

FULL RESETTLEMENT FRAMEWORK

**Supplementary Appendix to the
Report and Recommendation of the President
to the Board of Directors**

on the

Sanjiang Plain Wetlands Protection Project

in

The People's Republic of China

**Heilongjiang Provincial Government
September 2004**

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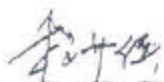
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ADB WEBSITE UPLOADING PERMISSION

Asian Development Bank (ADB) Policy and Operational Procedures for involuntary resettlement (OMF2) require public disclosure of the resettlement plan (RP) and the resettlement framework (RF). Public disclosure of the documents is done as early as possible and is mandatory upon Board approval of the project loan.

Heilongjiang Development and Reform Committee (HDRC) and ADB have now reached agreement on the final RF, Xinkaihu Resettlement Plan and Baoqing Resettlement Plan for the PRC: Sanjiang Plains Wetland Protection Project. HDRC hereby gives ADB permission to upload the RF and RPs onto ADB's website.



Director, HDRC
(Director PMO)

03/09/2006

Date

PREFACE

This Resettlement Framework (RF) has been prepared by Sanjiang Plains Wetland Protection Project Management Office (PMO) with assistance from the technical assistance group and loan fact-finding mission of ADB. The RF was formulated based on PRC laws, local regulations as well as the Asian Development Bank's (ADB's) Policy on Involuntary Resettlement. The RF provides the policy and procedural guidelines for the land acquisition and resettlement of Sanjiang Plains Wetland Protection Project. It is based on the socio-economic survey and households sample surveys of potentially affected persons (APs). The overall impacts reported here are based on field surveys carried out during the project preparation period. After concurrence from ADB, the RF will then be approved by Heilongjiang Development and Reform Committee (HDRC) on behalf of Heilongjiang People's Government.

BRIEF INTRODUCTION AND APPROVAL OF THE RESETTLEMENT FRAMEWORK

HDRC has received approval to construct the Sanjiang Plains Wetland Protection Project, which is expected to commence in 2004 and be completed by the end of 2009. HDRC, through National Forestry Bureau (NFB) and National Ministry of Finance, has requested a loan from ADB and a grant from Global Environment Facility to finance part of the project. Accordingly, the Project must be implemented in compliance with ADB social safeguard policies. This RF represents a key requirement of ADB and will constitute the basis for land acquisition, compensation and resettlement. After approval by HDRC and ADB, this RF will be the basis for the sub-project resettlement plans (RPs) that will be prepared during implementation.

HDRC hereby approves the contents of this Resettlement Framework and guarantees that funds will be made available as stipulated in the budget. HDRC has discussed the draft RF with relevant local officials and has obtained their concurrence. HDRC authorizes Heilongjiang Forestry Bureau as the responsible agency to manage the implementation of the Project and related resettlement activities ; and each county government will be responsible for implementation of the project and related resettlement activities in their county.

Approved on _____ (date) by: _____(Director, PMO)

_____ (date) by: _____(Head of HDRC)

ABBREVIATIONS AND ACRONYMS

AAOV	Average Annual Output Value
ADB	Asian Development Bank
AP	Affected Person
EA	Executing Agency
FFR	Farmland to Forest Restoration
FWR	Farmland to Wetland Restoration
FCFGN	Farmland to Forest and Grassland Restoration Notice
GDP	Gross Domestic Product
GEF	Global Environment Facility
HPWPR	Heilongjiang Provincial Wetland Protection Regulation
IA	Implementation Agency
IPSA	Initial Poverty and Social Assessment
LAL	Land Administration Law
M&E	Monitoring and Evaluation
MRM	Management Review Meeting
NPV	Net Present Value
NTFP	Non-Timber Forest Product
OP	Operational Procedures
PMO	Project Management Office
PRC	The People's Republic of China
RP	Resettlement Plan

TABLE OF CONTENTS

1.	Project Description.....	5
2.	Socioeconomic Profile of the Project Area.....	6
3.	Methodology of Socioeconomic Survey.....	6
4.	Scope of Resettlement Impacts.....	7
5.	Legal Framework.....	10
6.	Resettlement Principles and Eligibility for Compensation.....	12
7.	Compensation Rates.....	13
8.	Rehabilitation Measures.....	14
9.	Entitlement Matrix.....	15
10.	Institutional Arrangement for Resettlement.....	16
11.	Cost of Resettlement, Source of Funding and Flow of Fund.....	17
12.	Consultation, Disclosure and Grievance Redress.....	20
13.	Monitoring and Evaluation.....	20
14.	Procedural Guidelines for RP Preparation.....	21
Annex A:	Outline of Full Resettlement Plan.....	22

1. Project Description

Two national environmental policies – slopeland reforestation and wetland restoration -- have been implemented in Heilongjiang Province to restore ecological balance, especially in the Sanjiang Plains. These policies have been beneficial but there have also been adverse social impacts, including reduction in farm incomes due to inadequate or no compensation. The cost of adequate compensation can be quite high. Since there is a lack of funding and reluctance to cause social unrest, the implementation of the Government's environmental programs for wetland and forest restoration has been slowed down. The Sanjiang Plains Wetland Protection Project will pilot a livelihood development approach that will ensure the sustenance or improvement of incomes at lower cost to Government, and will benefit community relations with the management of Nature Reserves (NRs). The success of this approach will depend upon participation of affected people and NRs in the planning and implementation of viable and sustainable alternative livelihoods.

The Sanjiang¹ Plains Wetland Protection Project will finance a range of wetland protection and forest plantation projects in Sanjiang Plains, covering 13 counties² in 6 prefectures³, and involving 6 Nature Reserves⁴. Based on the most recent decision, the Project will involve a total of 4 components which are watershed management, wetland nature reserve management, alternative livelihood program and education and capacity building. **Table 1** provides a detailed list of these subcomponents. .

