

**SFG2576 REV**

**World Bank Financed Hubei Inland River Shipping Capacity  
Improvement Project**

**Resettlement Policy Framework**

**Project Management Office of Hubei Inland River Shipping Capacity  
Improvement Project**

**November, 2016**

## **A. Project Summary**

1. Core project of the World Bank Funded Hubei Inland River Shipping Capacity Improvement Project is Yakou Navigation Complex which is located in the river section from Danjiangkou to Zhongxiang in middle reach of Han River and at 15.7m in lower reach of Yicheng City of Hubei Province. It is 203km away from Danjiangkou hydro-junction and 446km away from Hekou. Yakou Navigation Complex is the sixth hydro-junction along mainstream of Han River in Hubei Province and connects Cuijiaying hydro-junction in the upper reach and Nianpanshan hydro-junction in the lower reach. It is about 52.67km away from Cuijiaying hydro-junction and about 59.38km away from Nianpanshan hydro-junction. Yakou Navigation Complex is mainly developed for shipping and also functioned as power generation, irrigation and tourism and so on. The project's construction includes a 1,000t ship lock, 40-hole sluice, power house, earth dam, and fishways. Formation of Yakou Navigation Complex may form a 52.67km third-class waterway in Han River and will have total installed capacity of power station of 75.6MW and annual power generation output of 324 Million kWh. The project entails a total static investment of 2.7 billion CNY, of which 150 million USD will come from the proposed World Bank loan. The construction is expected to last for 58 months.

2. When Yakou Navigation Complex is completed, the reservoir impoundment area will be retained by the current embankment of Han River and will submerge a total area of 99,495.03mu, of which 71,911.0mu is water area and 27,584.03mu is land area. The inundation entailed both in the reservoir area and the complex area involves Yicheng City, Xiangcheng District of Xiangyang City, and New Dongjin District of Xiangyang City. In Xiangcheng District and New Dongjin District, backwater has submerged the tidal flats on both sides of the current river course retained by the embankment of Han River, covering an area of 2,153mu and involving 12 villages in 2 towns. In Yicheng, the land area that is inundated and occupied involves 24 villages in 6 towns and sub-districts. The dam site is located at 15km in downstream of Yicheng City, entailing Yakou Village of Liushui Town and the Heluo Village and Maocao Village of Zhengji Town. In addition, the drainage project for eliminating the inundation of both banks of the river when water is impounded after the project is completed will entail some areas along both banks of the river. Construction of floodways on the left bank involves 11 villages of Wangji and Nanying town of Yicheng; construction of Yidao Ditch involves 12 villages of Yancheng Sub-district and Zhengji Town. Construction of floodways on

both banks covers a total area of 720.53mu. As this project entails land acquisition and house demolition, the Project Management Office (PMO) has formulated *Resettlement Action Plan* (RAP) to ensure that resettlement proceeds successfully during the project implementation.

3. Construction of Yakou Navigation Complex will raise the water level of the project-located river section. To this end, Hubei Provincial Department of Water Resources plans to reinforce the embankment of Han River. According to the *Embankment Reinforcement Plan against Reservoir Backwater of Yakou Navigation Complex* (2014) formulated by Hubei Provincial Water Resources and Hydropower Planning, Survey and Design Institute, backwater in Yakou Navigation Complex affects four sections, covering 76.57km in total. According to the uniform implementation plan for Han River embankment reinforcement in Hubei Province, reinforcement of the embankment within the influential range of backwater of Yakou Navigation Complex will be implemented simultaneously with construction of Yakou Navigation Complex.

Seven generators, each having a capacity of 10.6MW, have been set up for the Yakou Navigation Complex. The designed annual average power output will be 253 Million kWh. To this end, a power transmission and transformation project in the integrated power system will be constructed.

Moreover, as the environment changes with the construction of the Yakou Navigation Complex and impoundment of the reservoir area, Yicheng plans to build Wanyang Wetland Park with a planned area of about 2,466 hectares in urban section of Yicheng by relying on conditions of Wanyang Islet and the surrounding areas.

