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**World Bank-financed Guilin Integrated
Environment Management Project**

Resettlement Policy Framework (RPF)

**Management Office of the World Bank-financed Guilin Integrated
Environment Management Project**

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I. Project Overview and Objective Description

In order to improve the environmental quality and people living environment of Guilin City in an all-round manner, implementing the comprehensive environmental governance project of Guilin City is a task which brooks no delay. Therefore, Guilin City plans to apply to the World Bank for loan in order to implementing the comprehensive environmental governance project of Guilin City. Guilin City plans to apply for a loan of US\$100 million (equivalent to RMB603 million, exchange rate of 1: 6.03) and raise RMB352.09 million by itself from local finance. The project is a social public welfare project to improve and protect the environmental quality of Lijing River and the urban environmental quality of Guilin City. After the implementation, the project can not only improve the appearance of urban areas in Guilin City, safeguard people's health, protect the environment of reaches of Lijing River, promote the comprehensive pollution control of waters of Lijing River and protect ecological safety but also better improve the investment environment of Guilin City and promote the accelerated economic and social growth of urban and rural areas in Guilin City. The project shows good social, environmental and economic benefits. Guilin City belongs to the less-developed western city with weak industrial base, limited financial revenue and insufficient funds. Thus, it is of great significance to utilize the loan of the World Bank to carry out the infrastructure construction, strengthen comprehensive environmental governance and improve ecological environment in Guilin City.

The project consists of five components:

- Water supply pipeline networks of Guilin City
- Renovation of urban wastewater treatment plant, pumping station and urban drainage pipeline network

- Sludge disposal project
- Water environment monitoring and pollution management Information system of Guilin City
- Capacity building and project implementation support

Because the location of Sludge disposal project haven't yet been determined, and the direction and implementation mode of water supply pipeline network and urban drainage pipeline network not sure exactly at the stage of feasibility study, the direction and implementation mode of pipeline network may be changed and adjusted during the implementation. Therefore, the borrower agrees to carry out land acquisition, temporary land requisition and house demolition according to the policy procedures and policies of the World Bank, when permanent land acquisition, temporary land occupation and house demolition are inevitable. The RPF makes such principles and guidance that are used to guide the preparation and implementation of the follow-up RAP in case of land acquisition and house demolition during the project implementation.

II. Objectives, Definition and Main Principles of Resettlement

As for the projects funded by the World Bank, the borrower shall take all necessary measures to mitigate the adverse impacts caused by the project, including the adverse impacts from land acquisition. Provisions in World Bank Operational Policy OP4.12: Involuntary Resettlement provides essential guidance on policy objectives and principles that are applicable to impacts caused by the project in relation to land acquisition and resettlement.

Every reasonable effort shall be made to avoid or minimize the need for land acquisition, and to minimize all resettlement-related adverse impacts. If neither land acquisition nor associated adverse impacts can be avoided, the objective of the RPF is to ensure that all affected persons ("displaced persons" as defined below) are compensated at replacement cost (as defined below) for lost assets and otherwise provide them with sufficient opportunity to improve,

or at least restore, their incomes and living standards by means of corresponding assistance and restoration measures.

“Displaced persons” refers to all the persons who, on account of the activities listed above, would have their (1) standard of living adversely affected; or (2) right, title, interest in any house, land (including homestead, agricultural and grazing land) or any other fixed or movable asset expropriated or possessed temporarily or permanently; (3) access to productive assets adversely affected, temporarily or permanently; or (4) business, occupation, work or place of residence or habitat adversely affected; and the “displaced person” means any of the persons that need to be displaced.

"Replacement cost" is defined as follows: for agricultural land, it refers to 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. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard. Such additional assistance is distinct from resettlement measures to be provided under other clauses in OP4.12, para. 6.

“Land acquisition” means, on account of implementing the project, a person loses the ownership, use right and access opportunity of land involuntarily. Land acquisition may cause a series of correlative influences, including loss of residence or other fixed assets (wall, well, tomb or other additional structure or improvement facilities on the land).

“Resettlement” means the process to provide sufficient opportunity to affected persons to restore productivity, income and living standard..

“Cut-off date” is the date, prior to which, in case the ownership or use right is affected, such population are eligible for compensation or other assistance. The cut-off date shall be fixed in RPF and usually consist with the census data of affected population or the publication date of specific civil work that causes demolition. The person who enters the project area beyond the cut-off date will not be eligible for compensation or other assistance.

