant national and provincial provisions shall prevail.

**Gap analysis on involuntary resettlement policies between the World Bank and Chinese domestic requirements**

In general, there is no great difference between the World Bank's operational guide OP4.12 and Chinese involuntary resettlement policy. Objectives and general procedures of them are consistent. Both of them are to avoid the involuntary resettlement or minimize the loss from involuntary resettlement in order to ensure

long-term livelihood of displaced persons and recover the living standards of involuntarily displaced persons to the standards before resettlement. During implementation of involuntary resettlement, the World Bank's and domestic policies shall be designed to provide resettlement compensation and resettlement, as well as supervision and evaluation. Some gaps also exist between these policies and are as follows:

linkage coverage of involuntary resettlement impact scope. World Bank includes the scope of lending project and its linkage project in addressing involuntary resettlement. While the Chinese land acquisition and resettlement regulation does not have requirements for a project to cover its linkage project.

compensation or legal and illegal structures and squatters In general, only the affected legal structures and displaced person can be compensated under Chinese regulations. In contrast, under the World Bank requirements, whether the affected structure or displaced person ( such as squatter) is legally recognized, should be compensated or receive other necessary resettlement assistance as appropriate..

In terms of compensation standard, the World Bank OP4.12 policy requires for compensation at full replacement cost or direct replacement of asset with assets for affected housing property and other assets. However, the World Bank also stipulates that if resettlement cost cannot be fully covered in accordance with the country domestic regulation, other necessary measures should be taken to reach level of full replacement cost. This policy does not allow depreciation of asset value and often leads to a higher compensation standards in its lending project than domestic projects.

Public's Participation The requirements for participation and consultation of the Chinese government policies and regulations are very general. No Chinese government policies or regulations requires for the participation of affected people in resettlement planning, except in hydropower projects. In contrast, the Bank policy has very clear and specific requirements for information disclosure as a policy, and public people's participation (esp. those affected people) in project design, resettlement planning, implementation, and monitoring and evaluation as well as grievance mechanisms. The Bank encourage project owner to prepare resettlement information leaflets and distribute them to the public, particularly the affected people.

### **Measures to bridge the gaps between the World Bank's and domestic policies:**

(1) In the implementation of this project, make sufficient understanding of any linkage project and any involuntary resettlement resulted from such project. In case of any involuntarily displaced persons therefrom, this resettlement policy framework shall also be observed and involuntary resettlement policy requirements of the World Bank and related mitigation measures of local government shall be adopted to resettle these persons;

(2) For definition of scope of affected persons, whether the affected structure or displaced person (such as squatter) is legally recognized, should be compensated or receive other necessary resettlement assistance as appropriate.

(3) For compensation of affected persons, the compensation standard shall be no lower than the domestic standard, and livelihood recovery measures shall also be provided for affected persons;

(4) Encourage the public's participation, and prepare the public's participation measures, grievance and appeal mechanisms including creating the village-level organization for project, providing capacity construction for such organization, and helping the affected persons have the rights to acquire the project information and express the opinions and suggestions.

The above measures will be applied to the implementation of this project.

### **IV. Preparation and Approval of the Resettlement Action Plan**

Through close collaboration with the county-level PMOs of each sub-project, the PMO of Hunan Province shall prepare the resettlement plan (including guarantee and use of resettlement expenditure), which shall be submitted to the World Bank via provincial PMO for review and approval; meanwhile opinions of displaced persons shall be fully asked so that they will have an opportunity to participate in the design and implementation of resettlement plan.

When the number of affected population from the sub-project selected is more than 200, the PMOs shall be responsible for coordination with local government and the project employer, prepare a detailed resettlement action plan which shall be submitted to the World Bank via the PMO of Hunan Province; meanwhile opinions of

displaced persons shall be fully asked so that they will have an opportunity to participate in the design and implementation of resettlement plan.

On the basis of OP 4.12 of *Involuntary Resettlement*, the resettlement plan will cover the following:

- General description of project.
- Objectives (i.e. main objectives of resettlement plan).
- Analysis of social and economic conditions in project areas, including investigation to general social and economic conditions of project areas, and analysis of social and economic conditions of potential displaced persons.
- Identification and analysis of potential social impact of project.
- Legal framework. Laws and regulations guiding the resettlement compensation and resettlement activities, and necessary legal steps and procedures.
- Qualification. Define the recognition standard for displaced person, and decide whether he or she is qualified for compensation or other resettlement assistance.
- Loss evaluation and compensation.
- Recovery measures of resettlement. Describe the compensation in cash and other resettlement measures.
- Selection, preparation and rearrangement of resettlement places.
- Supply of residence, infrastructure and social service.
- Environmental protection and management.
- Public's participation and negotiation, including negotiation with displaced persons and village group where these persons are located.
- Assimilation of residents in resettled areas. Measures to reduce the impacts of resettlement on communities in any receiving places.
- Appeal and grievance mechanisms. Provide appeal procedures for any disputes from resettlement compensation.
- Organization and responsibilities.
- Implementation schedule.
- Cost and budget.
- Monitoring and evaluation.

