

**WORLD BANK – GLOBAL ENVIRONMENT
FACILITY**

**China: Reduction/Phase-Out of PFOS in Priority
Sectors Project**

**Hubei Hengxin Chemical Co., Ltd. Conversion
Project**

Resettlement Action Plan

September 2019

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1 Project Overview

1-1 Project Background

PFOS and its derivatives are important raw materials for the synthesis of various fluorosurfactants, and are widely used in daily life, industrial production and other fields. However, PFOS has durability that is difficult to degrade, accumulation in organisms, long-range mobility and uncertainty about human harm. In May 2009, the Fourth Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants (POPs) decided to include PFOS/PFOSF in Annex B of the Convention (restricted category). On March 25, 2014, China's Ministry of Environmental Protection and other 12 ministries jointly issued a ban on PFOS, PFOS and PFOSF's production, distribution, use and import and export except for specific exemptions. For specific exempted uses, all eliminations should be made before the exemption expires; for acceptable uses, management should be strengthened and phased out.

In November 2017, The Global Environment Facility - China: Reduction / Phase - out of PFOS in Priority Sectors Project (PFOS Project), developed jointly by the World Bank and the Foreign Economic Cooperation Office (FECO) under Ministry of Environmental Protection (MEP) was officially launched. The project which is in the field of chemical management aims at ensuring that China would fulfill its mandatory obligation of reducing PFOS as was stipulated in the Stockholm Convention on Persistent Organic Pollutants. It urges the uttermost replacement/reduction/phase-out of PFOS by manufacturing, electroplating, farm chemical, and fire-fighting industries, and minimizes the production and use of PFOS, reduces environmental risks, improves the regulatory capacity of relevant regulatory agencies, increases the public's awareness of reducing the use of persistent organic pollutants, and brings overall environmental benefits. The overall cost of the project is 145.3

million USD, of which 24.25 million is donated by GEF.

The National Project Office (FECO of the Ministry of Environmental Protection, FECO) and the Provincial Project Office (PPMO), determine the primary producers (about 12) and secondary producers (about 14 companies) of PFOSF from the alternative projects to fund their reduction/phase-out of PFOSF according to the following screening criteria:

Criteria 1: The industry belongs to the priority industries of this project, they are using or applying PFOS and its products and its production process is typical.

Criteria 2: The Company has legal and effective environmental permits and approvals, such as environmental impact assessment report are prepared and approved.

Criteria Standard 3: The Company's sewage discharge is basically up to standard discharge, and there is no major environmental pollution incident.

Hubei Hengxin Chemical Company as a major manufacturer of PFOS raw materials has a capacity of 30 tons/year. With the dates of the international ban on PFOS\PFOSF approached, Hubei Hengxin Chemical Company conducted research and development of PFOS substitutes, some great progress have been made in the process technology of PFBS and PFES and some identification results and patents are obtained. At the same time, The Company also actively participated in the "Finnish Convention PFOS/PFOA Industry Seminar" held by the Ministry of Environmental Protection, "Investigation on the Application of PFOS Substances in China's Electroplating Industry", and the work on "The Investigation of the Production and Application of PFOS" organized by China Fluorosilicon Organic Materials Industry Association. The company is in compliance with the criteria of the PFOS Project and its change production and phase out production plans are included in the PFOS project.

1-2 The Content of the Project

Hubei Hengxin Chemical Company currently has a capacity of 30 tons/year of PFOSF. The content of Hubei Hengxin Chemical Company conversion and replacement projects include:

(1) Conversion project: The 30 ton/year PFOSF production line was converted into a PFBSF production line of 80 tons/year through technical transformation.

(2) Substitute project: A new 60 ton/year DPEBSF production line is used as an alternative to electroplating chrome fog inhibitors.

Hubei Hengxin Chemical Company is located in the provincial industrial park-Yingcheng Economic and Technological Development Zone. In order to achieve the PFOS conversion and replacement goals, the Company will build new plants in the new park and update equipment. After the new plant is completed, the Company will close the original production workshop and relocate to the new plant and plans to transform the old factory and office facilities into warehousing and develop logistics services. The warehousing facilities after the renovation will not discharge pollution, nor will affect the living of the surrounding residents, and it conforms to the industrial planning and development direction of Yingcheng Economic and Technological Development Zone.

According to the company's "PFOS product conversion and replacement project plan", Hubei Hengxin Chemical Company will build a new 4000m² standard factory building, 1 new finished product warehouse, 1 raw material warehouse, 1 packaging barrel warehouse, and total new warehouse area is 3000m². The new frozen room, power distribution room, gas boiler room and other shared facilities with 3000m² will also be constructed. The new factory zone was selected in Saifu Industrial Park of Yingcheng City. The construction needs to requisition 35.34 mu of land in Linchu Village of Changjiangbu Street office.

Table 1-1 The content of project construction

No	Construction project	The content of construction	Land acquisition (mu)	Budget of investment (yuan)
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1	Production project	Conversion project	The 30 ton/year PFOSF production line was converted into a 80 ton/year PSF production line through technical transformation	35.34 mu land of Linchu Village will be expropriated	Land purchase budget is 12.5 million RMB; Production equipment purchase budget is 9.51 million RMB; Environmental protection, fire protection and other equipment purchase budget is 35.16 million RMB.
		Substitute project	A new 60 ton/year DPEBSF production line is constructed		
2	Civil engineering project	Factory building	a new 4000m ² standard factory building will be built.		
		Warehouse	1 new finished product warehouse, 1 raw material warehouse, 1 packaging barrel warehouse, and total 3000m ² new warehouse area is built.		
		Shared facilities	Shared facilities with 3000m ² will also be constructed for frozen room, power distribution room, gas boiler room etc.		

1-3 Overview of Economic and Social Development in the Affected Areas

The new plant of Hubei Hengxin Chemical Company is located in Linchu Village of Yingjiang District, Yingcheng City. The area belongs to the Saifu Industrial Park, which is a key industrial park of Yingcheng City.

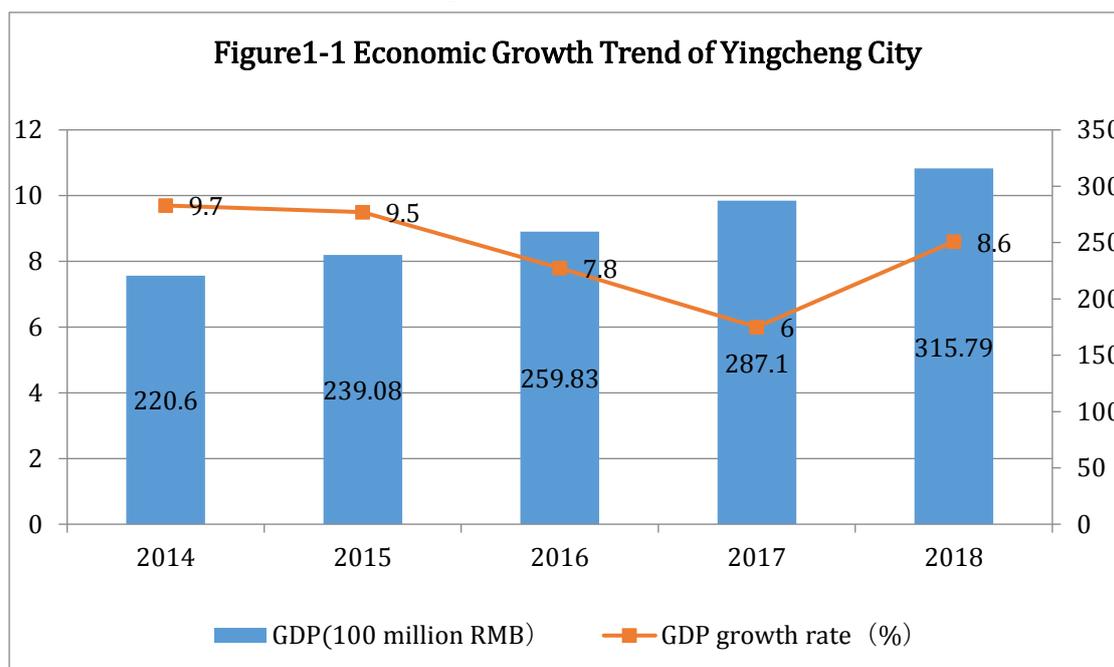
1-3-1 Overview of Economic and Social Development of Yingcheng City

Yingcheng City is a county-level city directly under the jurisdiction of Hubei Province and administered by Xiaogan City, and is an important part of Wuhan City Circle. At the end of 2018, the total registered population of the city was 652,200, with a total land area of 1.643 million Mu, including 974,400 mu of cultivated land, the cultivated land per capita is about 1.5 Mu.

Yingcheng City is located in the transitional zone between the hills of Hubei and the Jiangnan Plain. The city's natural resources are abundant. The main minerals found in the territory are gypsum, rock salt, strontium, quartz and kaolin. The reserves of gypsum and rock salt are the most abundant. The gypsum reserves are 510 million tons, of which the first-grade fiber gypsum with calcium sulfate dihydrate content greater than 95% accounts for 82.24%

of the total reserves, accounting for more than 82% of the national high-quality fiber gypsum reserves. The rock salt deposits have a distribution of about 140 square kilometers and a reserve of 28 billion tons. The sodium chloride content is generally 63.4%~88.5%, and the highest is 95%. Yingcheng City is known as the "paste of salt sea".

In recent years, Yingcheng City has gradually overcome the downward pressure of the economy. In 2018, the city achieved GDP of 315.79 billion RMB, an increase of 8.6% over the previous year. Among them, the first industry realized an added value of 4.839 billion RMB, an increase of 3.2%; The added value of the secondary industry reached 17.77 billion RMB, an increase of 8.7%; the tertiary industry realized an added value of 8.763 billion RMB, an increase of 11.9% (Figure 1-1).



Yingcheng City is an industrial-oriented city. Since the 1970s and 1980s, it has formed an industrial structure with salt chemical, gypsum building materials and fine chemicals as its main industries. The proportion of the secondary industry in the industrial structure has been above 56%. In recent years, with the introduction of a large number of industrial projects, the proportion of the secondary industry is still increasing. The industrial structures

were adjusted from 18.2:56.3:25.5 in 2014 to 15.3:56.9:27.8 (Figure1-2). The per capita income of all residents of the city is 26,902 RMB. Among them, the per capita income of urban permanent residents is 33,777 RMB; the per capita income of rural permanent residents is 19,103 RMB.

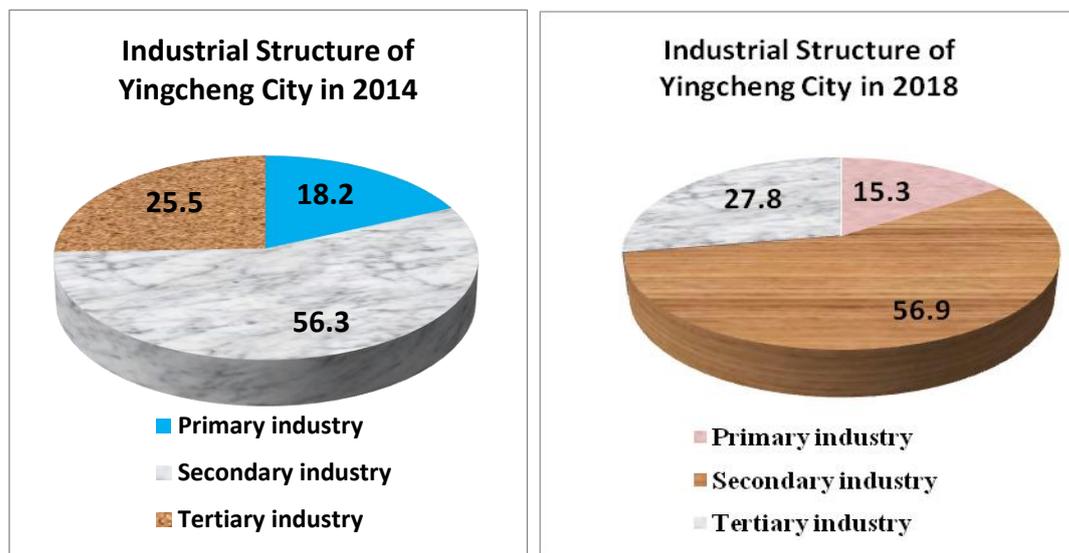


Figure 1-2 The evolution of industrial structure of Yingcheng City

1-3-2 Overview of Saifu Industrial Park of Changjiangbu

Changjiangbu also known as Changjiang Town, is located at the intersection of Yingcheng, Yunmeng and Hanchuan counties. It is an old town with more than 400 years of history. The town is full of merchants, active trade, and outstanding people. It may take about 2 hours to drive from Wuhan City and is known as the "Little Hankou". The current population is 29,306 people, covering an area of 18.7 square kilometers. It has jurisdiction over 3 neighborhood committees and 14 village committees.

