

# Resettlement Planning Document

---

Resettlement Framework  
Document Stage: Draft for Consultation  
Project Number: 39909  
November 2005

## PRC: Tsinghua Water Infrastructure Development Project

Prepared by Thunip Holdings Co., Ltd. for the Asian Development Bank (ADB).

The resettlement framework will be a document of the investee company. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

## **THUNIP WATER INVESTMENT CO., LTD. SOCIAL SAFEGUARDS LAND ACQUISITION AND RESETTLEMENT FRAMEWORK**

### **A. Objectives**

1. This resettlement framework defines the policies, procedures, roles and responsibilities of Thunip Water Investment Co. Ltd. (Thunip Water) for screening and management of involuntary resettlement in projects undertaken through joint venture companies. The resettlement framework has been prepared by Thunip Water as part of its commitment to complying with the Asian Development Bank's (ADB's) safeguard policies, in particular ADB's Policy on Involuntary Resettlement (1995).

### **B. Expected Scope of Involuntary Resettlement in Thunip Water Operations**

2. Thunip Water is a holding company that will form joint venture companies, with various partners, to undertake some or all of the following activities: finance, design, construct and/or operate water and wastewater projects. The holding company expects to invest in 20-30 such projects in various locations around the PRC. Some projects, such as those that involve refinancing, upgrading or operation of long-established facilities will not involve involuntary resettlement impacts. Other projects may involve involuntary resettlement impacts through (i) land acquisition to expand or construct new facilities; or, (ii) land that has been acquired prior to Thunip Water's involvement.

3. Thunip Water, itself, will not be involved directly in land acquisition or resettlement. Such activities will typically be undertaken by county or municipal governments, where Thunip Water's joint venture companies are located. 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 Thunip Water and its joint venture partners.

### **C. Investment Selection Criteria**

4. Since water and wastewater investments have a long planning period, preference will be given to selecting projects for investment that are at an advanced stage of planning, and where municipal support and solid preparation are demonstrated. Thunip Water will thus 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 title holder, together with a valid land title certificate (with red line site map). In addition, Thunip Water will ensure that no project is selected for investment that is not in compliance with ADB's Indigenous Peoples Policy (1998).

### **D. Definitions**

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

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

***Affected person***—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.

## **E. Policy Framework**

5. Thunip Water shall ensure that the involuntary resettlement activities of any joint venture companies are conducted in accordance with the following:

- (i) ADB's Policy on Involuntary Resettlement (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:

- (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.

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

8. Resettlement plans will stipulate eligibility and entitlement provisions for land losses, house losses, crop losses, and loss of 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 job opportunities; (iii) cash compensation for lost land will be paid at the rates stipulated by the Land Law, 1998, to the villages, which in turn will 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 company, Thunip Water's senior officer responsible for social and resettlement performance will determine whether any projects to be undertaken through the prospective joint venture company have (i) historically involved land acquisition or involuntary resettlement; or, (ii) or may in future involve involuntary resettlement.

## **1. Joint venture 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. Joint venture Projects with Historical Involuntary Resettlement Impacts**

11. In case of land acquisition or involuntary resettlement<sup>1</sup> prior to Thunip Water's involvement, Thunip Water's senior officer responsible for social and resettlement performance will cause to have prepared a resettlement due diligence report. 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, Thunip Water's senior officer responsible for social and resettlement performance will:

### ***Prior to investment:***

- (i) assess the magnitude of resettlement, and in consultation with ADB, determine whether a short or full resettlement plan is required;
- (ii) provide the prospective joint venture partner with copies of the ADB policies and guidelines;
- (iii) advise the prospective joint venture partner of the need for a resettlement plan;
- (iv) ensure that resettlement information is disclosed to affected persons in accordance with ADB's safeguard requirements and PRC's State Council Decision on Deepening Reform of Land Administration (28th Decree of State Council of 21 October 2004);
- (v) once a draft resettlement 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;
- (vii) obtain the joint venture partners' endorsement of the resettlement plan;
- (viii) verify local disclosure of the final resettlement plan;

---

<sup>1</sup> 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.

- (ix) submit the final resettlement plan for website disclosure and ADB approval;
- (x) confirm ADB approval before proceeding with investment.

***Following investment:***

- (i) monitor implementation of the resettlement plan;
- (ii) prepare and circulate monitoring reports as required under the approved resettlement plan.

**G. Resettlement Plans**

13. Prospective joint venture companies 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, which are 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 Table 1 and Table 2.

**H. Institutional Responsibilities**

15. Thunip Water has overall coordination, planning, implementation, and financing responsibilities. Local municipal governments, through their 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.