At least 6 months from the commencement date of resettlement as estimated, the resettlement plan shall be completed. At least 3 months in advance before practical action, each plan shall be submitted to the World Bank for consideration, or the compensation, resettlement and recovery activities cannot be started. These activities shall be completed before commencement of civil contract.

When the number of affected population from the sub-project selected is no more than 200, and property loss is no more than 10 %, the PMOs shall go through close collaboration with the project employer, prepare the abbreviated resettlement action plan for such sub-project, which shall be submitted to the World Bank via external cooperation center; meanwhile opinions of displaced persons shall be fully asked so that they will have an opportunity to participate in the design and implementation of resettlement plan.

On the basis of OP 4.12 of *Involuntary Resettlement*, the abbreviated resettlement plan will at least cover the following:

- Detailed investigation to displaced persons, and assets valuation;
- Description of prepared compensation and other resettlement assistance;
- Communication with displaced persons in terms of acceptable alternative plan;
- Implemented institutional responsibility and grievance procedure;
- Monitoring and implementation arrangement;
- Schedule and budget.

By 4 months from the commencement date of resettlement as estimated, the abbreviated resettlement plan shall be completed. At least 3 months in advance before practical action, each plan shall be submitted to the World Bank for consideration, or the compensation, resettlement and recovery activities cannot be started. These activities shall be completed before commencement of civil contract.

## V. Entitlements to Compensation and Resettlement

### (I) Confirmation of compensated objects

The compensation standard for land requisitioned by the project shall follow “all regions should establish dynamic adjustment mechanism for land acquisition compensation standard and adjust land acquisition compensation standard every 2 to 3 years in accordance with economic development level and increase of local per capita income to gradually improve land acquisition compensation level” prescribed in Notice of the Ministry of Land and Resources on further Improve Land Acquisition Management (26 Jun., 2010)

The purpose of resettlement plan is to secure that the lost property of displaced persons can be compensated for according to replacement prices, and to improve their living standards or at least make their income and living standards reach the standards before the implementation of the project. So it shall be secured that displaced persons qualified for compensation are fully identified, and compensation measures in the resettlement plan are supported and approved by displaced persons.

In general, persons qualified for compensation (may) include the following:

1. **Persons whose land is fallow or converted due to heavy pollution:** including villagers having official land use rights (class A); affected land tenants (class B). Wherein the displaced persons of class A shall have the right to obtain the replacement cost compensation, and displaced persons of class B shall have the right to obtain the crop and building loss compensation.

2. **Persons whose income from new crop is less than before within a short period due to crop replanting:** including farmers or cooperatives who have to abandon the original crops to replant the others due to the project and whose income from such new crop is less than before.

3. **Persons affected by temporary land:** including short-term impacts of temporary land occupation, transitional cost related to displacement, or the implementation of the project on ground crops and attachments.

**4. Persons who have lost their housing, other buildings and fixed assets:** including persons having lost their housing and other buildings no matter whether they have the land use right or building permit before deadline.

## **(II) Provisions on compensation measures**

The displaced persons affected by this project will have the right to obtain the following compensation and recovery measures:

➤ After land acquisition, the remaining collective land or current village land will be re-allocated by the village committee to collective members. In this case, if the house or building will become unsafe or its function become absent due to some part of land acquisition, the land should be fully acquired. The displaced persons are qualified for land re-allocation and benefits from investment into collective land compensation.

- According to the *Land Administration Law* and relevant laws, for those lands which cannot be re-allocated, the corresponding displaced persons must be identified; if the construction land is converted from agricultural land, the approval of agricultural land conversion should be handled.
- According to Article 47 of the *Land Administration Law*, in case of land acquisition, the compensation shall be provided according to original purpose of the land acquired. In case of arable land acquisition, the compensation shall include the land compensation, resettlement subsidy and compensation for ground attachments and crops. Wherein the land compensation is six to ten times of average annual output value of three years before the acquisition, and the resettlement subsidy shall be calculated according to agricultural population to be resettled. Such population shall be calculated by dividing the amount of arable land acquired by per capita amount of arable land in acquired unit before acquisition. The resettlement subsidy standard for each of agricultural population requiring resettlement shall be four to six times the average annual output value of three years before the acquisition. However the maximum resettlement subsidy for

each hectare of arable land acquired shall not exceed fifteen times the average annual output value of three years before the acquisition.

- If the land compensation and resettlement subsidy are insufficient to recover the living standards of displaced persons, the People's Government of corresponding cities and counties can use the income from paid use of state-owned land for compensation;
- The land compensation and resettlement subsidy paid to the village committee (of the village where the land is affected) or displaced persons shall be used for (1) expanding the area of arable land if the land can be utilized; (2) improving the agricultural production by irrigation, or improving the agricultural operation etc.; (3) developing the non-agricultural income based on the existing activities. Any damaged crops and fruit trees of displaced persons shall be compensated for.
- The low income, damaged crops and land recovery of displaced persons affected by temporary land occupation, and damaged infrastructures shall also be compensated for.
- If the displaced persons losing their agricultural land reach the local conditions to participate in the social insurance for land-lost farmers, they shall be incorporated into social insurance system for land-lost farmers.
- Timely and proper technical training should be provided for displaced persons in order to improve their agricultural/non-agricultural skills and earning capacity.

