

Social Safeguard Planning Document

Social Safeguards Management Framework
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Prepared by HNA Airport Group Company, Limited (HAG)

The Social Safeguards Management Framework is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

SOCIAL SAFEGUARDS MANAGEMENT FRAMEWORK

A. Objectives

1. This Social Safeguards Management Framework (SSMF) defines the policies, procedures, roles and responsibilities of HNA Airport Group Company, Limited (HAG) for screening and management of adverse social impacts and risks, particularly the land acquisition and involuntary resettlement, and indigenous peoples issues in projects undertaken through its portfolio airports, or project companies (PCs). The SSMF has been prepared by the HAG as part of its commitment to complying with the Asian Development Bank's (ADB) safeguard policies, in particular ADB's Policies on Involuntary Resettlement¹ (1995) and Indigenous Peoples (1998).²

B. Expected Scope of Social Safeguards issues in HAG Operations

2. The HAG is a holding company that is directly or through its subsidiaries engaged in both aeronautical and non-aeronautical businesses, consisting of the provision of terminal facilities, ground handling services and passenger and cargo handling services, sales of duty-free and consumable goods, leasing of commercial and retail spaces, car parking and so on. Some of these activities, such as construction and or expansion of airport building and ground operations may require acquisition of land that is not already in possession of the portfolio airports and may thereby cause direct or indirect impacts on fixed assets, incomes or livelihoods, and/or restrictions of access to income source which would cause loss of incomes. Although unlikely, some instances these adverse impacts may also affect ethnic minorities and other vulnerable groups.

3. HAG itself will not be involved directly in land acquisition or resettlement. Such activities will typically be undertaken by HAG's PCs, often involving county or municipal governments. Accordingly, this Social Safeguards Management Framework sets out the procedures roles and responsibilities for ensuring that ADB's social safeguard requirements are fully complied by HAG for the PCs that will utilize ADB loan proceeds.

C. Investment Selection Criteria

4. HAG will select projects that conform with municipal land use planning regulations, evidenced by valid land transfer contracts with the relevant municipal land bureau or private title holder, together with valid land title certificates (with red line site map). In addition, HAG will ensure that no project is selected for investment that is likely to be non-compliant with ADB's Indigenous Peoples Policy (1998).

D. Definitions

5. For the purposes of this framework, the following definitions will apply:

- (i) ***Involuntary resettlement*** - refers to social and economic impacts that are permanent or temporary and are (i) caused by acquisition of land and other fixed assets, (ii) by change in the use of land, or (iii) restrictions imposed on land as a result of a HAG investment.

¹ ADB. 1995. *Involuntary Resettlement*, Manila.

² ADB. 1999. *The Bank's Policy on Indigenous Peoples*, Manila.

- (ii) **Affected person (AP)** - includes any people, households, firms, or private institutions who, on account of changes that result from the project will have their (i) standard of living adversely affected; (ii) right, title, or interest in any house, land (including residential, commercial, agricultural, forest, and/or grazing land), water resources, or any other moveable or fixed assets acquired, possessed, restricted, or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence, or habitat adversely affected, with or without displacement.
- (iii) **Ethnic Minority/Indigenous people** – should be regarded as those with a social or cultural identity distinct from the dominant or the mainstream society, which makes them vulnerable to being disadvantaged in the process of development.

E. Policy Framework

6. HAG shall ensure that the involuntary resettlement activities of PCs funded by ADB are conducted in accordance with the following: (i) ADB's Policy on Involuntary Resettlement (1995); (ii) ADB's Policy on Indigenous Peoples (1998); (iii) applicable national and provincial laws and regulations governing land acquisition, compensation and resettlement, and consultation and disclosure of resettlement information.³

7. Objectives for managing involuntary resettlement impacts are: (i) to avoid involuntary resettlement wherever feasible; (ii) to minimize resettlement where population displacement is unavoidable; and (iii) to ensure that affected persons receive assistance so that they will be at least as well off as they would have been in the absence of the project.

