
(Final Version)

GEF Hai Basin Project Office of SEPA and MWR

November 2003
RESETTLEMENT POLICY FRAMEWORK

1 Introduction

The overall objective of the Project is to catalyze a more integrated approach to water resource management and pollution control in the Hai River Basin in order to improve the Bohai Sea environment. Specifically, the Project would: Improve integrated water and environment planning and management in the Hai Basin; Support institutional aspects related to effective local, municipal/provincial, and basin-wide water and environment planning and management; and support reduction of wastewater discharges from small cities along the rim of the Bohai Sea. Specific Project components, all interrelated include:

(i) Integrated Water and Environment Management (IWEM);
(ii) Knowledge Management (KM);
(iii) Tianjin Coastal Wastewater Management; and
(iv) Project Management, Monitoring and Evaluation, and Training.

The IWEM activities and the demonstration projects also being carried out within Component 1, will contain small civil works and no resettlement and land acquisition is anticipated. However, for the unlikely case that such resettlement would occur during Project implementation, the present Resettlement Policy Framework was prepared.

In addition, under Component 3, The Project will provide technical assistance for activities related to the Second Tianjin Urban Development and Environment Project (TUDEP2), such as Dagu Canal rehabilitation and Small Cities wastewater management. However, all environmental and resettlement requirements for these works will be covered under the Environmental Assessment, the Environmental Management Plan, the Resettlement Plan, and the Resettlement Policy Framework of TUDEP2. The Small Cities Financial Incentives Program, also under Component 3, will provide post-construction financial support to any eligible coastal small city in Tianjin that demonstrates reduction of pollution into the Bohai Sea, including those financed under TUDEP2. The Incentives Program will be carried out in accordance with an Operational Manual that is acceptable to the Bank and will define procedures and eligibility criteria, including environmental and resettlement aspects.
Land acquisition and resettlement aspects involved in the Project and described in this document will comply with World Bank OP4.12 (Involuntary Resettlement) and related Chinese laws and regulations.

2 Potential demands

The GEF Hai Basin project will involve activities such as water conservation reconstruction for original irrigation system, adjusting the agriculture water using product plant structure, enhancing the well permit right management, limit the underground water exploitation, etc. components, which is an integrated water saving measure and pollution control project. During the implementation of small civil works the potential for land resettlement or other land related negative effect exists, although this is unlikely. During project preparation and appraisal, no involuntary resettlement, land acquisition or other negative land related effect could be identified. The project contains components of onfarm systems, including canal lining, low pressure pipe, sprinkler irrigation, and micro irrigation; land leveling, cropping pattern adjustments, agricultural support and services; pollution control actions; and institutional development. These project components could but are unlikely to adversely affect individuals or community land or housing. There is no main structure and canal construction or improvement. For the lower-level canals and drains, no resettlement and land acquisition is anticipated at this stage. However, in case such resettlement would occur during project implementation, this Resettlement Policy Framework (RPF) would apply.

Under the GEF Hai He Basin Project, the selection and design of small civil works will fully consider how to avoid negative effects caused by any permanent land acquisition and temporary land occupation. This RPF for the project is in compliance with the World Bank OP 4.12 and Guidelines for Involuntary Resettlement, as well as Chinese laws and regulations. The objectives are as follows:

a. Avoid and minimize potential negative impacts, which include involuntary resettlement and cropping compensation caused by tentative land occupation in project period; Wherever possible, project designs and Resettlement Plans (RP) will be
conceived as development opportunities, so that Displaced Persons\(^1\) (DP) may benefit from the services and facilities created for, or by, project activities;

b. Strengthen monitoring an evaluation so as to find in time the possible land acquisition and resettlement;

c. Develop measures to adequately mitigate the adverse impacts if they cannot be avoided, and to restore the livelihoods of the DP; All DP are entitled to compensation for lost assets, or to alternative but equivalent forms of assistance in lieu of compensation; The previous level of community services and access to resources will be maintained or improved after resettlement;

d. The resettlement transition period should be minimized; Compensation for assets should be paid prior to the time of impact, so that new houses can be constructed, fixed assets can be removed or replaced, and other necessary measures can be undertaken prior to initiation of construction activities;

e. Besides consultation during the process of RP preparation, DPs will be provided opportunities to participate in planning and implementation of RPs; RPs are publicly disclosed in a manner accessible to displaced persons.

f. Clarify institutional responsibilities to implement the rehabilitation measures; and the project participated provinces/municipalities including Beijing, Hebei, Tianjin will follow this policy framework guidelines during project implementation.