The following compensation shall be provided for acquired housing and annexes of displaced persons: provide the replacement housing of the same value; provide the compensation by replacement prices; reconstruct or recover the facilities and services (e.g. road, water, electricity, telephone, cable TV, school, etc.); subsidy for transition period should be sufficient to remove the property or obtain the temporary housing.

➤ **Preparation of subsidy plans for affected farmers and organizations**

In addition to compensation for land, green crops, attachments and tress transplanting of local residents due to the construction of the project as arranged in the

resettlement subsidy, this section also states the subsidy plan for loss from replanting or fallow resulted from the project activities.

### ***Implementation process***

The compensation plans for affected farmers and organizations shall set the specific implementation schedule for compensation activities to be developed, and wherein the compensation plan for the farmers shall be prepared in advance through sufficient negotiation with farmers and reviewed by the relevant functional department, provincial PMO and the World Bank. At the implementation stage of the project, the PMO shall implement the compensation plan, pay attention to needs and suggestions of women by information disclosure and public participation, and take measures to increase the positive benefit and reduce the negative benefit of the project.

### ***Compensation types***

According to the relevant governmental provisions, the compensation items mainly include cost subsidy, production subsidy and risk subsidy.

(1) Cost subsidy. It is mainly used for increase of material cost and labor cost due to use of lime spraying, flooding irrigation, low-cadmium variety, organic fertilizer, green manure planting, leaf retarder, soil conditioner and deep ploughing for the project.

(2) Production subsidy. It is mainly used for increase of production inputs due to restructuring of the project e.g. replanting of cotton, orange candy, sorghum, grapefruit and flower and seedling.

(3) Risk subsidy. It includes three parts: lost output subsidy due to change of agronomic technique; subsidy when the product failing to meet the standard and entering food sales market; subsidy for income decrease due to restructuring.

### ***Determination of compensation standards***

(1) Confirm the compensation for increased materials e.g. lime, retarder, seed by market prices.

(2) Prepare the compensation for additional labor inputs by RMB 90 and RMB 150 per day. Prepare the compensation for work requiring simple labor skills e.g. weeding, water pumping by RMB 90 per day; prepare the compensation for work requiring complex labor skills e.g. lime spraying, deep ploughing by RMB 150 per day.

(3) Prepare the compensation for products failing to reach standard within the transition period of the project due to land pollution, which thus cannot enter the foods market, and potential output reduction due to repair by RMB 700 per mu (as grains that cannot enter the foods market can only be used as bio-materials, and prices of bio-materials are generally 1/3 less than purchase prices of grains, prepare the compensation by 1/3 of one-season output value; prepare the compensation for potential output loss due to technical repair by 1/20 of one-season output value).

(4) Adopt one-time subsidy for restructured production inputs. For replanting of orange candy or navel orange, it is RMB 1,000 per mu, for replanting of sorghum or cotton, it is RMB 900 per mu, for replanting of grapefruit, it is RMB 1,150 per mu, and for replanting of flower and seedling, it is RMB 1,650 per mu.

(5) Prepare the subsidy for lost benefit from restructuring according to growth years of crops. For replanting of annual crops, it is RMB 450 per mu per year, and for replanting of crops of two years above, it is RMB 900 per mu per year until the year when there is harvest.

### ***Vulnerable groups***

Vulnerable groups involved in the Project include the elderly, the disabled and woman-headed households, should be identified and consulted in the census.

The compensation and resettlement terms for all affected persons apply to these groups. In addition, vulnerable groups will receive extra assistance to ensure that their income and livelihoods are restored or improved as a result of project implementation.

### ***Ethnic minorities***

Resettlement of ethnic minorities is particularly complex and may have significant adverse impacts on their identity and cultural survival. For this reason, the borrower should explore all viable alternative project designs to avoid physical displacement of these groups. When it is not feasible to avoid such displacement, preference is given to land-based resettlement strategies for these groups that are

compatible with their cultural preferences and are prepared in consultation with them. Project PIUs should guarantee ethnic minority' participation in consultation and that communicate in ethnic minority language or plain language, to improve social equality awareness of PMO and related township planning and management staff, to strengthen inclusivity of the project. Meantime, executor should do a good work of compensation and recovery measures for ethnic minority migrant.

The RAPs prepared should include an entitlement matrix for the APs. See Appendix1.

## **VI Implementation Procedures**

The RAP should include all detailed implementation schedules. Compensation payment and other necessary restoration measures (in cash or otherwise) must be completed 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. In addition, the following basic legal procedures should be followed during land acquisition, property demolition and resettlement.

