People’s Republic of China
Poor Rural Communities Development Project (PRCDP)
financed by the World Bank and
UK Department for International Development

RP302 V. 4

Land Occupation and Resettlement Policy Framework
(Revised Draft)

Foreign Capital Project Management Centers of
Sichuan, Yunnan, and Guangxi Poverty Alleviation Offices
October 2004
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1. Introduction

The World Bank and UK Department for International Development (DFID)-financed Project, the China Poor Rural Communities Development Project (hereinafter referred to as PRCDP) is located in Sichuan Province, Yunnan Province, and Guangxi Zhuang Autonomous Region. The objective of the PRCDP is to reduce poverty in Western China through a participatory and multisectoral attack on absolute poverty in an extremely resource-deficient area covering the worst affected upland areas of several inland provinces. Poor rural communities would design and implement activities to improve agricultural productivity and access to infrastructure in those areas. Therefore, participation is a key feature of project design, implementation, monitoring and impact assessment.

The total investment of PRCDP is planned to be US$143,470,000, among which, US$100,000,000 will be financed by the World Bank and DFID, and the remaining US$43,470,000 will be from domestic funds. It is described as follows:

<table>
<thead>
<tr>
<th>Province or Region</th>
<th>Sichuan</th>
<th>Yunnan</th>
<th>Guangxi</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit</td>
<td>Million US$</td>
<td>Million US$</td>
<td>Million US$</td>
<td>Million US$</td>
</tr>
<tr>
<td>Total investment</td>
<td>50</td>
<td>50.62</td>
<td>42.85</td>
<td>143.47</td>
</tr>
<tr>
<td>WB and DFID loan</td>
<td>35</td>
<td>35</td>
<td>30</td>
<td>100</td>
</tr>
<tr>
<td>Domestic fund</td>
<td>15</td>
<td>15.62</td>
<td>12.65</td>
<td>43.47</td>
</tr>
</tbody>
</table>

PRCDP includes the following 6 components:

♦ Agricultural
According to the requirements of the State Development and Reform Commission, World Bank, and DFID, based on the actual conditions of the local areas, 18 counties, with 6 counties in each province or region, have been selected as the Project counties:

2. Minimization of land acquisition and resettlement

The construction of some components of PRCDP, especially the infrastructure component, may involve land occupation and house demolition. When selecting the subcomponents of PRCDP, the principles, such as reducing the cultivated land occupation, and avoiding or minimizing house demolition, have been followed. As soon as the resettlement starts, the implementation will be carried out in accordance with the Land Occupation and Resettlement Policy Framework to minimize the Project impact. Even when the civil construction of PRCDP is initiated, further efforts, such as strengthening the management of construction, can be made to mitigate negative impacts on the PAPs.

3. Related laws, regulations and policies

Since the implementation of PRCDP will last for 5 years, in case land occupation or house relocation cannot be avoided, necessary resettlement measures will be developed in the form of the Annual Land Occupation and Resettlement Action Plans. The Annual Land Occupation and Resettlement Action Plans for the first year (2005) have been finished, and the Annual Land Occupation and Resettlement Action Plans for the following years will be prepared with
reference to the first year’s reports by the Foreign Capital Project Management Centers of Provincial Poverty Alleviation and Development Offices (Provincial Project Offices), with the assistance from the related county offices, and submitted to the World Bank before the implementation of the land occupation or house relocation for the mentioned year.

These Annual Land Occupation and Resettlement Action Plans are based on the following laws, regulations, and policies:

**The Constitution of the People’s Republic of China**

In the first chapter “the general principle of the constitution” of The P.R.C Constitution, the fourth article is on the minority nationality. All the nationalities in the P.R.C are equal. The state secures equality, solidarity and cooperation of minorities, prohibiting oppression and discrimination against any minority, and prohibiting undermining national unity.

