

The World Bank Funded Nanchang Rail Transit (NCRT) Corridor from Hongjiaozhou Depot to Xinjiaan Station

Resettlement Policy Framework

NCRT Project Management Office

March 21, 2013

A. Project Introduction

1. World Bank Funded Project starts from Zhanqianandadao Station and ends at Xinjiaan Station, including 21 stations and one vehicle depot. The NCRT Project Management Office has prepared Resettlement Action Plan for the resettlement resulting from land acquisition and house demolition in the project in accordance with the involuntary resettlement policy of World Bank. This Plan covers the land acquisition and house demolition involved in all stations, property development, interval routes, enclosures in construction and traffic relief measures of the project. The total length of the corridor is 23.78 km.
2. During the project preparation, most of the locations of subcomponents including stations, depot, property developments and interval routes had been determined and their involuntary resettlement impacts are known. Therefore, a full Resettlement Action Plan was prepared. However, there are still a few subcomponents did not fully determine their locations, such as public transit integration, and there are also some possibilities that determined scope might need slight changes during project implementation and cause involuntary resettlement that are not covered by the RAP, according to Bank's policy, this Resettlement Policy Framework is prepared.

B. Project Impact

3. The public transit integration associated with the Project aims to realize the seamless integration of bus transit and rail transit to facilitate residents' travelling. Land acquisition and house demolition may be required for bus stops, parking lots and bus parking field. In addition to the existing spoil grounds and vehicle depots, new spoil ground may be required for filling of waste soil and slag produced in construction of Line 2, so land acquisition and house demolition may also be necessary. The location adjustment of the current planned routes and stations may also necessitate some land acquisition and house demolition. In current stage, the quantity of land acquisition and house demolition caused by these factors can't be confirmed.

C. Principles and Objectives

4. In order to minimize the requisitioned land and demolished houses in this project, any involuntary resettlement work must follow the fundamental principles proposed in this *Resettlement Policy Framework*. Once the quantities of requisitioned land and demolished houses are determined, a resettlement plan should be prepared according to

the policies and procedures specified in this policy framework.

5. This policy framework is prepared for the purpose of guaranteeing fair compensation and necessary support to the population affected by the project construction, so as to improve or at least maintain their original production level, income level and living standard.

6. The population affected by the project herein refers to the following people:

1) Those people whose lands are partially or totally, permanently or temporarily requisitioned by the project;

2) Those people whose houses are partially or totally demolished due to project construction;

3) Those people whose business activities are partially or totally, permanently or temporarily affected by the project construction;

4) Those people whose land attachments are partially or totally affected by the project construction.

7. In order to achieve the above objective, this resettlement policy framework has quoted the principles summarized in OP/BP4.12 of the World Bank, specified as follows:

1) The resettlement work should be implemented based on the socioeconomic survey and affected quantity statistics, and in accordance with national and local resettlement policies and regulations, as well as the Involuntary Resettlement Business Policy OP/BP4.12 of the World Bank.

2) The project design should be optimized to minimize the resettlement work. The populous area should be excluded as much as possible, so as to minimize the involuntary resettlement. The construction scheme should be optimized to reduce disturbance to the public.

3) All compensations for involuntary resettlement should be regarded as a part of this project. Sufficient fund should be provided to the relocated people, so as to ensure they can benefit from this project.

4) It should be guaranteed that all the affected people can receive all the compensations for the resettlement loss before the implementation of the project. Their daily life should be properly arranged, and their production should be effectively restored. Subsidies and assistance should also be given to solve their temporary difficulties.

5) It should be guaranteed that the living standard, production capacity and income

level of all the affected people can recover to their original level or even increase to some extent.

6) The compensation for the demolished houses, specialized facilities and land attachments should be calculated according to the replacement price. The residual value of demolished materials cannot be deducted, nor can the depreciation of original property.

7) Both physical resettlement and monetary resettlement should be offered to the affected people for them to choose freely.

8) The relocated people will receive compensation during the transition period and relocation process.