The Saifu Industrial Park is one of the “five bases and six major parks” for the petrochemical industry in Hubei Province. It is a planned large-scale fine chemical industry base by Hubei Province. In 1997, the land use plan of Yingcheng City was adjusted, and the planned land area of the Saifu Industrial Park was determined to be 260.48 hectares. According to the progress of the development of the Park, the Yangtze River Street Office will implement land

acquisition in each year and transform rural collective land into state-owned construction land. Enterprises or companies that move into the park may obtain land use rights and pay land fees according to the relevant laws and regulations such as “Land Administration Law of the People's Republic of China” and “Regulations on the Use of State-owned Construction Land for Bidding, Auction and Listing”. The payment of the price is determined by the auction through the “bidding and auction” method.

The Park began construction in 2000. In 2005, it was awarded the “National Torch Plan Yingcheng Fine Chemical New Material Industry Base” by the Ministry of Science and Technology. At present, the Changjiangbu Saifu Industrial Park has developed into a large-scale fine chemical park with 58 enterprises of various types, including 36 enterprises above designated size, 7 high-tech enterprises, 3 new three-board and four-plate listed enterprises. The output value is 14.1 billion RMB and the tax revenue is 130 million RMB in 2015. In 2016, Changjiangbu Saifu Industrial Park successfully passed the review of the Ministry of Science and Technology and continued to retain the national honor of “National Torch Plan Yingcheng Fine Chemical New Material Industrial Base”, it becomes the only industrial park of the same type in Hubei Province.

In recent years, Saifu Industrial Park has continuously optimized its business environment and improved its infrastructure. At present, the Yangtze River Street Office and Wuhan Jinghong Company have adopted the BOT method to build a sewage treatment plant with a daily processing capacity of 5,000 tons, and a water supply pipe network of 16.8 kilometers is being laid in the park. After the industrial sewage treatment plant is put into operation, the enterprises in the park will operate in a closed operation, and the treated water will be recycled in the park to improve the utilization rate of water resources. While improving the infrastructure, Changjiangbu Street Office has also strengthened cooperation with universities and colleges, intensified product research and development, and focused on new projects with high science

and technology or high value-added, and actively engaged in absorbing investment in the park. With the industrial attractiveness of the park has been continuously enhanced, a number of projects with large investment, broad prospects and obvious product advantages have settled in the park, which has injected new vitality into the local economic and social development.

1-3-3 Overview of Linchu Village

The directly affected area of the project by land acquisition is Linyi Village, Changjiangbu Street office, Yingcheng City, Hubei Province. The village is located at the northern end of the Yangtze River. There are 309 households with a population of 1,556 and a labor force of 860 in the village. The total cultivated area of the village is 1,143 Mu, the forest land is 57 mu, and the water surface is 62 Mu. In the past, the crop industry and aquaculture industry were the leading industries. In recent years, with the development of industrialization and urbanization, a large number of labor forces have been transferred from the agricultural sector to the non-agricultural sector. Among the 860 laborers in the village, the number of laborers who have been working in the cities has reached 650, accounting for 76% of the total labor force. The proportion of agricultural income in the village to total income is about 5%. The Village is a rapidly urbanizing area.

1-4 Overview of the Affected Company

Hubei Hengxin Chemical Company is legally registered in the People's Republic of China and it is a independent corporate. The company is a private high-tech enterprise specializing in chemical products. It is a member of China FO Industry Association and also the research base of Huazhong University of Science & Technology, Huazhong Normal University, Wuhan University of Science & Technology. In November 2005, it was recognized as a high-tech enterprise by the Science and Technology Department of Hubei Province; in October 2008, it was awarded the Outstanding Award of China FO Materials



Industry Association; in December 2009, it became a member of China Printing and Dyeing Industry Association; in April 2010, it was recognized by Hubei Science as the key science and technology SMEs in Hubei Province. In June 2012, the Company was recognized as a national high-tech enterprise by the Ministry of Science and Technology of China.

1-5 Measures to Minimize Resettlement

The new plant of Hubei Hengxin Chemical Company is located in the Saifu Industrial Park of Changjiangbu, which is a large-scale fine chemical industrial base planned and constructed in Hubei Province. The land acquisition for the construction of the plant is within the planned land use of the park, and the red line of land has been determined. The land for factory construction will be firstly requisitioned from Linchu Village and will be transformed into state-owned construction land, and then the land use right was transferred to Hengxin Chemical Company through land auction. The total land acquisition is only 35.34 Mu, among the requisitioned land, only 2.5 Mu of land is still being cultivated, and other land is no longer cultivated, but has evolved into a shrub land. Land acquisition has a slight impact on local production, living conditions and the environment. In order to reduce the negative impact of project construction and land acquisition and minimize the amount of land acquisition, the local government will adopt the following policy measures during project design and implementation.

(1) Optimize project design and reduce the number of land

acquisition and demolition. The design organization plans and designs the new plant in accordance with the principle of saving land, less land and not occupying good land, minimizes the occupation of cultivated land and improves land use efficiency. The newly established construction site of the new plant avoids sensitive points such as villages, schools and hospitals. The land occupied is mainly shrub land, and the impact of land acquisition on affected families is slight.

(2) Strengthen construction management and reduce the interference of project construction on the production and life of local residents. During the construction of new factory construction, Hengxin Chemical Company will strengthen the construction management, and shall not arbitrarily cut down trees, reduce the dust and soil erosion caused by soil and spoil, and the bare land formed in the construction area should be timely restored with engineering or plant measures. The construction unit shall also timely clean up the domestic waste at the construction site in accordance with the requirements of the local sanitation department to minimize the adverse impact on the local environment.

(3) Reasonably arrange land acquisition time and construction period. The Street Office will consult with the affected farmers and inform the land requisition information in a timely manner. After signing the land acquisition compensation agreement with the farmers, the Street Office plans to implement land clearing after the farmers' crops are harvested in September 2019 so as to reduce the loss of crops. After the land is requisitioned and cleaned up, the land use right will be transferred to Hengxin Chemical Company through the "bidding and auctioning" to build a new factory.

2 Project Impact Analysis

2-1 Resettlement Terminology

1. Definition of “Resettlement”. In World Bank terminology, “Resettlement” covers all direct economic and social losses resulting from land taking and restriction of access, together with the consequent compensatory and remedial measures. Resettlement is not restricted to its usual meaning—physical relocation. Resettlement can, depending on the case, include (a) acquisition of land and physical structures on the land, including businesses; (b) physical relocation; and (c) economic rehabilitation of displaced persons (DPs), to improve (or at least restore) incomes and living standards.

2. Definition of “Displaced Persons” or “Project-Affected Persons”. “Displaced Persons” are defined as the people or entities directly affected by a project through the loss of land and the resulting loss of residences, other structures, businesses, or other assets. The word thus connotes all those people who lose land or the right to use land or who lose access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods. The term “displaced persons” is synonymous with “project-affected persons” and is not limited to those subjected to physical displacement.

3 . Definition of “Stakeholders of the Project”. “Stakeholders of the project” is a broad term that covers all parties affected by or interested in a project or a specific issue. In other words, all parties who have a stake in a particular issue or initiative are included in stakeholders. The stakeholders can be classified into “primary stakeholder” and “secondary stakeholders”: primary stakeholders are those most directly affected; the population that loses property or income because of the project and host communities. Secondary stakeholders are the people who have an interest in the project such as the

project authority itself, the beneficiaries and interested NGOs.

4 . Definition of “Replace Cost”. “Replacement cost” is the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. In the countries or regions where markets provide reliable information about prices, replacement cost is equivalent to market cost plus transaction costs (for example, all preparation and transfer fees).

5 . Definition of “Vulnerable Populations”. Vulnerable populations often refer to the social groups who are susceptible to hardship, lack of adaptability to social changes and may be less able than other groups to reconstruct their lives after resettlement. The extent, nature, and severity of their vulnerabilities may vary significantly. Identification of the project-affected vulnerable population will be undertaken by local government based on national policy and actual factors in the project-affected areas. Vulnerable populations affected by the project mainly include the poor, women, and ethnic minorities; those less able to care for themselves (children, the elderly, and the disabled); and other groups whose interests are not protected by national land compensation law.

6 . Definition of “Project-Affected Family”. “Project-affected family” refers to any family (household) that loses a home, land, or business interests because of land acquisition.

2-2 Project Impact Analysis

According to the requirements of the World Bank on involuntary resettlement policies, Hubei Hengxin Chemical Company worked with the Changjiangbu Street Office of Yingcheng City to confirm the new site of Hubei Hengxin Chemical Company during April-May 2019. On-the-spot investigation about the land acquisition of the new site was carried out. The purpose of the

survey is to collect comprehensive information on the type and quantity of land acquisition, the situation of affected households and population, and the socio-economic development status of the affected areas, in order to assess the impact of project land acquisition on the income of affected households and optimize engineering design, minimize the amount of land acquisition and demolition. At the same time, through field investigations, the affected population can also be informed of the progress of the project in a timely manner, achieve the purpose of information disclosure, and obtain opinions and suggestions from the local government and affected persons so as to formulate a suitable resettlement action plan, ensure that the living standards of the affected persons will be restored and improved.

The scope of the project survey covers the land, trees and other properties within the red line of the project as well as the affected families and population. The content of this survey can be divided into the following sections.

(1) Estimation of the type and quantity of the affected property. The investigation team estimates the various types of property within the scope of project land acquisition. These properties include the acquired land, the affected land attachments, and the affected various infrastructures.

(2) Survey of the basic situation of affected families and communities. The investigation team mainly conducts on-the-spot investigations on the degree of impact on the affected households' income and consumption levels; the basic situation of the affected household population; the socio-economic status of the affected communities and the degree of impact.

(3) Public consultation and resettlement willingness survey. The investigation team consulted with the workers of Hubei Hengxin Chemical Company and some representatives of the population affected by land acquisition were interviewed and their suggestions on resettlement policies and recovery plans were consulted.

(4) Policy and regulation materials and literature collection. The investigation team held a discussion with the relevant departments responsible for land acquisition and demolition in the Changjiangbu Street Office of Yingcheng City, collected local regulations and policies on land acquisition and house demolition, and social and economic statistics and historical documents from the relevant departments.

(5) Survey of employees' willingness before the relocation of enterprises. Hubei Hengxin Chemical Company has 54 employees, including 16 technicians. The company will be relocated from Yingcheng Economic and Technological Development Zone to Changjiangbu Saifu Industrial Park. After the new plant is completed, the old factory will be closed and all employees will be relocated to the new factory. The investigation team has negotiated with all employees to fully understand the wishes of the employees and formulate solutions to address the worries of employees.

2-3 Type and Quantity of the Acquired Property

According to Conversion and Replacement of PFOS Plan, Hubei Hengxin Chemical Company will build a new 4000m² standard factory building in Changjiangbu Street Office. 1 new finished product warehouse, 1 raw material warehouse, 1 packaging barrel warehouse will be newly built. The total warehouse area is 3,000 square meters, and some new shared facilities with 3,000 square meters such as a freezer room, a power distribution room, and a gas boiler room will be built. The company will shut down the PFOS production line and replaced by new product when the new plant is completed.

According to the survey, the construction of the new plant of Hubei Hengxin Chemical Company requires the acquisition of 3 mu of collective land of Linchu Village of Changjiangbu Street Office and 32.34 mu of land for 25 households, with a total land acquisition area of 35.34 mu. It is necessary to relocate 16 graves and 2122 trees of different calibers. These trees are still unfamiliar shrubs, and no buildings need to be demolished. The types and

quantities of land acquisition are shown in Table 2-1.

Table 2-1 Types and quantities of land acquisition

Affected Village	Affected Households	Cultivated land (mu)			Non-cultivated land (mu)		Land attachment	
		Paddy field	Dry land	Orchard	Construction land	Waste land	Tomb (each)	Tree (each)
Linchu Village	Chu Damao	1.13	0	0	0	0	0	67
	Chu Yuxi	1.13	0	0	0	0	0	68
	Chu Weihua	1.13	0	0	0	0	0	69
	Chu Yucai	1.80	0	0	0	0	1	110
	Chu Wanghua	1.80	0	0	0	0	1	107
	Chu Yuxiong	1.80	0	0	0	0	1	108
	Chu Xingzhong	1.50	0	0	0	0	0	89
	Zheng Guigui	0.90	0	0	0	0	0	53
	Chu Weiming	1.20	0	0	0	0	1	72
	Chu Yuhua	1.20	0	0	0	0	1	71
	Chu Guanting	1.50	0	0	0	0	1	89
	Lin Lichao	0.75	0	0	0	0	0	45
	Lin Dayang	1.50	0	0	0	0	1	91
	Chu Hanfu	3.00	0	0	0	0	2	178
	Lin Fengshun	1.65	0	0	0	0	1	98
	Chu Xionghong	1.50	0	0	0	0	1	89
	Chu Shantao	1.50	0	0	0	0	1	87
	Chu Sifu	1.35	0	0	0	0	1	80
	Lin Jinqun	2.25	0	0	0	0	2	134
	Lin Huowei	1.50	0	0	0	0	1	89
	Lin Guoqi	0.45	0	0	0	0	0	32
	Chu Guansheng	0.45	0	0	0	0	0	31
	Chu Guandian	0.45	0	0	0	0	0	31
	Chu Huoping	0.45	0	0	0	0	0	27
Chu Dingyou	0.45	0	0	0	0	0	28	
Village	0	3	0	0	0	0	178	
Total	32.34	3	0	0	0	0	2122	

2-4 Analysis of Land Acquisition Type and Impact Degree

According to the site survey of the occupied land, when the land occupied by the new plant of Hubei Hengxin Chemical Company was originally contracted to the farmers, it was also identified as cultivated land. However, most of the village labor force has been transferred to the non-agricultural sector for employment. The area has also been planned to be chemical industrial park. The original land is only 2.5 acres and is still being cultivated. Other land is no longer cultivated and has evolved into a shrub land. The current status of occupied land is shown in Figure 2-1 and Figure 2-2.