World Bank’s Operational Policy OP4.12 establishes key principles for resettlement plan (RP) and its implementation. Particular principles in relation to this RPF are listed as follows:

(1) Wherever possible, at the design stage, the project and RPs should be conceived from the perspective of improving the development opportunities for the displaced persons to make the displaced persons fully benefit from the development, services and related facilities newly created for, or by project activities.

(2) All persons with legal rights are compensated at replacement cost for lost assets, and those affected persons lacking legal rights are provided assistance in lieu of compensation.

(3) To establish the compensation rates in the RP is to provide compensations for all collectives or individuals which suffer property loss. In no circumstances should compensation amount be allowed to provide at a discount or decreased according to depreciation or for other reasons.

(4) In case cultivated land is expropriated, it often is preferable to arrange for land-for-land replacement through collective land redistribution. In case only small proportions of income are earned from cultivated land, alternative

measures such as payment of cash is acceptable if preferred by the persons losing agricultural land.

(5) Residence or homestead, or sites for businesses operation and agricultural production, which are displaced for land acquisition, shall at least have such use value equivalent to the land that was lost.

(6) The resettlement transition period should be minimized. Relevant compensation for assets should be paid before residents are affected, so that new houses can be constructed, fixed assets can be removed or replaced, and other necessary mitigation measures can be undertaken prior to actual displacement. Adequate transitional support should be provided to any persons unable to obtain replacement housing prior to displacement, until replacement housing is obtained.

(7) Displaced persons should be consulted during the process of RP preparation to solicit and consider their requests and suggestions; RPs shall be publicly disclosed in a manner accessible to displaced persons.

(8) The previous level of community services and access to resources will be maintained or improved after resettlement.

(9) The borrower is responsible for all costs associated with land acquisition and resettlement. Demands for financial and material resources during the process of resettlement and rehabilitation will be fully satisfied when required.

(10) RAP shall include adequate institutional arrangements to ensure resettlement and rehabilitation measures are designed, planned and implemented in an effective and timely manner.

(11) Adequate arrangements for effective internal and external oversight mechanism shall be made to monitor the implementation of resettlement measures.

(12) Necessary ways for displaced persons to raise grievance shall be made to provide displaced persons with appealing process.

III. Legal and Policy Framework for Resettlement

The primary purpose of this RPF is to ensure that RP and its implementation meet the requirements of World Bank OP4.12. Additionally, all activities in relation to land acquisition and resettlement in the project shall comply with the laws and regulation of the country. Details of specific policy framework are shown in Table 1 below.

Table1 Resettlement policies of the Project

Tier	Policy Documents	Effective Time
State and Ministries and commissions Directly under the State Council	Real Right Law of the People' s Republic of China	October 1, 2007
	Land Administration Law of the People's Republic of China	August 28, 2004
	Regulations for the Implementation of Land Administration Law of the People's Republic of China (No. 256 Decree of the State Council)	December 27, 1998
	Regulations on the Expropriation of Houses on State-owned Land and Compensation (No. 590 Decree of the State Council)	January 21, 2011
	Methods on Expropriation and Evaluation of Houses on State-owned Land ([2011] No. 17 of MOHURD)	June 7, 2011
	Decisions of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration ([2004] No.28 of NDRC)	October 21, 2004
	Guiding Opinions on Improving the Compensation and Resettlement System ([2004] No. 238 of MLR)	November 3, 2004
	Notice of the State Council on the Relevant Issues Concerning Intensifying the Land Control (No. 31 [2006] of the State Council)	August 31, 2006
	Notice of the Ministry of Land and Resources on Developing the Work of Making Unified Standards of Annual Output Value and integrated land section price for Land Acquisition ([2005] No. 114 of MLR)	July 23, 2005
	Notice of the General Office of the State Council on Forwarding the Guiding Opinions of the Ministry of Human Resources and Social Security on Doing a Good Job on Employment Training and Social Security of Land-expropriated Peasants ([2006] No. 29 of the General Office of the State Council)	April 10, 2006
Measures for Announcement of Land Expropriation (No. 10 Decree of MLR)	January 1, 2002	