Table 1. Components of the Sanjiang Plains Wetland Protection Project (Updated on April 26, 2004)

COMPONENTS	Locations for Implementation
1. Watershed Management	
1.1 Forestry Investment	13 counties
1.2 Watershed Level Water Resource Planning	6 NRs
2. Wetland Nature Reserve Management	
2.1 Scientific Conservation Management Optimizing water and vegetation management for wildlife, with scientific monitoring	Anbanghe NR---Jixian County Dajiahe NR---Raohe County Naolihe NNR---Raohe County
2.2 Pilot Wetland Restoration	Qixinghe NNR---Baoqing County
2.3 Wildlife Species Recovery	Xingkaihu NNR---Mishan City Zhenbaodao NR---Hulin County
2.4 Reduction of overuse	
3. Alternative Livelihoods	

¹ "Sanjiang" means "three rivers", which include the Songhuajiang River, Heilongjiang River and Wusuli River.

² The 13 counties include Hegang, Luobei, Jixian, Baoqing, Raohe, Huanan, Fuyuan, Mishan, Hulin, Qitaihe, Boli, Linkou, Ningan.

³ The six (6) prefectures include Hegang, Shuangyashan, Jiamusi, Jixi, Qitaihe and Mudanjiang.

⁴ Anbanghe NR, Dajiahe NR, Naolihe NR, Qixinghe NNR, Xingkaihu NNR, Zhenbaodao NR

COMPONENTS	Locations for Implementation
3.1 Non-timber Forest Products, Agro-forestry, Herbs/Fungi/Fruit Apiculture, Grasslands	5 counties for forestry plantation
3.2 Village Development Fund	Anbanghe NR---Jixian County Dajiahe NR---Raohe County Naolihe NNR---Raohe County
3.3 Eco-tourism	Qixinghe NNR---Baoqing County Xingkaihu NNR---Mishan City Zhenbaodao NR---Hulin County
4. Capacity Building	
4.1 Conservation education	Anbanghe NR---Jixian County Dajiahe NR---Raohe County Naolihe NNR---Raohe County
4.2 Conservation Awareness	Qixinghe NNR---Baoqing County Xingkaihu NNR---Mishan City Zhenbaodao NR---Hulin County and surrounding communities
4.3 Wetland Management Training (Hands-On Skills and Academic)	Three types of training to be given to personnel at NRs and other agencies:
4.3.1 Short-term Technical	1. attendance at seminar, conference, workshop, etc.
4.3.2 Long-term Professional	2. short-term (up to 3-week) training at fixed locations (many institutions such as Changchun, Harbin, Hong Kong, etc.) 3. long-term (12 week) training at a fixed location (in Harbin)

2. Socioeconomic Profile of the Project Area

The Sanjiang Plains is located in Northeast of Heilongjiang Province. It covers an area of 92,400 km², comprising 18 counties and 6 municipalities. In 2003, the Sanjiang Plains had approximately 5 million people, of which 65% or approximately 3.3 million were farmers. It had the lowest population density (about 20 persons /km²) of all regions within the Province, compared to 83 persons /km² for Heilongjiang Province as a whole.

The Sanjiang Plains is primarily agricultural, dominated by wheat, rice, and soybean production on state farms. The per-capita farmland in the Sanjiang Plains is 6.58 mu per capita. It is an important grain production base for China. The forest and lumber industries are also significant. The proportions of primary, secondary and tertiary industries are 42%, 26% and 32%, respectively.

The Project area is a relatively poor region in the Heilongjiang Province. The average per-capita GDP of the Sanjiang Plain is RMB 5,551, which is lower than the provincial average of RMB 8,562. For the rural areas, the average per-capita income is RMB 1,900, which is lower than the RMB 2,148 for Heilongjiang Province.

3 Methodology of Socioeconomic Survey

The following methods have been and will be applied to collect socioeconomic baseline data, asset inventory and census of affected people during the RP preparation.

- (1) Government Statistics: The regional socioeconomic data of project area can be gathered from the Socio-economic Statistics Yearbooks in each project county, the annual summary reports and development plan reports of the county forestry bureau and wetland protection bureau, etc. This research forms the premise and basis of questionnaire designing and outline for group discussion and interview.
- (2) Observation and Measurement. In Feb of 2004, two survey groups went to Xingkaihu Lake and Baoqing County. First, they observed the population density and the dwelling condition, and identified project impacts in the affected community; Second, they measured the affected house area, other affected assets for each households as well as the affected land area for each community.
- (3) Household Questionnaire: A questionnaire was designed to collect demographic information, family income and expenditure, resources, production activities, tools, and attitude to resettlement, etc. The sample size is about 30% of total amount of affected households in each affected community. The sampling covers the old, the young, women and the poor.
- (4) Focus Group Discussion: Focus discussions with special topics have been held with the help of affected village committee and State Farm authorities. The topics included awareness of resettlement plan, assessment of livelihood level, future plans, difficulties in resettlement, degree of impact, perceptions regarding compensation and attitudes to the wetland restoration and project.

4. Scope of Resettlement Impacts

Based on information from available reports and resettlement survey information, the resettlement impacts are mainly associated with those sub-components that involve farmland to wetland or forest restoration. Whereas, in most plantation projects, the tree plantations will take place within the existing forest land; no new land acquisition and resettlement will be required.

Farmland to wetland restoration. The local communities and some relevant state farms or forestry centers will lose the farmland that will be converted to wetland. According to *the Heilongjiang Provincial Wetland Protection Regulation*, the farmers will no longer use the farmland for agricultural purposes once it is converted. The ownership of the wetland may be transferred to the wetland NR authorities, or it may remain with the State Farm. Also, those who live in the core zone of wetland reserve will be required to move out immediately, and those who live in the buffer zone should move out incrementally.

Farmland to forest restoration. the farmland to be converted is located in State forest farms outside the NRs, the land ownership will not be transferred since it already belongs to State Forest Farms. In order to ensure that forest workers have no loss of income, part of government loan will be utilized to finance non-timber forest products (NTFPs).

