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Social Assessment (SA), Social Stability Risks Assessment (SSRA), Land Acquisition and Resettlement (LAR) in China

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1. Regulatory Framework

- Two types of reports for investment projects before approval can be obtained:
 - **FSR** (Feasibility Study Report, for projects of government investment), or
 - **PAR** (Project Approval Reports, for projects with corporate investment but for public interests or leveraging public resources)
- **SA** (Social Assessment) is part of documentation for government decision
- **LARP** (Land Acquisition and Resettlement Plan) as one chapter in FSR/PAR, and in Full LARR for government decision
- **EIA and EMP** (environmental management plan)
- **SSRA** (Social Stability Risk Assessment) should be approved before FSR/PAR approval by relevant government authorities.

2. SA in China: Key Characteristics

2.1 Background

- SA and SSRA were developed based on experiences and lessons learned captured in LARR including domestic practices and IFIs' (WB, ADB etc.) good experiences since the 1980s;
- Why SA/SSRA/LARR in a Development Project?
- Realistic needs in China's social development and social governance
- China: PAPs in Different Sectors (1949-2010)
- Needs in real project – typical social instability incidents occurred

2.2 Why SA/SSRA/LARR in a Development Project?

- Development = Civil engineering and equipment project
 - + Land acquisition and resettlement
 - + Env/social and other risks and mitigate measures
- Inclusive and sustainable development
- Social cohesion, social sustainability, green development
- CSR (Corporate Social Responsibility)
- Involuntary resettlement –
 - ✓ is key to development projects
 - ✓ is a worldwide challenge
 - ✓ should be sustainable and successful
- World Bank and ADB support and cooperated with Chinese government authorities (NDRC, MOF, MoC etc.) in LARand SA policy development and capacity building since 1988

2.2 Why SA/SSRA/LARR in a Development Project?

Realistic Needs in China's Social Development & Social Governance

2007: 17th National People's Congress
(President HU Jintao)

- Scientific Development Outlook
- Harmonious society
- Livelihood
- Ecological civilization
- Environment-friendly society
- Resource-saving society
- Asset income

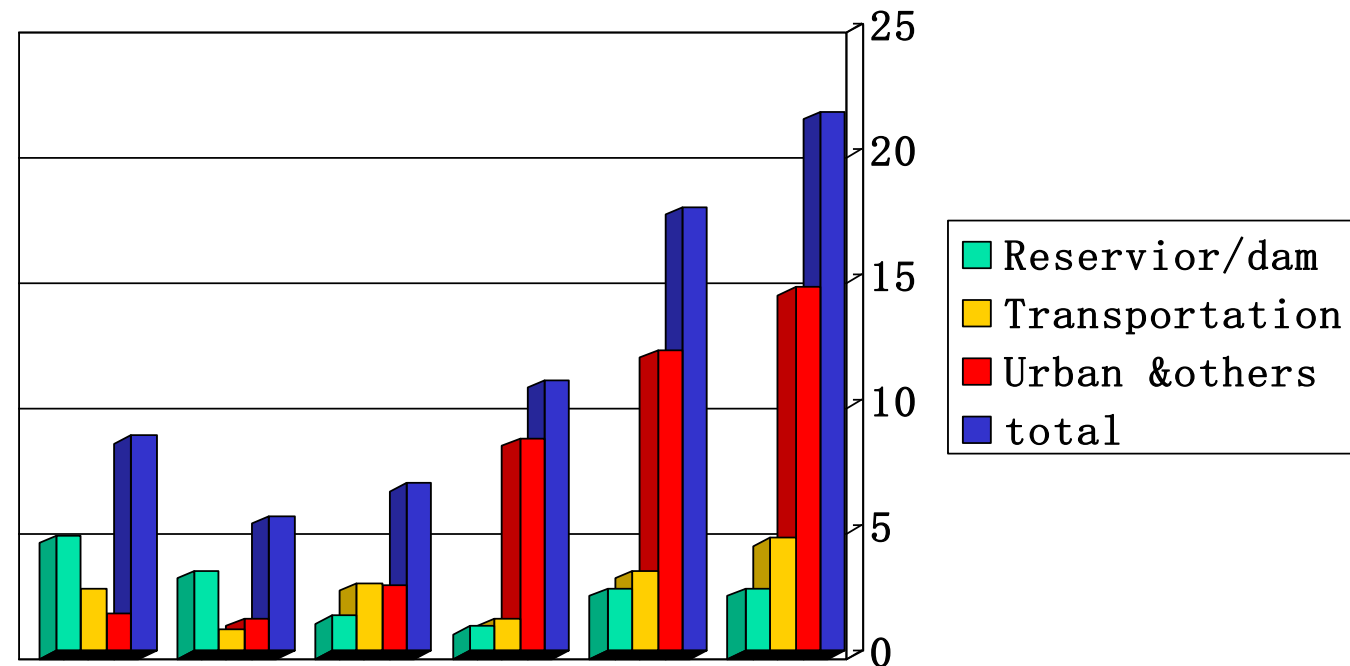
2017: 19th National People's Congress
(President XI Jinping)

- People-centeredness
- Major contradiction of society has evolved
- Ecological civilization
- Poverty alleviation
- Peace, development and win-win cooperation
- Community of a shared destiny for mankind
- Belt & Road Initiative (BRI)

2.2 Why SA/SSRA/LARR in a Development Project?

- **1980-2015: Annual GDP growth $\geq 9\%$**
- **2016-2021: Annual GDP growth 6-8%**
- **1950-2020: > 80 million people affected and resettled under development projects including -**
 - **20 M for 93,000 dam/reservoir projects** (27M if to include population growth)
 - **16 M** for transportation projects
 - **44 M** for urban and other development projects