16. Thunip Water, together with its joint venture partners 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. Thunip Water will provide assurance to ADB that payments are made directly and on time to affected persons, and that any shortfalls required to meet resettlement objectives are covered. The entitlements will be provided to the people affected before ground leveling and demolition commence. Income support will be provided for the period of dislocation.

17. Thunip Water shall ensure that the requirement to comply with this Resettlement Framework and ADB's Involuntary Resettlement Plan (1995) shall be incorporated into the articles of association of each joint venture company 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, for reasonable periods of at least 4 months prior to actual land acquisition. 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. Thunip Water will nominate a senior officer to be responsible for social and resettlement performance, who has the responsibility to submit six monthly reports 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. Thunip Water will submit an annual report of performance monitoring 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 prospective joint venture 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 prospective joint venture company, Thunip Water may engage an experienced resettlement consultant to assist with resettlement planning, documentation and implementation.

**Table 1: Scope of Short Resettlement Plan**

Topic	Contents
<b>Executive Summary</b>	
<b>Scope of land acquisition and resettlement</b>	<ul style="list-style-type: none"> <li>• Alternative options, if any, considered to minimize land acquisition and its effects, and why the remaining effects are unavoidable</li> <li>• Summary of key effects in terms of land acquired, assets lost, numbers of people affected, and socioeconomic data</li> </ul>
<b>Objectives, policy framework, and entitlements</b>	<ul style="list-style-type: none"> <li>• Policy and legal framework for resettlement, with any gaps in this framework as compared to ADB policy</li> <li>• Measures proposed to bridge the gap between ADB's policy and national/provincial laws and regulations</li> <li>• Eligibility policy and entitlement matrix for all categories of loss, including compensation rates at replacement costs</li> </ul>
<b>Gender impact and Mitigation Measures</b>	<ul style="list-style-type: none"> <li>• Identify socioeconomic condition, needs, and priorities of women</li> <li>• 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</li> </ul>
<b>Information dissemination, consultation, participatory approaches and disclosure requirements</b>	<ul style="list-style-type: none"> <li>• Identification of project stakeholders</li> <li>• Disclosure of project information</li> <li>• Consultations for determining principles</li> <li>• Mechanisms for stakeholder participation in planning, management, monitoring, and evaluation</li> <li>• Disclosure of resettlement plan to people affected</li> <li>• Local institutions or organizations to support people affected. Potential role of nongovernment organizations (NGOs), women's groups and community-based organizations (CBOs).</li> </ul>
<b>Grievance redress mechanisms</b>	<ul style="list-style-type: none"> <li>• Mechanisms for resolution of conflicts and appeals procedures</li> </ul>
<b>Compensation, relocation, and income restoration</b>	<ul style="list-style-type: none"> <li>• Arrangements for valuing and disbursing compensation.</li> <li>• Arrangements for housing relocation, including transfer, re-establishment and integration with host populations</li> <li>• Income restoration measures</li> <li>• Environmental risks identification and arrangements for environmental management and monitoring</li> </ul>
<b>Institutional framework</b>	<ul style="list-style-type: none"> <li>• Main tasks and responsibilities in planning, managing and monitoring land acquisition and resettlement</li> <li>• 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</li> </ul>
<b>Resettlement budget and financing</b>	<ul style="list-style-type: none"> <li>• Land acquisition and resettlement costs and funding sources including arrangements for timely disbursement to affected persons.</li> </ul>
<b>Implementation schedule</b>	<ul style="list-style-type: none"> <li>• Time bound actions for projected activities to ensure that people affected are compensated and assisted before award of civil works contracts.</li> </ul>
<b>Monitoring and evaluation</b>	<ul style="list-style-type: none"> <li>• Arrangements for monitoring and evaluation</li> <li>• Impact on women monitored and evaluated separately</li> </ul>