### **(I) General procedures of land acquisition and property demolition on collective land**

Regulations on the Implementation of the Land Administration Law of the PRC Article 20 of the Regulations on the Implementation of the Land Administration Law of the PRC stipulates that land acquisition for the purpose of urban planning within the range of urban land for construction specified in the master plan for land utilization shall be carried out as follows:

1.The municipal or county people's government shall draft farmland conversion programs, arable land replenishment programs and land acquisition programs according to the annual land utilization plan, and submit them to competent people's governments level by level in batches.

2.The competent department for land administration of a competent people's government shall examine farmland conversion programs, arable land replenishment programs and land acquisition programs, give opinions, and submit them to the competent people's government for approval; an arable land replenishment program

shall be approved by the people's government approving the corresponding farmland conversion program together with such farmland conversion program.

3. Approved farmland conversion programs, arable land replenishment programs and land acquisition program shall be implemented by the municipal or county people's government, and land shall be provided for specific construction projects.

Regulations on the Implementation of the Land Administration Law of the PRC  
Article 25 Municipal, county people's government of the locality whose land has been acquired shall, upon approval of the land acquisition plan according to law, organize its implementation, and make an announcement in the village (township), hamlet whose land has been acquired on the approval organ of the land acquisition, number of the approval document, use, scope and area of the acquired land as well as the Standards for compensation of land acquisition, measures for the resettlement of agricultural personnel and duration for processing land acquisition compensation.

Persons with land ownership and use rights of the acquired land should, within the duration prescribed in the announcement, go to the competent department of people's government designated in the announcement to go through the registration for land acquisition compensation on the strength of land ownership certificates.

The competent departments of municipal, county people's governments shall, on the basis of the approved land acquisition plan and in conjunction with the departments concerned, draw up land acquisition compensation and resettlement plan, make an announcement thereof in the village (township), hamlet wherein the acquired land is located to solicit the views of the rural collective economic organizations and peasants on the acquired land. The competent departments of land administration of municipal, county people's governments shall, upon approval of the land acquisition compensation and resettlement plan submitted to the municipal, county people's governments, organize its implementation. Where a dispute arises over the compensation Standards, coordination shall be carried out by local people's government above the county level; where coordination has failed, arbitration shall be resorted to by the people's government that approved the land acquisition. Land acquisition compensation and resettlement dispute shall not affect the implementation of the land acquisition plan.

Payment of various expenses for land acquisition should be effected in full within 3 months starting from the date of approval of the land acquisition and resettlement plan.

## **(II) General procedure of property acquisition on state-owned land**

According to the Regulations on the Acquisition of Houses on State-owned Land and Compensation Therefore, the following general procedure should be followed when properties on state-owned land are acquired for the Project:

1. Making a decision of property acquisition according to legal conditions and procedures;
2. Issuing an announcement of property acquisition and an announcement of withdrawal of the right to use state-owned land;
3. Selecting a qualified appraisal agency for appraisal, and disclosing the appraisal result;
4. Entering into a compensation agreement for property acquisition;
5. Disclosing compensation information and establishing acquisition files;
6. Demolishing acquired properties and transferring to land acquisition;

## **(III) General procedure of acquisition and demolition on farmers' land**

According to the *Emergency Notice of the State Council on Rigidly Enforcing Land Acquisition and Demolition and Practically Maintaining the Legal Rights and Interests of Mass (GBFMD [2010] No. 10)*, we shall strictly perform the relevant procedures, timely notify the mass before land acquisition, ask for their opinions, and by observing the principle of voluntary resettlement, properly settle the reasonable requirements of mass and do not make forced demolition if the procedure is illegal, compensation is not in place, living conditions of displaced persons are not secured and emergency plan is not prepared, with the specific procedure as follows:

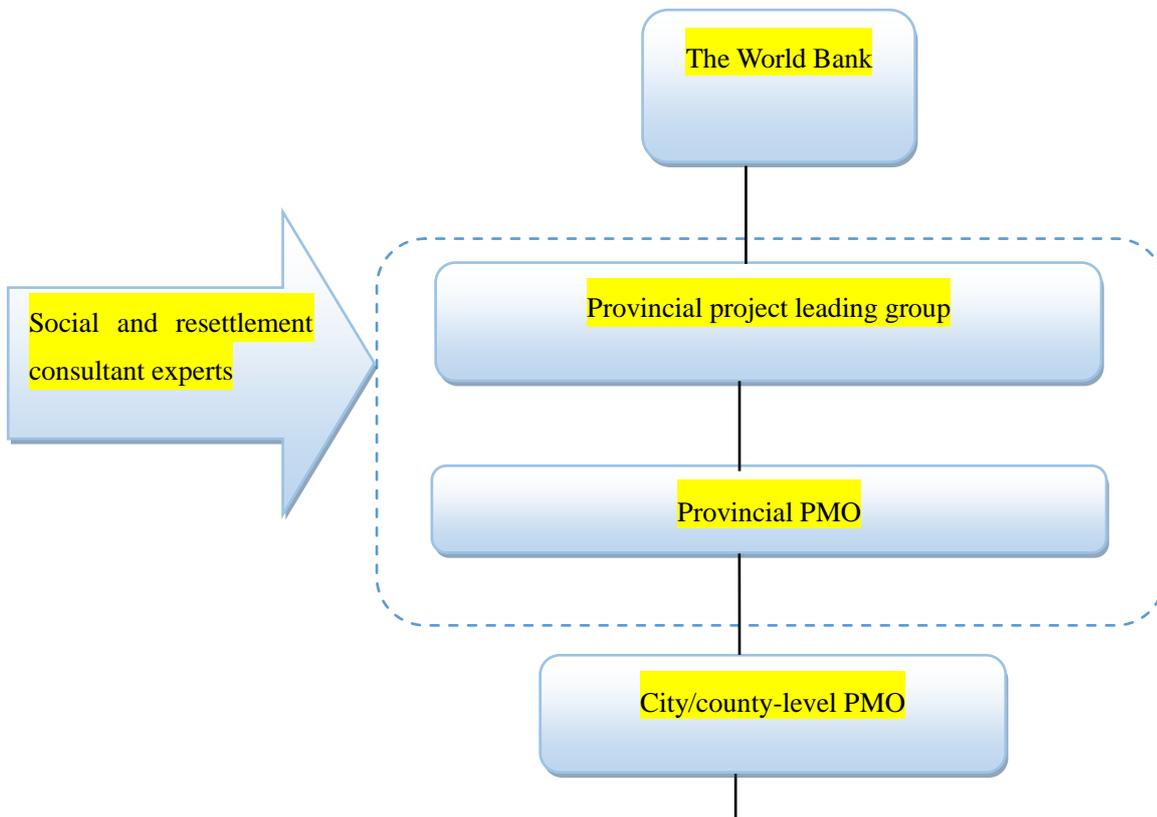
1. Application for land use by land user
2. Proposal of land acquisition plan
3. Check for land acquisition
4. Review and approval for land acquisition
5. Announcement of land acquisition plan
6. Preparation of acquisition compensation plan
7. Announcement of acquisition compensation and resettlement plan

8. Implementation of compensation and resettlement

9. Issuance of construction land approval

#### (IV) Arrangement of organizational structure

To ensure smooth implementation and expected results of resettlement, a vertical organizational structure should be established in project implementation to effectively implement the approved resettlement plan and RPF as required. The provincial PMO will take overall responsibility to coordinate and oversee the RPF/RAPs implementation, including management and supervision, training and capacity building, and preparation of project progress report based on the reports and monitoring information from each project county/district, etc. Each county/district PMO will take respective responsibility for their own RPF/RAP implementation, including hiring qualified social/resettlement experts for social and resettlement monitoring, supervising implementation of the mitigation measures together with related local authorities and stakeholders, promoting good practice of resettlement and social development. Each project PMO at provincial and county/district level will assign a dedicated social staff to coordinate social safeguards work, together with related local government departments, project towns and affected villages handling local land requisition and house demolition. See figure 6.1 for resettlement organization arrangement of the project.



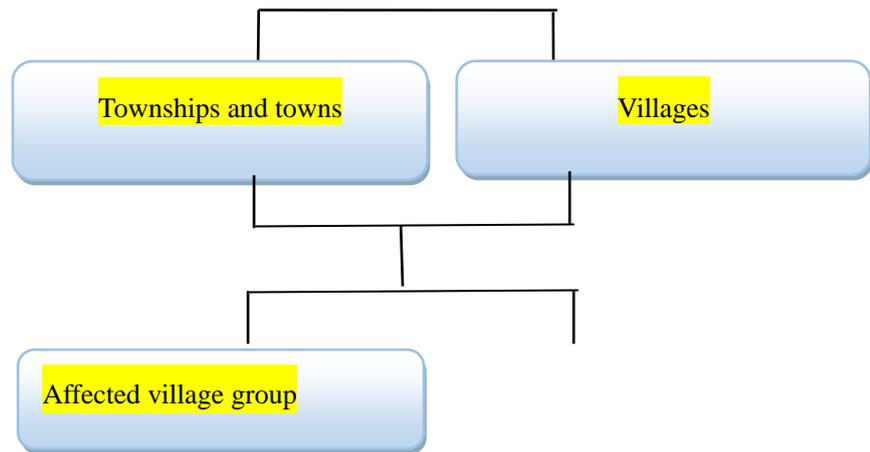


Figure 6-1 Project Organization Chart

## VII. Resettlement Budget and Arrangements

PMOs, local governments or project employer will bear all the expenses in relation to land acquisition and resettlement. Any resettlement plan corresponding with this resettlement policy framework must include estimated cost and budget. At the planning stage of resettlement, no matter whether a person is identified as displaced person, capital is timely in place and sufficient, the persons affected by the land acquisition and demolition shall have the right to obtain the compensation or take other appropriate mitigation measures. For the above reasons, budget for resettlement plan should include unforeseeable fee, which is generally 10 % of total resettlement budget and used for unforeseeable resettlement expense.