According to the survey, there are 309 households in Linchu Village with a

population of 1,556, an area of 1,143 mu of arable land, 57 Mu of forest land, 62 mu of water surface, and 0.74 Mu of cultivated land per capita. Among the 860 laborers, the number of migrant workers is 650. The proportion of agricultural income in the whole village to total income is about 5%. The requisition of 35.34 mu of cultivated land only accounts for 2.83% of the cultivated land in the village. Moreover, of the land currently requisitioned, only 2.5 Mu is still being cultivated, and the other 32.84 Mu of land is already shrub land, and 95% of the income of affected households comes from the non-agricultural sector (Table 2-2).The impact of land acquisition on the income of local residents is small.



Figure 2-1 Status of the acquired land



图 2-2 Status of the acquired land

In summary, the area of land acquisition for this project is only 35.34 Mu,

and only 2.5 mu of cultivated land is still being cultivated. The impact of land acquisition on the income of affected households is extremely slight. There are 25 households affected by land acquisition and 150 affected people. According to the World Bank's OP4.12 on involuntary resettlement and the "China PFOS Priority Industry Reduction and Phase-out Project" and the "Environmental and Social Safeguard Framework", this project is a minor impact project.

2-5 Affected Households and Population by the Project

There are 25 households affected by land acquisition, and 150 affected people, including 82 males and 68 females. From the income source structure of affected households, the income of affected households mainly comes from non-agricultural income, and the proportion of agricultural income to total household income is 2.71% on average. The majority of household agricultural income accounts for less than 5% of total household income (Table 2-2). The impact of land acquisition on the income of affected families is small.

Table 2-2 The affected households and population and its income source

Affected Village	Affected Household	Affected population			Annual income of affected households (RMB)		
		Total	Male	Female	Agricultural income	non-agricultural income	Agricultural income ratio
Linchu Village	Chu Damao	9	5	4	1500	90000	1.67%
	Chu Yuxi	4	2	2	1500	40000	3.75%
	Chu Weihua	4	2	2	1500	40000	3.75%
	Chu Yucai	5	3	2	2000	50000	4.00%
	Chu Wanghua	9	7	2	2000	80000	2.50%
	Chu Yuxiong	6	3	3	2000	60000	3.33%
	Chu Xingzhong	5	2	3	1800	45000	4.00%
	Zheng Guigui	3	2	1	1500	40000	3.75%
	Chu Weiming	7	5	2	1600	70000	2.29%
	Chu Yuhua	5	3	2	1600	50000	3.20%
	Chu Guanting	18	9	9	1800	150000	1.20%
	Lin Lichao	2	1	1	800	40000	2.00%
	Lin Dayang	4	2	2	1800	50000	3.60%
	Chu Hanfu	8	4	4	3500	80000	4.38%
	Lin Fengshun	6	3	3	2200	50000	4.40%
	Chu Xionghong	4	3	1	1800	60000	3.00%
	Chu Shantao	6	3	3	1800	50000	3.60%
	Chu Sifu	5	2	3	1500	40000	3.75%
	Lin Jinquan	5	2	3	2500	40000	6.25%
	Lin Huowei	7	4	3	1800	60000	3.00%
	Lin Guoqi	8	3	5	600	80000	0.75%
	Chu Guansheng	6	3	3	600	55000	1.00 %
	Chu Guandian	4	3	1	600	40000	1.50%

	Chu Huoping	6	3	3	600	55000	1.09%
	Chu Dingyou	4	3	1	600	40000	1.50%
	Total	150	82	68	39500	1455000	2.71%

2-6 Types and Quantity of Affected Land Attachment

The new factory of Hubei Hengxin Chemical Company is located in the chemical industry park in accordance with the Yingcheng City's urban planning. The land of the park belongs to Linchu Village. The type of land acquisition is 32.34 mu paddy field and 3 mu collective dry lands. Only 2.5 mu of these lands are still planting rice, while 32.84 mu (93%) of the other land has not been cultivated for many years and has changed into shrub forest land. The main attachments on the land are 2122 trees and 16 tombs.

Table 2-3 Types and quantities of affected land attachments

Village	Owner	Tomb	Tree
Linchu	Chu Damao	0	67
	Chu Yuxi	0	68
	Chu Weihua	0	69
	Chu Yucai	1	110
	Chu Wanghua	1	107
	Chu Yuxiong	1	108
	Chu Xingzhong	0	89
	Zheng Guigui	0	53
	Chu Weiming	1	72
	Chu Yuhua	1	71
	Chu Guanting	1	89
	Lin Lichao	0	45
	Lin Dayang	1	91
	Chu Hanfu	2	178
	Lin Fengshun	1	98
	Chu Xionghong	1	89
	Chu Shantao	1	87
	Chu Sifu	1	80
	Lin Jinquan	2	134
	Lin Huowei	1	89
	Lin Guoqi	0	32
	Chu Guansheng	0	31
	Chu Guandian	0	31
	Chu Huoping	0	27
	Chu Dingyou	0	28
	Village community	0	178
	Total	16	2122

2-7 Affected Enterprise and Workers

After the conversion project of PFOS of Hubei Hengxin Chemical

Company has been incorporated into the World Bank-Global Environment Facility-funded PFOS priority industry reduction and phase-out project in China, the 30 tons/year production line of PFOS will be closed and converted to 80 tons/year production line of PFBSF, and a new 60 tons/year production line of DPEBSF. In order to achieve the conversion and replacement of PFOS, the Company will build new plant and update equipment. After the completion of the new plant, the Company will relocate to the new plant.

According to the survey, the company has 54 employees, including 16 technicians. After relocation of the company and the start-up of new production line, the Company planned to increase the number of employees to about 120. The Company will not only not lay off employees, but also need to expand production capacity and employ more than 60 new employees. The wage and welfare of employees will not be reduced. However, after the company moved to a new factory, the distance between most employees' work places and their places of residence increased by about 20 kilometers. In order to solve the problem of employees commuting to work, Hubei Hengxin Chemical Company through consultation with the staff, decided to buy some buses for the pick-up and drop-off. The employees can still pick up and drop off at the existing work place. Changes in the workplace will not have serious adverse effects on employees going to and from work. The basic situation of employees in affected enterprises is shown in tables 2-4.

Table 2-4 Basic information of employees in affected enterprises

No	Name	Gender	Birth Date	Education Degree	Address of household	Duty	Employ Date	Social security status
1	Gao Baoguo	Male	1955.04	Undergraduate	Yueyuan District of Yingcheng City	Chairman	2004.04	Retire
2	Li Shutao	Male	1947.10	Junior College	Wuhan City	General manager	2004.04	Retire
3	Gao Chaohui	Male	1972.10	Undergraduate	Guangming Market of Yingcheng City	Vice general manager	2004.04	Social security
4	Gao Wei	Male	1980.01	Undergraduate	Yueyuan District of Yingcheng City	Vice general manager	2004.10	Social security
5	Xiong Keyi	Male	1965.1	Undergraduate	Shuixian Gard of Yingcheng City	Director of Office	2011.03	Retire

No	Name	Gender	Birth Date	Education Degree	Address of household	Duty	Employ Date	Social security status
6	Wang Kaifang	Female	1955.03	Junior College	Center of Yingcheng	Accountant	2011.08	Retire
7	Chen Lu	Female	1992.12	Junior College	Center of Yingcheng	Finance management	2015.01	Social security
8	Song Wei	Male	1978.11	Junior College	Center of Yingcheng	Driver	2018.04	Social security
9	Zhou Yanyun	Male	1951	High school	Wuhan	Driver	2008.12	Retire
10	Chen Guoxiang	Male	1955.08	Junior middle school	Chenta Village	Guard	2004.10	Retire
11	Li Dongqin	Male	1949.12	Junior middle school	Yueyuan District of Yingcheng City	Storekeeper	2006.02	Retire
12	Tao Feng	Female	1979.7	High school	Guangming Street 89-2	Storekeeper	2013.08	Social security
13	Chen Qiumei	Female	1963.11	Junior middle school	Xinghe Village	Electrolysis workshop	2007.03	Retire
14	Song Dongyuan	Male	1962.07	High school	Xinghe Village	Minister	2010.03	Social security
15	Yuan Tianting	Female	1984.10	Undergraduate	Chengnan Road 145	Marketing	2007.02.25	Social security
16	Chen Hualin	Male	1965.08	Junior middle school	Xitou Village	Repair worker	2010.05	Social security
17	Huang Hannian	Male	1981.11	Junior middle school	Xiaowan Village 9	Repair worker	2007.07	Social security
18	Chen Zhongxin	Male	1968.01	Junior middle school	Chenta Village	Repair worker	2006.10	Social security
19	Wan HUaping	Male	1966.04	High school	Puyang Road 51	Repair worker	2011.02	Social security
20	Xia Xinguo	Male	1964.06	High school	Wanjiaitai District	Boiler worker	2005.02	Social security
21	Chen Zhijun	Male	1976.08	Junior middle school	Chenta Village	Boiler worker	2007.05	Social security
22	Chne Linan	Male	1961.12	Junior middle school	Chenta Village	Repair worker	2006.07	Social security
23	Chen Xiang	Male	1971.1	High school	Yanghe Village	Repair worker	2016.02	Social security
24	Yang Xiangyou	Male	1966.10	Undergraduate	Yueyuan Village	Engineer	2010.06	Social security
25	Yang Huqiong	Female	1977.02	High school	Fuhua Gard of Yingcheng City	Analyst	2005.08	Social security
26	Gao Yufeng	Male	1976.04	Junior middle school	Chenta Village	Analyst	2004.10	Social security
27	Chen Weihua	Male	1972.07	Junior middle school	Chenta Village	Director of workshop	2006.02	Social security
28	Xiao Qiguang	Male	1959.07	High school	West Road 53-36 of Yingcheng City	Sulfonation workshop	2010.03	Social security
29	Chen Zhiwen	Male	1963.12.	Junior middle school	Chenta Village	Sulfonation workshop	2007.05	Social security
30	Song Minzhou	Male	1961.11	Junior middle school	Hongtang Village	Sulfonation workshop	2011.02	Social security
31	Chen Zhongan	Male	1965.05	Junior middle school	Chenta Village	Sulfonation workshop	2012.02	Social security
32	Tian Sanniu	Male	1966.01	Junior middle school	Guoguang Village	Sulfonation workshop	2011.03	Social security
33	Chen Quanxuan	Male	1970.09	Junior middle school	Chenta Village	Sulfonation workshop	2013.09	Social security
34	Chen	Male	1967.02	Junior middle	Center of	Sulfonation	2015.08	Social

No	Name	Gender	Birth Date	Education Degree	Address of household	Duty	Employ Date	Social security status
	Guoan			school	Yingcheng	workshop		security
35	Li Jiandong	Male	1963.12	Junior middle school	Center of Yingcheng	Sulfonation workshop	2015.08	Social security
36	Ren Xinhua	Male	1980.01	Junior middle school	Silipeng	Sulfonation workshop	2015.08	Social security
37	Gao Yuhe	Male	1975.05	Junior middle school	Yangling	Sulfonation workshop	2016.02	Social security
38	Chen Gang	Male	1975.08	Junior middle school	Chenta Village	Director of workshop	2006.10	Social security
39	Lu Qihua	Female	1969.10	Junior middle school	Chenta Village	Electrolysis workshop	2006.11	Social security
40	Zhu Jianhong	Male	1961.04	High school	Minjiaxiang	Electrolysis workshop	2004.10	Social security
41	Zhang Huaxiang	Female	1976.05	Junior middle school	Chenta Village	Electrolysis workshop	2004.10	Social security
42	Tian Minghua	Female	1966.10	Junior middle school	Chenta Village	Electrolysis workshop	2005.06	Retire
43	Yang Qiaozhen	Female	1965.08	Junior middle school	Chenta Village	Electrolysis workshop	2004.10	Retire
44	Chen Fengxia	Female	1983.03	Junior middle school	Chenta Village	Electrolysis workshop	2008.07	Social security
45	Lu Tao	Male	1984.07	Junior College	Guangming Road 50	Electrolysis workshop	2007.09	Social security
46	Sun Weiming	Male	1965.05	High school	Chenta Village	Electrolysis workshop	2004.10	Social security
47	Xu Yanli	Female	1972.11	High school	Baiyang	Electrolysis workshop	2006.11	Social security
48	Chu Yinjun	Female	1971.07	Junior middle school	Changjiang	Electrolysis workshop	2004.08	Social security
49	Chu Sihui	Female		High school	Center of Yingcheng	Sulfonation workshop	2012.11	Social security
50	Chen Junnian	Male	1974.02	High school	Chenhe Town	Electrolysis workshop	2015.03	Social security
51	Chen Dongqing	Male	1965.1	Junior middle school	Chenhe Town	Electrolysis workshop	2015.12	Social security
52	LI Zhuqing	Male	1969.03	Junior middle school	Huangtan	Electrolysis workshop	2016.03	Social security
53	Chen Xiaoping	Female		Junior middle school	Chenta Village	Electrolysis workshop	2011.04	Social security
54	Zhao Guang	Male	1984.04	Junior middle school	Center of Yingcheng	Electrolysis workshop	2018.04	Social security

3. Resettlement Laws, Policies and Compensation Standards

The resettlement work of this project will strictly follow the national relevant laws, regulations and policies of the People's Republic of China and local governments. Meanwhile, the planning and implementation of the Resettlement Action Plan (RAP) will fully comply with the involuntary resettlement policies of the World Bank.