3 Measures to Avoid Involuntary Resettlement, Land Acquisition, and other Land-Related Negative Effects

The investment of the project is mainly provided for on-farm irrigation in water resources component, agro-technology and production service systems in agriculture, and pollution control actions. No main systems will be built. According to previous experience accumulated locally, the following measures are determined by each Project Management Office (PMO) to avoid any land acquisition:

a. Upgrade the quality to the specified standard by dredging and repairing the existed lateral canals and ditches;

\(^1\) See Section 6 for definition of DP.
b. Increase arable land by reducing ditch length with straight instead of curved on-farm works; Wherever new ditches have to be constructed, the farm land area of each household will be adjusted during land leveling to ensure no lose of area;

c. Improve the sewage collection pipeline between the roads and buildings, and the necessary removing based on the design of future land utilization and road net development;

d. Land leveling and dredging will be finished between autumn harvest and winter planting seasons; The few that cannot be finished must be scheduled in advance for the cropping rotation to reduce damage; For subproject that cannot be finished between crop seasons, no crop will be planted in the proposed construction areas to avoid any waste of crops;

e. Strengthen monitoring on project land use and impact: In terms of temporary land occupation, if planting crops are suspended for the purpose of construction, concerned farmers will be compensated for the loss of cropping opportunity (at price of green cropping).

4 Resettlement and Land Acquisition Policies, Laws, and Regulations

The primary purpose of this RPF is to ensure that resettlement planning and implementation in activities identified in section 1 meet the requirements of World Bank OP 4.12. Furthermore, resettlement activities will be designed in accordance with the Land Administration Law of the People’s Republic of China; The Law on Administration of Urban Real Estate of the People’s Republic of China3; the Regulations on Administration of Urban House Dismantling and Relocation4; and relevant municipal implementation regulations.

In case when resettlement and land acquisition cannot be avoided, necessary rehabilitation measures will be developed in the form of Resettlement Plans (RP). These RP will be based on the following laws, regulations, and policies:

2 Adopted at the 16th Meeting of the Standing Committee of the Sixth National People’s Congress on June 25, 1986, amended in accordance with the Decision on Revising the Land Administration Law of the People’s Republic of China made by the Standing Committee of the Seventh National People’s Congress at its 5th Meeting held on December 29, 1988, and revised at the 4th Meeting of the Standing Committee of the Ninth National People’s Congress on August 29, 1998.

3 January 1995

4 Order No. 305 of the State Council of the People’s Republic of China which was approved at the 40th executive meeting of the State Council held on June 6, 2001
a. The land acquisition will strictly abide by the Law of the PRC on Land Management (1999), the Implementation Regulations of the Law of the PRC on Land Management and related laws and regulations issued by the five provinces/municipalities. The agency needing land for the construction of the project will make application to the local department of land management and acquire the right for land use through administrative planning or paid transfer.

b. According to the Law of the PRC on Land Management, China implements the paid use system for state-owned land. The agency planning to use land for the project construction will make application for the right of land use according to legal procedures. The provincial, prefecture, or county department of land management will supervise, approve the use of land depending on the scale, and submit the application to the government at the county level/up level for approval according to the authorized limits.

c. The land acquisition for the project will follow the procedures stipulated by the Law of the PRC on Land Management. Related departments, including village councils, township governments, provincial, prefecture, and county departments of land management have to clear the purposes of the project and the quantities of land acquisition. The departments of land management at all levels have to guarantee provision of compensation in the case of livelihood affected by land acquisition.

d. The RPF will follow the definition provided in the Water Law of the PRC, the policies for the water conservation by the state, the regulations for the management of subsidy funds for small-sized farmland water resources projects and water-soil conservation jointly issued by the ministries of finance, water resources, as well as the regulations for the management of water resources works in the subproject areas. The standard of land acquisition compensation will execute according to "The regulation for large and mid water conservancy project construction land acquisition compensation and resettlement".

e. Preparation and implementation of the RP and/or compensation for acquired land in any subproject areas will be in accordance with the World Bank OP 4.12.
5 Management Organizations and Responsibilities

The PMOs at all levels are responsible for overseeing land and resettlement issues, including the approval and implementation of RPs. The selection and implementation of subprojects will be made strictly according to the requirements herein.

The planning and statistics groups in PMOs at all levels will assign special persons to be in charge of review and management of land use under the project. If it happens that the small civil works change design/site for some reasons and hence need land acquisition, they will follow the procedures and requirements of the resettlement plan which will be compiled by the implementation agencies and submitted to the PMOs at higher level and the county land management sector.

Resettlement caused by changing design/site will be carried out by both PMOs and land management bureaus sectors at the same level. PMOs will guide implementation agencies to compile the allocation and implementation plan according to the Policy Framework as well as provide resettlement guidance. Meanwhile, PMOs will also assist raising of funds, adopting reasonable measures, handling problems, and supervising the implementation.