The compensation standards in the resettlement plan provide the basis for calculation of the compensation. The compensation should be fully paid to individuals or collectives losing their land or other property, and shall not be deducted for any reason. The resettlement plan should describe the operation procedure of compensation capital to affected villages or villagers. The basic principle is that the capital flow must be as direct as possible to minimize the intermediate links.

For specific preparation of resettlement budget, collect the annual output value, annual output and planting times of original crops as well as area of transformed land, and discriminately calculate the acquisition compensation standards according to pollution degrees of soil so as to determine the corresponding resettlement budget.

See appendix 2 for current compensation standard for land acquisition. If the project has needs for land acquisition during implementation, compensation standard shall refer to the latest standard.

## **VIII. Information Disclosure and Public Participation**

At the preparation stage of resettlement policy and the preparation and implementation stages of resettlement plan, participation of displaced persons and negotiation with public shall be quite emphasized. The objects involved in public's participation include governmental departments of all levels, expert team, affected village collective and population.

By use of social and economic investigations, social impact evaluation and investigation etc., widely publicize and introduce the project resettlement policy by all means and ask the various affected population for opinions. Through wide public's participation, coordination and communication, local government, affected village collective and population have fully understood the potential project impact, resettlement policy and income recovery plan.

PMOs and local resettlement implementation organizations at all levels can use the following procedures and methods to encourage the affected persons to participate and negotiate:

(1) Publicize the basic information of the project, and attract the affected persons to participate in the project actively

Introduce the basic information of this project by posting notices, broadcast television, network media and investigation and symposium so that displaced persons will have sufficient recognition and understanding of this project. Such information mainly includes land pollution control objectives; impacts of farmland pollution control project; compensation standards, amount and resettlement policy; feedback and appeal approaches of displaced persons etc.

(2) Hold the public consultation meetings

The department in charge of acquisition and demolition shall irregularly organize the affected persons to hold the consultation meeting according to

practical situation of the acquisition and demolition. Representatives of vulnerable groups, in particular women, minorities shall be invited, with their number no less than 30 % of total participants. And the department shall publicize the construction contents, progress and resettlement policy by television, broadcast, newspaper and network etc.

(3) Hold the hearings

Focusing on the alternative crops and planting technique, expected compensation and difficulties of displaced persons, the displaced persons shall first give their opinions fully. Then the community shall rank the concentration degrees of needs, opinions and suggestions through discussion, analysis, and vote and publicize the discussion results.

(4) Publicize the resettlement plan

After hearing and negotiation with consultation experts, PMO shall prepare the draft and final version of resettlement plan and publicize them to the displaced persons and public in the project area. The publicity places generally include public library, activity room for villagers in affected village committee, governmental public information website etc., and the language shall be commonly understood. The draft shall be publicized before reporting to the World Bank for approval. Then the final version shall be publicized with the approval of the World Bank. The resettlement plan publicized mainly includes lost property; compensation standards; compensation amount and resettlement policy; rights and interests of displaced persons; feedback and appeal approaches etc.

## **IX Grievance Redress Procedure**

Secure the interests of displaced persons affected by the project, and establish smooth approaches to achieve the interests, both of which are main purposes of resettlement. In the process of resettlement, various problems may occur. To solve them on a timely and effective manner and guarantee smooth resettlement and appeal approaches on land acquisition and resettlement for displaced persons, the following appeal procedure is prepared in this project:

- Stage I: Oral or written appeals might be delivered to the village committees of related community organizations funded by the project if displaced person is neither

satisfied with resettlement plan or the implementation of the plan. If oral appeals are delivered, the village committees should make a written record. The villages committees or project funded community organizations in the project sites should respond to the appeals as appropriate within two weeks.

- Stage II. The displaced person may appeal orally or in a written way to the township government that governs the village where the displaced persons reside if this person is unsatisfied with the village committees' decision and response at stage I. If oral appeals are delivered, the township government should respond the appeals within 2 weeks and make a written record.
- Stage III: the displaced person may appeal to the county PMO if this person is unsatisfied with the town or township government's decision, and the county PMO should respond to the appeals within 2 weeks; the displaced person may appeal to the provincial PMO if this person is unsatisfied with the county/city-level decision, and the provincial PMO should respond to the appeals within 2 weeks.
- Stage IV. If the displaced person is not satisfied with the PMO's decision, they can appeal to the civil court in accordance with the civil procedure law.

The group of displaced persons may appeal against any aspect in the project construction. The above appeal approaches will be told to the displaced persons in the project area through meeting and other methods so that these persons will fully understand that they have the right to appeal.

Related organizations should adhere to following principles in redressing appeals and grievances:

1) Related organizations of the project delegate specific staff to take care of appeal letters and arrange specific staff to consolidate and record oral responses, and demand for effective reply to appeals and grievances at each level within two weeks;

2) All organizations handle appeals and grievances of affected people and reasonable expenditures involved shall be paid through government matching funds of the project. .