3-1 Laws, Regulations and Policies for Project Resettlement

3-1-1 National Laws and Policies

(1) The Land Administration Law of the People's Republic of China (revised on August 28, 2004)

(2) Regulations on the Implementation of the Land Administration Law of the People's Republic of China (July 29, 2004)

(3) Real Right Law of the People's Republic of China (October 1, 2007)

(4) Law of the People's Republic of China on Land Contract in Rural Areas (December 29, 2018)

(5) Agriculture Law of the People's Republic of China (January 1, 2013)

(6) Labor Contract Law of the People's Republic of China (revised in December 29, 2018)

(7) Labor Contract Law of the People's Republic of China (adopted on December 28, 2012)

(8) Social Insurance Law of the People's Republic of China (revised in December 29, 2018)

(9) Decision of the State Council on Deepening the Reform on Strict Management to Land (October 21, 2004)

(10) Guiding Opinions on Further Improving Policies on Land Acquisition Compensation and Resettlement (November 3, 2004)

(11) Measures for the Administration of Annual Plans on the Utilization of Land (revised in May 10, 2016)

(12) Measures of the Ministry of Land and Resources on Pre-examination and Management of Land for Construction Projects (implemented since November 25, 2016)

(13) Regulations on Special Labor Protection for Female Workers (Decree No. 619 of the State Council, effective from 2012)

(14) Law of the People's Republic of China on Labor Dispute Mediation and Arbitration (adopted on December 29, 2007)

3-1-2 Local Regulations and Policies

(1) Measures for the Implementation of Housing Expropriation and Compensation on State-owned Land in Hubei Province (implemented on September 1, 2015)

(2) Measures for the Implementation of Land Management in Hubei Province (implemented since September 25, 2014)

(3) Notice of the People's Government of Hubei Province on Publishing the Uniform Annual Output Value Standard for Land Expropriation in Hubei Province and the Comprehensive Land Price (effective 1 April 2014).

(4) "Guiding Opinions on Handling New Rural Social Insurance in Hubei Province" (implemented on November 12, 2016)

(5) "Guiding Opinions of Hubei Provincial People's Government on Participation of Basic Endowment Insurance for Land-expropriated Farmers" (Hubei Provincial Government Document [2014] No. 53) (implemented on January 1, 2015)

(6) Notice on Strengthening Housing Expropriation and Compensation on Yingcheng State-owned Land promulgated by the People's Government of Yingcheng (October 24, 2018)

(7) Opinions of the People's Government of Yingcheng on the Implementation of Basic Old-age Insurance for Land-expropriated Farmers (from March 2, 2016)

(8) Notice on Issues Relevant to Enterprise Reporting on Staff Reduction Program (Hubei Labor and Social Security Department 2009)

3-1-2 World Bank's Policies on Involuntary Resettlement

The project aims to realize the following objectives stipulated in the World Bank's OP 4.12 on involuntary resettlement:

(1) Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs. During project construction, if involuntary resettlement cannot be avoided, it should be minimized, so as its adverse impacts.

(2) Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.

(3) Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-project levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

3-1-3 Analysis on Policy Difference between China and the World Bank

China's national laws require land expropriators to provide land compensation and resettlement subsidies in order to ensure that the income level of the PAPs who lost the land is restored. This is basically consistent with the World Bank's principles for involuntary resettlement policy OP 4.12 – that resettlement measures should provide PAPs with an opportunity to increase or

at least restore their income and living standards. But the two kinds of policies show some differences, which are shown in the following aspects:

(1) The World Bank requires the project owner providing direct asset replacement or compensating at replacement cost to the PAPs, and depreciation of house or other assets are not allowed. But China doesn't have the land market, so there is no land price. The current land compensation price is based on the government's estimated comprehensive land price.

(2) Chinese law usually only provides compensation to owners and users of legal property, but the World Bank requires that the project owner provide compensation or other forms of resettlement for those who are owners of the land or resources customarily, not legally (including those who have occupied the land or resources without legal basis but also without any dispute).

(3) The World Bank requires that if the project involves land acquisition and house relocation, the project owner needs to prepare a comprehensive Resettlement Action Plan and conduct social impact assessment, and the Resettlement Action Plan and Social Impact Assessment Report shall be deemed as a prerequisite for project evaluation and approval, but China's laws do not make the preparation of the Resettlement Action Plan and the Social Impact Assessment Report as prerequisites for project approval.

(4) The World Bank requires a baseline survey of the income of affected households and conducts continuous monitoring to ensure the livelihood restoration of the affected population. The land acquisition compensation standard and income recovery plan shall be determined after full consultation with the affected population. China pays more attention to the compensation of affected households. It only requires the owners to make timely and full compensation. It does not require consultation on the livelihood and income recovery of affected households, formulate plans, and conduct continuous monitoring.

(5) The World Bank requires the project owner establishing the internal and external monitoring and evaluation system in the course of resettlement

implementation. The internal monitoring shall be organized and conducted by resettlement offices, and the external monitoring shall be conducted by independent monitoring organization with expertise and rich experiences. The monitoring report prepared by PMO and IMO shall be delivered to the World Bank for evaluation from resettlement experts. But monitoring work of resettlement activities in China mainly depends on internal monitoring system; the project owner is not required to employ IMO to conduct independent monitoring.

3-1-4 Resettlement Principles for the Project

The basic resettlement principles of the Project are identified as follows:

(1) Ensure that the DPs are provided with prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project; and DPs should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them.

(2) Ensure that the DPs are consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; all legal or illegal affected persons are to be considered and to be included in the resettlement scheme and rehabilitation plan.

(3) Ensure that all the PAPs are informed timely of the relevant qualification requirements, compensation rates and standards, production rehabilitation plan, and project implementation schedule; informed about their options and rights pertaining to resettlement.

(4) Acquisition of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to DPs.

(5) PAPs should be provided with development assistance in addition to compensation measures, such as training, or job opportunities or favorable loans, etc.

(6) Ensure that effective and transparent procedures are established to

collect and deal with the DPs' complaints and appeals, so as to ensure that the problems appeared in the project implementation can be solved as soon as possible.

3-2 Compensation Standards for the Project Land

Acquisition

In 2004, the State Council promulgated the "Decision on Deepening Reform and Strict Land Management", requiring the people's governments of all provinces directly under the Central Government to formulate and publish unified annual output value standards or comprehensive land prices for land acquisition in cities and counties. The unified annual output value standard of land acquisition and the comprehensive land price of the district have become the main basis for land acquisition compensation in China. When formulating the comprehensive land price for the land acquisition, the local government comprehensively considered various factors such as land type, output value, location, agricultural land grade, per capita cultivated land, land supply and demand, local economic development level and minimum living standard for urban residents. The comprehensive land price is similar to the "replacement cost price" in the land market.

Table 3-1 Compensation Standards for Land Acquisition

Category of Zone	Zone	Compensation Standards (Yuan/Mu)						
		Cultivated land	Vegetable field	Orchard	Tea garden	Fish pond	Woodland	Unused land
Category I	City Street Offices of Center Cit, Economic and Technological Development Zone	37400	44880	44880	44880	44880	29920	18700
Category II	North Street Office, Silipeng Street Office, Dongmafang Street Office, Changjiangbu Street Office , Huangtan Town	34650	41580	41580	41580	41580	27696	17325
Category III	Tiandian Town, Yanghe Town, Sanhe Town, Langjun Town, Swan Town, Chenhe	32000	38200	38200	38200	38200	25600	16000

	Town, Yihe Town, Yangling Town, Tangchi Town, Nanyuan Seed Farm							
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According to *Notice of the People's Government of Hubei Province on Publishing the Unified Annual Output Value Standard for Land Expropriation and the Comprehensive Land Price in Hubei Province*, the land of Yingcheng City should be divided into three types of zones, each of which has formulated a comprehensive compensation standard for land. The area affected by the project belongs to the second category in Yingcheng City. The compensation standard for land acquisition in this area is shown in Table 3-1.

According to the survey, there are only two types of land attachments affected by the project: graves and trees. The local graves belong to the simple tomb. The village committee has planned the place where the graves are concentrated. The affected grave owners can transfer the tombs to the planned cemetery after receiving compensation. The trees are mainly shrubs, the caliber is not large, and there are no precious trees. After obtaining compensation, the owners of the trees can cut down or transplant. The compensation rates for these two types of land attachments are shown in Table 3-2.

Table 3-2 Compensation standards for land attachments

No.	Type of Attachment	Unit	Compensation standard (Yuan)
1	Grave	Each	800
2	Tree	Each	15

4. Income Restoration and Enterprise Relocation Scheme

4-1 DPs' Income Restoration Measures

4-1-1 Analysis of the Impact of Land Acquisition on Production

Conditions and Farmers' Income

According to the survey, the new factory construction of Hubei Hengxin Chemical Company needs to expropriate 35.34 mu land of Linchu village of Changjiangbu Street Office, among them, 3 mu lands belong to the village and 32.34 mu lands belong to 25 households. No buildings need to be demolished. After evaluation, the impact of land acquisition on farmers' production conditions and income is very slight.

(1) The impact rate of land acquisition is very small. The project land acquisition only accounts for 2.83% of the total cultivated land area of the village. Land acquisition affects 25 farmers, and the impact of land acquisition on the whole village and individual households is very small.

(2) 93% of the acquired land is shrubbery land. Now most of the affected village's labor force has been transferred to non-agricultural sectors for employment and the affected area has also been planned as an industrial park due to urbanization. When the acquired land was contracted to farmers, it was recognized as cultivated land, however the acquired land has transformed into shrub forest land. Of the 35.34 acquired land, only 2.5 Mu is still cultivated, while the other 32.84 mu (93%) is no longer cultivated.

(3) Income from land accounts for only 2.7% of the income of affected households. According to the income source structure of the affected households, the income of the affected households mainly comes from non-agricultural income, and the average proportion of agricultural income in the total household income is 2.71%. Moreover, of the requisitioned

land, only 2.5 mu of land is still being cultivated. Land acquisition only affects the income of four households. Land acquisition has little impact on the income of affected households.

4-1-2 Analysis of the Impact of Enterprise Relocation on Employees' Income

Hubei Hengxin Chemical Company will carry out technical transformation through this project to realize the conversion. The implementation of the project will enable the company to expand its production capacity and upgrade its products. According to the company's development plan, after the project is completed, the company's new production line needs to increase the number of employees to about 120 people. Therefore, during the implementation of the project, the company will not lay off employees. On the contrary, it plans to increase the number of employees of 60 people, and the company's profit expectations will increase significantly. The income and benefits of employees will not be affected.

However, as the company will be relocated from the Yingcheng Economic and Technological Development Zone to the Saifu Industrial Park in Changjianbu Street Office, the distance between most employees' work places and their residences will increase by about 20 kilometers. For the convenience of employees to work, the Company plans to purchase large buses for picking up and dropping off workers. Workers can still gather at the existing work place and take a bus to the new factory to work. The Company's relocation will not seriously affect the welfare of the employees, and will not cause inconvenience to their life.

4-2 Scheme and Measures for Income Restoration

Income restoration is the core objectives of the resettlement plan of this project. According to the nature and characteristics of the project, PMO have designed the income rehabilitation scheme for PAPs and formulated detailed measures for income restoration.

4-2-1 Prompt and Sufficient Cash Compensation

The area affected by the project is a region where non-agricultural industries are growing rapidly, and it is also a region with a tradition of doing business. There are many development opportunities in the local area. In the past, farmers were unable to seize these opportunities for development because of the lack of funds. After the land is acquired, the government will pay the land acquisition compensation to the affected population in full and on time, and they can start and expand their own individual business. This is the best way to recover and increase PAPs' income. The project compensation funds must be paid in full and timely, because the timely and partial compensation cannot guarantee DPs to use the compensation funds for productive investment, and if the compensation payment is seriously delayed, the DPs may suffer losses caused by inflation.

4-2-2 Providing Social Insurance for the PAPs

The local government provides three forms of social pension security for farmers affected by land acquisition.