9) The relocated non-residential units will receive relocation subsidy and compensation for production and business suspension.

10) Special attention should be given to the vulnerable group, helping them select the resettlement houses and move into the new houses.

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

12) Reasonable compensation should be given to the requisitioned land and related losses.

13) The compensation for the requisitioned land should be paid within three months starting from the date when the resettlement plan is approved, no later than the date when the land is used for construction purpose.

14) During the preparation and implementation stage of resettlement work, the relocated people should be encouraged to participate in the process, so as to solicit their suggestions for the resettlement work and publicize the resettlement policy in time.

15) Great attention should be given to the complaints of affected people. Timely assistance should be given to them to solve the difficulties and inconvenience during the resettlement process. The disputes on the compensation rate should be solved through consultations as far as possible. If consultation fails, it can be submitted for arbitration.

16) Units involved in the resettlement work should enhance cooperation and coordination among each other. Resettlement organizations at all levels should be established, and all the employees should be well trained.

17) During the implementation process of the resettlement work, any major changes, including the alteration of compensation rate, alteration of relocated position and scale, adding new items, etc, should be reported to the World Bank in advance.

D. Preparation and Review of Resettlement Plan

8. Once the affected population and affected enterprises and institutions involved in land acquisition and house demolition in this associated project can be confirmed, the resettlement plan shall be prepared and implemented according to the following procedures:

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

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

3) The NCRT Project Management Office, external monitoring unit and the World Bank can conduct field inspection on the implementation progress of resettlement plan. Once discovering any problems in the resettlement work, the World Bank will urge the NCRT Project Management Office to take immediate measures to solve the problem.

9. In accordance with this policy framework, the resettlement plan should include the following contents:

- 1) Socioeconomic survey and estimates of affected properties;
- 2) Compensation for resettlement and other assistances;
- 3) Soliciting the opinions of relocated people towards alternative plans;
- 4) Resettlement implementation organizations and complaint procedures;
- 5) Monitoring and implementation arrangements;
- 6) Time schedule and budgets;

E. Compensation policies

10. The compensation standard is specified to give proper compensation to the affected population for property loss incurred by the project, and restore their living standard to the original level or even higher level within the shortest period of time. On the whole, the resettlement and restoration plan will include the following contents: (1) giving compensation for property loss such as houses; (2) offering living allowance to alleviate the temporary impact of project construction on the daily life and business activities of relocated people; (3) offering occupational training and job opportunities to the unemployed people, so as to restore their income level; (4) restoring the facilities in the affected communities and providing community services.

11. Peasants who lose their land due to project construction can receive the following compensation:

1) Directly receiving land compensation fund, relocation allowance and crop compensation fee.

2) The crop loss, income loss, damaged infrastructure and reclamation cost caused by temporary land acquisition should receive appropriate compensations.

12. People who lose their houses and affiliated buildings due to project construction can receive the following compensation:

- 1) Receiving physical resettlement upon the completion of the project;
- 2) Receiving monetary compensation according to replacement price;
- 3) Receiving relocation subsidies;
- 4) Receiving transitional subsidies according to the actual transitional period;

13. People who lose production and business opportunities due to project construction can receive the following compensation:

- 1) Providing other places available for the affected people to conduct production and business activities;
- 2) Giving reasonable compensation for relocation of equipment and relevant loss;
- 3) Giving compensation for production suspension during the transitional period;
- 4) Giving compensation for fixed assets such as houses that are partially or totally affected by the project according to the replacement price;

14. The state laws and regulations based on which the resettlement work covered by this Resettlement Policy Framework is conducted include:

● *Regulation of the State Council on Deepening Reform and Strengthening Land Administration*, File No. 28 in 2006;

● *Regulation on the Expropriation of Buildings on State-owned Land and Compensation*, coming into force on January 21, 2011;

● *Assessment Method for the Expropriation of Buildings on State-owned Land*, coming into force on June 3, 2011.