8. Objectives for managing adverse impacts on ethnic minorities and indigenous peoples are: (i) to avoid negative impacts on ethnic minorities/indigenous peoples where possible; (ii) to provide adequate and appropriate compensation when negative impacts are unavoidable; and (iii) to ensure that development initiatives affecting indigenous peoples are effective and sustainable and are compatible in substance and structure with affected peoples' culture and social and economic institutions; and commensurate with the needs, aspirations and demands of affected people.

9. The Resettlement Plans (incorporating Ethnic Minority Development Plans, where necessary) will pay particular attention to addressing the needs of the poorest affected people and vulnerable groups that may be at high risk of impoverishment.

10. The SSMF stipulates eligibility and entitlement provisions for losses of land, house, crops, and other assets at replacement rates. Land losses will be compensated as follows: (i) people losing agricultural and residential land will be compensated through "land for land" arrangements wherever feasible; (ii) if "land for land" arrangements are not feasible, the person losing agricultural land will be reclassified and provided with social security and job opportunities; (iii) in accordance with Document 28 majority of the cash compensation for lost land at rates stipulated by the 1998 Land Law and recent amendments will be paid to the affected persons and the remaining amount may be used by the village collectives for

³ For instance for the Langzhou Airport Expansion, the following provincial regulations will be followed where applicable: (i) Implementation Regulation of Land Administration Law for Gansu Province (2003); (ii) Method of Land Acquisition for Large Infrastructure Projects in Gansu (Effective in 2001); (iii) Method on Cultivated Land Occupation Tax in Gansu (1997) (iv) Decree on Collecting Cultivated Land Reclamation Fee (1998).

infrastructure and services directly benefiting the affected communities. Resettlement subsidies for land acquired will be directly paid to the people affected in cash through the village offices. House losses and loss of other structures will be directly compensated in cash at replacement cost free of demolition costs and salvaged materials. In-ground annual crop losses will be directly compensated in cash at current market prices. Business losses, including transfer and downtime costs, will be paid directly to the business owners. Compensation and other assistance to affected ethnic minorities will be conceived, planned and implemented with the informed participation of affected communities. Vulnerable households will receive assistance for house relocation and reconstruction, to be organized by the relevant village or township committee. Affected persons including business enterprises will be relocated within the village on the remaining available land. If there is no available land or if a whole village community is affected, relocation sites will be identified in consultation with affected families and business owners. Demolition of housing, premises and other real property owned by corporations or individuals will be undertaken in accordance with the provisions of the *Urban Housing Demolition and Relocation Management Regulations* (2001) and the new *Property Law* (2007).⁴ In accordance with the *Property Law*, social security fees and the assurance of a place to live, and their legal rights will be protected.

F. Implementation Arrangements

1. Screening for Social Safeguard Impacts

11. As part of the due diligence process, prior to investing in any PC, HAG's senior officer responsible for social and resettlement performance assisted by Environment and Social Division will carry out an Initial Poverty and Social Assessment⁵ to determine whether any projects to be undertaken through the PC have (i) historically involved land acquisition or involuntary resettlement; or, (ii) or may in the future involve involuntary resettlement; and (iii) whether it had, or will have, any adverse impact on any ethnic minorities.

a. Projects with No Involuntary Resettlement Impact or Ethnic Minority Issues

12. Where no involuntary resettlement impacts are indicated or no impacts are identified on any ethnic minorities or indigenous peoples, no further action with regard to this SSMF will be required.

b. Projects with Historical Involuntary Resettlement Impacts or Ethnic Minority Issues

13. In case of land acquisition, involuntary resettlement or ethnic minority issues prior to HAG's involvement, HAG's Environment and Social Division and senior officer responsible for social and resettlement performance will cause to have prepared a social safeguards due diligence report. The social safeguards due diligence report should provide (i) a brief history of site land acquisition and resettlement, and parties responsible for implementation; (ii) details of affected land, population and assets; (iii) information on any affected ethnic minorities and their social, cultural and economic background; (iv) assessment of outcomes with respect to restoration of standards of living and livelihood; (v) information on any outstanding compensation or unresolved resettlement grievances or related areas of reputational risk to the

⁴ The new *Property Law* is effective beginning 1 October 2007.