(1) Let all affected farmers participate in the new rural social pension security. In order to guarantee the basic living of urban and rural elderly residents, Hubei Province has established a system of urban and rural residents' endowment insurance that combines individual contributions and government subsidies in accordance with the state's requirements for establishing new rural endowment insurance, and has achieved full coverage of urban and rural residents. In accordance with the provisions of the "Guiding Opinions on Handling New Rural Social Endowment Insurance in Hubei Province", any urban and rural resident who has a household registration of urban and rural residents in Hubei Province, who is at least 16 years old (excluding students in school) and who does not participate in other social endowment insurance, may voluntarily participate in social pension insurance for urban and rural residents. The social pension insurance fund for urban and

rural residents is mainly composed of individual contributions and government subsidies. The Human Resources and Social Security Department has established a life-long record of the personal pension account for each person who participates in the social endowment insurance for urban and rural residents. According to the survey, the rural residents who are affected by the project and are 16 years old or older all have already participated in the new rural social endowment insurance.

(2) Purchase urban employee social endowment insurance for newly hired employees. Hengxin Chemical Company will established new factory and hire new employees in the affected areas, and these employment opportunities will be given priority to the affected labors. As long as the affected labor force is willing to work in Hengxin Chemical Company, the company will purchase urban social pension insurance for them, and they may enjoy the same social pension insurance treatment as employees of Hexin Chemical Co., Ltd.

(3) Providing pension insurance subsidies for PAPs. According to the “Guiding Opinions on the Participation of Land-expropriated Farmers in Basic Endowment Insurance” issued by the People's Government of Hubei Province in 2014, land-expropriated farmers who meet the following five conditions will be included in the land-expropriated farmers' social security. (a)The contracted land shall be acquired according to law by the people's government at or above the county level; (b) The “Land Contract for Rural Land Contract” or the “Certificate of Rural Land Contractual Management Right” shall be held when the land is acquired; (c) After the land acquisition, the per capita cultivated land area of the family is less than 0.3 mu (including 0.3 mu); (d) At least 16 years of age.

The Yingcheng people's government shall provide the one-time pension insurance subsidy for the PAPs, and the subsidy standard is 24,000 yuan/person. For those who are over 60 years old (including 60 years old) at the time of land acquisition, they shall be fully subsidized according to the

one-time pension insurance subsidy standard; for those who are under 60 years of age (59 to 16 years old) at the time of land acquisition, the age is reduced by one year. The compensation rate is reduced by 1% of the full subsidy.

Those who have reached the age of 60 at the time of land acquisition will be added a personal account pension according to the endowment insurance subsidy funds for the PAPs in addition to enjoying the pension benefits of the original urban and rural residents.

Before the land acquisition is submitted for approval, the Yingcheng people's government shall pre-store the compensation funds for the endowment insurance of the land-expropriated farmers in the financial security fund special account opened by the local financial department, and the financial department shall issue the pre-existing funds to the account. The land acquisition approval authority will not approve the land acquisition for the land acquisition project in which the compensation fund for the endowment insurance for PAPs is not implemented.

The subsidy fund for the endowment insurance for land-expropriated farmers is included in the cost of land acquisition, and the local government shall give priority to the subsidy from income of state-owned land use rights, and may not be exempted.

4-2-3 Share the Project-related Benefits

After the relocation of Hubei Hengxin Chemical Company to the new plant, a 60-ton/year DPOSF production line will be built. At the same time, the 30 tons/year PFOS production line was technically modified to form a 80 ton/year PFBSF production line. The Company will expand production capacity and increase new employees. If the affected labor force is willing to come to the enterprise for employment, Hubei Hengxin Chemical Company will give priority to recruiting them, creating a new source of income for the affected labor, and letting the DPs share the benefits related to the project.

4-2-4 Develop Skills Training to Enhance the Ability of DPs

In the future, the skill and human capital will be the most important wealth for the affected laborers. So skill development through training may be more useful for the DPs than cash compensation. Local government and PMO will work together to train DPs. The first training program is to provide DPs with agricultural technology and improve the skills of local farmers, support the DPs to take advantage of road upgrading to develop higher value-added agriculture. The second training program is to provide employment training. The skill training program is designed based on demand of DPs and labor marketing needs. After skills training, local government will help them obtain jobs in the cities, and create new income sources for the DPs.

4-2-5 Resettle Vulnerable Groups Combining Rural Poverty Alleviation

In recent years, Yingcheng City has implemented the central government's decision-making arrangements for poverty alleviation, build a mechanism for the provinces, counties, and villages to work together to help the poor, establish the responsibility system at different levels, and adopt various poverty alleviation methods to gradually lift all types of poor people out of poverty. The project will combine rural poverty alleviation work to implement the responsibility of vulnerable groups to departments and individuals to ensure that all vulnerable groups can cope with change and get rid of poverty. The local government will focus on health and poverty alleviation work, conduct cancers screening and health checks for women, reduce the burden on women and effectively solve the problem of "being poor due to illness" and "returning to poverty due to illness".

4-3 Resettlement Plan and Measures for Employees of

Relocated Enterprises

Hubei Hengxin Chemical Company is a Sino-foreign joint venture, high-tech limited company, it located in the provincial industrial park—Yingcheng Economic and Technological Development Zone. The company covers an area of more than 30 acres and has 54 employees,

including 16 technicians. At present, the total investment has reached 20 million Yuan. There are more than 40 sets of precision chemical production precision equipment, and the workshop covers an area of 5,000 square meters. At the same time, it has a modern office building and a R&D building of 1,600 square meters. The equipments such as product development, analysis and testing are perfect.

The company has produced and operated well in the past three years, and the annual tax payment is about 4 million Yuan. Since its establishment in 2006, the company has earnestly implemented the Labor Protection Law. Every employee has signed a labor contract, purchased insurances, and provided labor protection products in place. Every year, health examinations are carried out for every worker, and wages are paid in full monthly. No violation of the Labor Protection Law occurs, and the legal rights of employees are guaranteed.

During the period of relocation, the company will take the following measures to protect the legitimate rights and interests of employees.

(1) During relocation period, the company does not lay off employees. Although the company will close the original 30 tons / year PFOS production line, the company will be transformed into a 80 tons / year PFSSF production line through technical improvement, and a new 60 tons / year DPFESF production line will be built. The company will not only lay off employees, but also need to expand production capacity and hire more than 60 new employees. After the company's conversion and relocation, the planned number of employees will increase to about 120.

(2) The company has established a strict personnel management system and corresponding personnel recruitment policies and procedures in accordance with the company law, and established a standardized salary system. The salaries of employees include: basic salary, post salary, working age salary, overtime pay, and holiday rewards, technical confidential wages, etc. During the company's conversion and relocation, employees' wages and

benefits will not be reduced.

(3) After the new plant is completed, the company will relocate to the new zone, the working place of employees has changed. In order to facilitate employees to go to work, the company plans to buy buses, pick up and drop off employees to work, and relieve the worries of employees.

(4) The company signed a labor contract with each employee, purchased “five-type insurances”, and provided labor protection products in place. Every year, health examinations were carried out, and wages and benefits were paid in full monthly. No violation of the Labor Protection Law occurs, and the legal rights of employees are guaranteed. For female employees, there is a health care subsidy and a “March 8” festival fee.

5 Public Participation and Resettlement

Information Disclosure

According to the World Bank Involuntary Resettlement Policies, “displaced persons should be meaningfully consulted and should have opportunities to participate in the planning and implementation of resettlement programs.” and “the resettlement plan or resettlement policy framework shall include measures to ensure that the DPs learn about technically and economically feasible resettlement options, participate in the consultation, and have right to choose.”

The resettlement scheme is designed on the basis of consultation with DPs and their representatives. During the planning, designing and implementation of the project, PMO and local ROs at all levels will also widely disclose resettlement policy through various means and ask for comments from all kinds of stakeholders.

5-1 Focuses of Public Consultation and Participation

Public participation and consultation is mainly divided into two dimensions: information exchange and decision-making. Information exchange consists of publication (refers to one-way transfer of information from the project staff to DPs) and consultation (refers to two-way transfer of information, or joint discussion between project staff and DPs who is featured with idea sharing). Decision-making comprises collaboration and extension of choice of affected individuals, households and communities; ensure the DPs and their representatives not only are consulted but also have a voice in decision-making.

Public participation and consultation shall continue throughout the whole project cycle. In different project stage, the emphasis and form of public participation and consultation may be different, So PMO arrange various consultation activities based on the key concerns in different project stage.

1. Identify and identify project stakeholders and assess project

impact. After determining the new plant area of Hengxin Chemical Company, the local government determined the red line of land acquisition, identified the stakeholders of the project, and evaluated the impact of the project on all stakeholders. Moreover, PMO should fully consider the opinions of local towns and villages and various stakeholders, listen to their voices, pay attention to their interests, and formulate compensation plans for land acquisition on this basis.

2. Listen to the opinions of DPs and determine the compensation policy for land acquisition and the plan for enterprise relocation. In recent years, the Chinese government has continued to reform the land acquisition compensation system to regulate the procedures and improve the compensation standards for land acquisition and demolition, which is conducive to protect the interests of farmers. However, the compensation standards and policies for agricultural land acquisition are frequently adjusted. It has also led to the gradual increase in land compensation standards for farmers, which has brought new problems to the land acquisition and demolition of the project. The local government maintains continuous communication with the Land and Resources Management Department, adopts the latest compensation standard for land acquisition compensation, and conducts full consultation with DPs or their representatives to take the participation of DPs as an important means to improve the resettlement plan.

As Hengxin Chemical Company needs to relocate to a new factory during the conversion process, the working place of employees changes. Hengxin Chemical Company has held a number of employee consultation meetings to understand the opinions and requirements of employees on the relocation of enterprises, and to answer the concerns of employees. The company guarantees that employees will not be laid off during the transition period, and will not reduce wages and other benefits, and will purchase buses to provide the means of transportation for employees to and from work so as to relieve the worries of employees. Through consultations, the employees' emotions

were stabilized and the legitimate rights and interests of employees were guaranteed.

3. Monitor the implementation of resettlement compensation standards and the payment of resettlement funds. In the project implementation stage, the public is most concerned about whether the land acquisition compensation is paid in full to DPs in time. Therefore, in the project implementation stage, the local government will establish a public participation supervision mechanism even if the land acquisition compensation standard and land acquisition fee payment information are publicized, and timely check the payment progress of land acquisition compensation funds through resettlement internal and external monitoring institutions and networks.

4. Assessment of the living standards of DPs. During the implementation of the project, the local government will also conduct a sample survey of the living standards of DPs to assess the recovery of the living standards of DPs. These assessment activities are mainly carried out by independent monitoring agencies. The goal is to assess the recovery of DPs' income and their satisfaction with resettlement work through field surveys of DPs.

5. Investigation and negotiation of resettlement willingness of relocated workers. During the relocation of Hubei Hengxin Chemical Company, the working place of the employees was changed, and the distance to and from work was different. Hubei Hengxin Chemical Company conducted a willingness investigation and negotiation for each employee, and decided to purchase a bus to pick up and drop off employees to work and solve the problems that employees are concerned about.

5-2 Way of Public Consultation and Participation

In addition to notifying the affected villages and DPs of the land acquisition information, the local government also consults with the public through the following methods. Temporarily conduct a social impact assessment of the

project so that the project planner and decision makers can identify the needs of the residents in the affected area, especially the needs of the vulnerable groups in the project affected areas. To protect the legitimate rights and interests of DPs, avoid social risks in project implementation, ensure that DPs can obtain development opportunities and benefits from the project. The second way is to hold a face-to-face meet with DPs, fully understand the requirements of resettlement compensation for DPs, and solicit opinions from the employees of the relocated enterprises, in order to formulate a more realistic plan for production recovery and employee resettlement (Figure 5-1).