The governmental departments of land management at all levels will implement management by various levels according to the authorization given by the state, review and check the scope and quantity of land acquisition, record land acquisition, handle the procedures for land acquisition, and supervise the implementation of compensation measures. Only after approval by the department of land management can the subprojects be included in the annual investment plan under the project.

6 Displaced Persons (DP)

This section describes categories of persons who may be affected by Project activities. All DPs are eligible for compensation regardless of whether they hold legal titles or not. No resettlement and land acquisition is anticipated under the Project and in the unlikely event it would occur, every reasonable effort will be made to minimize all resettlement-related adverse impacts. The RPF will ensure that persons subjected to impacts (i.e., DP) are compensated at
adequate replacement cost\(^5\) for lost assets and otherwise provided with any rehabilitation measures or other forms of assistance necessary to provide them with sufficient opportunity to improve, or at least restore, their incomes and living standards. DP refers to all the people who on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by:

(i) the involuntary taking of land, resulting in (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or

(ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

The DPs include individuals, groups, and organizations that hold land use certificates and other legal titles to the land affected under the project, as well as other rural households and communities who currently use the land or the products of the land without holding legal titles. DP means any of the displaced persons as listed above.

The framework applies to all impacts to DPs, regardless of whether these impacts derive from activities directly funded by the project or from an activity fully funded by Government during project implementation and directly related to a project activity.

7 Resettlement and Compensation Principles

The following principles will be binding under the project:

a. Involuntary resettlement and land acquisition will be avoided/minimized as much as possible;

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\(^{5}\) "Replacement cost" is defined as follows: For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset.
b. If resettlement and land acquisition cannot be avoided, RP will be prepared for compensation and rehabilitation of the DP;

c. Adequate funds will be timely provided for implementing such RP;

d. Preparation and implementation of such RP will be conducted in consultation with the local governments and the DP, on all the subjects with resettlement and compensation;

e. Compensation will be paid at "replacement cost" without depreciation; and compensation will be delivered to DP in full, without deduction for any purposes; in addition, absence of legal titles on resettlement is not a barrier to compensation or other forms of assistance.

f. Compensation will be paid prior to the move and acquisition of land;

g. The DP will be assisted during relocation and in their livelihood rehabilitation activities;

h. the living standards of the DP will be improved or at least restored after resettlement;

i. All the costs related to resettlement and compensation will be included in the project cost estimates.

8 Resettlement Plan

Small civil works with resettlement must have a Resettlement Plan (RP) as a basic condition for being financed under the project. For this purpose, a review mechanism will be established for examining the annual investment plan to identify small civil works that require resettlement, and to exclude such civil works if those do not have the required resettlement plan. The RP will be prepared on an annual review of project components for each province/municipality, and they will be reviewed by the province/municipality and accepted by the World Bank before the relevant civil work can be financed under the project.

Responsibility for preparation and implementation of RPs (including responsibility for meeting all costs associated with resettlement) rests with the borrower. The PMOs have the overall responsibility for administrative aspects of land acquisition and resettlement. However the final responsibility rests with municipal governments. Activities will be coordinated through the respective PMOs to ensure effective resettlement planning and implementation.

Once it is determined that land acquisition is essential the borrower will carry out, or cause to
be carried out, a socioeconomic survey to determine the range and scope of adverse impacts in
the affected area as well as the identity and number of displaced persons. The survey will
determine whether a full RP or an “abbreviated” RP (as defined in OP 4.12, Annex A) is
necessary. When the number of persons affected by the component exceeds 200, a full RP is
necessary. Where impacts on the entire affected population are minor\(^6\), or fewer than 200
people are affected, an abbreviated RP may be prepared. The basic planning procedure will
involve:

a. Socio-economic survey in the affected areas;

b. Census of the population to be affected and inventory of the land to be acquired and
   other assets to be affected (e.g. numbers, households, villages, type and quantity of
   land to be requisitioned, severity of impacts);

c. Preparation of the resettlement measures and compensation standard based on related
   policies, laws, regulations, and consultation with people to be affected;

d. Preparation of the RP and implementation schedule;

e. Review and approval by the Bank.

The plan must include:

a. Description of the civil work related, and location and scope of the land acquisition;

b. Eligibility criteria for entitlements;

c. Economic assistance if necessary;

d. Relocation arrangements;

e. Socioeconomic studies and baseline census information (basic information of the DP);

f. Disclosure arrangements;

g. Grievance procedures;

h. Possibly an Entitlement Matrix;

i. Review of relevant laws and regulations relating to land acquisition and resettlement

j. Other measures, if any, necessary to provide opportunities for economic rehabilitation
   of displaced persons;

k. Restoration or replacement of community infrastructure and services;

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\(^6\) Impacts are considered “minor” if the affected people are not physically displaced and less than 10% of their
productive assets are lost.
1. Land acquisition schedule;

m. Selection and preparation of the sites for relocation if necessary;

n. Restoration or replacement of community infrastructure and services;

o. Cost estimates and timeframe;

p. Supervision, monitoring and evaluation arrangements of RP.

