

China Distributed Renewable Energy Scale-up Project

Resettlement Policy Framework (RPF)

CDRESP Project Management Office

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A. Project Introduction

1. The proposed China Distributed Renewable Energy Scale-up Project aims to support the scale-up of distributed renewable energy in China, thereby reducing greenhouse gas emissions. It consists of three components:

Component 1: Policy support

This component supports carrying out of policy studies in relation to development and implementation of legislation and policy on distributed renewable energy. Activities will be selected with a view to informing strategies, plans, targets, or regulations at national or local level that facilitate scale-up of various use-cases of clean DERs.

Component 2: Pilot support

This component will involve acquisition of technical assistance (including for carrying out of studies), and, possibly, carrying out of subprojects in relation to piloting of distributed renewable and associated DERs in select parts of China. Activities under this component will support the development and demonstration in a given location of specific use-cases for which the techno-economic potential is otherwise already proven.

Component 3: Capacity Building and Project Management

This component includes: (a) acquisition of technical assistance (including for carrying out of studies and training) and carrying out of subprojects for capacity building of key stakeholders in relation to distributed renewable energy policies and technologies; and (b) project management, implementation, and monitoring and evaluation (M&E) and Project-related donor coordination.

2. Zhejiang province and Guangdong province will be engaged in the project while Henan province is considered as a candidate. However, the specific items of each component in each province are to be decided at the stage of project preparation.

3. According to the study and piloting demonstration plans proposed by PMO and Zhejiang and Guangdong Energy Administrations, most investment associated with distributed renewable energy are rooftop solar PV in existing enterprises and industrial parks with no new land acquisition and resettlement. Most proposed activities for consideration under the proposed project are mainly policy studies, business and financing models studies, and capacity building related

with distributed RE scale up development with no physical investment. These activities will not involve no new land acquisition, resettlement, and indigenous people. However, some piloting development and demonstration subprojects, which have no detailed proposal available during the preparation stage, may cause potential social impact such as land acquisition and relocation. The PMO prepare this resettlement policy framework for the potential social impacts, and it will prepare a brief Resettlement Plan (RP) in case physical land acquisition is unavoidable and the impacts are identified. The RP will present resettlement policies and plan in detail and be implemented with the approval of the World Bank.

B. Project Impact

4. At the preparation stage, Zhejiang and Guangdong province proposed some specific items to be screened. These proposed subprojects are mainly policy studies, business and financing models studies, and capacity building related with distributed RE scale up development with no physical investment. See table I for the general information about the project.

Table 1 Proposed subprojects and their social impacts

No.	Proposed item	Contents	Social impacts
Zhejiang province			
1	Research on multi-story residential solar PV	Provincial target for 1 million households with rooftop PV by 2020. So far virtually none are in urban areas, only villages and towns.	No physical civil works involved; Potential downstream social impacts, such as impacts on rooftop PV.
2	Business models for electricity trading	national pilots for local distribution-system-level energy trading based on established wheeling fees.	No physical civil works involved and potential downstream social impacts
3	Research on large-scale multi-technology distributed power plants	industrial park and urban zone development including local power systems and sources.	No physical civil works involved; Potential downstream social impacts.

4	Solar PV for rural villages	Build upon an existing project for solar PV in rural villages, which targeted 20 villages and 13 towns, and involved a policy for subsidies of 0.93 RMB/kWh. Investigate 158 additional villages and replicate appropriate designs from existing project.	No physical civil works involved; Potential downstream social impacts, such as impacts on rooftop PV.
5	Research on credit guarantees for urban-zone renewable energy	need for new policies to support distributed energy development independent of subsidies, and premise that guarantees are a key missing element.	No physical civil works involved and potential downstream social impacts
6	Building-level urban solar PV architecture	poor track record to-date of solar PV on building rooftops, and continued poor prospects, need for innovation in location in urban environments.	No physical civil works involved; Potential downstream social impacts.
7	Solar PV data platform for urban energy planning, control, and trading	Provincial target for 1 million households with rooftop PV by 2020. Lack of comprehensive data and integrated management systems for local solar PV power plants.	No physical civil works involved and potential downstream social impacts
8	Research on access and operation of high-density and high-penetration solar PV	growing impact on power grid of high levels of distributed solar PV, including reliability, voltage levels, power quality, and grid operation. Need for new approaches to distribution network planning, construction, and operation.	No physical civil works involved and potential downstream social impacts

