

Resettlement Planning Document

Resettlement Framework
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PRC: Municipal Natural Gas Infrastructure Development Project

Prepared by the Sponsor

The resettlement 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.

Asian Development Bank

A. Objectives

1. This resettlement framework defines the policies, procedures, roles, and responsibilities of the company for screening and management of involuntary resettlement in projects undertaken through its subsidiaries or joint ventures. The company prepared the resettlement framework as part of its commitment to complying with the safeguard policies of the Asian Development Bank (ADB), in particular the policy on involuntary resettlement.¹

B. Expected Scope of Involuntary Resettlement in Operations

2. The company is a holding company that undertakes some or all of the following activities: finance, construct and/or rehabilitate, and operate gas distribution. The company has obtained concession rights for 48 piped gas projects. Some projects, such as those involving upgrading or operation of long-established facilities, will not involve involuntary resettlement, while others may involve involuntary resettlement impacts because of (i) the need to acquire land to expand or construct new facilities, or (ii) land acquired prior to the company's involvement.

3. The company itself will not be involved directly in land acquisition or resettlement. Such activities will typically be undertaken by the company's joint ventures, often involving county or municipal governments. Accordingly, this resettlement framework sets out the procedures, roles, and responsibilities for ensuring that ADB's involuntary resettlement safeguard requirements are fully complied with by the company and its joint ventures.

C. Investment Selection Criteria

4. The company will select projects that conform with municipal land use planning regulations, evidenced through production of a valid land transfer contract with the relevant municipal land bureau or private titleholder, together with a valid land title certificate (with red line site map). In addition, the company will ensure that no project is selected for investment that is not in compliance with ADB's policy on indigenous peoples.²

D. Definitions

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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 caused by (a) acquisition of land and other fixed assets, (b) change in the use of land, or (c) restrictions imposed on land as a result of a company investment.
- (ii) People affected include any people, households, firms, or private institutions, who, on account of changes that result from the project will have their (a) standard of living adversely affected; (b) 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,

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

² ADB. 1998. *The Bank's Policy on Indigenous Peoples*. Manila.

permanently or temporarily; and/or (c) business, occupation, place of work or residence, or habitat adversely affected, with or without displacement.

E. Policy Framework

5. The company will ensure that the involuntary resettlement activities of any joint ventures are conducted in accordance with the following:

- (i) ADB's involuntary resettlement policy (1995); and
- (ii) applicable national and provincial laws and regulations governing land acquisition, compensation and resettlement, and consultation and disclosure of resettlement information.

6. Objectives for managing involuntary resettlement impacts are to

- (i) avoid involuntary resettlement wherever feasible,
- (ii) minimize resettlement where population displacement is unavoidable, and
- (iii) ensure that people affected receive assistance so that they will be at least as well off as they would have been in the absence of the project.

7. Resettlement plans will pay particular attention to addressing the needs of the poorest people affected and vulnerable groups that may be at high risk of impoverishment.

8. The resettlement framework stipulates eligibility and entitlement provisions for losses of land, houses, 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 individual losing the agricultural land will be reclassified and provided with job opportunities; and (iii) cash compensation for lost land will be paid to the villages at rates stipulated by the 1998 Land Law; the villages will in turn use the funds received for 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. Vulnerable households will receive assistance for house relocation and reconstruction, to be organized by the relevant village or township committee.

F. Screening for Involuntary Resettlement Impacts

9. As part of the due diligence process, prior to investing in any joint venture, the company's senior officer responsible for social and resettlement performance will determine whether any projects to be undertaken through the joint venture have (i) historically involved land acquisition or involuntary resettlement, or (ii) may in future involve involuntary resettlement.

1. Projects with No Involuntary Resettlement Impact

10. Where no involuntary resettlement impacts are indicated, no further action with regard to this resettlement framework will be required.

2. Projects with Historical Involuntary Resettlement Impacts

11. In case of land acquisition or involuntary resettlement³ prior to the company's involvement, the company's senior officer responsible for social and resettlement performance will have a resettlement due diligence report prepared. The resettlement 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) assessment of outcomes with respect to restoration of standards of living and livelihood; (iv) information on any outstanding resettlement grievances or related areas of reputational risk; and (v) recommend whether a resettlement plan is required to define actions to achieve compliance with ADB's resettlement requirements. The resettlement due diligence report should be submitted to ADB for review and approval prior to finalizing any joint venture agreement.

3. Projects with Planned Involuntary Resettlement

12. In the event that a joint venture project may involve involuntary resettlement, CGH's senior officer responsible for social and resettlement performance will have the following responsibilities.