**The Autonomous Law in the Minority Regions of the People’s Republic of China**

A particular law P.R.C Regional Autonomy of Minority Law deals with development in a minority territory. Besides the authority owned by a local vis-a-vis, organs of self-government in national autonomous region are entitled to exercise autonomy.

**The Administration Regulations of Minority Towns and Townships and other laws and regulations relating to nationality**

The Regulations stipulate that the minority towns and townships are the administrative areas at township level in compact communities of various minorities.

**The Land Administration Law of the People’s Republic of China and its Implementation Regulations**
Article 8  Land in rural areas and suburban areas of cities excluding those belonging to the state prescribed by law belongs to peasants’ collective ownership; house sites, land allotted for personal needs and hilly land allotted for private use belongs to peasants’ collective ownership.

Article 9  State-owned land and land collectively owned by peasants may be determined in accordance with law to be used by units or individuals. Units and individuals using the land have the obligation to protect, manage and rationally utilize the land.

Article 10  Peasants’ collectively-owned land that belongs to peasants’ collective ownership of a village according to law shall be managed and administered by the village collective economic organization or villagers’ committee; the land that belongs separately to more than two rural collective economic organizations and owned collectively by peasants shall be managed and administered by the respective rural collective economic organizations or villagers’ teams; the land that belongs to village(township) peasants’ collective ownership shall be managed and administered by the village(township) rural collective economic organization.

Article 41  The state encourages land arrangement. County, village(township) people’s governments should organize rural collective economic organizations in integrated treatment of farmland, water, roads, woods and villages in accordance with the overall planning for land utilization to improve the quality of cultivated land, increase the area of effective cultivated land and improve conditions for agricultural production and the ecological environment.

Article 43  Any unit or individual that needs to use land for construction must apply for the use of state-owned land in accordance with law; however, use of land collectively owned by peasants by the respective collective economic organization approved in accordance with law for the establishment of rural and
township enterprises and construction of residences by villagers, or use of land collectively owned by peasants approved in accordance with law for the construction of village (township)public facilities and non-profit undertakings is excluded.

The Provincial Implementation Regulations of the Land Administration Law of PRC

The Sichuan, Yunnan, and Guangxi Implementation Regulations of the Land Administration Law of PRC were drawn up according to the State Land Law. So their stipulations of using land collectively in rural areas are consistent with the State Land Law.

World Bank’s policy on Involuntary Resettlement (OP 4.12 and BP 4.12)

The World Bank’s policy on Involuntary Resettlement is mainly as follows:

A. It should avoid or minimize the involuntary resettlement in a desirable scope, while taking all feasible replacement plan into consideration.

B. All involuntary resettlement should be included in the development projects which must be realized, while adequate funds should be provided to the PAP, who should have chances to be benefited in the Project.

C. Encourage the mass participation in the process of planning and the Land Occupation and Resettlement Action Plan implementation, through the establishment of the corresponding social institutions set up by the residents.

D. Minimize the adverse impacts to the original residents in the resettlement area, therefore the PAP should integrate with the former in social and economic activities.
E. Land, housing, infrastructure, and other compensation should be provided to the adversely affected population and ethnic minorities who may have usufruct or customary rights to the land or other resources taken for the Project. The absence of legal title to land by such groups should not be a bar to compensation.

F. All the Project-affected Persons (PAPs) have the right to increase or at least maintain their current living standards and receive compensation for their loss of assets (the asset compensation shall cover the replacement expense) and compensation for resettlement and loss of properties.

4. Resettlement entitlement policy and Compensation Standards

The resettlement entitlement policy for PRCDP is as follows:

A. All affected assets will be compensated at their full replacement cost without any deduction for depreciation;

B. Compensation payments will be made before the acquisition of land and assets;

C. Compensation rates were negotiated with the governments of the affected areas and the representatives of the PAPs;

D. All affected persons who lose assets occupied by them before the Project cut-off date will be assisted in their efforts to restore their standards of living without discrimination on the basis of their tenure status.