3) The appeal procedures shall keep effective during all construction phase of the project, to ensure that affected people could deal with related problems using the mechanism. Approaches for appeal and grievance will be informed to displaced person through public

meeting and resettlement information booklets distributed. Meantime, appeal and grievance process will be published among affected population through media.

4) During execution of resettlement action plan, land acquisition organizations should carefully register and manage grievance document and results and should report to PMO in written document on a monthly or quarterly basis as required. PMO shall conduct periodic review on handling and registration of grievances. To completely record grievances of affected population and results, PMO shall develop affected population grievance and appeal redress registration form. See **appendix 3** for sample of resettlement grievance and appeal redress registration form.

## **X. Monitoring and Evaluation**

### 1. Basis of Monitoring and Evaluation:

(1) Laws and regulations of China and Hunan Province on resettlement and land reclamation; (2) the World Bank's business guide (OP/BP4.12); (3) legal documents in direct relation to the project e.g. resettlement plan approved both by the World Bank and project employer.

### 2. Principles of Monitoring and Evaluation:

(1) Regularly and irregularly investigate, understand and evaluate the implementation of resettlement action plan; (2) carry out correct data collection and analysis to ensure correctness of monitoring and evaluation results; (3) scientifically, objectively and fairly evaluate the implementation of resettlement plan; (4) make timely report to the project employer and the World Bank so that they can know about the progress of the project and make scientific decision.

### 3. Bodies of Monitoring and Evaluation:

(1) Internal monitoring and evaluation: it is implemented by PMO. For this, a top-to-bottom internal supervision mechanism is established, and implementation of resettlement action plan is understood and evaluated and two progress reports are formed each year and submitted to the World Bank.

(2) External monitoring and evaluation: it is entrusted by PMO to independent institutions or social and resettlement consultation experts through public bidding.

The resettlement implementation activities of the project are given one to two external monitoring and evaluation each year until the objectives of the plan are fully achieved. Certainly the monitoring and evaluation organizations shall have enough professional qualifications, at least including ① having more than 8 years of experience in resettlement, with priority given to those having working experience in the World Bank and Asian Development Bank; ② being approved in the social assessment field.

#### 4. Contents of Monitoring and Evaluation:

Internal monitoring shall generally cover the following:

(1) Organization. Setup and job divisions of resettlement implementation and related organizations and staffing, executive capacity and effect of these organizations.

(2) Resettlement policies and compensation Standards: enactment and implementation of resettlement policies; practical implementation of compensation Standards for different types of losses, with particular stress on if the compensation Standards in the RAP are complied with, and the reason for any difference;

(3) Implementation schedule of land acquisition, demolition and resettlement activities.

(4) Resettlement budget and use.

(5) Productive employment arrangement of displaced persons. Main resettlement method and population of rural displaced person, resettlement of vulnerable groups (ethnic minorities, family of women, old people's family, the disabled etc.), reclamation of temporary land, and resettlement effect etc.

(6) Housing reconstruction and living arrangements of displaced persons. Resettlement method and trend of rural displaced persons, homestead arrangement and allocation, housing rebuilding form, "three supplies and one leveling" of homestead, compensation payment, provision of public facilities (water, electricity, road, commercial network etc.), removal etc.

(7) Grievance, appeal, public participation, negotiation, information disclosure and external monitoring.

(8) Handling of resettlement issues in the Memorandum of the World Bank Mission.

(9) Existing problems and solutions.

External M&E will be conducted by an agency independent of the project owner and the resettlement implementing agencies, and having resettlement M&E capabilities. External M&E should usually cover the following:

(1) Resettlement agencies: monitoring the setup, division of labor and staffing of the project owner and the resettlement agencies, and capacity building and training activities of the resettlement agencies through investigation and interview; evaluating the appropriateness thereof through comparison with the RAP;

(2) Resettlement policies and compensation Standards: studying the main policies for resettlement implementation, and evaluating the appropriateness thereof through comparison with the RAP; verifying the implementation of the compensation Standards for different types of losses (especially major losses such as permanent land acquisition and property demolition) through sampling, and evaluating the appropriateness thereof through comparison with the RAP;

(3) Progress of resettlement implementation;

(4) Resettlement costs and budget;

(5) Resettlement by production and employment: evaluating the production and employment resettlement of the displaced persons, and the implementation of the income restoration program through sampling survey and the follow-up monitoring of typical displaced households;

(6) Housing rebuilding and livelihood resettlement of the displaced persons: conducting analysis and evaluation through sampling survey;

(7) Restoration of the income, production level and standard of living of the displaced persons: learning the income sources, amount, structure and stability , and expenditure structure and amount of typical displaced households through baseline survey before land acquisition and property demolition, and sampling survey and follow-up monitoring thereafter, evaluating the level of fulfillment of income restoration and other resettlement objectives through a comparative analysis; analyzing and evaluating the level of fulfillment of income and standard of living restoration objectives of the displaced persons through comparison in residential conditions, traffic, public facilities, community environment, culture, amusement and economic activities, etc.;

(8) Grievances and appeals: monitoring the appeal channel and procedure for the displaced persons, main grievances and handling thereof through literature review and sampling survey;

(9) Public participation, consultation and information disclosure: monitoring public participation and consultation activities, and the effectiveness thereof, the preparation, issue and feedback of the resettlement information booklet, and information disclosure activities and the effectiveness thereof during resettlement implementation through literature review and field investigation;

(10) Handling issues proposed in the Memorandum of the World Bank Mission and the last resettlement M&E report;

(11) Conclusion and suggestions: summing up resettlement activities and draw to a conclusion and make recommendations; tracking existing issues until they are solved.