Tier	Policy Documents	Effective Time
Guangxi Province	Measures of Guangxi Zhuang Autonomous Region on Implementing the Land Administration Law of the People's Republic of China	July 29, 2001
	Notice of the Office of the People's Government of Guangxi Zhuang Autonomous Region on the Implementation of Unified Annual Output Value for A New Round of Land Acquisition ([2020] No.9 of the Office of Guilin Municipal Government)	January 1, 2010
	Notice of the Human Resources and Social Security Office of Guangxi Zhuang Autonomous Region on Relevant Issues Concerning Implementing the Trial Measures of Guangxi Zhuang Autonomous Region on Social Security of Land-expropriated Peasants ([2008] No. 81 of the Human Resources and Social Security Office of Guilin City)	April 16, 2008
	Notice of the Office of the People's Government of Guangxi Zhuang Autonomous Region on Forwarding the Trial Measures of Human Resources and Social Security Office and Relevant Departments of Guangxi Zhuang Autonomous Region on Social Security of Land-expropriated Peasants of Guangxi Zhuang Autonomous Region ([2008] No. 18 of the Office of Guilin Municipal Government)	March 14, 2008
	Implementation Opinions of the People's Government of Guangxi Zhuang Autonomous Region on Intensifying Vocational Training and Promoting Employment ([2011] No. 66 of Guilin Municipal Government)	December 8, 2011
	Notice on Printing and Issuing the Measures on the Administration of Relevant Subsidy of Special Employment Fund of Guangxi Province ([2011] No. 213 of Financial Department, Human Resources and Social Security Department of Guilin City)	November 8, 2011
Guilin City	Notice of Guilin Municipal People's Government on Issuing the Unified Annual Output Value for A New Round of Land Acquisition ([2013] No. 15 of Guilin Municipal Government)	January 31, 2013
	Measures on Compensation and Resettlement for Collective Land Acquisition within Urban Area of Guilin City	/
	Notice of Guilin Municipal People's Government on Printing and Issuing the Interim Measures on the Employment Training and Social Security for Land-expropriated Peasants of Guilin City ([2009] No. 65	/

Tier	Policy Documents	Effective Time
	of Guilin Municipal Government)	
	Notice of the Office of Guilin Municipal People's Government on Printing and Issuing the Rules for Implementing the subsistence security for Urban Dwellers of Guilin City (Trial) ([2005] No. 153 of the Office of Guilin Municipal Government)	December 1, 2005
World Bank	Operational Policy OP4.12 Involuntary Resettlement and Annexes	January 1, 2002
	Operational Procedures OP4.12 Involuntary Resettlement and Annexes	January 1, 2002

Laws, regulations and policy documents above form the legal basis and policy framework to provide the persons affected by land acquisition and resettlement with compensation to restore production and resume life.

IV. Preparation and Approval of RPs

The borrower is responsible for preparing and implementing the RP (including the responsibility for meeting all costs associated with resettlement). However, the district/county-level land resources departments are responsible for many aspects of land acquisition and resettlement. The borrower will coordinate the project activities through project management institutions to ensure that effective RPs are made and implemented. The RPs shall combine with local construction, resource development, economic development and environmental protection and fully display the sustainability of the development of local economy and affected persons. In consideration of local natural, social and economic situations, practical and feasible RPs shall be made to effectively restore the production and living standard of displaced persons and maintain the sustainable development capability.

Once it is determined that land acquisition is unavoidable in project implementation, it is necessary to conduct involuntary resettlement survey, and determine the amount of land acquisition and resettlement impacts. At this point, relevant resettlement report documents, such as the RAP, the Abbreviated Resettlement Action Plan (ARAP) and the Due Diligence Report

on Resettlement, should be prepared and submitted to the World Bank. In addition, linked project for which the Due diligence will be undertaken. During the RP preparation, a cut –off date is necessary to be established.

Only when these report documents have passed the examination of the World Bank can the PMO and the project implementing agencies begin to implement land acquisition, property demolition and resettlement activities. Taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons.

RPs shall reasonably estimate the transition period according to the time that the production and living standard restoration may need, and ensure the displaced persons can obtain assistance during the transition period. The borrower shall through census confirm and list the lands that need to be expropriated and the persons that need to be relocated, decide which persons are eligible to obtain assistance and prevent ineligible persons from accession; through socio-economic surveys confirm the range and degree of adverse impacts within the affected area. Census must cover all directly-affected population, while socio-economic surveys can take the sampling method.

RPs shall include both full RPs and abbreviated RPs (See World Bank's Operational Policy OP4.12, Annex A, for abbreviated RPs). A full plan is required any time any persons are significantly affected or if the total number of affected persons exceeds 200. The abbreviated plan is appropriate when the total number of affected persons is less than 200.