According to the ADB policy requirements, the objectives of involuntary resettlement are: (i) to avoid involuntary resettlement wherever feasible; and (ii) to minimize resettlement where population displacement is unavoidable by choosing alternative viable project options. Efforts to avoid and minimize the involuntary resettlement have been made during the selection of sub-components and definition of sub-component areas. Eight (8) out of the 13 sub-component counties will involve resettlement. One (1) county will involve house demolition, five (5) counties will involve farmland to wetland restoration and five (5) counties will involve farmland to forest restoration. Details are presented in **Table 2**.

Table 2. Resettlement Impacts

Municipalities	Project County	Project Impact Types		
		Farmland to Wetland Restoration	Farmland to Forest Restoration	House Demolition and Resettlement
Hegang	Hegang			
	Luobei		Yes	
Shuangyashan	Jixian	Yes		
	Baoqing	Yes	Yes	
	Raohe	Yes		
Jiamusi	Huanan		Yes	
	Fuyuan			
Jixi	Mishan(Xingkaihu)	Yes		Yes
	Hulin	Yes	Yes	
Qitaihe	Qitaihe			
	Boli			
Mudanjiang	Linkou		Yes	
	Ningan			

Based on preliminary estimates, a total of 4,300 ha of farmland will be converted to forest land., An additional 1,433 ha of farmland will be converted to wetland including 1,183 ha in core zones and 250 ha in experimental zones. Along with land acquisition, 1,950 square meters of houses will be demolished. This will necessitate the relocation of about 43 households or 136 individuals. **Table 3** and **Table 4** provide detailed estimates of land acquisition and resettlement impacts for the individual sub-components.

The pilot wetland restoration sub-component in the project will also involve 2,000 ha of land in Hongqiling State Farm in Naolihe NNR. Those lands have been converted to wetland by the end of 2001. Due to the establishment of Naolihe NNR, 102 households of 318 farm workers have been moved out from this area. These affected workers selected from among themselves the host groups to be resettled based on voluntary principle. The host group helped to find second-hand houses in host groups, the exchange of the houses between displaced persons and host people has been completed with assistance by each host farm group. The host groups use the rent charge of land to balance the differences between the original house and the resettlement house. Most displaced persons chose the second-hand houses as their resettled houses, some people have built new houses with the assistance of the host groups. For income restoration, the affected workers have been arranged into the host groups and have obtained the new farmland. In addition, the Farm also helped them develop the animal husbandry. Based on investigation, all the affected workers have restored their income levels. However, since

there was no extra compensation from government, the resettlement activities were only financed by the farm. Therefore, the project will arrange some subsidy to develop the alternative livelihood programs for the workers who live near the wetland, to increase their income, so as to realize the sustainable wetland protection.

Table 3 Farmland to Wetland Restoration and House Relocation

County	NR	Restored Area (ha)	Location Town/Farm	Village/Group	Restored Land		House Relocation		
					Area (ha)	APs	Area (m ²)	Affected Households	APs
Raohe	Dajiahe	350	Dajiahe Town	Yongfa	150	240			
				Hualin	200	304			
Mishan	Xingkaihu	333	Xingkaihu Farm	29 th Group	333	136	1950	43	136
Hulin	Zhengbaodao	100	Hutou Farm		100	50			
Baoqing	Qixinghe	400	Qixinghe Town	Qixinhe	207	29			
			Qixinpao Town	Jiefang	60	10			
			NR	Reed Company	133	6			
Jixian	Anbanhe	250	NR	NR	250	45			
Total		1433			1433	820	1950	43	136

Table 4 Farmland to Forest Restoration

County	Restored Area (ha)	Location (Forest Farm/Town)	Village/Group	Restored Land	
				Area (ha)	APs
Hulin	1000	Yanggan Town	Fuguo	140	36
			Yangshuhe	100	29
			Liurenban	120	42
			Yanggan	140	37
		Baodong Town	Baodong	80	36
			Baoshan	70	25
			Xinhua	50	15
			Dongxin	100	38
			Taihe	100	42
Linkou	1000		Hulin Farm	110	35
			Qinshan Farm	110	37
			Zhongshanyang Farm	110	40
			Chushan Farm	100	28
			Baolin Farm	100	25
			Liushu Farm	110	35
			Zhujialin Farm	90	27
			Zalin Farm	110	28
			Wulin Farm	80	20
			Liangzihe Farm	80	23
Huanan	300		Tuoyaozi Farm	50	32
			Liumaohu Farm	50	35

County	Restored Area (ha)	Location (Forest Farm/Town)	Village/Group	Restored Land	
				Area (ha)	APs
		Balang Farm		50	28
		Shuanglong Farm		50	30
		Dabalang Farm	Jianchagou	50	56
		Tulongshan Town	Jubao	50	53
		Baomiqiao Farm		120	18
Baoqing	1000	Baoshan Farm		100	42
		Dongfahong Farm		140	120
		Lishu Farm		100	121
		Liudao Farm		150	141
		Longtou Farm		140	180
		Shengli Farm		100	61
		Toudao Farm		150	92
		Damahe Farm		191	120
Luobei	1000	Ershilihe Farm		209	135
		Yunshan Farm		229	124
		Yumihe Farm		295	142
		Miaopu Farm		76	52
Total	4300			4300	2217

5. Legal Framework

In China, different resettlement policies apply in different circumstances. For land acquisition and resettlement affected by public infrastructure project involving rural communities, it is based on *the Land Administration Law* (1999) and relevant provincial implementation regulations. Land acquisition and resettlement for wetland protection is based on “*the Heilongjiang Provincial Wetland Protection Regulation*” (2003). Farmland to forest restoration is based on “*Farmland to Forestry and Grassland Restoration Notice* (2000). Since the project will be financed by ADB, it is also in accordance with ADB’s Policy on Involuntary Resettlement (1995), ADB’s *Handbook on Resettlement* (1998) and *OM Section F2/OP – Involuntary Resettlement* (2003).

The principle of land use and resettlement in wetland reserves. People are strictly prohibited from living in the core zone of the wetland nature reserve. Those who presently live in the core zone of the wetland reserve will be relocated immediately, and all productive activities should stop. Those who live in the buffer zone should move out step by step.