湖北恒新化工有限公司员工台账 统计时间: 2019-04-26 (53人)

编号	姓名	性别	出生年月	文化程度	家庭住址	现任职务	进厂时间	入党、团时间	联系电话	参保情况	是否愿意在 转产替代项 目新地点工 作	签名
1	高国保	男	1955.04	本科	应城月园小区	副经理	2004.04	1990.04	13307298888	退休	是	高国保
2	李书涛	男	1947.10	大专	湖北武汉	副经理	2004.04	1983.04	13507101300	退休	是	李书涛
3	高朝晖	男	1972.10	本科	应城光明大市场	副总	2001.04	2009.11	13995868888	参保	是	高朝晖
4	高伟	男	1980.01	大本	应城月园小区	副总	2004.10	2004.04	13886383366	参保	是	高伟
5	熊克义	男	1965.1	大本	应城水仙花园	办公室主任	2011.03	1989.09	1373456989	退休	是	熊克义
6	王开芳	女	1955.03	中专	城中	会计	2011.08		15549522538	退休	是	王开芳
7	程露	女	1992.12	中专	城中	财务	2015.01		15172189103	参保	是	程露
8	宋巍	男	1978.11	中专	城中	司机	2018.04		13971969199	参保	是	宋巍
9	周炎河	男	1951	高中	武汉	司机	2008.12		2782631335	退休	是	周炎河
10	陈国祥	男	1955.08	初中	应城陈塔	门卫	2004.10		3224765	退休	是	陈国祥
11	李冬清	男	1949.12	初中	月园小区	库管员	2006.02		15971220427	退休	是	李冬清
12	陶凤	女	1979.7	高中	光明街89-2	库管员	2013.08		13477703228	参保	是	陶凤
13	陈秋美	女	1963.11	初中	新河村	电解车间	2007.03		13476513401	退休	是	陈秋美
14	宋冬元	男	1962.07	高中	应城新河	安环部长	2010.03		15271682613	参保	是	宋冬元
15	袁田婷	女	1984.10	大本	城南路165号	供销部	2007.02		15971292494	参保	是	袁田婷
16	高玉鹤	男	1975.05	初中	杨岭	生产部长	2016.02		15172236553	参保	是	高玉鹤
17	陈华林	男	1965.08	初中	三合西头村	维修人员	2010.05		15826870266	参保	是	陈华林
18	黄汉年	男	1981.11	初中	城中药湾黄湾9号	维修人员	2007.07		13871919362	参保	是	黄汉年

Figure 5-1 Negotiation and Willingness Survey Record for Hengxin Company Staff

During the implementation of the project, the main concerns of the affected employees are as follows: (1) Will their own jobs be abolished? (2) Will your skills adapt to new job requirements? (3) Will your income and benefits be affected? (4) Is the new work environment safe? (5) Is it convenient to go to work in a new factory? In response to the problems reflected by the employees, Hubei Hengxin Chemical Company conducted serious research and made commitments to the affected employees in the following aspects.

(1) After the company realizes the conversion, the production capacity will

further expand, and more than 60 employees need to be added. The Company will not cut existing employees.

(2) The Company's new production line has no major changes to the production skills requirements of employees. The skills of employees can be qualified for new positions. Individual positions require new skills. The Company will also provide staff skills through training, and no employees will be dismissed because of the Company's conversion.

(3) The Company will build a new production workshop in the new plant area, the working environment and safety facilities will be better, and the working environment of the employees will be improved.

(4) After the new production line is put into production, the Company expects a large increase in profits, and the income and welfare of employees will not decrease.

(5) Due to the change of the Company's work place, the distance between the work and place of residence place for most employees has increased by nearly 20 roads. In order to facilitate employees to go to work, the Company plans to purchase bus buses and pick up and drop off workers to and from work.

After consulting with the employees, the employees' worries were alleviated, and the Company's measures to buy buses to pick up and drop off workers to work were also agreed. The employees are also willing to go to work in the new factory.

5-3 Resettlement Information Disclosure

Resettlement information disclosure is an important method to establish trust relationship between the governments and DPs; it also can create favorable environment for resettlement implementation. In order to safeguard the DPs' rights to obtain information about resettlement options, compensation standard and rehabilitation measures, PMO will take the following measures to disclose the information.

1. Disclosing resettlement information by announcement. PMO requires that all resettlement information (such as the amount of Land requisition for every household, resettlement policy, compensation standards, and the total cash compensation for every household) shall be disclosed on the bulletin of the project-affected villages. In September 2019, after Resettlement Action Plan was approved by the World Bank and local governments, the PMO published the Resettlement Action Plan on the official website (Figure 5-2). The project's stakeholders can access the Resettlement Action Plan online.

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关于世界银行-全球环境基金中国PFOS优先行业削减与淘汰项目湖北恒新化工有限责任公司转产项目移民安置行动计划的公示

发布日期: 2019-09-17 字体: 【大 中 小】

生态环境部对外合作与交流中心与世界银行共同开发的“全球环境基金中国全氟辛基磺酸及其盐类和全氟辛基磺酰氟（PFOS）优先行业削减与淘汰项目”（以下简称“PFOS项目”）于2017年11月正式启动实施。该项目为化学品管理领域项目，旨在帮助中国履行《关于持久性有机污染物的斯德哥尔摩公约》有关淘汰全氟辛基磺酸及其盐类（PFOS）的强制性义务，通过推动生产、电镀、农药以及消防行业开展相应的示范、替代、削减和淘汰工作，最大限度减少PFOS的生产和使用。

湖北恒新化工有限责任公司为湖北省PFOS生产企业之一，申请加入PFOS项目，项目针对湖北恒新化工有限责任公司转产编制了移民安置行动计划，现将报告予以公示。

公示时间: 2019年9月17日至2019年10月1日

公示期间，我厅接受公众来电、来访、来信，并对所反映的问题进行调查、核实和处理。

联系人: 杨立群 吴珍

电 话: 027-87167383 传 真: 027-87167383

附件: [世界银行-全球环境基金中国PFOS优先行业削减与淘汰项目湖北恒新化工有限责任公司转产项目 移民安置行动计划.docx](#)

Figure 5-2 Information disclosure of the Resettlement Action Plan

2. Disclosing resettlement information through media. PMO will select suitable media such as TV or newspaper to disclose resettlement information, which make the stakeholders of the project know the project implementation timely, so that they may arrange their living better and avoid some potential conflicts.

3. Send resettlement information to affected households via SMS, WeChat etc. PMO will use mobile phone text messages and WeChat to send resettlement information to affected families. The information includes the

World Bank's resettlement policy, the resettlement method determined by the project, the amount of land acquisition and house demolition, the cash compensation paid to each affected household, and the time schedule for resettlement implementation.

6 DPs' Grievances and Complaints

During the project implementation, it is inevitable that some DPs may think they are being unfairly treated, so the World Bank requires PMO should establish a simple, convenient and effective channel for treating PDs' grievances and appeals. The establishment of such channel can reduce the likelihood that the DPs openly resist the project. Furthermore, through collecting and analyzing the DPs' grievances and appeals, ROs can eliminate many potential social conflicts in advance; It is also an important method to improve the resettlement program and promote the resettlement successfully. For the purposes of guarantee the interests of DPs, PMO will establish a highly transparent and fair procedure to collect and deal with the grievances and complaints so as to ensure that the DPs' grievances may be handled objectively, justly, timely and efficiently.

6-1 Methods to Collect Grievances and Complaints

PMO will take the following methods to collect the DPs' grievances or complaints:

(1) The ROs at every level are the main channels to collect the DPs' grievances or complaints. In every local resettlement office, at least one full-time personnel will be responsible for receiving and dealing with the DPs' grievances and complaints. The resettlement office at every level should record and save the files about the DPs' grievances and complaints and regularly report to superiors. The format of recording files about collecting and dealing with the DPs' grievances and complaints is shown as Table 6-1.

(2) The relevant departments of government such as Petition, Auditing, and Supervise Department are also the important organizations for receiving the DPs' grievances and complaints. PMO will establish a linkage and connected networks with these organizations.

(3) The interview and survey undertaken by IMO is also an important channel for collecting DP's grievances and complaints. PMO will pay more attention to the issues reported by IMO.

(4) PRO will accept the DP's letters or have interview with DPs, directly receive DPs' grievances or complaints.

Table 10-1 Format of the DPs' Grievances and Complaints

Basic Information the Complainant			
Name	Gender	Address	Telephone number
Name of the staff and organization		Name of the recorder	
The content of the DP's grievances and complaints			
Date of grievance			
Brief description of the DP's grievances			
The requirements of DPs			
Treatment advice			
Legal basis of treatment			

6-2 Procedures for Dealing with Grievances and Complaints

The procedures for handling PAPs' complaints in this project are divided into two categories: one is the procedures for the employees of Hubei Hengxin Chemical Company; the other is the procedures for PAPs.

1. Procedures for Hubei Hengxin Chemical Company Employee's complaint

The first stage: If a worker has a labor dispute with the Company, and the laborer negotiates with the employer, the trade union or a third party may also

consult with the employer to reach a settlement agreement.

The second stage: if a labor dispute arises and the parties are unwilling to negotiate, fail to negotiate, or fail to perform after the settlement agreement, they may apply to the mediation organization for mediation;

The third stage: if you are unwilling to mediate, mediate or fail to fulfill the mediation agreement, you can apply to the labor dispute arbitration committee for arbitration;

The fourth stage: If you are dissatisfied with the arbitral award, you can file a lawsuit in the people's court.

2. Procedures for the PAPs' complaints

Resettlement offices at all levels should conduct field investigation on the DP's grievances or complaints, carefully hear the voices of the displaced persons and fully consult with DPs; and put forward treatment advice objectively and fairly based on the national resettlement laws or policies. If the DP's grievances are beyond the authority of the local resettlement office, local resettlement office should report to the superiors timely. The detailed procedures for dealing with grievances and complaints are as follows:

1. The First Stage. DPs may present their grievances to the village committee or the local resettlement office orally or in a written form. For oral grievances, the village committee or the local PRO must keep a written record and provide a clear reply within two weeks. When it involves serious problems needing to be reported to the RO at a higher level, the village committee or the local resettlement office must endeavor to obtain a reply from the PRO at the higher level within two weeks.

2. The Second Stage. In case that reply at the First Stage does not satisfy the complainants, the complainants may appeal to the Street Office within one month after receiving the reply at the first stage. The Street Office must make a decision within three weeks.

3. The Third Stage. In the event that DPs are not satisfied with the reply of the PROs at district level, they may appeal to Land Management Bureau of

Yingcheng City within one month after receiving reply at the second stage. The Land Management Bureau of Yingcheng City shall make a reply within four weeks.

4. The Fourth Stage. In case that DPs are not satisfied with the reply at the third stage, they may appeal to the civil court within 15 days after receiving the reply from Land Management Bureau of Yingcheng City.

6-3 Collection and Dealing with DPs' Complaints

The ROs at all levels must investigate and study the complaints and grievances from DPs. After full consultation with DPs, they should submit their opinions in an objective and fair manner in accordance with the principles and standards stipulated by the national laws and RAP. If DPs appeal problem exceeds the authority of ROs at the same level, it must be promptly reported to the higher RO and assist in the investigation.

Table 6-2 Notice of reply to DP's grievances and complaints

Name of the complainant		Address of the complainant	
A brief content of the complaints or the requirements of complainant			
A brief description of the complaints-resolved process			
Results of fact-investigation and proposals for dealing with the DPs' complaints			
The policy basis of treatment			
If the DPs are not satisfied with the reply, he/she can continue to appeal to	Name of the organization	Address of the organization	Telephone number
Name of organization responsible for this reply		Date of reply	

During the resettlement implementation, women may have their special

complaints or appeals, so PMO has planned to hire at least one female staff for each resettlement team. This female staff is responsible for dealing with the women's complaints. The local government and NGOs such as *Women's Association* or *The Association for the Disabled* will also monitor the resettlement activities. They may accept the women and the disabled persons' appeals and committee to safeguard the vulnerable groups' rights.

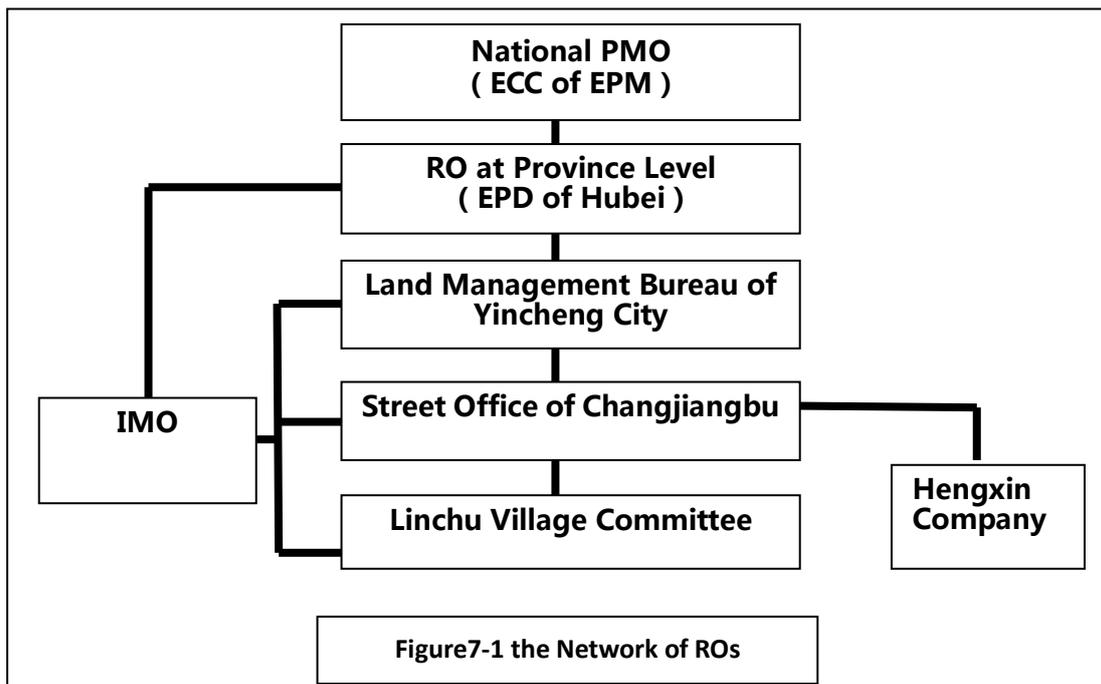
If DPs' grievances or complaints have been treated by ROs based on investigation and national resettlement policy, RO shall promptly inform the complainer himself the treatment result and have an obligation to explain the treatment. RO shall reply to the complainer in written form. The reply notice shall be duplicated into two files. One copy file shall be delivered to the complainer himself, another file shall be stored in RO as archival materials. The format of reply notice is shown in table 6-2.