If a RP is necessary, it will be prepared in accordance with the policy principles and planning and implementation arrangements set forth in this RPF. The RP shall be prepared on the basis of the results of accurate census and socio-economic surveys, and shall establish appropriate mitigation measures (e.g., compensation for assets, transitional assistance and economic rehabilitation assistance) for all categories of adverse impacts caused by resettlement, and the measures to assist the displaced persons are implemented in accordance with the plan of action as part of the project. On

the basis of the categories of adverse impacts, the RPs shall pay special attention to the following aspects:

- (1) Description of the activity causing land acquisition;
- (2) Range and degree of potential adverse impacts;
- (3) Baseline Results of socio-economic survey and census;
- (4) Review of relevant laws and regulations relating to land acquisition and resettlement;
- (5) Specific compensation rates (or alternative measures) for all categories of affected assets;
- (6) Other measures, if any, necessary to provide opportunities of economic rehabilitation for displaced persons;
- (7) Eligibility criteria for compensation and all other forms of assistance;
- (8) Relocation arrangements, if necessary, including transitional support;
- (9) Site selection and site preparation, if necessary;
- (10) Restoration or replacement of community infrastructure and services;
- (11) Organizational arrangements for implementation;
- (12) Consultation and information disclosure arrangements;
- (13) Resettlement implementation schedule;
- (14) Costs and budget;
- (15) Monitoring and evaluation arrangements;
- (16) Grievance procedures
- (17) Summary entitlements matrix

If an abbreviated RP is to be prepared, it also must be based on principles and planning and implementation arrangements established in this RPF. An abbreviated RP shall at least include the following contents:

- (1) Census of displaced persons and evaluation of affected assets;
- (2) Description of compensation and other resettlement assistance (measures) to be provided;
- (3) Eligibility criteria;
- (4) Consultation and information disclosure arrangements;
- (5) Organizational arrangements for implementation;

- (6) Timetable and budget;
- (7) Monitoring and evaluation arrangements;
- (8) Grievance procedures;

V. Compensation and Settlement Rights of Displaced Persons

All affected displaced persons are eligible to obtain the compensation and/or other forms of assistance. Specific details are associated with the nature of impacts they suffered.

Generally speaking, the eligible persons will include the population affected by the means as follows:

Displaced persons may be classified in one of the following three groups: (a) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country); (b) those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets--provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan; and (c) those who have no recognizable legal right or claim to the land they are occupying.

Persons covered under (a) and (b) are provided compensation for the land they lose, and other assistance. Persons covered under (c) are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy framework, if they occupy the project area prior to a cut-off date established by the borrower and acceptable to the Bank. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in (a), (b), or (c) are provided compensation for loss of assets other than land.

The purpose of the RP is to ensure that the affected persons have sufficient opportunities to replace lost assets, and improve or at least restore their income and standard of living. To achieve this purpose, it is necessary to identify the impacts so that all affected persons are not only entitled to

assistance but also to compensation for their losses. In particular, the affected persons will be entitled to the following types of compensation and resettlement measures (See Table 2 for a summary).

(1) Affected population losing farmland

a) Preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. If land is not the preferred option of the displaced persons, non-land-based options built around opportunities for employment or social security program should be provided in addition to cash compensation for land and other assets lost. .

b) The affected population will receive compensation at market price for young crops, at net present value for commercial forests, and replacement cost for other fixed assets (attached structures, wells, enclosing walls, irrigation improvement facilities, etc.).

c) Compensation will be paid for temporary land use at a rate associated with the period of use, and the occupied land and any affected asset will be restored to the pre-use condition at no expense for the proprietor or the user.

(2) Affected population losing properties

a) The displaced persons losing properties will be compensated in kind (through replacement of land for construction and housing of the same size and satisfied to the displaced persons), or in cash at replacement cost, and will receive assistance in displacement.

For any property demolished on rural collective land, a housing site of equivalent conditions in a nearby area will be offered for housing rebuilding, and cash compensation will be provided at full replacement cost, or resettlement housing will be offered directly to the displaced person;

For acquisition of housing on the state-owned land, a qualified real estate appraisal agency will be selected in consultation with the displaced person to appraise the market value of the property, and the amount of compensation and mode of resettlement will be determined on this basis; the acquirer should also provide resettlement housing at the displaced person's option.

b) If after partial acquisition, the remaining housing land is insufficient to rebuild or restore housing of the same size or value in any other structure, the whole plot and all buildings thereon will be acquired at replacement cost upon the displaced person's request.

c) For fixed assets, compensation will be paid at replacement cost.

d) The tenant of a property will consult with the proprietor about compensation for the loss arising from the termination of the lease, and receive assistance for

looking for another property and a moving subsidy from the borrower.

(3) Affected population losing business

Compensation for loss of business includes: (a) offering a replacement operating plot of the same size and customer accessibility, and satisfactory to the operator; (b) cash compensation for the lost operating property; (c) income lost during the transition period (including employee wages); and (d) moving subsidy.