Farmland to forest restoration. According to the Land Administration Law, conversion process from farmland to forest would be implemented step by step based on the land utilization plan. The affected forestry workers or villagers would continue doing forestry work to receive the wage and share the forestry profits. In villages, based on the national farmland to forest restoration policy, a subsidy of 100 kg of grain and RMB 20 in cash would be provided to the local farmers for each mu (1/15 ha) of farmland to forest and grassland restoration annually for 8 years for ecological forest or 5 years for industrial

forest.

Land tenure (ownership). Most rural lands are owned by rural collectives in China. The collectively owned rural lands belong to village collectives, and are managed by these collectives. The collectively owned land could be contracted, managed and used by collectives or individuals. A large amount of rural lands in the Sanjiang Plains are owned by state farm, forest stations or nature reserves.

Land acquisition (eminent domain). The state can acquire land that belongs to the collectives for public benefit. The construction unit should apply to the land administration bureaus at or above the country level for approval of land acquisition. The current landowners (users) should comply with the land acquisition decision in order to meet the state needs. This policy is applicable to the farmland to wetland restoration in the NRs.

Land compensation. Based on Chinese Land Administration Law, a developer who acquired land for an infrastructure project should pay compensation to the current land owners/users of the land. Compensation rate for cultivated land ranges from 6 to 10 times the average annual output value (AAOV) in the past three years. In addition to land compensation, relocation subsidies should also be paid to those needing resettlement. The compensation is based on the number of agricultural population to be affected by land acquisition. The relocation subsidy ranges from 4 - 6 times the AAOV in the past three years. The total relocation subsidy should not exceed 15 times the AAOV. If the land compensation and relocation subsidy is judged not being able to restore farmers to their previous living standard, it could be raised again, provided that the combined land compensation and relocation subsidy will not exceed 30 times the AAOV.

However, the farmland to wetland restoration is not an infrastructure project, but is an ecological restoration project. Albeit, the ADB OM Section F2/OP –*Involuntary Resettlement* (2003), cites that “*If individuals or a community must lose all or part of their land, means of livelihood, or social support systems, so that a project might proceed, they will be compensated and assisted through replacement of land, housing, infrastructure, resources, income sources, and services, in cash or kind, so that their economic and social circumstances will be at least restored to the pre-project level. All compensation is based on the principle of replacement cost.*” Therefore, the HPFB has agreed that compensation will be paid to the affected villages and State Farms based on the Land Administration Law.

Payment and use of funds. All land compensation funds, except for the properties (such as houses and attached buildings), should be paid to the village collective in order to develop other alternatives of livelihood for the affected persons, such as new production base, provide jobs to surplus labours. No individual or collective should use these funds for other purposes. For this Project, the affected village or State Farm should make a detailed plan for using the land compensation funds to develop alternative livelihoods

schemes, which should also meet the environmental regulations of the neighboring wetland protection areas. Any new investments or activities that would destroy the wetland would be prohibited.

Consultation and disclosure. For each NR, a resettlement plan (RP) should be formulated and published to solicit comments and suggestions from the affected collective villages and individuals. Following this regulatory provision, the county land administration bureaus will disclose “compensation rates” and “rehabilitation measures” to the affected villagers and will solicit comments from affected village leaders and individuals before finalizing the compensation agreement.

6. Resettlement Principles and Eligibility for Compensation

Following the Chinese laws and regulations on land acquisition and resettlement and ADB policy on involuntary resettlement, the basic principles of land requisition and resettlement for the proposed Sanjiang Plains Wetland Protection Project will include the following:

- Land acquisition and resettlement as an integral part of project design, Avoidance or minimized land acquisition and resettlement, where feasible from an economic, technical, social and environmental perspective;
- Resettlement and compensation in order to improve or at least restore the pre-project income and living standards of the affected people;
- Post land acquisition per-capita land holding that is sufficient to maintain the previous livelihood standards; Provision of income generating activities, where land allocation per capita is not sufficient to maintain previous livelihood standards,
- Adequate information provided to all APs on eligibility, compensation standards, livelihood and income restoration plans and project timing;
- Compensation for lost assets at replacement rates;
- Compensation for lost assets and resettlement subsidies in full prior to land requisition and house demolition.
- Monitoring of land acquisition and resettlement program by the HPFB, an independent monitor and ADB; and
- Inclusion of land acquisition and resettlement costs as part of the Project costs.

Eligible APs will be provided with compensation and rehabilitation before the official notification for relocation. The following are eligible for compensation and rehabilitation: (1) those whose land area or income source will be affected (2) those whose houses will be demolished; or (3) those who would lose other properties (crops, trees, and other facilities) or access to these properties will be removed or damaged due to land acquisition.

All affected people, regardless of their legal status, will be provided compensation and rehabilitation. Lack of legal paper of their customary rights of occupancy certificates shall not be a bar to obtain compensation. The resettlement policy should apply to all components under the project regardless whether or not they are directly financed by ADB.

The policy applies to all affected persons regardless of the total number affected or the severity of impact. Particular attention will be paid to the needs of vulnerable groups among those affected, especially the poor, the elderly, women and children, indigenous groups and ethnic minorities.

7. Compensation Rates

7.1 Land Compensation

Based on replacement cost principle, the annual land income loss will be the annual net output value. The net present value of future farmland income can be used to determine the land compensation rates through the NPV (Net Present Value) methodology, as based on the detailed survey on crop costs and revenues information. According to investigation and preliminary resettlement planning for Qixinghe NR in Baoqing County and Xingkaihu NP in Mishan County, the dry land compensation rate is 2500yuan/mu, and the paddy compensation rate is 3500yuan/mu.

It is understood that most of these sub-components will be located in the regions with relatively high per-capita cultivated land ratio. Villages and farms in these regions have plenty of lands outside the wetland reserve, which will be reallocated to those land-losing individuals in order to restore their existing production bases. For the affected villages, the compensation on land based on replacement cost will be provided to enable them to develop village production, improve village infrastructures, and assist the vulnerable individuals. Farm groups that will be affected seriously will be resettled outside of the NRs by arrangement of the State Farm or village collective, and a “land for land” approach will be adopted to restore the production base.

