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Volume 2

POLICY FRAMEWORK FOR RESETTLEMENT AND LAND ACQUISITION

Resettlement Action Plan
A. Objectives of the Policy Framework

This document defines the policies and procedures that DFV and sub-project companies will follow to assess and mitigate impacts of unavoidable resettlement caused land acquisition and leasing.

During its design, all sub-projects under the Shanghai DFV will take full consideration to avoid or minimize permanent and/or temporary occupancy of land that would result in involuntary resettlement. This document is formulated according to the World Bank’s OP 4.12 and China’s laws and regulations related to land and resettlement, and its main objectives are as follows:

1. to clarify the policy, principles, institutional arrangements and procedures that all DFV subprojects which might involve resettlement will follow during the period of preparation and implementation.

2. to establish the procedures for reviewing and accepting subsequent Resettlement Action Plans (RAP) before any subproject is approved for inclusion in World Bank-supported programs.

B. Laws and Regulations for Land Acquisition and Resettlement

The RPF is formulated according to the World Bank’s OP 4.12 on involuntary resettlement and China’s laws and regulations related to land and resettlement.

The key objective of the World Bank’s OP 4.12 is to ensure that all persons affected by land acquisition will be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

Land acquisition and resettlement should exactly follow the laws and regulations, such as:

- Land Administration Law of the PRC
- Relevant provisions of Land administration Law of the People’s Republic of China;
- Provision of Urban Housing Demolition Management Regulation (June 13, 2001);
- Notice of Compensation Rates for Property on Land Acquired for Construction by Shanghai Land Administration Bureau in 1990
- Notice of Adjusting Compensation Rates for Property and Land Acquired for Construction (proposal) and Compensation Rates for Houses and Attachments, by Shanghai Land Administration Bureau in 1993;
- Shanghai Administration Regulations for Land for Construction, issued in January, 1992 and revised in December, 1997;
- Notice on Implementation of Land Administration Laws of PRC;
- Approval of Adjusting Compensation Rates of Land Requisition, by Shanghai Price Bureau and Shanghai Finance Bureau in 1999;
C. Basic Principles Guiding Land Acquisition and Resettlement

1) Involuntary resettlement and land acquisition will be avoided/minimized as much as possible;
2) If resettlement and land acquisition cannot be avoided, RAPs will be prepared for compensation and rehabilitation of the affected people;
3) Adequate funds will be provided in a timely manner for implementing RAPs;
4) Preparation and implementation of RAPs will be conducted in consultation with the local governments and the affected people, on all the components related to resettlement and compensation;
5) Compensation will be paid at replacement costs without depreciation; and such payments will be made prior to land acquisition and relocation of the displaced persons;
6) The affected people will be assisted in their livelihood rehabilitation activities during relocation;
7) The living standards of the affected people will be either restored or improved, after resettlement activities;
8) Absence of legal or formal title will not be an obstacle for the affected people to obtain compensation and assistance during the resettlement implementation;
9) All the costs related to land acquisition and structure demolition will be included in the project cost estimates;
10) Adequate supervision and monitoring will be introduced to resettlement management in order to timely identify the potential issues related to the land usage and resettlement;
11) The resettlement organizations and their responsibilities will be clearly defined or clarified at the project preparation stage; and

D. Measures to Avoid or Minimize Resettlement

1) Taking full consideration in the design alternatives with regard to the socio-economic impacts of the project should be an important factor in the economic analysis of a project;
2) Making project design to steer clear of residential areas, units and farmland;
3) Minimizing scope of permanent and temporary occupation of land;
4) Reducing construction period and land leasing duration in order to minimize the negative impacts due to the project;
5) Undertaking temporary land usage only between autumn harvest and winter planting seasons and provide the affected persons with the compensation for land and its green crops before the land usage;

E. Planning and Implementation of Land Acquisition and Resettlement
A RAP is a pre-requisite before any subproject involving resettlement is listed in DFV's overall project investment plan to be funded by the World Bank. All RAPs will be submitted to DFV and reviewed by DFV. A no-objection from the World Bank shall be secured before the relevant civil engineering work.