⁵ Refer to ADB OM Section F2, September 2006 available in www.adb.org/resettlement. For a detailed explanation of IPSA, please see the ADB's Handbook on Poverty and Social Analysis, 2001.

company and to ADB; and, (vi) recommendation on whether a retrofit plan is required to define actions to achieve compliance with ADB's social safeguard policy requirements. The social safeguards due diligence report and, if required, a retrofit plan should be disclosed to affected persons and submitted to ADB for review and approval prior to finalizing any investment agreement.

c. Projects with Potential Involuntary Resettlement and/or Ethnic Minority Impacts

14. In the event that a PC may involve involuntary resettlement or impacts on ethnic minorities, HAG's Environment and Social Division and senior officer responsible for social and resettlement performance will:

i. Prior to investment

- (i) Assess the magnitude of involuntary resettlement and impacts to ethnic minorities, and in consultation with ADB, determine whether a short or full resettlement plan and/or ethnic minority development plan is required.
- (ii) Provide the PC with copies of this framework and ADB policies and guidelines.
- (iii) Advise the PC of the need for a resettlement plan and/or ethnic minority development plan.
- (iv) Ensure that information is disclosed to APs and to the general public in accordance with ADB's safeguard policy requirements, ADB's Public Communication Policy (2005) and relevant national laws and guidelines such as PRC's *State Council Decision on Deepening Reform of Land Administration* (28th Decree of State Council of Oct. 21, 2004) and *Measures for Announcement for Land Acquisition (Guotuzifa [2001] No.10)*.
- (v) Once a draft resettlement plan and/or ethnic minority development plan has been completed, submit it to ADB for review and approval
- (vi) Oversight any revisions required by ADB in order to finalize the resettlement plan and/or ethnic minority development plan.
- (vii) Obtain the PCs' endorsement of the resettlement plan and/or ethnic minority development plan.
- (viii) Verify local disclosure of the final resettlement plan and/or ethnic minority development plan.
- (ix) Submit the final resettlement plan and/or ethnic minority development plan for website disclosure.

ii. Following investment

- (i) Monitor implementation of the resettlement plan and/or ethnic minority development plan; and
- (ii) Prepare semi-annual social monitoring reports on the implementation of the resettlement plan and/or ethnic minority development plan, submit to ADB and disclose monitoring reports as required under the approved resettlement plan and/or ethnic minority development plan.

2. Preparing Social Safeguards Plans

15. **Resettlement Plans.** For each HAG investment with potential involuntary resettlement impacts, PCs involved in or planning involuntary resettlement will prepare a short or full

resettlement plan, depending on the significance of involuntary resettlement impacts. A full resettlement plan will be required where resettlement is 'significant'. Involuntary Resettlement is 'significant' when 200 or more people will experience major impacts, which are defined as: (i) being physically displaced from housing; or, (ii) losing 10 percent or more of their productive assets (income generating). If in a project an entire ethnic minority settlement is affected, even if the number is less than 200, full resettlement plan, incorporating Ethnic Minority Development Plan (EMDP) would be required. The format and scope of short and full resettlement plans are outlined in Tables A7.1 and A7.2.

16. **Ethnic Minority Development Plans.** If a HAG investment will have significant impacts on ethnic minorities, an EMDP will be prepared. Impacts will be considered significant if they positively or negatively (i) affect their customary rights of use and access to land and natural resources; (ii) change their socioeconomic status; (iii) affect their cultural and communal integrity; (iv) affect their health, education, livelihood, and social security status; or (v) alter or undermine the recognition of indigenous knowledge. An acceptable EMDP addresses the (i) aspirations, needs, and preferred options of the affected ethnic minorities; (ii) local social organization, cultural beliefs, ancestral territory, and resource use patterns among the affected indigenous peoples; (iii) potential positive and negative impacts on ethnic minorities; (iv) measures to avoid, mitigate, or compensate for the adverse project effects; (v) measures to ensure project benefits will accrue to ethnic minorities; (vi) measures to strengthen social, legal, and technical capabilities of government institutions to address indigenous peoples issues; (vii) the possibility of involving local organizations and non governmental organizations with expertise in ethnic minorities issues; (viii) budget allocation; and (ix) monitoring.