7.2 Building Compensation

With regard to the compensation rates for demolished structures, the basic strategy is to provide affected people with the replacement value of lost houses and structures, transfer and transportation allowance and new housing plots in order to allow them to rebuild their new houses with equal or better conditions. Due to the low population density in the project regions and the effective efforts of minimizing the resettlement impacts during the design process, the number of households to be relocated is relatively small in the project. Based on the identification, the house demolition will only take place in the Xingkaihu Lake, with a total of 43 households of 136 persons to be moved out from the core zones. These simple houses were constructed by the State Farm and have been leased to the farmers. This small cluster of houses is isolated from other residential areas and commercial services. Once the farmland is restored to wetland, there will be no need to live in this isolated spot. Based on consultation with the farm authority and affected farmers of the 29th group, Nangang sub-farm is selected as the new residential site. The new site is closer to the headquarters of Xingkaihu Farm than the existing site, and the host site has better infrastructure including primary school, clinic, shops, market, good water supply and better communication. The State Farm will construct new houses for all the affected households (all of the 29th group) at the new site using the compensation fund. Since the

existing houses are owned by the State Farm, they would be constructed again by the State Farm for leasing but some may opt to purchase the new house if they have sufficient funds. Either way, the APs will receive better housing than before.

Due to different economic conditions, the different prices for construction materials, some variation do exist among these different structures of buildings. According to the Mishan (Xingkaihu) Resettlement Plan, the compensation rates for houses will be RMB 700/m² (all the affected houses are in brick structure), the house compensation will be paid to the owners of the houses. Also, a transfer and transportation allowance will also be provided to each household: compensation rate of well is 2200 yuan, pigpen or henhouse is 100 yuan/m² and 300 yuan for telephone connection. In addition, each household will be provided 500 yuan for moving allowance; meanwhile, the project will pay for site preparation, electricity connection, water supply and road construction.

8. Rehabilitation Measures

In general, the impacts of the Project can be classified as permanent land losses, building demolition and relocation and other private property losses. In addition to the compensation rates, detailed rehabilitation measures will be developed for different categories of affected persons.

For permanent land loss, all agreed compensation will be paid directly to the village committees or affected State Farms.

Given the fact that land acquisition takes place in buffer or core zones within the nature reserves, the quantity of land to be acquired represents only a small part of the village or farm group. Most rural villages in the Sanjiang Plains still have relatively high per-capita farmland, after land re-adjustment within affected villages or farm groups. Also, the average output value of the affected land is not very high because the wetlands are frequently flooded and have poor drainage. Therefore, economic impacts on individuals in most villages or farm groups will be limited.

After land acquisition, the affected village or State farm will readjust the farmland within the village or the farm, and thus ensure that the affected persons obtain the same quantity and quality farmland as the other farmers. Meanwhile the village will use part of the land compensation as a village development fund⁵ to finance household groups to develop alternative livelihood schemes for increasing their incomes. The affected households will be given the priority to receive grants or credit from the village development fund. The remaining funds would be invested collectively, either on livelihood schemes or village infrastructure.

⁵ The project proposes to set a minimum of 30% for household-level alternative livelihood development.

After sufficient consultation and participation with villagers or farm workers, the affected village or State Farm will make a detailed village development plan of using the land compensation fund. The alternative livelihood schemes will have to be compatible with wetland protection, and any scheme that would potentially damage the wetland would be forbidden. The compensation funds will not be paid to the village or State Farm until an acceptable village rehabilitation plan has been prepared, has majority of villagers support, and has passed environmental screening by the management of the NR.

For those who will be affected by farmland to forest restoration outside the nature reserves, the land ownership will not be transferred. The forestry farm or the village will readjust the rest farmland within the forestry farm or the village, ensure that the affected forestry workers or villagers could obtain the same quantity and quality farmland as other workers or villagers, and the affected workers or villagers could continue as forestry workers, receive the wage and share the profits of forestry. However, due to the return in longer future, in order to remedy the income loses during the tree growth phase, the project arranged a sub-component of developing NTFPs. Based on investigations, it was determined that an area equivalent to 20% of the farmland restored to forest will be used for developing NTFPs in order to prevent any income lose to the forest workers or villagers during the tree growth phase.

Base on above rehabilitation measures, some of the affected persons will be engaged on the alternative livelihood programs such as NTFP. In order to help these people grasp the new skills, training programs will be formulated and implemented. The training cost is included in the project budget.

9 Entitlement Matrix

Table 5 Entitlements of affected village, farm and persons by farmland to wetland restoration

Types of Affected	APs	Policy	Rate
Farmland to wetland restoration	Affected Village	<ul style="list-style-type: none"> ● Obtain land compensation as per displacement price ● Readjust land, so affected villagers can have same land as other villager. ● Formulate detailed village development plan, use land compensation fund to develop alternative livelihood program for increasing the villagers' income. 	Dry land: 2500yuan/mu Paddy: 3500yuan/mu
	Affected Persons	<ul style="list-style-type: none"> ● Obtain replacement land by readjustment of land with the village or Sate Farm. ● Obtain training and employment opportunities. ● The village or State Farm will invest in alternative schemes to guarantee no reduction of incomes. ● Priority to obtain opportunity to use land compensation fund to develop alternative livelihood programs. 	