**Table 2: Scope of Full Resettlement Plan**

Topic	Contents
<b>Executive Summary</b>	
<b>Scope of land acquisition and resettlement</b>	<ul style="list-style-type: none"><li>• Scope of and rationale for land acquisition</li><li>• Alternative options, if any, considered to minimize land acquisition and its effects, and justification for remaining effects</li><li>• Key effects in terms of land acquired, assets lost, and number of people affected.</li><li>• Primary responsibilities for land acquisition and resettlement</li></ul>
<b>Socioeconomic information</b>	<ul style="list-style-type: none"><li>• Population record of people affected</li><li>• Data on existing economic and social conditions of affected people, including socio-economic survey. Gender disaggregated socio-economic data is necessary</li><li>• Asset inventory, land assessment and assessment of other losses resulting from land acquisition, taking into account social, cultural, and economic impact on people affected</li><li>• Details on common property resources, if any</li><li>• Project impact on the poor, indigenous people, ethnic minorities, and other vulnerable groups, including women</li><li>• Special measures needed to enhance economic and social base of vulnerable groups</li></ul>
<b>Objectives, policy framework, and entitlements</b>	<ul style="list-style-type: none"><li>• Purpose and objectives of land acquisition and resettlement.</li><li>• Borrower's policy and legal framework for resettlement, with any gaps in this framework as compared to ADB policy</li><li>• Measures proposed to bridge the gap between ADB and borrower's policies</li><li>• Principles, legal and policy commitments from executing agency for different categories of project impacts.</li><li>• Eligibility policy and entitlement matrix for all categories of loss, including compensation rates at replacement costs</li><li>• Principles for determining valuation and compensation for assets, incomes and livelihoods</li></ul>
<b>Gender impact and mitigation measures</b>	<ul style="list-style-type: none"><li>• Identification of socioeconomic condition, needs, and priorities of women</li><li>• Measures to ensure that process of land acquisition and resettlement does not disadvantage women</li><li>• 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</li></ul>
<b>Information dissemination, consultation, participatory approaches and disclosure requirements</b>	<ul style="list-style-type: none"><li>• Identification of project stakeholders</li><li>• Disclosure of project information</li><li>• Consultations for determining principles</li><li>• Mechanisms for stakeholder participation in planning, management, monitoring, and evaluation</li><li>• Disclosure of resettlement plan to people affected</li><li>• Local institutions or organizations to support people affected. Potential role of NGOs, women's groups and CBOs</li></ul>
<b>Grievance redress mechanisms</b>	<ul style="list-style-type: none"><li>• Mechanisms for resolution of conflicts and appeals procedures</li></ul>

Topic	Contents
<b>Relocation of housing and settlements</b>	<ul style="list-style-type: none"> <li>• Options for relocation of housing and other structures, including replacement housing, replacement cash compensation, and/or self selection</li> <li>• Measures to assist with transfer and establishment at new sites</li> <li>• Options for developing relocation sites, if required, in terms of location, quality of site, and development needs</li> <li>• Plan for layout, design, and social infrastructure and services for each site.</li> <li>• Measures for planned integration with host communities</li> <li>• Special measures for addressing gender issues and those related to vulnerable groups</li> <li>• Environmental risks identification and arrangements for environmental management and monitoring</li> </ul>
<b>Income restoration strategy</b>	<ul style="list-style-type: none"> <li>• Identification of livelihoods at risk</li> <li>• Income restoration strategy with options to restore all types of livelihoods.</li> <li>• Job creation plan, including provisions for income substitution, retraining, self-employment and pensions, where required</li> <li>• Business relocation and restoration plan, including income substitution, where required</li> <li>• Environmental risks identification and arrangements for environmental management and monitoring</li> </ul>
<b>Institutional framework</b>	<ul style="list-style-type: none"> <li>• Main tasks and responsibilities in planning, negotiating, consulting, approving, coordinating, implementing, financing, monitoring and evaluating land acquisition and resettlement</li> <li>• Review of mandate of the land acquisition and resettlement agencies and their capacity to plan and manage these tasks</li> <li>• Provision for capacity building, including technical assistance, if required.</li> <li>• Role of NGOs, if involved, and organizations of affected persons in resettlement planning and management</li> <li>• Involvement of women's groups in resettlement planning, management and operations, job creation and income generation</li> <li>• 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</li> </ul>
<b>Resettlement budget and financing</b>	<ul style="list-style-type: none"> <li>• Cost estimates, budgets and cash flows for meeting the objectives of the resettlement plan according to established schedules</li> <li>• Land acquisition and resettlement costs</li> <li>• Annual budget and timing for release of funds.</li> <li>• Sources of funding for all land acquisition and resettlement activities</li> </ul>
<b>Implementation schedule</b>	<ul style="list-style-type: none"> <li>• Time schedule showing start and finish dates for major resettlement tasks</li> <li>• 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</li> </ul>
<b>Monitoring and evaluation</b>	<ul style="list-style-type: none"> <li>• Plan for internal monitoring of resettlement targets, specifying key indicators of progress, mechanisms for reporting, resource requirements and database maintenance.</li> <li>• Plan for external and independent monitoring and evaluation</li> <li>• Participation of affected people in monitoring and evaluation</li> <li>• Impacts on women</li> </ul>