The Entitlement Matrix for each of the impact categories is as follows:

Table 4.1 The Entitlement Matrix
<table>
<thead>
<tr>
<th>impact categories</th>
<th>receivers</th>
<th>Entitlements</th>
<th>basis for calculating compensation</th>
<th>implementors</th>
</tr>
</thead>
<tbody>
<tr>
<td>land</td>
<td>affected land contractors</td>
<td>Young crop compensation; land redistribution; income-restoring programs; rights to redress grievances</td>
<td>According to the production value of the affected crops</td>
<td>County Project Offices; Township Project Work Stations; Village Implementation Groups</td>
</tr>
<tr>
<td>houses</td>
<td>owners of houses</td>
<td>cash compensation; to be relocated in the original villages; free salvageable materials from the old houses; to get assistance in rebuilding and relocating; rights to redress grievances</td>
<td>cash payment including moving and transitional allowances at replacement cost of the demolished structures and attachments; suitable alternative sites provided by the villages</td>
<td>County Project Offices; Township Project Work Stations; Village Implementation Groups</td>
</tr>
<tr>
<td>other land attachments and facilities</td>
<td>Owners of the land attachments and facilities</td>
<td>cash compensation; to be restored or reconstructed; rights to redress grievances</td>
<td>cash payment at replacement cost of the land attachments and facilities</td>
<td>County Project Offices; Township Project Work Stations; Village Implementation Groups</td>
</tr>
</tbody>
</table>

Since the land occupation for PRCDP is within the villages, land will be still owned by the villages. There is no transfer of land ownership, and this only requires the replanning of the land use within the villages. No land acquisition fees are required to be paid, and only young crop compensation will be paid based on the real situation. According to the survey, PRCDP won’t affect houses. However, in view of the possible changes of some subcomponents, the house compensation standards have been decided.
According to the relevant laws and regulations, with reference to the actual conditions of PRCDP, and through the consultation with the local governments and the representatives of the PAPs, the compensation rates were fixed. The compensation rates to be paid for affected land, structures land other assets will not be below the levels given in the following tables and will be adjusted by the actual inflation rate from October 2004 to the time when the compensation is actually paid.

Table 4.2  Compensation rates for the affected categories

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>unit</th>
<th>rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Young crop compensation for paddy field</td>
<td>yuan/mu</td>
<td>600</td>
</tr>
<tr>
<td></td>
<td>(on average)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Young crop compensation for dry land</td>
<td>yuan/mu</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>(on average)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Young crop compensation for vegetable</td>
<td>yuan/mu</td>
<td>800</td>
</tr>
<tr>
<td></td>
<td>land (on average)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>brick concrete houses (on average)</td>
<td>yuan/sq.m</td>
<td>300</td>
</tr>
<tr>
<td>5</td>
<td>brick timber houses (on average)</td>
<td>yuan/sq.m</td>
<td>240</td>
</tr>
<tr>
<td>6</td>
<td>Timber tile houses (on average)</td>
<td>yuan/sq.m</td>
<td>120</td>
</tr>
<tr>
<td>7</td>
<td>Simple structures (on average)</td>
<td>yuan/sq.m</td>
<td>60</td>
</tr>
<tr>
<td>8</td>
<td>Fruit trees (on average)</td>
<td>yuan/no.</td>
<td>30</td>
</tr>
<tr>
<td>9</td>
<td>Miscellaneous trees (on average)</td>
<td>yuan/no.</td>
<td>10</td>
</tr>
</tbody>
</table>

5. Resettlement program

PRCDP will only affect a small part of land within the villages. Since all the subcomponents will be used, managed, and maintained by the villages, those subcomponents will belong to the villages, and no ownership transfer of land used for those subcomponents is required. Therefore, no land acquisition fees are required to be paid by PRCDP. However, if the land use affects some contracted households, the villages should take some mitigation measures for the affect
people, such as redistribution of the contracted land, providing the affected households with replacement land. Most villages have some cultivated land in reserve. And the amount of reserve land is much greater than the potential loss of land for PRCDP. So the reserve land can be allocated to the affected households.