Table 6 Entitlements of affected farm and farm workers by house relocation

Types of Affected	APs	Policy	Rate
Demolished Houses belong to farm	Affected farm	<ul style="list-style-type: none"> ● Obtain house compensation as per displacement price and build new residence for employees ● Obtain infrastructure investment of resettlement area for its construction 	Brick-concrete houses: 700yuan/m ²
	Affected employees	<ul style="list-style-type: none"> ● Obtain moving subsidy ● Move to the new houses built by farm with same area and structure as their original houses ● Share every kinds of infrastructure in resettlement area built by farm 	500yuan/household
Demolished Houses belong to individual (Note: no such houses are expected to be affected)	Owner	<ul style="list-style-type: none"> ● Receive the house compensation at replacement value. ● A new housing plot will be provided by the existing village free of charge ● Payment for site levelling and on-site infrastructure. ● For those vulnerable households, the village or farm will provide assistance in house rebuilding. 	
	Renter	<ul style="list-style-type: none"> ● Obtain moving subsidy ● Sign agreement with owner and continue renting the new house. 	

Table 7 Entitlements of affected forestry farm and farm workers by farmland to forest restoration

Types of Affected	APs	Policy	Notes
Farmland to forest restoration in State Forest Farms	Affected Forest Farm	<ul style="list-style-type: none"> ● The State Farm will receive Project funds to invest in NTFPs. ● Readjust the remaining farmland within the forestry farm to ensure the farm workers own same quantity and quality farmland. ● The loss of land contracting revenues will be offset by timber forestry profits in the longer term 	An area of land equivalent to 20% of converted farmland will be planted for NTFPs
	Affected forestry workers	<ul style="list-style-type: none"> ● Continue engaging in forestry in original land, receive wages for tree planting, tending young trees and felling trees in other parts of the forestry farm ● Obtain replacement farmland for annual contracting ● Share in 20% of forestry profits ● Intercropping between young trees with land contracting fees ● Developing NTFPs with no land contracting fees for 3 years 	
Farmland to forest restoration in villages	Affected village	<ul style="list-style-type: none"> ● The Village Collective will receive Project funds to invest in NTFPs. ● Readjust the remaining farmland within village to ensure the farmers own same quantity and quality farmland. ● The loss of farm revenues will be offset by timber forestry profits in the longer term 	An area of land equivalent to 20% of converted farmland will be planted for NTFPs
	Affected villagers	<ul style="list-style-type: none"> ● Obtain replacement contract farmland, the same quantity and quality as other villagers ● Intercropping between young trees with land contracting ● Developing NTFPs with no land contracting fees for 3 years ● Eligible for government subsidies of 100 kg of grain and RMB 20 for each mu of land converted for a period of 8 years (not funded by the Project) 	

10. Institutional Arrangement for Resettlement

As a loan project, the Heilongjiang Provincial Government through the Provincial Development and Reform Commission has overall coordination responsibilities among the

13 counties for proposed sub-components. The Heilongjiang Provincial Forestry Bureau, as the wetland management authority, will be the Implementing Agency (IA). It has full responsibility to coordinate all sub-component management offices in terms of project planning, implementation and financing. Within each sub-component the county management office will be involved in resettlement, and a resettlement unit will be set up. The unit will be responsible for RP preparation and implementation, including assets valuation, consultation, and delivery of entitlements. The county land administration bureaus and resettlement office will assist the sub-component management office to implement the agreed-upon RP, and be responsible for land inventory and acquisition approvals. Field tasks such as paying compensation, selecting replacement land, providing livelihood support and monitoring and evaluation will be the responsibility of resettlement office, township, village, and farm.

The Heilongjiang Provincial Development and Reform Commission, in partnership with the Provincial Forestry Bureau, will ensure that the resettlement offices of sub-components are briefed on arrangements of the resettlement framework for sub-components, and provided guidance to prepare and implement RPs. The Provincial Forestry Bureau will ensure that resettlement budgets are disbursed on time to sub-component management offices, that the payments are made directly and on time to the affected farms, villages and individuals. The disbursement will be paid to affected people before ground levelling and demolition start.

The Management Office of each Nature Reserve will also play a key role by discussing wetland restoration plans, in consultation with villages or State Farm leaders, and review of village rehabilitation plans to conduct environmental screening of proposed development to ensure they meet environmental regulations, especially for areas adjacent to the wetland areas or in upstream watersheds.

11. Cost of Resettlement, Source of Funding and Flow of Fund

The land acquisition and resettlement budget for the relevant sub-components are fully included in the total project cost. In order to ensure the smooth implementation of the resettlement programs, efforts will be made in formulating viable alternative livelihood development plans, which is the main aspect of the resettlement planning. The resettlement programs will include land compensation, compensation for lost structures; income restoration; and transfer and transportation allowance. In addition, the resettlement budget will also include other related costs, such as land-related tax and land administration fee, survey and resettlement planning, administration, training, assistance fund for vulnerable groups, and resettlement monitoring and evaluation. Given the time required for implementation, and level of accuracy of initial survey, a contingency fund will be incorporated into the total project budget for covering cost changes due to inflation or unexpected situations during the implementation. Based on latest project design, the total budget for farmland to wetland restoration is RMB82.6014million (US\$ 9.95 million), see **Table 8**.

The project will also convert 4300 ha of farmland to forestry, in which 860 ha will be developed for the NTFPs, and will invest RMB5.16 million (US\$0.62million). In addition, the forestry workers and villagers could also benefit from the policy of the central government and the provincial governments.

The funding for the conversion of farmland to wetland (CNY 82.60 million) has been guaranteed by the Heilongjiang Provincial Government. A Resettlement Fund will be established under the Project and will be channelled through by the Department of Finance to the affected villages and State Farms.

In order to minimize the problems in delivering compensation payment, the Provincial Forestry Bureau and sub-component management offices will ensure that the flow of resettlement funds will be direct and transparent. Usually for compensation to affected households, the fund will flow from the sub-component management offices and township government to affected households supervised by the sub-component management offices, village or farm representatives, and village or farm heads. For the compensation to affected communities or farm such as land compensation fund, the fund will flow from PIUs to affected villages or farms supervised by sub-component management offices and local county governments.