## Appendix 1: Entitlement Matrix

Category	Affected Persons	Compensation or Resettlement Measures	Rights
Acquisition and compensation	Village collective	1) Collective land compensation	At the villager's congress, decide the allocation and purpose of land compensation and resettlement subsidy according to relevant laws and regulations.
		2) Village collective-owned annexes compensation	
	农民/专业合作社/农业公司 Farmers/specialized cooperatives/agricultural corporation	1) Land compensation and resettlement subsidy	Calculate the compensation according to one-season crop output, output value and planting seasons (compensation=annual output value ÷ planting seasons). Specific acquisition compensation allocation plan will be finally determined by the village collective at the villager representative assembly during the implementation of resettlement.
		2) Temporary land compensation	Temporary land compensation is obtained according to using years, and after use, the right of the land recovered to the condition before use will be withdrew.
		3) Young crops compensation	Directly affected persons will obtain the crop compensation.
4) Production and living development measures	Carry out the training on production techniques for agricultural transformation, including heavy metal pollution control of soil, crop planting, disease and pest control, and improvement of planting techniques in the place of origin of agricultural products.		
Vulnerable groups	Vulnerable groups including poor households, the elderly, and the disabled	<ol style="list-style-type: none"> <li>1). Know about the basic information of vulnerable groups;</li> <li>2). Investigate for causes of vulnerable groups and their compensation and resettlement needs;</li> <li>3). Allow the vulnerable groups to obtain equal assistance and prior attention in the compensation and resettlement measures;</li> </ol>	
Women	Affected women	<ol style="list-style-type: none"> <li>1). Women shall have the same right as men to attend the villager's congress and villager representative assembly;</li> <li>2). Widely collect the related appeals of women in land reclamation, compensation and</li> </ol>	

Category	Affected Persons	Compensation or Resettlement Measures	Rights
		resettlement;	3). Focus on the compensation and resettlement measures for women;
Ethnic Minorities	Affected ethnic minorities	1). Attend the consulting conference of minorities. The minorities can give their own opinions and suggestions, and raise their own needs; 2). The related policy documents shall be translated into texts in minority languages so that they can be accepted and understood by minorities, and the World Bank's and local policies shall be explained and described in detail; 3). Special attention shall be given to vulnerable groups in ethnic minority regions, especially low-income people during resettlement;	

**Appendix 2: Compensation Rates in the Project Area. In the implementation of the project, local latest provisions shall prevail.**

1. Confirm the compensation for increased materials e.g. lime, retarder, seed by market prices.

2. Prepare the compensation for increased labor inputs by RMB 90 and RMB 150 per mu. Prepare the compensation for simple work e.g. weeding, water pumping by RMB 90 per day; prepare the compensation for complex work e.g. lime spraying, deep ploughing by RMB 150 per day.

3. Prepare the compensation for products failing to reach standard within the transition period of the project due to land pollution, which thus cannot enter the foods market, and potential output reduction due to repair by RMB 700 per mu (as grains that cannot enter the foods market can only be used as bio-materials, and prices of bio-materials are generally 1/3 less than purchase prices of grains, prepare the compensation by 1/3 of one-season output value; prepare the compensation for potential output loss due to technical repair by 1/20 of one-season output value).

4. Adopt one-time subsidy for restructured production inputs. For replanting of orange or navel orange, it is RMB 1,000 per mu, for replanting of sorghum or cotton, it is RMB 900 per mu, for replanting of grapefruit, it is RMB 1,150 per mu, and for replanting of flower and seedling, it is RMB 1,650 per mu.

5. Prepare the subsidy for lost benefit from restructuring according to growth years of crops. For replanting of annual crops, it is RMB 450 per mu per year, and for replanting of crops of two years above, it is RMB 900 per mu per year until the year when there is harvest.

### Appendix 3: Resettlement Grievance and Appeal Redress Registration Form

#### Resettlement Grievance and Appeal Redress Registration Form

Name of Appellant		Date	
Receipting Agency		Location	
Content of Appeal			
Deserved Solution			
Proposed Solution			
Actual Redress			
Appellant (Signature)		Recorder (Signature)	
<p>Note: 1. Record should faithfully record the content and requirements of appellant. 2. The appeal process shall not be subject to any interference or obstacles. 3. Proposed solution should be replied to appellant within required time.</p>			