● *Guiding Opinions on Expropriation of Buildings on Collectively-owned Land and Compensation at Central Urban Area of Nanchang City (for Trial Implementation)* issued by General Office of the People's Government of Nanchang City, coming into force on October 10, 2012;

● *Notice on Further Strengthening House Appropriation and Compensation Work in Nanchang City* issued by the People's Government of Nanchang City, coming into

force on January 4, 2012;

● *Notice of the General Office of People's Government of Nanchang City on Properly Handling Historical Problems in Urban House Demolition*, coming into force on April 5, 2006;

● *Several Opinions of Nanchang City on Implementing the Regulation of the State Council on the Expropriation of Buildings on State-owned Land and Compensation*, issued by the People's Government of Nanchang City coming into force on June 3, 2011;

● *Notice of the General Office of the People's Government of Nanchang City on Issues concerning Formulating Monetary Compensation Standard for Urban House Demolition*, coming into force on December 1, 2009;

● *Notice of the General Office of the People's Government of Nanchang City on Issues concerning Adjusting the Compensation Standard for Demolished Farmers' Houses in Urban Planning Area*, coming into force on December 1, 2009;

● *Notice on Adjusting Replacement Price of the Houses Used for Compensation and Resettlement for House Demolition in Nanchang City*, issued by Nanchang Bureau of Commodity Prices, coming into force on December 1, 2009;

● *Notice on Implementing the “Six House Demolition Administration Systems of Nanchang City”*, issued by Nanchang Real Estate Management Office, coming into force on May 19, 2004.

● World Bank operational policy OP4.12 *Involuntary Resettlement* and appendixes, coming into force on January 1, 2002;

● World Bank business procedure BP4.12 *Involuntary Resettlement* and appendixes, coming into force on January 1, 2002.

15. The compensation policy for land acquisition and house demolition involved in the Line 2 Phase I Associated Project is consistent with the compensation policy for land acquisition and house demolition of the Rail Transit Line 2 Phase I project. The compensation policy includes the following main contents:

- Compensation rate of land acquisition shall be implemented in accordance with

integrated land price for expropriated land announced by the people's government of Jiangxi Province. The price includes land compensation fee and resettlement allowances, but does not include compensation for young crops:

Hundred percent of the land compensation fund shall be used for the recovery of livelihood and long-term development of the villagers involved in land acquisition.

The compensation fund for the attachments on land and the green crops shall belong to and be given directly to the owners.

The allocation of land compensation fund and resettlement allowance is under the supervision and audit of superior authorities.

● Policies of compensation for house demolition on collective-owned land:

1) The relocated households can choose from the two compensation methods, monetary compensation or house property right exchange.

2) Monetary compensation

(1) If the building area of the demolished house is within the resettlement area control criteria, the compensation standard is 2310 Yuan/m²;

(2) If the building area of the demolished house exceeds the resettlement area control criteria, the part equal to the control criteria shall be compensated at 2310 Yuan/m² and the part exceeding the control criteria shall be compensated according to the current conditions and structure of the house, brick-wood structure: 920 Yuan/m², brick-concrete structure: 1100 Yuan/m², frame structure: 1200 Yuan/m².

(3) Monetary compensation is 240 Yuan/m² for simple structure and 30 Yuan/m² for shed structure.

3) House property right exchange

When house property right exchange method is chosen, the District will build housings uniformly in the original community for the resettlement of the persons with houses demolished, with specific measures shown as follows:

(1) The calculation and control of resettlement area shall meet with such standard: per capita building area not exceeding 50m² and building area per household not exceeding 350m². The resettlement shall be subject to the principle of the area of resettlement house being closest to the area of the demolished house.

(2) When the building area of the demolished house is within the resettlement area control criteria, the price difference for grade of structure shall be calculated for the part with equivalent area, 50 Yuan/m² per grade. When the resettlement house is chosen in the principle of being closest to the area of the demolished house, if the actual

resettlement area is larger than the area of the demolished house, the exceeding part shall be purchased by the relocated household at cost price (2310 Yuan/m² for frame structure high-rise building, 2165 Yuan/m² for frame structure sub-high rise building, 1920 Yuan/m² for frame structure multistoried building). In principle, the choice of the resettlement house with area not closest to the area of the demolished house is not allowed.