(4) Vulnerable groups

Vulnerable groups involved in the Project include the elderly, the disabled and woman-headed households, and should be identified in the census.

The compensation and resettlement terms for all affected persons apply to these groups. In addition, vulnerable groups will receive extra assistance to ensure that their income and livelihoods are restored or improved as a result of project implementation.

(5) Ethnic minorities

Resettlement of ethnic minorities is particularly complex and may have significant adverse impacts on their identity and cultural survival. For this reason, the borrower should explore all viable alternative project designs to avoid physical displacement of these groups. When it is not feasible to avoid such displacement, preference is given to land-based resettlement strategies for these groups that are compatible with their cultural preferences and are prepared in consultation with them.

(6) Infrastructure and services

Infrastructure (e.g., water resources, road, sewage system or power supply) and public services (e.g., school, clinic or community center) should be restored or replaced for free for any affected community. In new resettlement sites, infrastructure and public services are provided as necessary to improve or maintain accessibility and levels of service for the displaced persons. Patterns of community organization appropriate to the new circumstances are based on choices made by the displaced persons. To the extent possible, the existing social and cultural institutions of the displaced persons and any host communities are preserved and the displaced persons' preferences with respect to relocating in preexisting communities and groups are honored.

Table 2 Entitlement of displaced persons affected in different ways to compensation and resettlement

Type of impact	Type of affected persons	Type of compensation	Resettlement policy
Permanent land acquisition	Villagers having formal rights to land in the affected village	Land compensation fees, resettlement subsidies and young crop compensation fees	Land reallocation in the village or cash compensation, skills training, employment support, and social security for land-expropriated farmers

Type of impact	Type of affected persons	Type of compensation	Resettlement policy
	Individuals farming on rented land temporarily	Young crop compensation fees	Assisting in looking for other farmland
Property demolition and rebuilding	Proprietors of affected properties on rural collective land	New housing site, cash compensation for affected property based on full replacement cost, moving subsidy and transition subsidy	New housing site acceptable in size and accessibility
	Proprietors of affected properties on state-owned land	Providing cash compensation for the property based on the replacement cost , offering resettlement housing at the displaced person's option; moving subsidy and transition subsidy	Resettlement housing of equivalent size, location and quality, and satisfactory to the displaced person, or cash compensation sufficient to purchase such housing
	Property tenants	Consulting with the proprietor about compensation for the loss arising from the termination of the lease	Assisting in looking for another property
Loss of non-residential buildings	Business operators and employees forced to move	1) New operating plot or cash compensation based on replacement cost; 2) cash compensation for loss of operating property; 3) transitional support for loss of income (including employee wages); 4) moving subsidy	A new operating plot acceptable in size, location and operating conditions
Loss of attachments and other assets	Proprietors of attachments and other assets	Cash compensation based on replacement cost	
Loss of infrastructure	Proprietors or management agencies of affected facilities	Funds for restoring the affected facility to the original condition and function, or paid to competent authority for restoration	Infrastructure and services should be restored timely to avoid any adverse impact on the host community.
Direct losses of various types	Vulnerable groups, such as the poor, the elderly, the disabled, woman-headed households	Offering extra support so that their income level and standard of living are restored or improved	

VI. Implementation Procedure

RPs shall include all detailed activity implementation schedules. Compensation payment and other rehabilitation measures (in cash or other means) as well as other necessary resettlement activities shall at least be completed one month prior to the land acquisition. In case all compensations fail to be made prior to land acquisition or necessary assistance measures fail

to be provided, the transitional subsidy shall be provided. Moreover, during the implementation of acquisition, relocation and resettlement, basic legal procedures below shall also be followed.

(I) General Procedure for Acquisition and Relocation on Collective Land

According to Article 20 of the *Regulations on the Implementation of the Land Administration Law of the Peoples Republic of China*, within the scope of urban construction lands confirmed in general land use plan, land acquisition for the implementation of urban planning shall be conducted in accordance with following regulations:

1. The municipal and county-level people's government shall draw up the agricultural land conversion plan, supplementary cultivated land plan and land acquisition plan in accordance with annual land use plan and submit them to the people's governments with the approval authority in batches and level by level.

2. The competent department responsible for land administration under the people's governments with the approval authority shall examine the agricultural land conversion plan, supplementary cultivated land plan and land acquisition plan and give corresponding examination suggestions and then report to the people's governments with the approval authority for approval; among the plans, the supplementary cultivated land plan shall be approved by the people's governments at time of approval of the agricultural land conversion plan.