At the stages of preparing Resettlement Action Plan, the three linked project as mentioned above, i.e. embankment reinforcement, construction of the power transmission and transformation project and design of Wanyang Wetland Park have not yet been completed and the detailed impacts of land acquisition and house demolition are uncertain. Therefore, it is too early to formulate targeted resettlement action plan. In addition, unexpected land acquisition and house demolition may occur due to design alteration or construction needs of the World Bank funded project. To this end, PMO and Yicheng Municipal People's Government formulated this *Resettlement Policy Framework* upon consultation with each other. Yicheng Municipal People's Government undertakes that the water department in charge of embankment reinforcement, PMO in charge of construction of construction of Yakou power transmission and transformation project and forestry bureau in charge of construction of

Wanyang Wetland Park will formulate a brief resettlement plan respectively according to World Bank's policies on involuntary resettlement and submit them to the World Bank for approval once the resettlement covered by *Resettlement Policy Framework* occurs.

## **B. Impacts of the Project**

4. Hubei Provincial Water Resources and Hydropower Planning, Survey and Design Institute submitted a *Feasibility study report of Han River Embankment Reinforcement Project in Xiangyang, Hubei* to the relevant competent authority in May 2015. According to this report, the embankment reinforcement within 10 towns, including Xiangcheng District and Xiangzhou District in Xiangyang, Yicheng City, Gucheng County, and Laohekou City will permanently occupy land of 1,426.85mu and temporarily occupy land of 3,818.69mu. Houses with area of 52,300m<sup>2</sup> of 342 households are to be demolished and 16 enterprises and public institutions will be affected. However, the report fails to provide the detailed information on land acquisition and house demolition for embankment reinforcement within Yicheng City. When RAP is being prepared for the project, the range of embankment reinforcement project in Yicheng section has not yet been determined. Therefore, the detailed statistics for relevant land acquisition and house demolition remains undetermined.

Meanwhile, the design for the power transmission and transformation project for this project has yet to start. Therefore, the impact of relevant land acquisition and house demolition remains unidentified. Wanyang Wetland Park covers a total area of 2,466 hectares, but the specific range has not yet been delimited. Therefore, the impact of land acquisition and house demolition that the Wanyang Wetland Park project may cause also remains undetermined.

## **C. Principles and Objectives**

5. All project tasks that involve involuntary resettlement shall comply with the principles provided by this Policy Framework, in order to avoid or reduce the amount of resulted land acquisition and resettlement. After the impact of land acquisition and resettlement tasks have been identified, a Resettlement Plan shall be prepared on the basis of policies and procedures provided by this Framework.

6. This Policy Framework aims to ensure that the project- affected population will have reasonable compensation for their losses and have necessary assistance at the same time so as to improve or at least maintain their current production level, income level and living standard.

7. The project-affected persons herein refer to:

- (a) Persons with all or part of their land permanently or temporarily affected by project construction;
- (b) Persons with all or part of their houses affected by project construction;
- (c) Persons with all or part of their production or business activities permanently or temporarily affected by project construction;
- (d) Persons with all or part of their land attachments affected by project construction

8. For the purpose of achieving the above objectives, the World Bank OP/BP 4.12 principles were utilized for the preparation of this Framework, namely

(a) Implementation of the Resettlement Action Plan shall be based on socio-economic survey of affected area and statistics of affected physical indicators, national and local resettlement policies and laws, and the principles of World Bank's Operational Policy OP/BP 4.12 (Involuntary Resettlement).

(b) Project design shall be optimized to minimize the impact of resettlement. Densely populated areas shall be avoided in an effort to minimize involuntary resettlement. Convenient services shall be provided in construction, and a construction plan for minimizing disturbance to local residents shall be used.

(c) Compensation and resettlement of displaced persons shall be considered as one part of the project. Compensation to the displaced persons shall be provided in a timely manner and efforts shall be made to enable displaced persons to benefit from the project.

(d) All affected persons shall be ensured to obtain all compensations for their damages prior to commencement of project. Reasonable life accommodation shall be provided and effective measures of production restoration shall be made for displaced persons. Subsidies or assistance shall be provided to help them overcome any temporary difficulties.

(e) The affected population's original living standard, production capacity and income level before the resettlement shall be ensured to be restored or improved after the resettlement.