G. Institutional Responsibilities, Capacity and Resettlement Budget and Financing

17. Currently, HAG does not have a specific department to address social and environmental safeguards issues, which are addressed by individual portfolio airports that work as autonomous units. Portfolio airports coordinate directly with the local authorities to address any land acquisition and resettlement issues as and when needed. By and large, portfolio airports rely on local authorities for planning and implementation of land acquisition and resettlement activities. However, HAG recognizes the need for a uniform policy and procedures governing resettlement planning and implementation activities in all the portfolio airports that are already privatized, or would be privatized in the future, by HAG. To meet this objective, HAG has agreed to establish an Environment and Social Division (ESD) within the Planning and Construction Department to coordinate with individual portfolio airports on all issues related to the social and environment safeguards. Experienced environment and social staff will be appointed to coordinate environment and social safeguards issues with each portfolio airport and will be responsible to guide, oversee and monitor resettlement planning and implementation activities. There will however, be a need for institutional strengthening and to build capacity within the ESD, once it is established, to address social and environmental issues.

18. HAG ESD will handle overall coordination, planning, implementation, and financing responsibilities. Local municipal governments, through the resettlement offices, will be responsible for preparation and implementation of the agreed resettlement plans, including assets valuation, consultation, and delivery of entitlements. The relevant municipal land management bureaus are responsible for land recording and acquisition approvals. Field tasks such as payment of entitlements, replacement land selection, provision of livelihood support, and monitoring will be responsibility of township officers.

19. HAG ESD, together with its PCs and local municipal government, will ensure that the relevant municipal land management and resettlement offices are briefed on their obligations with respect to ADB's policies on Involuntary Resettlement and Indigenous peoples and requirements of this SSMF. HAG ESD will ensure that the cost of land acquisition and resettlement are included in the total subproject cost, that payments are made directly and on time to affected persons, and that any shortfalls required to meet resettlement objectives are covered by providing additional assistance and support to affected persons. The entitlements will be provided to the people affected before ground leveling and demolition commences. Moving subsidies and income support will be provided for the period of dislocation.

20. HAG ESD and the senior officer to be responsible for social and resettlement performance will receive training in (i) screening of projects for social safeguard impacts; (ii) ADB's social safeguard policies, procedures and requirements; (iii) social safeguards compliance monitoring; and, (iv) reporting. Where warranted, depending on the scale of resettlement and the capacity of the PC, HAG may require a PC to engage an experienced resettlement consultant to assist with resettlement planning, documentation and implementation. HAG will make funds available for the cost of training the senior officer and for establishing the Environment and Social Division.

H. Disclosure, Consultation, and Grievance Redress

21. Each resettlement plan and/or ethnic minority development plan will be prepared and implemented in close consultation with those affected, and involve surveys and village meetings. Compensation and assistance level will be determined by local authorities in consultation with the affected persons and their representatives. The compensation amounts will be finalized only after agreements between the authorities and affected persons is reached. In accordance with ADB's *Public Communications Policy* (2005) resettlement information including measurement of losses, detailed asset valuations, entitlements and special provisions, grievance procedures, timing of payments and displacement schedule will be disclosed to the affected people. Plans in the Chinese language will be made available to the public through postings in public places, such as township offices, for reasonable periods of at least four months prior to actual land acquisition. ADB will review and approve the resettlement plans and/or ethnic minority development plan, as they are prepared, and once finalized will disclose them on its website. Complaints and grievance procedures acceptable to ADB will be established in each resettlement plan and/or ethnic minority development plan.

I. Reporting, Monitoring, and Evaluation

22. HAG ESD will submit six monthly reports on the forthcoming investment pipeline, describing the likelihood of land acquisition and resettlement effects, and any ethnic minority or labor issues. ADB will review the pipeline reports and may comment on the screening requirements and documentation assumptions. HAG will submit a semi-annual report of performance monitoring against the social safeguard policies, and upon and after project completion. In accordance with ADB's *Public Communications Policy* (2005), HAG will make social monitoring reports available to affected people and submit these to ADB for web posting.