3. After the approval of agricultural land conversion plan, supplementary cultivated land plan and land acquisition plan, the municipal and county-level people's governments are responsible for organizing the implementation and provide lands according to specific construction projects.

In accordance with Article 25 hereof, after the approval of land acquisition plan, the municipal and county-level people's governments in the place where lands are expropriated shall be responsible for organizing the implementation and

announce the departments that approve of the land acquisition plan, the approval document No., the use, scope, area and compensation rate of land acquisition, resettlement measures of agricultural population and cut-off time of acquisition compensation in townships (towns) and villages where lands are expropriated.

The competent departments responsible for land administration under the designated municipal and county-level people's governments shall, in accordance with the approved land acquisition plan, draw up acquisition compensation and resettlement plans together with relevant departments, make an announcement in townships (towns) and villages where lands are expropriated and listen to the suggestions of land-expropriated rural collective economic organizations and peasants. After acquisition compensation and resettlement plans are submitted to municipal and county-level people's government for approval, the competent departments responsible for land administration under the municipal and county-level people's governments shall be responsible for organizing the implementation. In case of disputes on compensation rate, the local people's government at the county-level and above shall be responsible for coordination. In case governmental coordination doesn't work, the people's government that approves of the land acquisition shall rule on such disputes.

Various expenses on land acquisition shall be paid in full within three months as of the approval date of the acquisition compensation and resettlement plans.

(II) General Procedures on Expropriation of Buildings on the State-owned Land

In accordance with the *Regulations on the Expropriation of Buildings on the State-owned Land and Relevant Compensation*, at time of expropriating the houses and buildings on the state-owned land, the project shall comply with following basic procedures:

1. Make house expropriation decision in light of legal conditions and procedures;
2. Make a public announcement on houses expropriation and taking back the use right of state-owned land;
3. Select qualified evaluation authority to evaluate the value of houses and make public notice on evaluation results;
4. Sign the agreement on compensation for house expropriation;
5. Announce compensation situation and establish expropriation archives;
6. Demolish expropriated houses and transfer expropriated land.

VII. Resettlement Budget and Arrangements

The borrower is responsible for performing all the duties associated with land acquisition and resettlement. In accordance with the RPF, all RPs shall include costs and budgets. All population, which are adversely impacted by land acquisition, are entitled to enjoy the compensation and appropriate settlement measures, whether such population are confirmed or not during the period of the RP or sufficient mitigation funds are put in place or not. Therefore, RPs shall establish the contingencies, which usually exceed 10% of total resettlement costs and are used for the unexpected settlement costs.

The compensation rate established in RPs provides the resettlement compensation with calculation basis. Full compensation shall be provided to such collectives or individuals as lose property at the full replacement price. In no circumstances should compensation discounts be allowed. RPs shall describe the process, in which the compensation goes from the borrower to the affected persons. As a request of principle, compensation fund shall be provided to the affected population directly as much as possible. During the payment process, such intermediate links and procedures as coordination and arbitration shall be reduced as much as possible.

VIII. Consultation and Information Disclosure

Great importance shall be attached to the participation and consultation of displaced persons in making resettlement policies, and preparing and implementing RPs. Such opportunities as socio-economic surveys and social impact assessment surveys shall be utilized to extensively publicize and introduce the settlement policies of the project and solicit opinions from various types of affected population. Through full-range public participation, coordination and communication, local government, affected villages and affected population have fully understood of the potential impacts, resettlement policies and income rehabilitation plan of the project.

The participation of affected persons or consultation with affected persons serves as the starting point of the resettlement activity. Consultation can facilitate the smooth implementation of project and serves as a basic mean to achieve the goal of resettlement and rehabilitation. RPs must describe such measures that are carried out to consult with the displaced persons on RPs and provide the displaced persons and their communities or resettlement communities that accept the displaced persons with timely and relevant information in order to encourage the displaced persons and residents of resettlement communities to participate in and jointly make the RPs and also provide them with the opportunities to participate in the planning, and implement and monitor the resettlement activity. Necessary infrastructure and public services shall be provided in new resettlement sites or communities to improve, restore or maintain the utilization degree and service level of original facilities. In order to ensure the opinions and choices of the affected persons shall be fully considered, necessary consultation shall be made prior to the determination of project design and mitigation measures. By means of external oversight (see below), the public participation shall be penetrated in the implementation of RPs.