(f) The compensation for the demolished houses, specialized facilities and land attachments shall be calculated according to the replacement price. Neither the residual value of demolished materials nor the depreciation of original property can be deducted.

(g) Compensation options, including physical resettlement and cash compensation, shall be offered to the affected persons to let them choose at their own discretion.

(h) The displaced persons will receive compensation during the transition period and relocation process.

(i) The relocated non-residential organizations will receive relocation subsidy and compensation for production and business suspension.

(j) Special attention shall be given to the vulnerable group, including helping them select resettlement houses and relocate to new houses.

(k) Compensation shall be given to the owners of the infrastructure for the relocation and restoration of infrastructure affected by the project.

(l) Reasonable compensation shall be given to the expropriated land and related losses.

(m) All compensations for the expropriated land shall be paid within three months starting from the date when the resettlement plan is approved, no later than the date when construction works start on affected land.

(n) During the preparation and implementation stages of resettlement work, the displaced persons shall be encouraged to participate in the process, so as to solicit their advice on the resettlement work and publicize the resettlement policy in time.

(o) Great attention shall be given to the complaints and grievances of affected persons. Timely and reasonable assistance shall be given to them to mitigate their difficulties and inconveniences during the resettlement process. The disputes on the compensation rate shall be solved through consultations as possible as practical. If consultation fails, disputes can be submitted for arbitration or even litigation.

(p) Coordination and collaboration shall be emphasized between all institutions involved in resettlement works. Resettlement institutions shall be established at each level. All workers shall be properly trained.

(q) Any major changes during the implementation process shall be reported to World Bank beforehand, such as changes in compensation standards, location and size of land acquisition and demolition, and addition of new subprojects.

#### **D. Preparation and Main Contents of Resettlement Plan**

9. Regarding the impact of land acquisition and house demolition that will be caused by the embankment reinforcement sub-project, the power transmission and transformation sub-project and wetland park sub-project, the resettlement plan will be prepared and implemented in the following steps:

(a) Upon completion of the preliminary project design, the PMO shall prepare a brief resettlement plan in accordance with the policies specified in this Framework.

(b) The brief resettlement plan shall be submitted to the World Bank for approval one month prior to its implementation.

(c) The PMO, external monitoring agency and the World Bank can examine the implementation of the resettlement plan on the project construction site when necessary. In case of any problem in the resettlement work, the World Bank will request the Project Management Office to take measures promptly to solve the problem.

10. In accordance with the Policy Framework, the resettlement plan formulated shall include the following:

(a) Resettlement impact survey and appraisal of affected assets;

(b) Resettlement compensation and other assistance to displaced Persons;

(c) Opinions solicited from displaced populations regarding acceptable alternative plans;

(d) Institutions responsible for implementing resettlement, and grievance procedure;

(e) Arrangements for monitoring and implementation

(f) Time schedule and budget

## **E. Eligibility and Entitlements**

11. The compensation policy aims to provide proper compensation to the affected Persons for property losses caused by the project, and restore or improve their living standard as soon as possible. In general, the resettlement and restoration plan will encompass the following: (1) compensation for property losses such as houses; (2) provision of living expense allowances as compensation for temporary impact on the displaced persons' livelihood and economic activities; (3) provision of job opportunities or vocational training for unemployed persons in order to restore their income level, with support from enterprises; (4) provision of community facilities and services for affected communities.

12. Persons who have lost their farmland are entitled to the following:

(a) Direct compensation for farmland and standing crops and resettlement subsidies.

(b) Compensation for temporary occupation of their land, losses of standing crops and income, damages to infrastructures and reclamation cost caused by the temporary

land occupation.

13. Persons who have lost their houses and the houses' affiliated structures are entitled to the following:

- (a) The option for physical resettlement of no worse than the original house after completion of the project;
- (b) The option for cash compensation at the replacement price;
- (c) Relocation subsidies;
- (d) Allowances for expenses during the transition period, which is determined by the length of the period

14. Persons who have lost production and business opportunities are entitled to the following:

- (a) Provision of locations for production and business activities elsewhere, which are deemed acceptable by the affected persons;
- (b) Reasonable compensation for the relocation and/or damage of facilities;
- (c) Compensation for suspension of production and business during the transition period;
- (d) Compensation for fixed assets such as houses that are partially or fully affected by the project at the replacement price