9	Commercial models for energy storage integrated with solar PV	first introduction of storage technologies for micro-grids and distribution systems in ways that provide commercial benefits, lack of established models and track records.	No physical civil works involved and potential downstream social impacts
10	Smart inverters and storage integrated with solar PV for residential buildings	a specific company offering a specific product, smart inverter with storage, for residential applications, potentially leading to new use cases, including potential integration with EVs and functionality for grid services.	No physical civil works involved; Potential downstream social impacts.
Guangdong province			
1	research on the options to optimize demand and supply system	options to optimize local consumption (demand side) and increase RE generation value to the system (supply to the grid) by testing integrated solutions with storage, intelligent control system, etc.	No physical civil works involved and potential downstream social impacts
2	research on increasing of the peak load shaving capacity of the grid	increase of the peak load shaving capacity of the grid through large thermal storage system and installation of Automatic Generation Control (AGC) in neighboring coal fired power plants	No physical civil works involved; Potential downstream social impacts.
3	research on business models and policy	business models and policy recommendations, like trading of RE generation to enable selling surplus electricity to other consumers, risk mitigation measures to ensure the sustainability of the contractual arrangements	No physical civil works involved and potential downstream social impacts

C. Principles and Objectives

5. In order to minimize the to-be-acquired land and relocation potentially occur in this proposed project, any involuntary resettlement work must follow the fundamental principles proposed in this Resettlement Policy Framework. Once the specific impact of land acquisition and relocation are determined, a resettlement plan will be prepared according to the policies and procedures specified in this policy framework.

6. This policy framework is prepared for the purpose of guaranteeing fair compensation and necessary support to the persons or unit/firms affected by the project construction, so as to improve or at least maintain their original production level, income level and living standard.

7. The persons or unit/firms affected by the project herein refers to the followings:

(a) Those whose lands are partially or totally, permanently or temporarily to-be-acquired by the project;

(b) Those whose houses are partially or totally demolished due to project construction;

(c) Those whose business activities are partially or totally, permanently or temporarily affected by the project construction;

(d) Those whose land attachments are partially or totally affected by the project construction.

8. In order to achieve the above objectives, this resettlement policy framework has quoted the principles summarized in OP/BP4.12 of the World Bank, specified as follows:

(a) The resettlement work will be implemented based on the socioeconomic survey and affected quantity statistics, and in accordance with national and local resettlement policies and regulations, as well as the Involuntary Resettlement Business Policy OP/BP4.12 of the World Bank.

(b) The projects design will be optimized to minimize the resettlement work. The populous area will be excluded as much as possible, so as to minimize the involuntary resettlement. The construction scheme will be optimized to reduce disturbance to the public.

(c) All compensations for involuntary resettlement will be regarded as a part of this project. Sufficient fund will be provided to the relocated people, so as to ensure they can benefit from this

project.

(d) It will be guaranteed that all the affected people can receive all the compensations for the resettlement loss before the implementation of the project. Their daily life will be properly arranged, and their production will be effectively restored. Subsidies and assistance will also be given to solve their temporary difficulties.

(e) It will be guaranteed that the living standard, production capacity and income level of all the affected people can recover to their original level or even increase to some extent.

(f) The compensation for the demolished structures, specialized facilities and land attachments will be calculated according to the replacement price. The residual value of demolished materials cannot be deducted, nor can the depreciation of original property.

(g) Both physical resettlement and monetary compensation methods will be offered to the affected persons or unit/firms for them to choose freely.

(h) The relocated persons will receive compensation during the transition period and relocation process.

(i) The relocated non-residential units will receive relocation subsidy and compensation for production and business suspension.

(j) Special attention will be given to the vulnerable group, helping them select the resettlement houses and move into the new houses.