Settlement office of the project and local resettlement implementing units at various levels can adopt following procedures and measures to encourage the affected population to participate and consult in:

(1) Publicize Resettlement Information

In order to the displaced persons and local governments of affected areas to fully understand the details of RPs and the compensation and RPs of various components, after sorting and summarizing the World Bank-approved resettlement information of various components, the resettlement office of the project shall also announce such information by putting up a notice or publish such information by means of broadcasting, TV or network media and make such information into the information handbook and then provide it to every displaced person. The main contents of resettlement information consist of all lost properties, compensation rate, compensation amount and resettlement policies, rights and interests of displaced persons, feedback and grievance channels.

(2) Hold Public Consultation Meeting

According to actual situation of acquisition and demolition, the resettlement office of the project shall irregularly organize the affected population to hold the consultation meeting. All meetings shall invite the representatives of the vulnerable groups, especially women, be monitored by external independent monitoring institutions and publicize the construction contents, progress and resettlement policies of the project via TV, broadcasting, newspapers and network.

(3) Hold Villagers' Representative Meetings

Project Management Office shall also disclose the drafts and final version of RPs to the displaced persons and the public in project areas and provide such materials in the convenient and accessible sites for displaced persons. General sites for RPs disclosure include public library, village committee and recreation room for villagers in affected villages, governmental public information websites. The RPs shall be easy to understand. RP draft shall be published one month before submitting to the World Bank for examination and approval. The final version shall be published after being recognized by the World Bank.

IX. Appealing Process

The main objective of the resettlement is to ensure the production and life of the affected population can be restored and improved. Therefore, after consultation with the displaced persons, the resettlement will not cause grievance in most cases. However, during the implementation of project, various problems will more or less arise. In order to solve such problems in a timely and effective manner to safeguard the resettlement goes on wheels and ensure displaced persons have the grievance channels in acquisition and resettlement, the project will make relevant appealing process below:

- Stage 1: in case the displaced persons are dissatisfied with the RPs, they can raise orally or written grievances to the collective project group of affected villages, village committee or sub-district office/township sub-district office; in case of oral grievances, the village committee or sub-district office/township sub-district office shall deal with them and have written record. The collective project group of affected villages, village committee or sub-district office/township sub-district office shall solve within one week.
- Stage 2: In case the displaced persons are still dissatisfied with the results of Stage 1, upon receipt of the decision, they can raise grievances to the owners of various projects; the owners of various projects shall give their handling decision within two weeks.
- Stage 3: In case the displaced persons are still dissatisfied with the results of Stage 2, upon receipt of decision, they can raise grievances to the Project Management Office/Bureau of Letters and Calls of Guilin City; the Project Management Office/Bureau of Letters and Calls of Guilin City shall give the handling decision within two weeks.
- At any stage, in case the displaced persons are dissatisfied with the existing appealing process or handling results, the affected population can directly sue in civil court.
- The displaced persons can also report the situation to the supervision unit of displaced persons and external oversight unit. All grievances (oral or written) shall be included in the monitoring report on displaced

persons and submitted to the World Bank.

The abovementioned modes of grievances shall be published in a manner that can be understood by the affected persons, to help the displaced persons fully understand their rights of grievances. Relevant units shall make field research on the grievances and dissatisfied issues raised by the displaced persons to fully solicit the opinions of the displaced persons and give the handling suggestions in an objective and fair manner in accordance with laws and regulations of the country and various principles and standards established in the RPs.

X. Arrangements for Monitoring and Evaluation

The bases of monitoring and evaluation on displaced persons include: (1) relevant laws and administrative regulations of the country associated with displaced persons; (2) Relevant business guidelines of the World Bank; (3) legal documents directly associated with the project, such RPs recognized by both the World Bank and the project owners.

Principles of monitoring and evaluation on displaced persons include: (1) investigate, understand and evaluate the implementation of RPs in a periodical manner; (2) accurately conduct data collection and material analysis to ensure the accuracy of the results of monitoring and evaluation; (3) evaluate the implementation of RPs in a scientific, objective and fair manner; (4) report to the project owners and the World Bank in a timely manner to help them understand the project progress in time and make scientific decision.