Table 2 Entitlements of the Project-affected Persons

Impact Type	Project-affected persons	Resettlement and restoration policies	Standard
House demolition	Households whose residential and non-residential houses are demolished	<ul style="list-style-type: none"> <li>● Two options are provided to the households whose residential houses are demolished to let them choose at their own discretion: the first option is that the house-building plot will not offered but cash compensation at standard I for the effective part of main houses and cash compensation at standard II for the non-effective part of main house and ancillary houses will be offered; the second option is that the house-building plot and compensation at standard II for main house and ancillary houses will be offered to enable the house owners to build houses on the house-building plot on their own initiative.</li> <li>● Compensation for business houses of effective area on the house-building plot for which the business license and tax registration certificate have been issued for two years and tax has been paid according to law will be 40% on the basis of standard I. Compensation for the part beyond the effective area</li> </ul>	<p>Compensation standard:</p> <p>Frame: standard I, 1,170 Yuan/m<sup>2</sup>; standard II, 900 Yuan/ m<sup>2</sup>;</p> <p>Brick-concrete: standard I, 970 Yuan/ m<sup>2</sup>; standard II, 700 Yuan/ m<sup>2</sup>;</p> <p>Brick-wood: standard I, 820 Yuan/ m<sup>2</sup>; standard II, 550 Yuan/ m<sup>2</sup>;</p> <p>Simple structure: 200 Yuan/ m<sup>2</sup>.</p> <p>Relocation subsidies: 8 Yuan/ m<sup>2</sup> multiply the construction area as specified in the property right certificate of the demolished houses; where the subsidies are lower than 500 Yuan, 500 Yuan will be paid to the owner.</p> <p>Transition subsidies: 3 Yuan/ m<sup>2</sup> multiply the construction area as</p>

		<p>will be offered according to standard II. The compensation for decoration of the business houses will be directly paid to the investors.</p> <ul style="list-style-type: none"> <li>● Compensation for houses on other collectively-owned land (not house-building plot) will be offered at the approved construction area and standard I in the form of cash; the compensation for the houses whose construction area is not approved will be offered according to the actual area and standard II.</li> <li>● Relocation and transition subsidies will be offered to the house-demolished households.</li> <li>● Residents whose residential houses are demolished shall be included into the late-period support plan.</li> </ul>	<p>specified in the property right certificate of the demolished houses; where the construction area of the demolished houses is less than 50m<sup>2</sup>; the subsidies will be calculated and paid at 50m<sup>2</sup>.</p>
Land acquisition and occupation	Households whose collectively-owned lands are expropriated	<ul style="list-style-type: none"> <li>● Compensation will be offered according to standard of unified annual production and the total amount will be 23 times of the annual output value. The compensation for acquisition of vegetable land is adjusted to 1.1 times of the annual output value.</li> <li>● Compensation for the land will be 9 times of the annual output value; 70% of the land compensation will be directly paid to the land-expropriated households and 30% will belong to the village collective for public welfare.</li> <li>● Relocation subsidies will be 14 times of the annual output value and will all be paid to the land-expropriated villagers.</li> <li>● Compensation for the standing crops will be directly paid to the land-expropriated households.</li> <li>● Compensation for attachments on the collectively-owned land will be directly paid to the owners at the standard as formulated by the Yicheng Municipal Price Bureau.</li> </ul>	<p>The annual output value of cultivated land is 1,350 Yuan/mu and that of the vegetable land is 1,485 Yuan/mu.</p> <p>The village collective will retain 4,009.5 Yuan/mu from the land compensation and the households will get 30,145.5 Yuan.</p> <p>Compensation for each mu of land reclamation by field-lifting will be two times of the annual output value and 2,700 Yuan.</p>
	Owners of the attachments on state-owned land	<ul style="list-style-type: none"> <li>● The state-owned land for water conservancy facilities within the Han River Embankment will be directly used by the project and no compensation will be offered.</li> <li>● Compensation for standing crops and attachments on such land will be offered prior to the land acquisition and with reference to the local standard of annual output value and attachments on the collectively-owned land.</li> </ul>	