- (i) **Prior to investment.** The senior officer will undertake the following:
 - (a) Assess the magnitude of resettlement, and in consultation with ADB, determine whether a short or full resettlement plan is required.
 - (b) Provide the joint venture with copies of ADB policies and guidelines.
 - (c) Advise the joint venture of the need for a resettlement plan.
 - (d) Ensure that resettlement information is disclosed to people affected in accordance with ADB's safeguard requirements and the national *State Council Decision on In-Depth Reform Concerning the Strict Land Management* (28th Decree of State Council of November 2004).
 - (e) Once a draft resettlement plan is complete, submit it to ADB for review and approval.
 - (f) Oversee any revisions required by ADB in order to finalize the resettlement plan.
 - (g) Obtain the joint venture's endorsement of the resettlement plan.
 - (h) Verify local disclosure of the final resettlement plan.
 - (i) Submit the final resettlement plan for website disclosure and ADB Board approval.
 - (j) Confirm ADB Board approval before proceeding with the investment.
- (ii) **Following investment.** The senior officer will undertake the following:
 - (a) Monitor implementation of the resettlement plan.
 - (b) Prepare and circulate monitoring reports as required under the approved resettlement plan.

³ For the purposes of this resettlement framework, historical impacts for which resettlement due diligence will be required, will be limited to projects for which land acquisition or relocation of people (whichever occurred most recently) occurred less than 3 years ago.

G. Resettlement Plans

13. Joint ventures involved in or planning involuntary resettlement will prepare a short or full resettlement plan, dependent on the magnitude and complexity of resettlement. A full resettlement plan will be required where resettlement is “significant.” Involuntary resettlement is significant when 200 or more people will experience major impacts, defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating). The scope of short and full resettlement plans is outlined in tables A10.1 and A10.2.

H. Institutional Responsibilities

15. The company has overall responsibility for coordination, planning, implementation, and financing. 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 the responsibility of township officers.

16. The company, together with its joint ventures 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 involuntary resettlement policy and requirements of this resettlement framework. The company will provide assurance to ADB that payments are made directly and on time to those affected, and that any shortfalls required to meet resettlement objectives are covered. The entitlements will be provided to those affected 3 months before ground leveling and demolition commence. Income support will be provided for the period of dislocation.

17. The company will ensure that the requirement to comply with this resettlement framework and ADB's involuntary resettlement plan are incorporated in the articles of association of each joint venture that it invests in.

I. Disclosure, Consultation, and Grievance Redress

18. Each resettlement plan will be prepared and implemented in close consultation with those affected, and involve surveys and village meetings. Plans in the Chinese language will be made available to the public through postings in public places, such as township offices, at least 4 months prior to actual land acquisition to allow time for negotiation, and application of grievance procedures. ADB will review and approve the resettlement plans, 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.

J. Reporting, Monitoring, and Evaluation

19. The company will nominate a senior officer to be responsible for social and resettlement performance. The officer will submit reports every 6 months on the forthcoming investment pipeline, describing the likelihood of land acquisition and resettlement effects, and any minority or labor issues. ADB will review the pipeline reports and may comment on the screening requirements and documentation assumptions. The company will submit an

annual report monitoring performance against safeguard policies, and upon and after project completion.

K. Capacity and Implementing Arrangements

20. The senior officer to be responsible for social and resettlement performance will receive training in (i) screening of projects for involuntary resettlement impacts, (ii) ADB's involuntary resettlement procedures and requirements, (iii) resettlement monitoring, and (iv) reporting. Where warranted, dependent on the scale of resettlement and the capacity of the joint venture, the company may require a joint venture to engage an experienced resettlement consultant to assist with resettlement planning, documentation, and implementation.

Table A10.1: Scope of a Short Resettlement Plan

Topic	Contents
Executive Summary	
Scope of Land Acquisition and Resettlement	<ul style="list-style-type: none"> • Consider alternative options, if any, to minimize land acquisition and its effects, and why the remaining effects are unavoidable. • Summarize key effects in terms of land acquired, assets lost, number of people affected, and socioeconomic data.
Objectives, Policy Framework, and Entitlements	<ul style="list-style-type: none"> • Provide policy and legal framework for resettlement, identifying any gaps in this framework as compared to ADB policy. • Propose measures to bridge the gap between ADB policy and national/provincial laws and regulations. • Establish 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 socioeconomic condition, needs, and priorities of women. • Include measures to ensure that the 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"> • Identify project stakeholders. • Disclose project information. • Conduct consultations to determine principles. • Develop mechanisms for stakeholder participation in planning, management, monitoring, and evaluation. • Disclose resettlement plan to people affected. • Identify local institutions or organizations to support people affected, and potential role of nongovernment organizations, women's groups, and community-based organizations.
Grievance Redress Mechanisms	<ul style="list-style-type: none"> • Establish mechanisms for resolution of conflicts and appeals procedures.
Compensation, Relocation, and Income Restoration	<ul style="list-style-type: none"> • Arrange for valuing and disbursing compensation. • Arrange for housing relocation, including transfer, reestablishment and integration with host populations. • Establish income restoration measures. • Identify environmental risks and arrangements for environmental management and monitoring.
Institutional Framework	<ul style="list-style-type: none"> • Identify 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 operation, job creation, and income generation; and (ii) female staff are 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"> • Identify land acquisition and resettlement costs and funding sources including arrangements for timely disbursement to those affected.
Implementation Schedule	<ul style="list-style-type: none"> • Establish time-bound actions for projected activities to ensure that people affected are compensated and assisted before award of civil works contracts.
Monitoring and Evaluation	<ul style="list-style-type: none"> • Develop monitoring and evaluation arrangements. • Separately monitor and evaluate the impact on women.