Generally speaking, internal monitoring shall cover following contents:

(1) Organizational structure: establishment and labor division of resettlement implementation units and relevant institutions, manning and capability construction of resettlement institution;

(2) Resettlement policies and compensation rates: establishment and implementation of resettlement policies; actual implementation situation of compensation for various impacts and losses. What needs special explanation

is whether implementation is made in accordance with the standards established in RPs; in case of any change, please explain the reasons;

(3) Implementation progress of acquisition and resettlement activities

(4) Resettlement budget and its implementation

(5) Resettlement of production and employment: resettlement mode of rural displaced persons (resettlement of land adjustment, new land development, enterprises and institutions, self-employment and endowment insurance), number of persons, employment resettlement of displaced persons caused by store and enterprise demolition, resettlement of vulnerable groups (indigenous peoples, household supported by women, the aged, the disabled and so on), reclamation of temporarily- expropriated land, resettlement effects and etc;

(6) Housing reconstruction and living resettlement of displaced persons: mode and direction of resettlement for rural displaced persons, arrangement and distribution of homestead, form of housing reconstruction, “three supplies and one leveling” of homestead, payment of compensation, construction and relocation of infrastructure (water, electricity, road and commercial network); resettlement mode of urban displaced persons, resettlement sites, resettlement housing construction, selection and distribution of resettlement housing, construction and relocation of public facilities; reconstruction and distribution of commercial stores and housing and reconstruction and distribution of housing for enterprises and institutions;

(7) Rehabilitation and reconstruction of mining enterprises and institutions, stores, urban (collective) town and various special facilities (water conservancy, power, post and telecom and traffic facilities and pipelines);

(8) Grievance, appeal, public participation, consultation, information disclosure and external oversight;

(9) Handling of relevant issues in World Bank Project Inspection Mission’s Aide-memoire;

(10) Existing issues and relevant solutions.

External oversight and evaluation will be undertaken by such organizations or institutions independent of project owners and resettlement implementing units and capable of resettlement monitoring and evaluation. External oversight and evaluation shall cover following contents:

(1) Resettlement institutions: to monitor the establishment, labor division and manning of owners and resettlement implementing units by means of surveys and interviews; compare with RPs to evaluate the suitability;

(2) Resettlement policy and compensation rate: to investigate and understand the main policies of resettlement measures and compare them with RPs to analyze the changes and evaluate the suitability; to verify the implementation of compensation rates for various resettlement losses (especially such main losses of permanent land acquisition and house demolition) by means of typical sampling surveys and compare with RPs to analyze the changes and evaluate the suitability;

(3) Progress of resettlement implementation

(4) Resettlement compensation and budget

(5) Production and employment resettlement: to evaluate the implementation of the production and employment resettlement and income rehabilitation plans by means of typical sampling surveys and track monitoring on typical displaced persons.

(6) Housing reconstruction and living restoration: to make analysis and evaluation by sampling surveys.

(7) Rehabilitation and reconstruction of industrial and commercial enterprises and institutions: to understand the demolition and reconstruction of enterprises and institutions as well as stores by means of literature reading, typical sampling surveys and tract monitoring; to compare with RPs to evaluation the suitability;

(8) Rehabilitation and reconstruction of cities and towns and special facilities: to understand the implementation of demolition, reconstruction and rehabilitation of cities and towns by means of literature reading and field surveys; to compare with RPs to evaluate the suitability;

(9) Rehabilitation of income, production and living standard: to understand the stream, amount, structure, stability and expenditure structure of incomes of the typical displaced household by means of baseline surveys before land acquisition and the tract monitoring after the land acquisition, and compare with the income level of the displaced persons before and after the relocation to evaluate the realization of resettlement objective realization such as income restoration; to make a comparison in various aspects, including typical sample household, residence (housing), traffic, public facilities, community environment, culture and entertainment and economic activities to analyze and evaluate the realization of resettlement objectives such as the restoration of income and living standard of displaced persons;

(10) Complaints and grievances and Complaints: to monitor the channel and process of complaints and grievances and major matters and treatment of complaints by means of literature reading and field surveys on typical households;

(11) Public participation, public discussion and consultation and information disclosure: to monitor public participation, public discussion and consultation and their effects, the preparation, printing and feedback of resettlement information handbook, the information disclosure and its effects during the implementation of resettlement by means of literature reading and field surveys;

(12) To implement and address the issues in World Bank Project Inspection Mission's Aide-memoire and previous resettlement monitoring and evaluation report;

(13) Conclusion and suggestions: to summarize the implementation of resettlement and draw corresponding conclusion; to tract the problems until such problems have been solved.

During the relocation, external oversight and evaluation institutions usually conduct the field surveys and monitoring evaluations twice a year. Upon completion of the relocation, the external oversight and evaluation institutions can conduct the field surveys and monitoring evaluations once a year and can also increase or decrease the frequency of surveys and monitoring evaluations

appropriately according to the needs of resettlement with the consent of the World Bank. External oversight and evaluation need continue to the realization of resettlement objectives usually. Opinions and suggests on the restoration of production and living standard during the whole process of resettlement can be given through the external oversight and evaluation. The external oversight and evaluation report shall be submitted to the Project Management Office and the World Bank simultaneously.