## **F. Legal Framework**

15. The resettlement work shall be based on the following legislations and policies

- *Land Administration Law of the People's Republic of China*, implemented in January 1999, amended on August 28, 2004;
- *Decision on Deepening the Reform and Enforcing the Land Management*, issued by the State Council on October 21, 2004;
- *Guiding Opinions on Improving Compensation System for Land Acquisition issued by the Ministry of Land and Resources* (November 3, 2004);
- *Regulation on Land Requisition Compensation and Resettlement of Migrants for Large and Medium Water Conservation and Power Construction Projects*, implemented as of September 1<sup>st</sup>, 2006
- *Circular of Ministry of Land and Resources on Further Improving Management System on Rural House Sites and Protecting the Rights of Peasants* (March 2, 2010);
- *Circular on Further Improving Land Requisition Management*, issued by Ministry of Land and Resources on June 26, 2010.
- *Notice of Hubei Provincial People's Government on Issuing Unified Annual Production Value and Integrated Land Section Price* (March 13<sup>th</sup>, 2014);
- *Letter from the Hubei Provincial Land and Resources Department on Issuing Land Acquisition Compensation and Resettlement Multiples, Correction Factors, and Standing Crop Compensation Standard* (March 17, 2014);
- *Notice on Adjusting the Compensation Standard for Demolition of Structures and Other Attachments on Collectively Owned Lands in Yicheng* (December 31<sup>st</sup>, 2015), jointly issued by Yicheng Municipal Price Bureau, Yicheng Urban-Rural Development Bureau, Yicheng Municipal Bureau of Land and Resources, and Yicheng Housing Security and Management Bureau
- *Standards of Compensation and Resettlement Concerning Housing Demolition on Collectively Owned Lands in Yicheng City* (December 31<sup>st</sup>, 2015);
- *Standards of Compensation for Collectively Owned Land Attachments in Yicheng City* (December 31<sup>st</sup>, 2015);
- *Reference Standards of Compensation for Houses and Attachments on Collectively Owned Lands in Yicheng City* (December 31<sup>st</sup>, 2015);
- *Standards of Subsidies for Relocation and Temporary Resettlement* (December 31<sup>st</sup>, 2015)
- *Reference Standards for the Registration and Evaluation of Various Structures*

on *Collectively Owned Lands* (December 31<sup>st</sup>, 2015);

- 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

Gaps between the current resettlement policies of Yicheng and World Bank's policies on involuntary resettlement will be bridged in the implementation of resettlement of the linked projects and the specific information is shown in Table 1.

Table 1 Gaps between current resettlement policies and World Bank's policies and measures to be taken in implementation of the linked project

	Policies in China	World Bank's policies	Measures to bridge the gaps
Objectives	Ensure the timely and effective completion of the project and stability and harmony of the society.	Avoid or reduce involuntary resettlement as possible as practicable and maintain the current living standard of the displaced persons once involuntary resettlement occurs.	Follow the World Bank's policies
Compensation methods	As to land acquisition, cash compensation will usually be offered and job opportunities and social security will be the auxiliary compensation methods. As to house demolition, cash compensation will be the major compensation method and compensation in kinds will also be offered where the conditions permit.	Persons who rely on the land for the livelihood will be offered with other lands. The affected persons have the right to independently choose whether to receive cash compensation or physical compensation. The location of resettlement house can be chosen by the publics at their discretion.	Follow the World Bank's policies
Compensation standard	Compensate according to standard as formulated by the price department of the local government and so on and the compensation standard will be updated every several years.	The price will be estimated at replacement cost and depreciation will be taken into account when using such method.	Formulate the compensation standard at the replacement cost to ensure that the actual compensation is not less than the replacement cost.
Compensation for building built without permit	No compensation will be offered to such buildings	Compensation will also be offered to such building.	Appropriate compensation will be offered to the buildings and special facilities before the cut-off date and no compensation will be offered to the newly built buildings and attachments after the cut-off date.