Table 8 Resettlement Cost for Farmland to Wetland Restoration

Items	Unit	Raohe		Mishan	Hulin	Baoqing	Jixian	Total	
		Dajiahe NR	Naolihe NR ⁶	Xingkaihu NR	Zhengbaodao NR	Qixinhe NR	Anbanhe NR		
A	Land Compensation for farmland restored to wetland	10000yuan	1837.5	240.0	1750.0	525.0	1500.0	1312.5	7165.0
B	Land Attachments	10000yuan			241.7		2.9		244.63
C	House Relocation	10000yuan			139.9				139.85
D	Removal Allowance	10000yuan			2.2				2.15
E	Infrastructure in Host Area	10000yuan			26.5				26.48
F	Subtotal (A~E)		1838.0	240.0	2160.0	525.0	1503.0	1313.0	7578
G	Resettlement Survey and Plan	1.0%	18.4	2.4	21.6	5.2	15.0	13.1	75.78
H	Monitoring & Evaluation	2.0%	36.8	4.8	43.2	10.6	30.0	26.2	151.56
I	Management Fee	1.0%	18.4	2.4	21.6	5.2	15.0	13.1	75.78
J	Training Fee	1.0%	18.4	2.4	21.6	5.3	15.0	13.1	75.78
K	Contingency	4.0%	73.5	9.6	86.4	20.9	60.2	52.5	303.13
	Total	10000yuan	2003.0	262.0	2355.0	572.0	1638.0	1431.0	8260.14
									US\$9.95 million

⁶ Hongqiling Farm Alternative Livelihood Program Investment

12. Consultation, Disclosure and Grievance Redress

Consultation with the APs will take place in the early process of resettlement planning. Before implementation of the socio-economic survey of resettlement impacts, the professional staff from resettlement offices and design institutes will carry out a reconnaissance survey to identify the people, villages and farms affected by the project. During this survey, comments and opinions of local governments and affected communities on the project will be solicited and passed on to the project planners. Continued consultation and participation will take place during the comprehensive socioeconomic and inventory surveys. During the survey, every affected household will be visited. Village meetings will also be held, the local governments and APs will be given the opportunity to review the compensation policies and standards, rehabilitation instruments, and make site selection for the replacement land.

The RPs in Chinese language will be made public in the county and township offices. Resettlement Information booklet reflecting the key elements of RP will be distributed to the APs prior to resettlement implementation. Such consultation and participation will be continued throughout the implementation process.

Complaints and grievance procedures will be established in the RP. Grievances will first be lodged with the village committee or farm group. If no settlement is reached within two weeks, the complainant has one month to bring the grievances up to the county land administration bureau or building demolition office. If it is still unresolved within two weeks, the case can be sent to the sub-component management office. Final appeal is available in the civil court as established by the Regulations for Administrative Redress.

13. Monitoring and Evaluation

Following the requirements of the ADB, both internal and external monitoring and evaluation of the resettlement programs will be carried out in order to ensure all APs, farms or villages are compensated adequately and timely and their income and livelihood are restored after resettlement and rehabilitation.

Internal monitoring will be carried out at county level by each sub-component management office. The main purpose is to supervise progress of implementation of the resettlement program. Every month, the local resettlement staff will report resettlement implementation progress through the county sub-component management office to the provincial PMO. The provincial PMO will compile these individual project reports into an overall resettlement progress report on a quarterly basis for the provincial government (Heilongjiang Provincial Development and Reform Committee and Provincial Forestry Bureau), which will then be submitted to the ADB.

For external monitoring and evaluation, an independent institution such as a university or social research institute will be engaged by the provincial project management office to serve as the external monitor. The selected institution should have extensive experience in social survey and resettlement monitoring for internationally financed projects in China. The main objective is to understand whether or not the objectives of resettlement are achieved, including the assessment of resettlement implementation and the restoration of livelihood for the APs.

The scope of monitoring and evaluation will cover the progress of implementation, compliance with resettlement policies, delivery of compensation funds, allocation of replacement land, changes of income and livelihood among affected people, consultation and participation, development of local communities and so on. The methodologies will include a combination of household sample surveys and rapid and participatory appraisals. The monitoring and evaluation activities should be carried out semi-annually during the project implementation.

14. Procedural Guidelines for RP Preparation

The reason for the Resettlement Framework is the need for a community-based process to formulate alternative livelihood schemes as the basis for the resettlement. Further consultation with the affected people and with the NR PUIs will be carried out to formulate village development plans. This approach will ensure that viable and sustainable alternative livelihoods are developed to offset lost income from farming, especially activities that are compatible with wetland protection. It will take time to set up the project implementation units, strengthen the staff of the NRs, and prepare ecotourism plans for the NRs. Consequently, no wetland restoration will take place in the first year of the project. With the assistance of TA consultant, the PMO has drafted two preliminary RPs for Xingkaihu Nature Reserve and Qixinghe Nature Reserve. These RPs will still require further community consultation and participation of villagers, local officials and NR staff to identify alternative livelihood schemes. Village development plans will specify how the compensation funds will be invested. The proposed activities should meet environmental and income generation criteria. The detailed village development plans should be approved before the State Farm or Village Committee receives the compensation. The Project will provide some technical assistance to formulate village development plans and consultation. For the other four Nature Reserves, socioeconomic investigations will be conducted by the county-level project implementation office based on consultation with the villagers. The village development plans and RPs will be prepared and submitted to the HPRF project management office for review and environmental screening. The Nature Reserves will participate in the review. After acceptance, the RPs will be sent to ADB for approval. Only then can the resettlement and wetland restoration implementation may commence. The PMO will also conduct baseline socioeconomic surveys for Jixian, Raohe, Hulin, and Hongqilin. According to the ADB OM Section F2/OP, "significant" means 200 or more people will experience major impacts of land acquisition and resettlement, which are defined as: (i) being physically displaced from housing, or (ii) losing 10% or

more of their productive assets (income generating). For each sub-component of the Sanjiang Plains Wetland Protection Project, if significant land and resettlement impacts would be involved, a full resettlement plan will be prepared in accordance with the ADB requirements. A full resettlement plan would include the following major elements:

- Scope of land acquisition and resettlement impacts;
- Socio-economic information of affected areas and population, with findings of the socio-economic survey and social and gender analysis;
- Objectives and policy framework of LAR and entitlement of APs;
- Community participation, consultation, disclosure arrangements;
- Grievance and redress procedures;
- Relocation of housing and settlements;
- Income restoration strategy;
- Environmental protection and management;
- Institutional framework and responsibilities;
- Resettlement budget and financing with detailed cost estimate with budget provisions;
- Implementation schedule, showing how activities to be schedule with time-bound actions in coordination with the civil works; and,
- Monitoring and evaluation.