(3) When the building area of the demolished house is larger than the resettlement area control criteria, the exceeding part shall be compensated according to the current conditions and structure of the house, brick-wood structure: 920 Yuan/m², brick-concrete structure: 1100 Yuan/m², frame structure: 1200 Yuan /m².

(4) The number of persons contained in the relocated household shall be calculated according to the number of the immediate family members registered in the agricultural household register. The only child shall be considered as two persons.

(5) The married member or the member who has reached the age to split from the household in compliance with the Marriage Law or other laws or regulations shall be resettled separately according to related policies after splitting of household, and the total actual resettlement area shall not exceed the total building area of the demolished houses.

(6) Other compensation

Relocation allowance: one-off payment of 500 Yuan per household, and 1000 Yuan per household for those who need a second moving for temporary resettlement.

Temporary relocation allowance: 600 Yuan/month per household for 24 months in transition period. If the transition period exceeds 24 months, the allowance shall be doubled. But whatever, the temporary transition period can't be longer than 24 months.

Advance relocation allowance: If signing the compensation agreement and finishing relocation within 60 days upon the release of relocation notice, compensation shall be paid according to the estimated market value plus 20% as relocation rewards; if signing the compensation agreement and finishing relocation within 61-120 days upon the release of relocation notice, compensation shall be paid according to the estimated market value plus 10% as relocation rewards; if signing the compensation agreement and finishing relocation within 121-180 days upon the release of relocation notice, compensation shall be paid according to the estimated market value plus 5% as relocation rewards.

Decoration compensation: the amount is decided through consultation with the

relocated household or through appraisal by a qualified real estate appraisal agency.

Compensation to other house attachments: fencing wall: 50 Yuan/m, cable TV: 120 Yuan per household, fixed-line telephone: 128 Yuan per household, broadband removal: 200 Yuan per line, split type wall mounted air conditioner: 300 Yuan/set, split type floor standing air conditioner: 500 Yuan/set, electric and gas heater: 100 Yuan/set and solar heater: 400 Yuan/set.

Resettlement for the nonresidential houses on collectively-owned land to be requisitioned shall be handled according to the monetary compensation method.

● Policies of compensation for house demolition on state-owned land:

Policy for expropriation of residential houses on state-owned land

1) The owners of the expropriated houses can choose from the two compensation methods, monetary compensation or house property right exchange.

2) If the persons whose houses are expropriated choose monetary compensation, compensation for the value of the expropriated house shall be paid according to estimated market value. Real estate appraisal agency shall be chosen and determined by the persons whose house is expropriated through negotiation; if negotiation fails, it shall be determined by majority decision or random decision.

3) If the persons whose houses are expropriated choose property exchange method, resettlement work shall be carried out according to the building area of the expropriated houses in the principles of “one resettlement house for one demolished house”, “appraisals for both demolished house and resettlement house”, “mutual payment of price difference” and “resettlement house with area closest to the area of the demolished house”. For the part with equivalent area, the principles of “appraisals for both demolished house and resettlement house” and “mutual payment of price difference” shall be followed. When the resettlement house is the house type with the area closest to the area of the demolished house, if the building area of resettlement house is larger than that of demolished house, the exceeding part shall be paid according to cost price; if the building area of resettlement house exceeds the area of the house type closest to the demolished house, the exceeding part shall be paid according to the estimated market value of the resettlement house.

4) For the relocated households who sign the compensation agreement and move out within the specified time limit, the earlier moving out and delivering the house, the more priority in selecting the resettlement houses.

5) Decoration compensation shall be confirmed by entrusting real estate appraisal

agency.

6) Relocation allowance: if the building area of the expropriated house is below 100 m², each household shall be paid 500 Yuan for each time of relocation; if over 100 m², each household shall be paid 500 Yuan for each time of relocation and 3 Yuan per square meter for the excessive area.