Public consultation	The public consultation system is not complete and sound and the public only take part in during part of the implementation stages of the project.	There is a complete set and sound system for public consultation and the public can take part in the whole process of the project.	Set up multi-layer and multi-channel public consultation system.
Monitoring	Set up special supervision system for the resettlement project and other resettlement activities will be monitored by internal management organs of the PIU and resettlement implementing office.	The monitoring system is comprised of the internal monitoring by the internal management organs of the PIU and resettlement implementing office and external monitoring by the external independent monitoring agency.	Set up internal and external monitoring system according to requirements of the World Bank
Grievance mechanism	Set up the special organs to deal with grievance of the public.	The public can express their grievance by multi-channel and paths like village committee, sub-district office, PIU and external monitoring agency.	Set up the grievance mechanism as required by the World Bank while maintaining the current mechanisms.

## G. Organization Structure

16. The construction unit will be responsible for the resettlement work of the linked project and unidentified resettlement of the World Bank funded project and the resettlement office of the project-affected towns and sub-district office will be responsible for the specific implementation of the resettlement work in their region. The specifics are:

- The water department will be responsible for the resettlement and fund of the embankment reinforcement sub-project and the resettlement office of the embankment-located town and sub-district will be responsible for the specific implementation.

- Yicheng Municipal Forestry Bureau will be responsible for the resettlement work and fund of Wanyang Wetland Park sub-project and the resettlement office of the wetland park located town and sub-district will be responsible for the specific implementation.

- PMO of Yakou Navigation Complex will be responsible for resettlement work

and fund of power transmission and transformation sub-project and the resettlement office of the sub-project located town and sub-district will be responsible for the specific implementation.

● Yakou complex PMO will be responsible for the unidentified resettlement work and fund of the World Bank funded project and the resettlement office of the project-affected towns and sub-districts will be responsible for the specific implementation.

## **H. Implementation Procedures**

17. Resettlement work covered by the *Resettlement Policy Framework* will be implemented by the following procedures:

- 1) Identifying the impacts of land acquisition and house demolition according to the project planning documents;
- 2) Having public consultation and optimizing the project design scheme;
- 3) Surveying the impacts of the project;
- 4) Preparing and disclosing *Brief Resettlement Action Plan*;
- 5) Submitting RAP to World Bank for approval;
- 6) Implementing resettlement action plan;
- 7) Carrying out continuous monitoring in the implementation process.

## **I. Grievance Procedures**

18. To ensure that affected Persons express their complaints about the resettlement work, this Framework gives detailed complaints procedures, aiming to respond to residents' complaints in time and avoid complex formalities. The specific complaints procedures are as follows:

### Stage 1

Affected persons can make their complaints to their village, township or sub-district offices in oral or written form. The village, township or sub-district offices must make proper written records for oral complaints. The Office must provide a

definite answer to any complaint within one week. In case of a serious problem in a complaint, resettlement office of the superior level shall be asked for instruction, and the reply of higher resettlement office to any complaint shall be made within two weeks.

#### Stage 2

If the answer from Stage 1 fails to satisfy the complainers, they may appeal to the Yicheng Resettlement Office within one month after receiving the Stage 1 answer, and the Office shall make decisions to settle the complaint within three weeks.

#### Stage 3

If the Yicheng Resettlement Office's answer still fails to satisfy the complainers, they may appeal to the PMO within one month after receiving the Stage 2 answer, and the PMO shall make a reply within four weeks.

#### Stage 4

If the answer from Stage 3 still fails to satisfy the complainers, they may submit the case to a civil court within 15 days after receiving the answer.

### **J. Compensation Policies**

19. The resettlement and compensation for land acquisition and house demolition include following guidelines:

- Compensation for land acquisition

Acquisition of collectively-owned land for this project shall follow the compensation standards prescribed in *Notice of Hubei Provincial People's Government on Issuing Unified Annual Production Value and Integrated Land Section Price* (March 13<sup>th</sup>, 2014) and shall be compensated in accordance with the unified annual production value.

Requisitioned land shall be compensated in accordance with the unified annual production value and the total compensation shall be 23 times of the annual production value. Of the total compensation, land compensation shall be 9 times of the annual production value. Seventy percent of land compensation shall be directly given to the farmers whose land is requisitioned, and thirty percent of land compensation shall be collectively owned and used for public welfare. Resettlement subsidies shall be 14 times of the annual production value. All resettlement subsidies shall be given to farmers whose land is requisitioned.

Land compensation for vegetable land will be adjusted to 1.1 times of the annual production value.