7 Resettlement Organizations and Institutional Arrangement

Effective resettlement depends on the commitment and capacity of organizations responsible for resettlement preparation and implementation. For the purpose of successful implementation of the project's resettlement, resettlement organizations at every level have been established in Yingcheng City. PMO will take measures to improve resettlement agency networks, train the staffs and strengthen the capacity of the ROs at every level.

7-1 Resettlement Organizations Network

In order to ensure the resettlement work is implemented successfully, National PMO and local PMO at province level have been established. Since the land acquisition and demolition is mainly carried out by the local government, Yingcheng City has also establish ROs at all levels to implement the land acquisition for the project. The organization network of the project is shown in Figure 7-1.



7-2 Responsibilities of ROs

1. National PMO. The National PMO is the Environmental External Cooperation Center (FECO) of the Ministry of Environmental Protection and is responsible for the project management, supervise the implementation of RAP of the project and report the implementation progress to the World Bank.

2. Local PMO at Province Level. Supervise the local government to implement the project, review RAP and resettlement monitoring report submitted by ROs of Yincheng City, assist the National PMO and the World Bank in verification and supervision; submit resettlement monitoring report to national PMO on a regular basis, and are responsible for providing skill training to staff of ROs at all levels.

3. Land and Resources Bureau of Yincheng City. Responsible for determining the scope of land acquisition for the project, check and disclose compensation plan for land acquisition of the project, and review the land acquisition compensation policy.

4. Changjiangbu Street Office. Organize the survey and measurement of the land acquisition area, confirm the type and quantity of land acquisition with the village committee and affected households, formulate a land acquisition compensation plan, and be responsible for implementing the land acquisition of the project. Negotiate with DPs, sign the land acquisition compensation agreement with the farmers, and be responsible for raising resettlement funds and timely reimbursement of compensation funds to DPs according to the resettlement progress.

5. Linchu Village Committee. Assist Street Office to measure the land, confirm the type and area of land acquisition for each household, negotiate with the villagers, assist in formulating compensation plans for land acquisition, and implement compensation and resettlement for land acquisition. Timely collect complaints and grievances from DPs during the resettlement implementation, and be responsible for timely disclosure of resettlement

compensation standards and resettlement methods, rights and obligations of DPs, and the schedule of project implementation.

6. Hubei Hengxin Chemical Company. Negotiate with employees, formulate resettlement plans for enterprise employees, assist local governments to implement RAP, and accept monitoring and evaluation from PMO.

7. Independent Monitoring Organization. During the implementation of the project, PMO at the province level will entrust professional institutions with rich experience to carry out external monitoring of the project. IMO will use its own method to conduct continuous follow-up monitoring of the project resettlement implementation and objectively evaluate the effect of resettlement. Its main responsibilities include: responsible for monitoring the compensation standards for resettlement and the cashing of compensation funds to ensure that the resettlement activities of the project follow RAP. Through the sample survey, the living standard of DPs will be investigated, and the project resettlement effect will be comprehensively and objectively evaluated. Be responsible for submitting an independent monitoring report to the World Bank every six months during the resettlement implementation period.

7-3 Arrangements for Resettlement Implementation

The project will accept the “resettlement implemented mainly by local governments” model. Under this model, National PMO and Local PMO at the province level are mainly responsible for the resettlement planning and macro management, and the specific resettlement implementation activities are implemented by the local grassroots government.

The detailed institution arrangements for resettlement implementation are:

(1) National Project Office and Local PMO shall guide and supervise the local government to formulate RAP in accordance with the requirements of the World Bank, contact and communicate with the World Bank in a timely manner,

and submit the project resettlement implementation to the World Bank in a timely manner.

(2) Land and Resources Bureau of Yingcheng City and Changjiangbu Street Office shall be responsible for formulating detailed land acquisition compensation plans according to national and local laws and policies, conducting measurement, registration and verification of land acquisition and demolition quantity, and negotiating with DPs to sign compensation agreements. Raise the compensation funds for land acquisition and timely cash them to DPs.

(3) Linchu Village Committee is responsible for organizing consultations with the villagers. After measuring the land area, it is responsible for the compensation information disclosure within the village. Assist the street office to pay compensation for land acquisition, and timely collect and reflect complaints and appeals from DPs.

8 Resettlement Cost Budget

In order to accurately and transparently reflect all resettlement costs and incorporate all of these costs into project costs, local government has prepared budget for the resettlement activities. The budget includes estimates of resettlement costs, sources of funds, procedures for disbursement of funds, and plans for annual use of funds.

8-1 Classification of Resettlement Cost

The resettlement costs of the project can be divided into four types: the compensation for land acquisition, the costs for land attachment, the cost for resettlement organization operation and the cost for the contingencies.

1. Compensation cost for farmland acquisition. The compensation costs are mainly the fees paid for the acquisition of cultivated land (including young crops). According to the requirements of the World Bank, the acquisition of property is subject to compensation at the replacement cost. Once the scope of land acquisition is determined, local government should pay the compensation in time, which helps to avoid the cost increase caused by inflation.

2. Compensation for land attachments. This part of the cost is mainly for the compensation of trees and graves on the acquired land. These compensation fees are paid directly to DPs.

3. Pension subsidies for land-expropriated farmers. After the land acquisition, the per capita arable land area of the family is less than 0.3 mu (including 0.3 mu), and the farmers who have reached the age of 16 are included in the endowment insurance for land-losing farmers. The project has been confirmed by the local government and there are 20 qualified candidates. The Yingcheng People's Government granted a one-time subsidy of 24,000 yuan to the land-expropriated farmers. The compensation fund for the

endowment insurance for land-expropriated farmers totals 480,000 yuan. The subsidy fund is included in the cost of land acquisition and cannot be reduced or exempted.

4. The Cost for ROs operation and management. The cost for ROs operation and management include all operating expenses incurred during resettlement preparation and implementation. It includes the cost of paying personnel and equipment at all levels of ROs, the costs for RAP, the training cost for the staff in ROs, the cost for capacity strength and consulting services, and the cost for internal and external resettlement monitoring.

5. The cost for the contingencies. During the implementation of the project, unpredictable impacts and responsibilities may make the resettlement costs exceed the original estimates. Underestimation of resettlement costs often leads to cost overruns. These financial problems will only occur during the implementation process. Therefore, adequate cost for the contingencies is very important for resettlement. If the estimated cost is insufficient, any best budget will only have a small value.

There are many reasons for under-estimation of resettlement cost, such as cost increase of land acquisition due to inflation or change in design. In such cases, if the implementation is carried under the previous budget, there will be financial problems that may lead to unsuccessful implementation of resettlement. For this reason, based on inflation expectations during project implementation period and other unpredictable factors, the contingencies for this project are calculated by 10% of the land acquisition cost.

8-2 Estimation of Resettlement Costs

According to the preliminary calculation of the cost for land acquisition of the project, according to the current price, the total budget cost for resettlement of the project is RMB 2,105,756 Yuan. The total budget and cost type is shown in Table 8-1.

Table 8-1 Resettlement Cost Budget

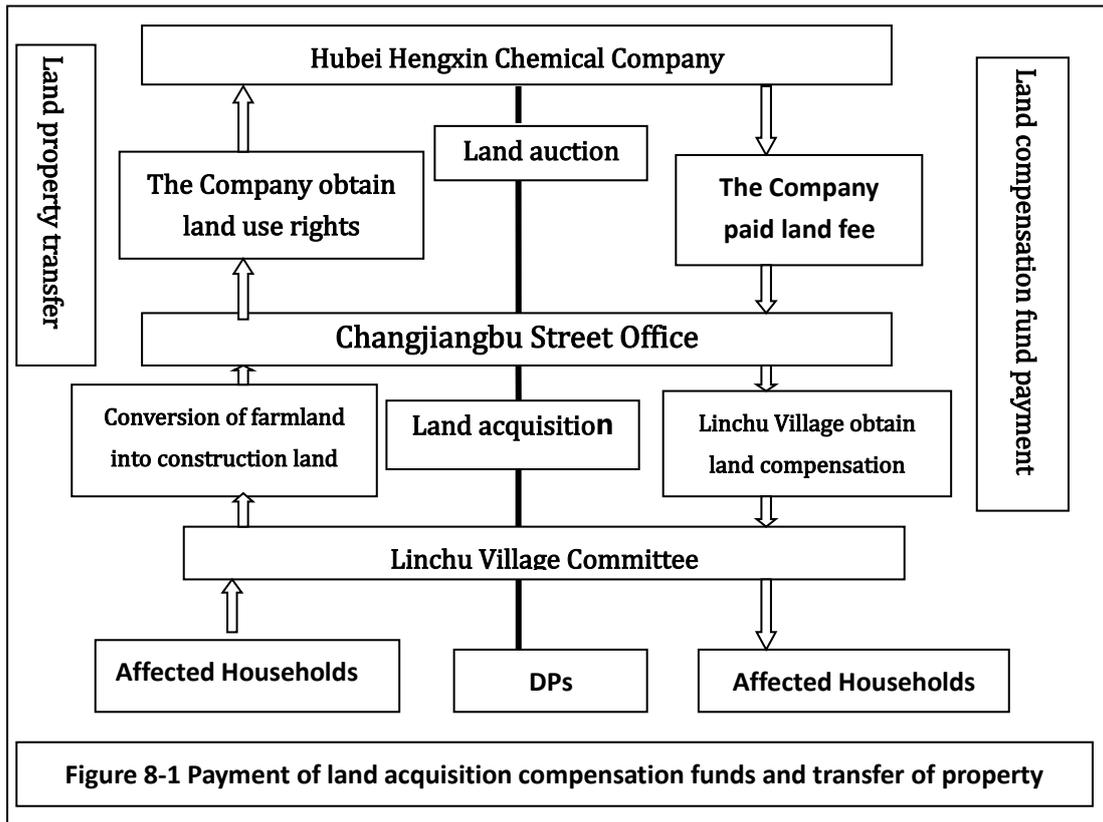
No	Type of resettlement cost	Compensation standard	Quantity of land acquisition	Compensation fee (Yuan)
A	The cost for land compensation			1228531
1	Cultivated land acquisition cost	34650(Yuan/Mu)	35.34Mu	1224531
2	The cost for young crops	1600(Yuan/Mu)	2.5Mu	4000
B	The cost for land attachment			44300
3	The cost for tombs	800(Yuan/Each)	16	12800
4	The cost for trees	15(Yuan/Each)	2100	31500
C	Pension subsidies for land-expropriated farmers			480000
5	Pension subsidies for land-expropriated farmers	24000Yuan/person	20 person	480000
Total basic cost of land acquisition				1752831
D	The cost for ROs operation and Training			177642
5	The cost for ROs operation	5% of basic cost of land acquisition		87642
6	Resettlement monitoring cost			80000
7	Training cost			10000
E	The cost for the contingencies.	10% of basic cost of land acquisition		175283
Total Resettlement Cost				2,105,756

8-3 Disbursement Procedures for Resettlement Funds

The land acquisition compensation fund of this project will be strictly implemented in accordance with the following fund disbursement process, and will be implemented by the Changjiangbu Street Office. The land compensation payment process and the land property transfer path are shown in Figure 8-1.

1. The Changjiangbu Street Office shall pay the compensation for land acquisition to Linchu Village Committee in accordance with the land acquisition compensation standard determined by RAP. The village committee will pay the young crop fee and 90% of the land compensation fee to DPs. Then through land acquisition, agricultural land is converted into construction land, and rural collective land is transformed into state-owned land. The village committee will retain 10% of the land compensation fee and use them for the public infrastructure construction in the village.

2. After land acquisition has completed, Changjiangbu Street Office will construct roads and other infrastructure according to the requirements of the park planning. The land will be transferred to Hubei Hengxin Chemical Company through tendering, and the company will pay the land purchase fee to the Changjiangbu Street Office according to the bidding price, the Company obtained the use right of state-owned construction land.



9 Resettlement Monitoring and Evaluation

9-1 Purpose of Resettlement Monitoring & Evaluation

According to World Bank's OP 4.12 on Involuntary Resettlement, PMO shall establish an internal and external resettlement monitoring and evaluation system and continuously monitor resettlement activities so as to ensure the resettlement activities is carried out in accordance with the policies or principles identified in RAP, and when resettlement has been completed, PMO shall evaluate the living standards of PAPs in order to safeguard the objectives established in RAP can be achieved.