In case an abbreviated RP would be used, it also must be based on principles and planning and implementation arrangements established in this RPF and following minimum elements would need to be covered:

a. a census survey of displaced persons and valuation of assets;

b. description of compensation and other resettlement assistance to be provided;

c. eligibility criteria;

d. consultations with displaced people about acceptable alternatives;

e. disclosure arrangements;

f. institutional responsibility for implementation and procedures for grievance redress;

g. arrangements for monitoring and implementation; and

h. a timetable and budget.

9. Funding Arrangement

The special fund, if needed, will be applied by the borrower to the local financial authorities and be disbursed by PMO for resettlement. Any RPs prepared in accordance with this RPF require inclusion of estimated costs and budgets. All persons adversely affected by land acquisition are entitled to compensation or other appropriate mitigation measures, regardless of whether these persons have been identified at the time of resettlement planning, and regardless of whether sufficient mitigation funds have been allocated. Compensation must be paid in full to DPs. Compensation rates included in the RP provide the basis for calculating compensation amounts due to DP. No deductions from compensation will occur for any reason. The RP will describe compensation fund flow procedures from MWR/SEPA to the DP.

10 Monitoring and Evaluation

Construction land area, acquisition, and compensation rates will be included in the

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7 For these reasons, the budget in the resettlement plan includes contingency funds, typically 10% or more of the estimated total resettlement costs, to meet unanticipated resettlement costs.
implementation statement of PMOs and submitted for review. Monitoring staff will periodically inspect and visit the field to find the problems and then make recommendations to PMOs to solve them.

Externally, an independent unit will be contracted to monitor and evaluate land acquisition and the implementation of the RP. The independent monitoring will be conducted on an annual basis, covering both the physical progress of RP implementation and the evaluation of livelihood rehabilitation. However, external monitoring will not required for projects with “minor” resettlement impacts – the impact is generally defined as minor if the DP are not physically displaced and when less than 10% of their productive assets are lost; meanwhile, projects requiring resettlement of 10-15 households will also be considered as minor.

The key monitoring indicators include:

- Whether the subproject involving land acquisition has prepared the RP according to the requirement of the land acquisition and resettlement Policy Framework, and the World Bank OP 4.12;
- Whether there has been adequate consultation and participation by the DP;
- Signing of land acquisition agreements; and use of land acquired;
- Time and amount of payment of compensation;
- Use of land compensation funds (at village level and below);
- Implementation of rehabilitation measures, such as type, quantity, and location of land for adjustment, and appropriate allocation of compensation to affected households;
- Functioning of grievance mechanism; and
- Changes of economic status of DP.

11 Grievance Procedures

PMOs will be responsible for explaining to farm households, whose land would be acquired, about their rights and grievance steps.

If farmers are not satisfied with the methods of resettlement, they can:

(i) Report their opinions to the village councils and the councils can directly consult
with the implementation agencies for solution; or

(ii) Farmers can also make grievance verbally or in written form to the higher level PMOs.

The PMOs will record the grievances in the documents and consult with related sectors and the agencies to solve the problem raised by farmers within ten days after receiving the grievances.

If the grievances/disputes cannot be solved through consultation, any party involved in the grievance or dispute can:

(i) Apply to the administrative department with jurisdiction for reconsideration, or

(ii) Take legal proceedings to the court according to the “Civil Procedure Act”.

PMOs will be responsible for setting all the grievances and the solving process will be recorded.

12 Public Consultation, Participation, and Disclosure

The land acquisition and compensation of the Project will follow laws, respect the willingness of DP whose land is to be acquired, and encourage their consultation and participation. The RP will describe measures taken, or to be taken, to consult with displaced persons regarding proposed resettlement arrangements, and to foster their participation in activities essential to improvement or restoration of incomes and living standards. In the preparation stage of land acquisition, under the charge of PMOs, the agencies for the subproject implementation will go to villages and visit farmer households, invite village leaders and farmers to participate in the evaluation, selection, and discussion of the location and quantity of land to be acquired, and the compensation rates and relocation methods. To ensure that opinions and preferences of displaced persons are considered, consultations should begin prior to finalization of project designs and mitigation measures. Consultations should continue throughout the period in which the RP is implemented. A RP for land acquisition can only be signed after adequate agreements are made and after farmer consultation.

The PMOs will disclose the RP, in draft and final stages, to the DP and the general public in the Project area. This will have to occur in a language and location accessible to them.
Disclosure of the draft RP should occur at least one month prior to Bank review. Disclosure of the final RP occurs following Bank acceptance.

The present RPF and RPs should be made available at public place accessible to affected groups and local NGOs prior to project appraisal.