Compensation for standing crops shall be 1 times of the annual production value

and shall be directly given to the farmers whose land is requisitioned.

Compensation for various attachments on collectively-owned land shall be directly given to the owners of these land attachments in accordance with the standard formulated by Yicheng Municipal Price Bureau.

- Compensation for house demolition

1) With regard to residential housing, two compensation options are made available to relocated families for them to choose. Regarding the first option, additional house-building plot will not be approved. The living space will be compensated in cash in accordance with Standard I, while non-residential housing will be compensated in accordance with Standard II. Regarding the second option, additional house-building plot will be approved. Both residential and non-residential housing will be compensated in accordance with Standard II. That means displaced persons build the resettlement houses on the approved house-building plot on their own. Both Standard I and Standard II are consistent with the *Resettlement Action Plan* for the Yakou Project.

2) With regard to housing for commercial use on residential house-building plot, the housing for business that a business license and tax registration certificate have been obtained at least two years ago and tax has been paid as required shall be compensated in accordance with forty percent on the basis of Standard I. The part exceeding the effective area will be compensated in accordance with Standard II. Compensation for the decoration and finish of housing for commercial use shall be paid to relevant investors.

3) Housing on other collectively owned land (non-residential housing sites) shall be compensated in cash based on its approved construction area and standard I; for the housing of which the construction area has not been approved, it will be compensated based on its actual area and standard II.

4) Subsidies shall be offered to relocated families for resettlement and transition.

## **K. Public Consultation**

20. Yakou Project Management Office will be responsible for the public consultation procedures within the project zone. The specific measures as specified in the resettlement plan, including resettlement area, compensation policy, compensation standard, measures for restoring production and living standard etc., shall be accepted by the affected population before it is approved and implemented.

21. The affected population shall participate in the whole process from the preparation to implementation of the resettlement plan. To this end, before the

resettlement plan is formulated, public meetings will be held to inform the general public of this *Resettlement Policy Framework*. The local governments shall inform the affected households or non-residential organizations of the compensation standards and their options specified in the resettlement plan.

## **L. Monitoring**

22. Resettlement actions covered by *Resettlement Policy Framework* are consistent with that of World Bank funded projects and internal and external monitoring mechanisms will be set up.

The internal monitoring will be implemented by the PMO and resettlement implementing offices which shall regularly submit the internal monitoring reports to the World Bank.

The internal monitoring will cover the following:

- Organizations: establishment and duties of institutions related to resettlement; assignment and training of their staff; capacity building.
- Resettlement policies and compensation standards: formulation and execution of resettlement policies; execution of various compensation standards for damages. In particular, it must be clarified whether the standards stipulated in the RAP had been executed. If not, reasons must be provided.
- Whether compensation in kind is transparent and whether the compensation has been paid to the right person.
- Progress of land acquisition, house demolition and resettlement: Overall schedule; schedule of the year; progress in establishment of resettlement departments and staffing; progress in house demolition; construction of common facilities; and other activities.
- Resettlement budget and its enforcement: The amount and time of resettlement fund paid by resettlement-related institutions at different level; utilization and

management of resettlement funds by resettlement implementation agencies at all levels; amount and time of compensation paid to the owner of project-affected properties (houses and so on) and land; and supervision and auditing on use of resettlement fund.

- Complaints, grievances, public involvement and discussion, information disclosure and external monitoring: mechanisms, procedures and responsible institutions for complaints and grievances; content and resolution of complaints and grievances; contents and forms of public consultation and discussion activities; results of public consultation and discussion; Resettlement information disclosure; institutions, activities and the findings of external monitoring.

- Arrangement for vulnerable groups (women, elderly people, the disabled and so on)

- Handling issues put forward in the memorandum of World Bank Inspection Mission.

- Existing problems and their solutions.

While implementing the internal monitoring, external monitoring agency will be hired to carry out independent monitoring on the resettlement work and submit regular monitoring reports. The external monitoring mainly includes:

- (1) House demolition;
- (2) Land acquisition;
- (3) Resettlement of the vulnerable groups;
- (4) Dealing with the complaints and grievance of project-affected persons in the project implementation process;
- (5) Restoration of the living standard of the project-affected persons.