Table A7.1: Scope of Short Resettlement Plan

Topic	Contents
Executive Summary	
Scope of land acquisition and resettlement	<ul style="list-style-type: none"> • Alternative options, if any, considered to minimize land acquisition and its effects, and why the remaining effects are unavoidable. • Summary of key effects in terms of land acquired, assets lost, numbers of people affected, and socio-economic data • Detailed information on the social, cultural and economic characteristics of affected indigenous / ethnic minority communities
Objectives, policy framework, and entitlements	<ul style="list-style-type: none"> • Policy and legal framework for resettlement, with any gaps in this framework as compared to ADB policy • Measures proposed to bridge the gap between ADB's policy and national/provincial laws and regulations • Eligibility policy and entitlement matrix for all categories of loss, including compensation rates at replacement costs.
Gender Impact and Mitigative Measures	<ul style="list-style-type: none"> • Identify socio-economic condition, needs, and priorities of women • Include measures to ensure that process of land acquisition and resettlement does not disadvantage women and that land/house titles should be in the name of both spouses
Information Dissemination, Consultation, Participatory Approaches and Disclosure Requirements	<ul style="list-style-type: none"> • Identification of project stakeholders. • Disclosure of project Information • Consultations for determining principles • Mechanisms for stakeholder participation in planning, management, monitoring, and evaluation • Disclosure of RP to people affected • Local institutions or organizations to support people affected. Potential role of non-government organizations (NGOs), women's groups and community-based organizations (CBOs).
Grievance Redress Mechanisms	<ul style="list-style-type: none"> • Mechanisms for resolution of conflicts and appeals procedures
Compensation, relocation, and income restoration	<ul style="list-style-type: none"> • Arrangements for valuing and disbursing compensation. • Arrangements for housing relocation, including transfer, re-establishment and integration with host populations • Income restoration measures • Environmental risks identification and arrangements for environmental management and monitoring.
Institutional framework	<ul style="list-style-type: none"> • Main tasks and responsibilities in planning, managing and monitoring land acquisition and resettlement. • Ensure that (i) women's groups are involved in resettlement planning, management and operations, job creation and income generation; and (ii) female staff should be hired by the resettlement agency to work with and assist women in all aspects of resettlement activities.
Resettlement budget and financing	<ul style="list-style-type: none"> • Land acquisition and resettlement costs and funding sources including arrangements for timely disbursement to APs.
Implementation schedule	<ul style="list-style-type: none"> • Time bound actions for projected activities to ensure that people affected are compensated and assisted before award of civil works contracts.
Monitoring and evaluation (M&E)	<ul style="list-style-type: none"> • Arrangements for M&E. • Impact on women monitored and evaluated separately

Source: Adapted by HNA Airport Group Company, Limited from ADB's Format and Scope of a Full Resettlement Plan. Available: <http://adb.org/Resettlement/resources.asp>.