Usually PRCDP won’t affect any houses. However, in consideration of the possible changes of some subcomponents, arrangements for house relocation have been made. For demolished houses, the affected household is entitled to the replacement value of lost structures (without depreciation or deduction of salvage materials) and land attachments. The villages will provide the affected household a comparable or better housing plot. The affected households will be free from taxes, registration and land transfer resulting from the village road construction.

The vulnerable groups include the poor households, the households having the disabled members, the households headed by the women, the households where the aged live alone, and the ethnic minorities who are in the non-autonomous areas, or not the main body nationality in the autonomous regions, prefectures or counties. Special measures will be made to overcome their difficulties.

The resettlement activities are divided into three stages: (1) preparation, (2) implementation, and (3) inspection and evaluation. In order to ensure all the PAPs can be properly resettled, the resettlement implementation will be completed before the civil constructions of the subcomponents are finished.

6. Institutional Arrangements

To strengthen the coordination and management of the resettlement of PRCDP, the resettlement personnel will be provided at all levels of resettlement implementation institutions.
The main resettlement responsibilities of the Provincial Project Office are as follows:
A. Prepare the Land Occupation and Resettlement Action Plan;
B. Train the staff of the subsidiary offices;
C. Coordinate the implementation of the land occupation and resettlement;
D. Undertake the internal monitoring activities;
E. Suggest solutions for handling problems identified in monitoring the implementation;

The main resettlement responsibilities of the County Project Offices are as follows:
A. Cooperate with the relevant agencies in making the surveys;
B. Train the staff of the subsidiary resettlement offices;
C. Implement the Land Occupation and Resettlement Action Plan;
D. Receive the resettlement funds and allocate them to the PAPs according to the working procedures;
E. Guide and supervise the land acquisition and resettlement work in relevant townships and villages;
F. Report to the Provincial Project Office on work progress, the problems and remedial measures regularly.

The main resettlement responsibilities of the Township Project Work Stations and Village Implementation groups are as follows:
A. Cooperate with the relevant agencies in making the census and surveys;
B. Assigned by the County Project Offices, carry out the land acquisition and resettlement within their jurisdictions;
C. Examine and record all resettlement activity within their jurisdictions;
D. Report to the County Project Offices on work progress, the problems and remedial measures regularly.
The training program is intended to train the administrative personnel and technicians concerning the resettlement of PRCDP so that they can acquire the knowledge of land acquisition and resettlement to ensure the fulfillment of the Land Occupation and Resettlement Action Plan.

7. Consultations and participation, grievance redress

PRCDP is based on the participation, which is also a key feature of the resettlement for PRCDP. Participation began with the dissemination of the resettlement information on PRCDP to the PAPs. Consultations and participation will be throughout the whole process of land occupation and resettlement.

To ensure that the PAPs and the local governments of the affected areas fully understand the details of the resettlement program, information about the compensation and rehabilitation packages applicable to PRCDP, the resettlement requirements, compensation policy and detailed arrangements will be disseminated in affected area. Various forms, including notification meeting, forum, visiting notice will be adopted to disseminate the resettlement information for PRCDP.

If any PAP is aggrieved by any aspect of the resettlement and rehabilitation program, he can lodge a grievance with the following agencies in order:

1. The Village Implementation Groups
2. The Township Project Work Station
3. The County Project Offices
4. The Provincial Project Office

Those issues should be resolved by the above agencies in time. If the aggrieved person is dissatisfied with the decision made by those agencies, he can appeal to
the People’s Court in accordance with the “Civil Procedure Act” within 15 days of receiving the decision of the Provincial Project Office.