{Please list and define, in alphabetical order, all abbreviations here.}

Source(s): {Please provide source(s) here.}

Table A10.2: Scope of a Full Resettlement Plan

Topic	Contents
Executive Summary	
Scope of Land Acquisition and Resettlement	<ul style="list-style-type: none"> • Provide scope of and rationale for land acquisition. • Consider alternative options, if any, to minimize land acquisition and its effects, and justify remaining effects. • Identify key effects in terms of land acquired, assets lost, and number of people affected. • Establish primary responsibilities for land acquisition and resettlement.
Socioeconomic Information	<ul style="list-style-type: none"> • Develop population record of people affected • Consolidate data on existing economic and social conditions of affected people, including socioeconomic survey and gender disaggregated socioeconomic data. • Provide an asset inventory, land assessment, and assessment of other losses resulting from land acquisition, taking into account social, cultural, and economic impact on people affected. • Provide details on common property resources, if any. • Identify the project's impact on the poor, indigenous people, ethnic minorities, and other vulnerable groups, including women. • Articulate special measures needed to enhance economic and social base of vulnerable groups.
Objectives, Policy Framework, and Entitlements	<ul style="list-style-type: none"> • Provide purpose and objectives of land acquisition and resettlement. • Provide borrower's policy and legal framework for resettlement, with any gaps in this framework as compared to ADB policy. • Propose measures to bridge the gap between the ADB and borrower's policies. • Identify principles, and legal and policy commitments from the executing agency for different categories of project impacts. • Develop eligibility policy and entitlement matrix for all categories of loss, including compensation rates at replacement costs. • Outline principles for determining valuation and compensation for assets, incomes, and livelihoods.
Gender Impact and Mitigative Measures	<ul style="list-style-type: none"> • Identify socioeconomic condition, needs, and priorities of women. • Develop measures to ensure that land acquisition and resettlement does not disadvantage women. • Ensure new land/house titles are in the name of both spouses. For each 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"> • Identify project stakeholders. • Disclose project information. • Conduct consultations to determine principles. • Develop mechanisms for stakeholder participation in planning, management, monitoring, and evaluation. • Disclose resettlement policy to people affected. • Identify local institutions or organizations to support people affected and potential role of nongovernment organizations, women's groups, and community-based organizations.

Topic	Contents
Grievance Redress Mechanisms	<ul style="list-style-type: none"> • Provide mechanisms for conflict resolution and appeals procedures.
Relocation of Housing and Settlements	<ul style="list-style-type: none"> • Provide options for relocation of housing and other structures, including replacement housing, replacement cash compensation, and/or self selection. • Identify measures to assist with transfer and establishment at new sites. • Provide options for developing relocation sites, if required, in terms of location, quality of site, and development needs. • Develop plan for layout, design, and social infrastructure and services for each site. • Specify measures for planned integration with host communities. • Identify special measures for addressing gender issues and those related to vulnerable groups. • Identify environmental risks and arrangements for environmental management and monitoring.
Income Restoration Strategy	<ul style="list-style-type: none"> • Identify livelihoods at risk. • Provide an income restoration strategy with options to restore all types of livelihoods. • Provide a job creation plan, including provisions for income substitution, retraining, self-employment, and pensions, where required. • Provide a business relocation and restoration plan, including income substitution, where required. • Identify environmental risks and arrangements for environmental management and monitoring.
Institutional Framework	<ul style="list-style-type: none"> • Identify main tasks and responsibilities in planning, negotiating, consulting, approving, coordinating, implementing, financing, monitoring, and evaluating land acquisition and resettlement. • Review mandate of the land acquisition and resettlement agencies and their capacity to plan and manage these tasks. • Provide capacity building, including technical assistance, if required. • Describe role of nongovernment organizations, if involved, and organizations of people affected by resettlement planning and management. • Involve women's groups in resettlement planning, management and operation, job creation, and income generation. • Encourage the resettlement agency to hire female staff 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"> • Provide cost estimates, budgets, and cash flow for meeting the objectives of the resettlement plan according to established schedules. • Identify land acquisition and resettlement costs. • Prepare annual budget and timing for release of funds. • Identify sources of funding for all land acquisition and resettlement activities.
Implementation Schedule	<ul style="list-style-type: none"> • Provide schedule showing start and finish dates for major resettlement tasks. • Develop time-bound actions for projected activities to ensure that people affected are compensated and assisted before the 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">• Provide plan for internal monitoring of resettlement targets, specifying key indicators of progress, mechanisms for reporting, resource requirements, and database maintenance.• Provide plan for external and independent monitoring and evaluation.• Ensure participation of affected people in monitoring and evaluation.• Identify impacts on women.
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Source(s): {Please provide source(s) here.}