TABLE A7.2: Scope of Full Resettlement Plan

Topic	Contents
Executive Summary	
Scope of land acquisition and resettlement	<ul style="list-style-type: none"> • Scope of and rationale for land acquisition • Alternative options, if any, considered to minimize land acquisition and its effects, and justification for remaining effects • Key effects in terms of land acquired, assets lost, and number of people affected. • Primary responsibilities for land acquisition and resettlement.
Socioeconomic information	<ul style="list-style-type: none"> • Population record of people affected • Data on existing economic and social conditions of affected people, including socio-economic survey. Particular attention should be given on affected indigenous people communities. Gender disaggregated socio-economic data is necessary. • Asset inventory, land assessment and assessment of other losses resulting from land acquisition, taking into account social, cultural, and economic impact on people affected, including indigenous peoples. • Details on common property resources, if any. • Project impact on the poor, indigenous people, ethnic minorities, and other vulnerable groups, including women, • Special measures needed to enhance economic and social base of indigenous peoples communities and other vulnerable groups.
Objectives, policy framework, and entitlements	<ul style="list-style-type: none"> • Purpose and objectives of land acquisition and resettlement. • Borrower's policy and legal framework for resettlement, with any gaps in this framework as compared to ADB policy • Measures proposed to bridge the gap between ADB and borrower's policies • Principles, legal and policy commitments from executing agency for different categories of project impacts. • Eligibility policy and entitlement matrix for all categories of loss, including compensation rates at replacement costs. • Principles for determining valuation and compensation for assets, incomes and livelihoods
Gender Impact and Mitigation Measures	<ul style="list-style-type: none"> • Identification of socio-economic condition, needs, and priorities of women • Measures to ensure that process of land acquisition and resettlement does not disadvantage women • New land/house titles should be in the name of both spouses. For land/house given as replacement property, titles should be in the name of the person who brought in the original property.
Information Dissemination, Consultation, Participatory Approaches and Disclosure Requirements	<ul style="list-style-type: none"> • Identification of project stakeholders. • Disclosure of project information • Consultations for determining principles • Mechanisms for stakeholder participation in planning, management, monitoring, and evaluation • Disclosure of RP (incorporating Indigenous peoples Development Plan, where necessary) to people affected • Local institutions or organizations to support people affected. Potential role of non-government organizations (NGOs), women's groups and community-based organizations (CBOs).

Topic	Contents
Grievance Redress Mechanisms	<ul style="list-style-type: none"> • Mechanisms for resolution of conflicts and appeals procedures
Relocation of housing and settlements	<ul style="list-style-type: none"> • Options for relocation of housing and other structures, including replacement housing, replacement cash compensation, and/or self selection. • Measures to assist with transfer and establishment at new sites. • Options for developing relocation sites, if required, in terms of location, quality of site, and development needs. • Plan for layout, design, and social infrastructure and services for each site. • Measures for planned integration with host communities • Special measures for addressing gender issues and those related to vulnerable groups. • Environmental risks identification and arrangements for environmental management and monitoring.
Income restoration strategy	<ul style="list-style-type: none"> • Identification of livelihoods at risk. • Income restoration strategy with options to restore all types of livelihoods. • Job creation plan, including provisions for income substitution, retraining, self-employment and pensions, where required. • Business relocation and restoration plan, including income substitution, where required. • Environmental risks identification and arrangements for environmental management and monitoring.
Institutional framework	<ul style="list-style-type: none"> • Main tasks and responsibilities in planning, negotiating, consulting, approving, coordinating, implementing, financing, monitoring and evaluating land acquisition and resettlement. • Review of mandate of the land acquisition and resettlement agencies and their capacity to plan and manage these tasks. • Provision for capacity building, including technical assistance, if required. • Role of NGOs, if involved, and organizations of affected persons in resettlement planning and management. • Involvement of women's groups in resettlement planning, management and operations, job creation and income generation • Female staff should be hired by the resettlement agency to work with and assist women in all aspects of resettlement activities, including planning and implementation of income restoration programs.
Resettlement budget and financing	<ul style="list-style-type: none"> • Cost estimates, budgets and cash flows for meeting the objectives of the RP according to established schedules • Land acquisition and resettlement costs. • Annual budget and timing for release of funds. • Sources of funding for all land acquisition and resettlement activities.
Implementation schedule	<ul style="list-style-type: none"> • Time schedule showing start and finish dates for major resettlement tasks. • Time bound actions for projected activities to ensure that people affected are compensated and assisted before award of civil works contracts or similar milestone, ensuring as a minimum that affected people will be provided with entitlements, such as land and asset compensation and transfer allowances, prior to their displacement
Monitoring and evaluation	<ul style="list-style-type: none"> • Plan for internal monitoring of resettlement targets, specifying key process, output and outcome indicators; mechanisms for reporting, resource requirements and database maintenance. • Plan for external and independent M&E • Participation of affected people in M&E • Impacts on women

Source: Adapted by HNA Airport Group Company, Limited from ADB's Format and Scope of a Short Resettlement Plan. Available: <http://adb.org/Resettlement/resources.asp>