8. Internal and External Monitoring

To ensure that the implementation of the land acquisition and resettlement is carried out in accordance with the relevant requirements of the Land Occupation and Resettlement Action Plan and to guarantee the progress and quality of the resettlement action, the resettlement action will be monitored and evaluated both internally and externally during the preparatory arrangements and the implementation, and after the completion. Since PRCDP will have small impacts on land, and almost no impacts on houses, the external resettlement monitoring will be a part of the whole project monitoring.

The Provincial Project Office will undertake the routine internal monitoring and evaluation of the implementation of the land acquisition and resettlement so as to ensure that all the responsible units follow the schedule and comply with the principles of the Land Occupation and Resettlement Action Plan. Each county will prepare the local internal monitoring report, and the Provincial Project Office will compile a whole report based on the county-level reports. The internal monitoring reports will be submitted to the PRCDP Liaison Group and the World Bank once every year by the Provincial Project Office.

The external monitoring agency will include the following 5 parts in the annual project monitoring report, which will be submitted to the PRCDP Liaison Group and the World Bank, after the implementation of the Land Occupation and Resettlement Action Plan begins.

1. Verify the implementation of the Land Occupation and Resettlement Action Plan;
2. Review whether the compensation, resettlement, and rehabilitation have met the major objectives stipulated in the Land Occupation and Resettlement Action Plan;

3. Report the participation and satisfaction degree of the PAPs on the resettlement program;

4. Identify the main problems in carrying out the Land Occupation and Resettlement Action Plan and raise suggestions on solving problems and improve the overall efficiency of the land acquisition and resettlement program;

5. Report the actions taken by the departments concerned as suggested in the last report.
Appendix 1. Outline of Annual Land Occupation and Resettlement Action Plan

Chapter 1 Brief Description of the Project

1.1 Introduction
1.2 Project area
1.3 General socio-economic situation of the Project affected areas
1.4 Minimization of land acquisition and resettlement

Chapter 2 Census and Socio-economic Survey of the Affected People and Assets

2.1 Brief account of the survey
2.2 Land occupation
2.3 Affected houses
2.4 Affected enterprises and institutions
2.5 Affected crops
2.6 Affected infrastructure and other main assets
2.7 Project-affected people
2.8 Analysis of the socioeconomic impacts
2.9 Minority people in the Project area

Chapter 3 Legal Framework

3.1 Brief account
3.2 National laws and regulations
3.3 Provincial Regulations
3.4 World Bank policies
3.5 Resettlement entitlement policy and entitlement matrix

Chapter 4 Compensation Rates and Budget

4.1 Compensation rates for the Project
4.2 Basic cost
4.3 Other cost
4.4 Contingencies

4.5 Cost estimation of the land occupation and resettlement of the Project

Chapter 5 Resettlement and Rehabilitation Program

5.1 Objective and principle of resettlement program

5.2 Overall resettlement scheme

5.3 Housing reconstruction

5.4 Aids to the vulnerable groups

5.5 Resettlement activities and implementation schedule

Chapter 6 Institutional Arrangements

6.1 Provision of resettlement personnel

6.2 Responsibilities of the resettlement personnel

6.3 Training and development of the resettlement staff

Chapter 7 Consultation and Participation

7.1 Consultations and participation

7.2 Resettlement information dissemination

Chapter 8 Redress of Grievances

Including system, procedures, and contents of grievance redress.

Chapter 9 Internal and External Monitoring

9.1 Internal monitoring

Including objectives, responsibility, indicators, personnel, and methodology and procedure of internal monitoring.

9.2 External monitoring

Including objectives, responsibility, indicators, personnel, and methodology and procedure of external monitoring.

9.3 Submission of the monitoring reports
Appendix 2. Outline of Annual Internal Resettlement Monitoring Report

1. General Situation of Project
2. Brief Description of Internal Monitoring
3. Actual Project Impacts
4. Arrangements for Resettlement Personnel
5. Description of Resettlement Implementation
6. Payment of Compensation
7. Consultation, Participation and Grievance Redress
8. Existent Problems and Improvement Measures