Where less than 200 people are affected, an abbreviated RAP will be prepared including:
(a) a census survey of displaced persons and valuation of assets;
(b) description of compensation and other resettlement assistance to be provided;
(c) consultations with displaced people about acceptable alternatives;
(d) institutional responsibility for implementation and procedures for grievance redress;
(e) arrangements for monitoring and implementation; and
(f) a timetable and budget.

If more than 200 people are affected, a full RAP will be prepared. A basic outline of a full RAP (see Annex I) will include:
(a) The objective for land acquisition and its location and scope;
(b) The principles for the land acquisition and relevant policy and law;
(c) Social and economic investigation of the scope of land acquisition;
(d) Impact of land acquisition and compensation standard;
(e) Measures for restoring of livelihood and production of affected people;
(f) Cost estimates and fund management for land acquisition;
(g) Implementation schedule;
(h) Establishment of land acquisition institution and personnel allocation;
(i) Public participation;
(j) impact land acquisition will bring to farmers and their communities;
(k) Complains and grievance;
(l) Monitoring & evaluation and reporting system;
(m) Annexes, maps and tables.

F. Design Procedures for Land Acquisition and Resettlement

1 Investigation on social and economic situation in the would-be land acquisition areas (a socio-economic survey);
2 Investigation and registering of affected population (persons, households, villages, types and quantities and the affected scope etc., i.e. census and inventory);
3 Formulating measures for land acquisition and resettlement in line with relevant policy, law, regulation and compensation standard.

G. Information Dissemination during Planning

From project inception up to the end of resettlement implementation, information on the project and the resettlement related national laws and regulations have and continue to be publicized through public participation activities. Resettlement workers and local governments are responsible for informing project affected people of the following: affected assets; the calculation process for compensation standards; means of compensation; relocation methods; the disbursement and utilization of resettlement compensation; their rights and preferential policies; etc.

RAPs of the project will be made available in libraries at District or Street level for the stakeholders.
and resettlers.

A Resettlement Information Booklet (-a brief summary of RAP) will be distributed to each affected household to ensure awareness of all project affected people, enhancing transparency, and increasing the efficiency of resettlement operations.

H. Grievance Redress Mechanism

During project resettlement planning the affected people and units' rights will be fully recognized, maintained, and protected. In addition to some adequate compensation, opportunities and rights for further development will be made available for them. The mechanism of claiming will be regulated and set up in RAP. In particular, if any project affected person have justified grievances during implementation, they will have an adequate channel to report to and make claims to the city or district level government agencies concerned.

I. Monitoring and Evaluation

1. In the case of land acquisition and resettlement in a sub-project, DFV will employ an independent third party to be responsible for monitoring and evaluation of the land acquisition, resettlement and compensation. In addition, Project Companies should include construction land, land acquisition and compensation items in the project progress table when submitting it to DFV.

2. Monitoring and evaluation personnel will regularly check and visit the site to assess progress and identify problems, and request the project office at each level to take measures to solve problems, if any.

3. Main monitoring indicators would include:
   - Signing land acquisition agreement;
   - Payment of compensation expenses;
   - Time to raise compensation funds and its disbursement period;
   - Changes in the affected household economic situation;
   - Implementation of the planned measures;
   - Usage of the occupied land; and
   - Re-cultivation time of the temporarily acquired land.

J. Resettlement Management

Given the multiplicity of locations of DFV investments across Shanghai Municipality, DFV will appoint a senior manager employee as a resettlement officer to coordinate all the resettlement assignments of invested projects. The tasks of the resettlement officer are to cooperate with staff from each sub-project, to organize and implement the implementation of resettlement, and to summarize and report the outcome of the resettlement situation. The resettlement office will:

- Organize and supervise the resettlement structure of the sub-project to realize the resettlement target of the project;
- Direct the construction units to follow this document to formulate RAPs;
- Coordinate the setup of the resettlement management system under sub-projects, and manage the other issues such as funding of resettlement;
Annex 4: Policy Framework for Resettlement and Land Acquisition


- Supervise and/or implement the resettlement;
- Coordinate relationship between the construction units and those affected;
- Summarize the resettlement implementation progress and report semi-annually the resettlement progress and effects to the World Bank, as well as supply cooperation to the supervision of the World Bank Mission;
- Commission and supervise external monitoring unit.