For sub-components with insignificant resettlement impacts, a short resettlement plan will also be prepared. The short resettlement plan covers the same issues as that of a full resettlement plan, as relevant, but in lesser detail. However, the short resettlement plan must ensure that adequate compensation, rehabilitation, and relocation arrangements are planned and budgeted. In accordance with the ADB Handbook on Resettlement, a short resettlement plan will include the following key elements:

- Scope of land acquisition and resettlement;
- Objectives, policy framework of LAR and entitlements of APs;
- Compensation, relocation, and income restoration;
- Consultation, and grievance redress participation;
- Institutional framework;
- Resettlement budget and financing;
- Implementation schedule; and,
- Monitoring and evaluation.

Annex A: Outline of Full Resettlement Plan

1. Project Description

- Project overview: sub-component components, owner and institutions of each sub-component, scale, investment, location (maps attached)
- Project design process
- Socioeconomic benefits of the Project
- Summary of the Project impact
- Preparation of the resettlement plan

- Resettlement objectives

2. Socioeconomic Profile of the Affected Village/Farm and Affected Population

- Dates, sample size, sampling methods of socioeconomic baseline survey
- Survey agency and team
- Survey results
 - Demographic features of respondents
 - Demographic features of affected families
 - Housing conditions
 - Cropping, land productivity, earnings
 - Income and expenditure by source
 - Identification of vulnerable groups
 - Willingness to move
 - Desired compensation and resettlement options
 - Knowledge about project, views and opinions about project impacts, support to project
- Survey questionnaire attached

3. Scope of Land Acquisition and Resettlement

- Property inventory: quantity and quality of the affected land (farmland to wetland restoration vs. farmland to forest restoration) by household, population, category and village, township and county
- Structures and other assets, by household, population, category and village, township and county
- Affected public and community infrastructure
- Affected businesses/enterprises
- Affected physical and cultural heritage, and minorities
- Project alternatives or measures to avoid or minimize land acquisition and population resettlement.

4. Policy and Regulation on Land Acquisition and Resettlement

- Relevant policies and regulations (farmland to wetland restoration vs. farmland to forest restoration) on land acquisition and resettlement; reference will be made not only to national laws and regulations, but also to relevant implementation rules, regulations, and supplementary documentations issued in the province, municipality and county
- ADB Policy on Involuntary Resettlement
- Local policies to be adopted during land acquisition that are not included in official laws and regulations
- Eligibility criteria adopted for this project, and legal basis
- Compensation rates for different categories of losses, and legal basis
- Calculation method for land compensation, and legal basis
- Compensation for structures at replacement costs and how these rates are

arrived at, and legal basis

- Compensation and resettlement classified into two types: (1) compensation to the affected village, such as land, farmland and facilities; and (2) direct compensation to individual households for private properties such as standing crops, fruits, trees as well as houses (including subsidies for farmers and farm workers); legal basis
- Compensation for enterprises and businesses
- Compensation for public infrastructure and special facilities
- Entitlement matrix, and legal basis
- Special considerations for vulnerable groups
- Differences between project compensation policies/standards and those of the ADB and proposed solutions to solve the gaps

5. Income Restoration and Livelihood Rehabilitation Plan

- Resettlement strategy
- Resettlement Plan: selection of resettlement sites; house re-building or replacement, physical, demographic and socio-economic features of the host communities, sources and destinations of resettled populations and integration, and reconstruction of infrastructure and public facilities
- Per-capita land ownership before and after resettlement for resettled and host households, by village
- Income restoration: measures for income generation for resettled and host communities, including measures to increase land productivity, alternative employment opportunities, preferential employment of affected persons and women in project, training and extension services, funds for social assistance and social development
- Income forecasts for affected persons and hosts before and after resettlement
- Special measures for vulnerable groups and women

6. Community Participation

- Relevant organizations and activities involved in the issue discussions with the land acquisition and resettlement
- Information campaigns to inform villages and households affected by land acquisition (e.g., community meetings, information booklets, and media) of relevant policies, compensation entitlements and arrangements
- Steps and methods to be adopted to consult with organizations and individuals involved
- Ways of incorporating comments and recommendations from the affected persons
- Summary completed and planned consultation plans in tabular form (purpose, dates, targets and so on)

7. Grievance Redress Mechanism

- Major potential grievance issues by APs

- Ways in which the rights of affected people and organizations are fully recognized and respected
- Channels and timeframe of grievance and resolution (in particular, any affected person who has grievances during implementation will have multiple channels to file)
- Grievance and redress procedural chart

8. Monitoring and Evaluation

- Purpose and objectives of monitoring and evaluation
- Arrangements for internal and external monitoring and evaluation: responsible units, scope of responsibilities
- Monitoring and evaluation indicators
- Reporting requirements: contents, schedule, etc.

9. Institutional Organization and Staffing

- Institutional arrangements for overall land acquisition and resettlement
- General description of each institution involved in LAR and clear responsibilities for each institution
- Capacity building: existing staff and staffing needs, institutional capacity and qualifications of personnel, and training needs
- Detailed organization chart attached

10. Budget

- Detailed land acquisition and resettlement budget, including the basic costs, taxes and contingencies (inflation and risk), if required, and all administrative costs and fees, as well as social assistance fund and social development fund for vulnerable groups
- A summary of land acquisition and resettlement budget and annual budget
- Financing sources and disbursement channels

11. Schedule

- Implementation schedule, with critical target dates and activities, and linkage to the construction schedule of civil works
- Detailed schedule for key resettlement activities, an implementation bar chart attached.