(k) Compensation will be given to the owners of the infrastructure for the relocation and restoration of infrastructure affected by the project.

(l) Reasonable compensation will be paid for the acquired land.

(m) The compensation for land acquisition will be paid within three months starting from the date when the resettlement plan is approved, no later than the date when the land is used for construction purpose.

(n) During the preparation and implementation stage of resettlement work, the relocated people will be encouraged to participate in the process, so as to solicit their suggestions for the resettlement work and publicize the resettlement policy in time.

(o) Great attention will be given to the complaints of affected persons and GRM will be set up in the whole process of implementation. Timely assistance will be given to them to solve the difficulties and inconvenience during the resettlement process. The disputes on the compensation

rate will be solved through consultations as far as possible. If consultation fails, it can be submitted for arbitration.

(p) Units involved in the resettlement work will enhance cooperation and coordination among each other. Resettlement organizations at all levels will be established, and all the employees will be well trained.

(q) During the implementation process of the resettlement, any major changes, including the alteration of compensation rate, alteration of relocated position and scale, adding new items, etc., will be reported to the World Bank in advance.

D. Preparation and Review of Resettlement Plan

9. Once the impacts information of land acquisition and relocation is available, a concise resettlement plan will be prepared for the approval from the World Bank according to the following procedures:

(a) Upon the completion of project design, a brief resettlement plan will be prepared according to the resettlement policies specified in this report.

(b) The brief resettlement plan will be submitted to the World Bank for approval one month prior to its implementation.

(c) The project owner, external monitoring unit and the World Bank can conduct field inspection on the implementation progress of resettlement plan. The construction unit will coordinate with the above units during the inspection. Once discovering any problems in the resettlement work, the World Bank will urge the project owner to take immediate measures to solve the problem.

10. In accordance with this policy framework, the resettlement plan will include the following contents:

(a) Socioeconomic survey and estimates of affected properties;

(b) Compensation for resettlement and other assistances;

(c) Soliciting the opinions of relocated people towards alternative plans;

(d) Resettlement implementation organizations and complaint procedures;

(e) Monitoring and implementation arrangements;

(f) Time schedule and budgets;

E. Compensation Standard

11. The compensation standard is specified to give proper compensation to the affected persons for property loss incurred by the project, and restore their living standard to the original level or even higher level within the shortest period of time. On the whole, the resettlement and restoration plan will include the following contents:

(1) giving compensation for property loss such as houses;

(2) offering living allowance to alleviate the temporary impact of project construction on the daily life and business activities of relocated people;

(3) offering occupational training and job opportunities to the unemployed people, so as to restore their income level;

(4) restoring the facilities in the affected communities and providing community services.

12. Peasants who lose their farmland due to project construction can receive the following compensation:

(a) Directly receiving land compensation fund, resettlement subsidies and crop compensation fee.

(b) The crop loss, income loss, damaged infrastructure and reclamation cost caused by temporary land acquisition will receive appropriate compensations.

13. Persons who lose their houses and affiliated buildings due to project construction can receive the following compensation:

(a) Receiving physical resettlement upon the completion of the project;

(b) Receiving monetary compensation according to replacement price;

(c) Receiving relocation subsidies;

(d) Receiving transitional subsidies according to the actual transitional period.

14. Persons who lose production and business opportunities due to project construction can receive the following compensation:

(a) Providing other places available for the affected persons to conduct production and business activities;

(b) Giving reasonable compensation for relocation of equipment and relevant loss;

(c) Giving compensation for production suspension during the transitional period;

(d) Giving compensation for fixed assets such as houses that are partially or totally affected by the project according to the replacement price;

F. Legal Framework

15. The resettlement work involved in this project will comply with the following national laws and regulations:

- The Land Administration Law of the People's Republic of China, coming into force in January 1999 and revised on August 28, 2004;

- Decision on Deepening the Reform and Enforcing the Land Management, issued by the State Council on October 21, 2004;

- Notice on Relevant Issues on Further Strengthening the Land Control, issued by the State Council on August 31, 2006;

- Real Right Law of the People's Republic of China, coming into force on October 1, 2007;

- Regulations of the People's Republic of China on the Disclosure of Government Information, coming into force on May 1, 2008;

- Regulation of the State Council on Deepening Reform and Strengthening Land Administration, File No. 28 in 2006;

- Regulation on the Expropriation of Buildings on State-owned Land and Compensation, coming into force on January 21, 2011;

- Methods for Expropriation and Evaluation of Buildings on State-owned Land, coming into force on June 3, 2011.