11. Resettlement Management Capacity Strengthening

Each resettlement office at various Project Companies should staff 1 to 2 workers and be equipped with basic facilities such as vehicles, computers, faxes and phones.

A resettlement training program will be developed by DFV. The program will be provided to each resettlement office, and the cost for conducting such training will be included in the total budget of the sub-project.

The training program will include technical lectures, seminars, on site project visits and training on duty. The contents of training will cover
- Resettlement policy and management method;
- Management of Plan and design;
- Implementation Management;
- Management of the implementation progress;
- Financial management;
- Quality control;
- Management information system;
- Resettlement supervision;
- Resettlement monitoring and evaluation;
- Project Management.

12. Reporting System

DFV will develop a set of reporting tables to collect and manage information of resettlement information from each sub-project involving resettlement.

DFV will semi-annually prepare a progress document and submit to the Bank.

Independent Monitoring Report will be submitted to DFV and the Bank twice a year for the first two years and once a year since the third year.
Annex 1: Table of Contents of a RAP

1 Project Description
   1.1 Brief Introduction of the Project
   1.2 Areas Affected/Benefited By the Project
   1.3 Socio-economic background of the project area
   1.4 Approval of the project
   1.5 Design process of the project
   1.6 Project ownership and organizations
   1.7 Target of resettlement and rehabilitation

2 Project Impacts
   2.1 Definition of the displaced persons by the project
   2.2 Impacts of the project
      2.2.1 Components of the projects
      2.2.2 Project Impacts
   2.3 Impacts Analysis
      2.3.1 Impact Analysis on Land Used Temporarily
      2.3.2 Impact Analysis on Land Acquisition

3 Socioeconomic Survey
   3.1 Procedure of Socioeconomic Survey
   3.2 Analysis of the Socio-economic Situation
   3.3 Interview with the affected

4 Resettlement Policies and Compensation Rates
   4.1 Laws and Regulations
   4.2 Administration Procedures
   4.3 Resettlement Policies of the Project
   4.4 Compensation Rates
      4.4.1 Land compensation
      4.4.2 House compensation
      4.4.3 Other compensation

5 Rehabilitation Scheme for PAPs' Production and Living
   5.1 Resettlement of Residents
   5.2 Resettlement Scheme for Enterprises Affected
   5.3 Environment Protection

6 Cost and Budget
   6.1 Cost
      6.1.1 Basic Cost
      6.1.2 Management fee
      6.1.3 Contingencies fee
      6.1.4 Survey and Design Cost
      6.1.5 Monitoring and evaluation costs
   6.2 Annual Investment Plan
   6.3 Fund Source
   6.4 Cash Flow

7 Public Participation and Appealing
   7.1 Public Participation and Information Publication
   7.2 Procedures of Appealing

8 Organizations and Management
Shanghai District Financing Vehicle
Operations Manual
Policy Framework for Resettlement and Land Acquisition

Annex 4:

8.1 Concerned Organizations for Resettlement Action
8.2 Responsibilities of Each Organization
8.2.1 Organizations in Charge
8.2.2 Organizations' Responsibilities
8.2.3 External Monitoring Unit
8.3 Measures for institutional strengthening
8.4 Monitoring
8.4.1 Internal Monitoring
8.4.2 External Independent Monitoring
8.4.3 Monitoring Indicators

9 Schedule of Implementation
9.1 Resettlement and Implementation of the Project
9.2 Implementation Schedule of Resettlement
9.2.1 The principles for making schedule of acquisition and resettlement
9.2.2 Overall Plan of Land Acquisition and Resettlement

10 Entitlement Matrix

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