Monitoring and evaluation is the main management mechanism to correct wrong approaches appeared in the process of resettlement implementation. The aim of resettlement monitoring is to realize the existed problems or successful experiences in the process of resettlement implementation as soon as possible so as to adjust resettlement scheme promptly. According to requirements of World Bank, PMO shall establish an internal and external resettlement monitoring and evaluation system. The internal monitoring is organized and performed by the ROs, while the external monitoring is implemented by independent monitoring organization with rich expertise and relevant experiences.

The purpose of internal monitoring is to regulate and guide the resettlement activities of all ROs, and ensure the resettlement activities are carried out in accordance with RAP, so as to safeguard resettlement works progress orderly and efficiently. It also aimed to ensure ROs be able to grasp actual progress of resettlement promptly and realize and then solve the problems appeared in the process of resettlement implementation.

The purpose of external monitoring and evaluation is to monitor and evaluate whether the target of the land acquisition, structure relocation are

realized and through external monitoring, IMO shall put forward opinions or suggests about land acquisition, structure relocation and income rehabilitation, and provide recommendations to PMO so as to take timely actions to guarantee the objectives of resettlement policies can be achieved.

9-2 Internal Resettlement Monitoring

Internal monitoring system is a constant monitoring system on the implementation of RAP. This system is performed by the internal management organizations of PIU. The aim of this system is to make PIU has a full, instant and precise control on the resettlement progress, and can promptly identify and solve problems appeared in the process of resettlement.

9-2-1 Contents of Internal Monitoring

1. Checking and Verify the Amount of Land Acquisition

The internal monitoring organizations together with local governments will investigate and check the amount of land acquisition or structure relocation. It is a basis for resettlement and compensation; it is also an important responsibility of internal monitoring organization.

2. Monitoring on the Progress of Resettlement Activities

The internal monitoring system will mainly grasp the progress of the overall schedule and annual plan of resettlement, progress of the staffs and equipment allocation of resettlement organization; implementation progress of permanent land acquisition; implementation progress of distribution of resettlement compensation; progress of production rehabilitation or public facilities; industrial enterprises relocation and construction progress, labor employment arrangement progress and progress of other resettlement activities.

3. Monitoring on Implementation of Resettlement Policies and Compensation Rates.

The internal monitoring organization shall monitor fulfillment of the

resettlement policies and compensation rates. The key is to monitor establishment and implementation of resettlement policies, and the compensation rates for various assets affected by the project. The internal monitoring organizations shall focus on whether compensation is paid in accordance with compensation rates identified in the RAP. If the compensation rates have changed, the internal monitoring organization shall explain the reason.

4. Monitoring Resettlement Budget and Budget Execution

The main task is to monitor the amount and time of resettlement fund appropriation, collect the information about resettlement fund use and management, the progress of land compensation paid to land owners, the use plan of resettlement fund at the village level, and supervision the use of resettlement fund.

5. Monitoring on Production Rehabilitation and Employment Arrangement for DPs

The internal monitoring organizations shall monitor the major means of production rehabilitation, the status of the DPs employed, the production rehabilitation of relocated enterprises, the income rehabilitation of the vulnerable groups (including ethnic minority, women, the elderly, the disabled persons, and the poor household, etc.), the results of production and income rehabilitation.

6. Monitoring on Rehabilitation and Reconstruction of Enterprises

The internal monitoring organizations shall continuously monitor on production rehabilitation of all affected enterprises, and the labors employment.

7. Monitoring on Collection and Solution of Complaints, Appeals from Displaced Persons

The PO shall establish the channels, procedures and organizations to deal with the displaced persons' complaints or appeals. The internal monitoring organizations shall record and analyze the complaints or appeals

from the displaced persons. If the problems collected from the displaced persons are the common problems and can be resolved only by ways of policy adjustment, it is necessary to report to the government promptly, so as to formulate new policy to deal with the problems. At the same time, the PO shall prepare *Resettlement Information Booklet* and disclose the resettlement information to the displaced persons.

8. Dealing with the Problems Reported from IMO.

The internal monitoring organization shall review the report from IMO timely, maintain communication with IMO and develop solutions to the problems. If the new policy to solve resettlement problem is beyond the scope of PRO's authority, PRO shall report to the higher level of government and formulate or implement new policies.

9-2-2 Internal Monitoring Methods

The following methods are adopted in the Internal Monitoring of the Project based on the project implementation status:

1. Standardized Statistics Report System

The PMO will adopt standardized statistics report system according to the needs of resettlement works. The content of includes progress of completion of land acquisition and structure relocation, progress of resettlement fund appropriation and the main complaints or appeals from the displaced persons.

2. Regular or Occasional Report System

PMO shall adopt various forms to exchange resettlement information between IMO and the resettlement organizations at all level. The resettlement organizations and IMO shall discuss and analyze together the problems appeared in the process of resettlement implementation and present solutions to deal with the problems.

3. Site Inspection

The PRO will perform routine and non-routine field inspections of the resettlement work, solve resettlement problems on the spot and monitor the

resettlement schedule and execution status of the resettlement policies.

4. Exchange Information with IMO

The PMO will keep frequent communication and information exchange with IMO; promptly report the findings and results from IMO to the leaders. PRO is also responsible for coordinating resettlement organizations at all levels, and dealing with the problems reported from IMO.

9-3 External Resettlement Monitoring & Evaluation

In the process of project implementation, an external monitoring organization that is experienced in resettlement shall be employed to monitor resettlement activities regularly and evaluate the effect of resettlement. The external monitoring organization is also responsible for evaluating the change of the DPs' income before and after resettlement.

9-3-1 Contents of External Monitoring

1. Monitoring on Compensation Standards and Payment of Compensation

Through field survey and interview with the affected persons, IMO will check and verify the resettlement works. The emphasis of monitoring is whether the compensation standards are executed in accordance with RAP or RPF, whether the compensation is paid to the DPs timely.

2. Monitoring on Rehabilitation of Income and Living Standard

IMO will conduct survey before and after project implementation so as to evaluate the variation in the DPs' living standards or their income. The emphasis of evaluation is to monitor and analyze the change of income sources and assess whether the DPs' income is restored or improved.

3. Providing Suggestions to Improving Resettlement Works

The IMO shall provide opinions and suggestions to resettlement organizations on time according to the results of external resettlement

monitoring and evaluation so as to improve the resettlement works.

4. Providing Training for Resettlement Organizations

The IMO is responsible to provide technical assistance and training for resettlement organizations so as to make the workers of resettlement organization fully understand the World Bank's resettlement policy and procedure.

9-3-2 Methods of Independent Monitoring &Evaluation

1. Household Interview The IMO will conduct face-to-face interview with the affected households to give audience to the complaints, grievances and suggestions of the DPs; and inform the information about resettlement to the displaced persons, IMO is also responsible to explain the relevant national policies or World Bank's resettlement policies for the DPs.

2. Occasional Seminars Occasional Seminars are held with the affected persons in regions where the affected persons are concentrated. The representatives of displaced persons, local officers and the workers of resettlement organizations will be invited to take part in the seminar. They can express their opinions freely in the seminar. Such seminars may be formal or informal.

3. Baseline Living Survey The IMO will perform continual monitoring on the change of their income levels and income structures. IMO will evaluate objectively the degree of income and living standard rehabilitation of the displaced persons by way of comparing the displaced persons' living standards before and after the land acquisition.

9-4 Resettlement Monitoring Report System

9-4-1 Internal Resettlement Monitoring Report System

Internal resettlement monitoring is a continuous process. After the project

starts, the internal monitoring organization shall compile internal progress reports and submit it to World Bank half a year.

9-4-2 External Resettlement Monitoring Report System

The IMO compiles external monitoring reports based on the observation and survey data, and will report independently to the PMO and World Bank. The reporting cycles to World Bank and PMO are as follows:

(1) The semi-annual external resettlement monitoring report shall be submitted to World Bank and PMO before 30, June every year.

(2) The annual evaluation report shall be submitted to World Bank and PMO before 31, December every year.

(3) When all resettlement activities have been finished, a resettlement Post-evaluation Report will be submitted to World Bank by IMO.

10 PAPs ' Entitlement Matrix and Schedule for Resettlement Implementation

10-1 PAPs ' Rights and Entitlement Matrix

In the process of resettlement, the rights enjoyed by all types of property owners should be fully protected. These rights are listed in the Entitlement Matrix (Table 10-1).

Table 10-1 Entitlement Matrix

Type of loss	Entitled persons	Entitlements
Permanent land acquisition	Affected villages/ groups or persons	<p>(1) Affected villages will receive compensation for cultivated land. 90% of the land compensation fees are paid to the contractors, and 10% of the land compensation fees are paid to the village, it will be used for public welfare of the village.</p> <p>(2) The affected population will receive compensation for young crops directly.</p> <p>(3) Hexin Chemical Company will give priority to the project-related employment opportunities for the PAPs. If the affected labor force is willing to work in Hengxin Chemical Company, The company will purchase urban social pension insurance for them, and they may enjoy the same treatment as employees of Hengxin Chemical Company.</p> <p>(4) All PAPs have already participated in the new rural social endowment insurance, and the Human Resources and Social Security Department has established a life-recorded personal pension account for each person who participates in the social endowment insurance. Those who participate in the social endowment insurance may receive pensions on a monthly basis when they are 60 years old, and do not enjoy the basic pension insurance for urban workers, or other pensions prescribed by the state and the province,</p> <p>(5) For the contracted households whose land has been expropriated, the per capita cultivated land area of the households after land acquisition is less than 0.3 mu (including 0.3 mu) and the age of 16 years old. The Yingcheng People's Government will provide a one-time subsidy of 24,000 yuan for the land-expropriated farmers. The compensation fund for endowment insurance for land-expropriated farmers is included in the cost of land acquisition and may not be reduced or exempted.</p> <p>(6) The project owner gives priority to providing technical training to the PAPs.</p>
Ground attachments	Property owner	All ground attachments will be compensated at replacement cost in cash
Affected enterprises	Affected workers	<p>(1) The affected enterprise does not lay off any employees, and the wages and welfare of employees do not decrease.</p> <p>(2) Hengxin Chemical Company will buy buses to transport employees to work and home after relocating to the new plant.</p>

Type of loss	Entitled persons	Entitlements
Income rehabilitation measures	All PAPs	(1) The collective-owned land is not redistributed within the village, not less than 90% of total land compensation will be paid directly to PAPs to restore their income and living standard. (2) PAPs have the right to choose the options of income rehabilitation, the income restore program should be negotiated with PAPs and approved by PAPs. (3) The project owner will provide preferential employment opportunities and technical training for the affected persons (4) Affected laborers can get same wages as before land acquisition. (5) Persons over 60 years old (including 60 years old) at the time of land expropriation shall be fully compensated according to the standard of one-time old-age insurance compensation; for those under 60 years old (59 to 16 years old) at the time of land expropriation, the standard of compensation shall be reduced by 1% of the total compensation for each reduction in age of one year.
Special support policies for vulnerable groups	All vulnerable groups	(1) All resettlement plans must take into account the special needs of women and minorities, and women should have a broad right to know. 2) Give priority to providing employment opportunities for vulnerable groups, especially women and the poor. 5) Local government will establish a formal social security system for the affected population whose land is completely requisitioned or lose their ability to work, so that they can obtain stable and sustained income.
PAPs' complaints and grievances	All PAPs with complaints about land acquisition	(1) All PAPs have the right to appeal to resettlement agencies at all levels and the local government. The resettlement agencies and local governments must give clear answers. If the PAPs is dissatisfied with the response, they can go to court. 2) All resettlement agencies need to employ at least one female staff member to handle complaints and appeals from women. 3) Exemption from various fees for PAPs' complaints and complaints.
Information disclosure	All PAPs	The Resettlement Action Plan will be published on the Internet to facilitate PAPs enquiries; documents such as resettlement plan, land acquisition and demolition quantity and compensation standards should be disclosed to all PAPs.

10-2 Schedule for Main Activities of Resettlement

The red line of the project land acquisition has planned to be determined in May-June 2019. Local government will negotiate with PAPs in July-August, sign land requisition agreement, and carry out land tendering in September 2019. The construction of new plant will start in October 2019, and enterprise relocation plan to be completed, production conversion will be realized in 2021. According to the overall implementation schedule of the project, the main resettlement activities of the project are shown in Table 10-1.

Figure 10-1 Schedule for the main resettlement activities

No	Resettlement Activities	2019					2020					2021			
		5	7	9	11	12	1	3	5	9	12	1	3	6	12
1	Establishment of ROs														
2	Resettlement Consultation and Policy Training														
3	Land Acquisition Survey														

No	Resettlement Activities	2019					2020					2021			
		5	7	9	11	12	1	3	5	9	12	1	3	6	12
	and Impact Assessment														
4	Consultation with Local Governments and PAPs on Compensation Policies														
5	Preparation for RAP														
6	Conduct on-site Survey to Determine the Quantity of Land Acquisition and Demolition														
7	Negotiating with PAPs and Signing Compensation Agreement for Land Acquisition														
8	Paid Compensation to the Village and PAPs														
9	Removal of Land Attachments and Transferring Land for Construction														
10	Engineering Construction														
11	External and Independent Resettlement Monitoring														
12	Post-resettlement Assessment														