- Notice of the People's Government of Zhejiang Province on Adjusting and Improving the Resettlement and Compensation Policies (No.19, 2014).

- Compensation and Protection Standards for Land Acquisition In Guangdong Province, (September, 2016).

- World Bank Operational Policy OP4.12, Involuntary Resettlement and appendix, implemented on January 1, 2002;

- World Bank Business Procedure BP4.12, Involuntary Resettlement and appendix, implemented on January 1, 2002;

G. Organizations

16. The implementation organizations in Zhejiang and Guangdong province are responsible for the resettlement work in its terrain respectively.

H. Implementation Procedure

17. The resettlement documents will include a detailed implementation plan. The compensation fund (monetary or physical compensation) and other subsidies will be paid in time according to the actual progress of resettlement work.

I. Complaint Procedures

18. In order to ensure the affected persons or unit/firms can express their complaints about the resettlement work, this policy framework has formulated detailed complaint procedures, with an aim to timely respond to residents' complaints and avoid complex formalities. The detailed complaint procedures are as follows:

Phase 1

Affected people can express their complaints to village committees or resettlement offices in towns or sub districts in oral or written form. Oral complaints must be recorded in written form and given definite reply within 2 weeks by village committees or resettlement offices in towns or sub districts. If the issue is too serious and needs the instructions of the superior resettlement offices, they must try hard to get the reply of superior resettlement offices within 2 weeks.

Phase 2

If the replies from Phase 1 are not satisfactory, the complainants can appeal to the PMO within 1 month after getting the reply of Phase 1. The PMO must make decisions on settling the complaints within 3 weeks

Phase 3

If the affected persons are still not satisfied with the reply of Phase 2, they can appeal to the civil court within 15 days after getting reply.

J. Compensation Policy

19. The compensation policy includes the following main contents:

Land Acquisition Compensation

- Compensation standard for land acquisition will be consistent with the provincial policies cited in paragraph 15.

- 100% of land compensation will be used on long-term development of residents. Households affected by the project will receive at least 70% of the land compensation fund. The other 30% of the land compensation goes toward the village collective.

- Crop compensation will be directly deposited to the person farming the land.

- Compensation and resettlement aid will be audited and monitor by relevant organizations.

Structure demolition Compensation

Persons whose house will be relocated will be provided both physical resettlement and monetary compensation methods for them to choose freely .

- Resettlement housing will be completed before house demolition, or the affected families will be given transition subsidies.

- simple structures will be given monetary compensation based on their reconstruction cost

For vulnerable affected persons, the implementation organizations will provide special support during the resettlement process.

K. Citizen Engagement and Consultation

20. The implementation organizations will implement the public engagement and consultation procedure in the project area. The specific measures proposed by the resettlement plan, including resettlement area, compensation policy, compensation standard, measures for restoring production and living standard, etc., will be widely recognized by the affected persons before it is approved and implemented.

21. The affected persons will participate in the whole process from the preparation to implementation of the resettlement plan. To achieve this purpose, a public meeting will be held before preparing the resettlement plan to inform the general public of this resettlement policy framework. The local government will help the affected households or non-residential units understand the compensation standards and their options specified in the resettlement plan.

L. Monitoring

22. The implementation organizations will conduct internal monitoring on the resettlement work. The resettlement monitoring is an integral part of the resettlement plan. The monitoring process will evaluate the effects of resettlement work by comparing it with the implementation goals and revise the resettlement plan when it is necessary. Any major issues that occur during the implementation process of resettlement plan will be reported to the World Bank in time. The external monitoring will be carried out by the qualified independent monitoring organization according to the requirement of the World Bank.