7) Temporary relocation allowance: for choice of property right exchange, the allowance shall be paid as 13.5 Yuan/m²/month according to the building area within the regulated or agreed temporary resettlement period; if the total payment of one household is less than 600 Yuan, the allowance shall be accounted as 600 Yuan. Temporary resettlement period shall be 24 months at maximum; for choice of monetary compensation or property right exchange of ready housing, 6 months' allowance as 13.5 Yuan/m² per month per square meter of the building area of expropriated house shall be paid in one-off method. If the total payment of one household is less than 600 Yuan, the allowance shall be accounted as 600 Yuan.

8) Relocation rewards: (1) When the persons whose houses are expropriated choose monetary compensation, if signing the compensation agreement within the specified time limit and moving out and delivering the house on time, they shall be compensated according to the estimated market value plus 20% as relocation rewards; (2) If signing the compensation agreement and finishing relocation within 60 days upon the release of relocation notice, compensation shall be paid according to the estimated market value plus 20% as relocation rewards; if signing the compensation agreement and finishing relocation within 61-120 days upon the release of relocation notice, compensation shall be paid according to the estimated market value plus 10% as relocation rewards; if signing the compensation agreement and finishing relocation within 121-180 days upon the release of relocation notice, compensation shall be paid according to the estimated market value plus 5% as relocation rewards.

9) The monetary compensation received by the relocated household shall be exempted from individual income tax; if the relocated household chooses to purchase new house, the part in the purchase price that is equivalent to the monetary compensation shall be exempted from deed tax

10) Compensation for house attachments: cable TV: 120 Yuan per household, fixed-line telephone: 128 Yuan per household, broadband removal: 200 Yuan per line, split type wall mounted air conditioner: 300 Yuan/set, split type floor standing air conditioner: 500 Yuan/set, electric and gas heater: 100 Yuan/set, solar heater: 400

Yuan/set and pipeline gas when monetary compensation method is selected: 3200 Yuan per household.

Policy for expropriation of non-residential houses on state-owned land

1) Monetary compensation shall be carried out according to the estimated market value.

2) Decoration compensation shall be confirmed by entrusting real estate appraisal agency.

3) Relocation compensation shall be paid by 5 Yuan/m² or be confirmed by entrusting real estate appraisal agency.

4) For production or business suspension caused by house expropriation, minimum wages for 6 months shall be compensated in full at one time according to the actual number of employees registered in business license.

5) Allowances and rewards: when the expropriated is nonresidential houses used for business, if monetary compensation is chosen, the compensation for production or business suspension shall be paid for additional 6 months as rewards; when the expropriated is nonresidential houses not used for business, if monetary compensation is chosen, the temporary relocation compensation shall be paid for 6 additional months as rewards. The temporary relocation compensation shall be subject to the standard for the private houses, that is, 13.5 Yuan/m²/month based on the building area of the expropriated house, one-off payment of 6 months. If the total amount of each household is less than 600 Yuan, the temporary relocation compensation shall be 600 Yuan.

F. Organization

16. The resettlement work involved in the Nanchang Rail Transit (NCRT) Line 2 Phase I Project will be in the charge of the NCRT Project Management Office. The expropriation and compensation offices in various districts will be responsible for implementation of land acquisition and house demolition works in the local areas.

G. Implementation procedure

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

H. Complaint Procedures

18. In order to ensure the affected population can express their complaints about the

resettlement work, this policy framework has formulated detailed complaint procedures, with an aim to timely respond to residents' complaints and avoid complex formalities. The detailed complaint procedures are as follows:

Phase I: affected people can express their complaints to the village or sub-district resettlement office in oral or written form. If the complaints are expressed orally, the village or neighborhood resettlement office should make a record in the written form and give a definite answer within two weeks. If the complaints involve major problems that should be submitted to the resettlement office at a higher level, the response from the higher-level resettlement office should be obtained within two weeks.

Phase II: if the affected people are unsatisfied with the response in Phase I, they can appeal to the expropriation and compensation office of the district within 1 month after getting the reply of Phase I. The expropriation and compensation office of the district must make decisions on settling the complaints within 3 weeks.

Phase III: if the affected persons are still not satisfied with the reply from the expropriation and compensation office of the district, they can appeal to the NCRT project management office within 1 month after getting the reply of Phase II. The project management office must make decisions on settling the complaints within 4 weeks.

Phase IV: if the affected persons are still not satisfied with the reply of Phase III, they can appeal to the civil court within 15 days after getting reply.

I. Identification and compensation for unlicensed buildings

19. The people's governments of all districts shall take the lead to establish a working team consisting of staff from all related departments to investigate identify and provide suggestions for the handling of various unlicensed buildings.

1)The compensation and resettlement work for the unlicensed residential houses built without license prior to 1985 (included) shall be implemented by reference to the licensed houses and based on the facts. If the construction time of the residential houses built without license can't be determined, the working team shall propose handling opinions by considering the current conditions of the house.

2)If the expropriated houses are within the unit's land use right and the person whose house to be appropriated possess documents to prove that the building was built without license prior to 1985 (included), the compensation shall be paid according to the following standards:

(1) Nonresidential housing built without license on unit-owned land

For the unit-owned nonresidential houses which were built without complete procedures before 1985 and the property right of which cannot be confirmed by the municipal Housing Property Right and Registration Management Department, Nanchang housing registration organ shall issue written materials to certify the area and structure and the house shall be compensated according to the construction and installation cost upon approval by the house expropriation department and relevant departments.

(2) Residential housing built without license on unit-owned land

The compensation for the residential buildings built by the unit itself without license prior to 1985 shall be made according to the construction and installation cost. If the household living in the buildings has no other residence in Nanchang City, the compensation shall be made in reference to the licensed houses.

3) When the construction time of the residential houses built without license can't be determined and the owner only has this residence in the urban area of this city, the compensation and resettlement work shall be based on $36m^2$ if the building area of the house is smaller than $36m^2$; based on the actual area if it is larger than $36m^2$ but the per capita living space of household is smaller than $15m^2$; based on $15m^2$ per capita living space of household if it is larger than $36m^2$ and the per capita living space of household is larger than $15m^2$, and the part exceeding the compensation and resettlement area shall be supplied with monetary compensation according to the replacement price.

4) When the construction time of the residential houses built without license is difficult to be determined but the owner has other houses, the working team will have measurements for the houses and compensation shall be paid according to the construction and installation cost.

5) No compensation will be offered to various buildings and attachments which are built in a rush after the cut off date, i.e. August 20, 2012 is announced.

J. Public Participation and Consultation

20. The NCRT Project Management Office and expropriation and compensation offices of various districts will implement the public participation and consultation procedure in the affected area. The specific measures proposed by the resettlement plan, including resettlement area, compensation policy, compensation standard, measures for restoring production and living standard, etc, should be widely recognized by the affected

population before it is approved and implemented.

21. The affected population should participate in the whole process from the preparation to implementation of the resettlement plan. To achieve this purpose, a public meeting should be held before preparing the resettlement plan to inform the general public of this resettlement policy framework. The local government should help the affected households or non-residential units understand the compensation standards and their options specified in the resettlement plan. The *resettlement action plan* will be disclosed to the public before implementation and every affected household will get a *resettlement information booklet*.

K. Monitoring

22. The NCRT Project Management Office should conduct internal monitoring on the resettlement work. The resettlement monitoring is an integral part of the resettlement plan. The monitoring process will evaluate the effects of resettlement work by comparing it with the implementation goals and revise the resettlement plan when it is necessary. Any major issues that occur during the implementation process of resettlement plan should be reported to the World Bank in time. An independent monitoring organization with related experiences shall be hired to carry out external monitoring. The internal and external monitoring report will be submitted to the World Bank regularly at the middle and end of every year