CHINA: PAPs in Different Sectors, 1949-2010 (in million)



2.2 Why SA/SSRA/LARR in a Development Project?

Dam-Related Resettlement in China (1)

- Dam induced resettlement: 20 million resettled during 1950-2020
- Three Gorges Dam: 1.3 million APs (Domestic since 1993)
- Xiaolangdi Dam: 200,000 APs (funded by World Bank)
- Shuikou Dam: 80,000 APs (funded by World Bank)
- Mianhuatan Dam: 39,292 APs (funded by ADB)
- Xin'anjiang Dam: 305,600 APs (domestic in 1958-1962)
- Danjiangkou Dam: 382,000 APs (1958-1962)
345,000 APs (new expansion, 2009-2012)
- Many new hydropower projects followed including 4 large hydropower dams (Xiluodu, Xiangjiaba, Beihetan, Wudongde) in Jinsha River, developed by CTGDC with more than 350,000 APs during 2005-2020

2.2 Why SA/SSRA/LARR in a Development Project?

Needs in Real Project – Typical Incidents of Social Instability Occurred

Example 1. Caused by land acquisition and resettlement

Example 2. Instability caused by environmental pollution of a paper factory

Example 3. Instability caused by pollution concerns over solid waste incineration and PX factory

Example 4. Myanmar Myitsone Dam

Example 5. China Projects: PX factories

2.3 Social Assessment (SA) in Development Projects

2.3.1 SA for Investment Projects in China

Purposes:

- a. Promote sustainable development principles
- b. Propose social design and management schemes to mitigate or avoid negative impacts
- c. Increase public and stakeholder acceptance
- d. Device measures to mitigate social risks

- Started in late 1980s and is systematically studied since early 1990s
- Team formed for the *social assessment workshops for investment projects* (1986-1996)
- Published the **Guideline for Investment Project Feasibility Study (GIPFS)**, by CIECC in January 2002, and **SA was first included in Chapter 18 officially**. **Revision to be issued in July 2022 (SA/SSRA/SRMP)**
- SA requirements are being updated with WB engagement
- In May 2007, NDRC (National Development and Reform Commission) issued *Generic version of the report of the project application*, formally regarded the SA as the one of key essences in application document.
- **Guiding Rules on SA for Municipal Public Projects** in 2011, issued by the Ministry of Housing and Urban-Rural Construction
- **Rules on Social Stability Risk Assessment of Important Decision Making and Projects**, issued by the State Council in 2012

2.3.2 SA for Development Projects in China

SA Toolkits and Instruments

6 Dimensions of Social Analysis –

- a. Social **Impact** Analysis
- b. **Stakeholder** Group Analysis
- c. Social **Adaptability** Analysis
- d. Social **Risk** Analysis
- e. Social **Sustainability** Analysis
- f. **Institution and Mechanism** Analysis

Main Instruments

- **SMP/Social Management Plans** (social action measures and plans, social stability risk warning and management plans, stakeholder participation plans, complaints and appeals, information disclosure plans...)
- **LA and Resettlement Plan**
- Social Stability Risk **Analysis** Report
- Social Stability Risk **Assessment** Report
- SMP and LARAP implementation
- External Monitoring & Evaluation

2.3.2 SA for Development Projects in China

Elements in Social Impacts Analysis (SIA)

- Economic dimension
- Social dimension
- Humanity dimension

In economic dimension, the negative impacts, such as poverty, involuntary resettlement owing to expropriation, and increasing living cost owing to urban development projects should be taken into serious consideration.

The affected poor local population are categorized into three.

2.3.2 SA for Development Projects in China

SA is a process covering the entire life-cycle of development projects:

A. Preparation (FSR) stage

- **ISA** for project identification and social issues screening
- **SA** for optimization of project planning, and design of social acceptance and social feasibility study
- **SSRA** for risk management and decision making

B. Construction stage

- **Implement the SMP** (social management plan)
- **Social M&E** (monitoring and evaluation)

C. Operation stage

SA and social impacts post-evaluation

D. Closing stage

2.3.2 SA for Development Projects in China

(1) Social Impacts Analysis:

- Evaluation of project **impact** on the **income and distribution** of residents in the area
- Analysis of project impact on the **living standard and quality** of residents in the area
- Analysis of project impact on the **employment** of residents in the area
- Identification/evaluation of stakeholders should focus on the analysis of the degree of **damage, compensation measures and approaches** of the damaged groups
- Focus on the analysis of positive and negative **impact on vulnerable groups** (i.e. women, children, handicap, etc.)
- Project impact on the **social development goals** of the region (i.e. culture, education, health)
- Project impact on the service level of **local social and living facilities**
- Analysis of project impact on the local **customs and religions of ethnic minorities**

(2) Stakeholder Analysis:

All stakeholders include **PAPs, local communities**, developers and governments etc.

2.3.2 SA for Development Projects in China

(3) Social Adoption Analysis:

The aim of the **adoption analysis** between project and located areas is to identify and analyze whether the **local social environment and human life** can afford the project, and whether the **local government and residents support** the project and its course of development.

(4) Social Risk Analysis

- Analyze **negative aspects** of the project which may lead to social risks, and propose measures to mitigate or avoid the risks.
- Analyze **social risks** on basis of recognizing and sequencing the potential social factors which may affect the project, is to **analyze and forecast** the widely-affecting, long-lasting, and easy-to-expand social risks in local context, so that **possible solutions** can be devised.
- Feasibility the mitigation **measures** should be fully discussed with government authorities, project organizations, residents' groups and other key stakeholders.

2.3.2 SA for Development Projects in China

(5) Institution and capacity analysis

All relevant institution, staffing and their capacity

- Institution and mechanism analysis
- Screening of all relevant institutions
- Responsibilities and duties
- Institutional capability assessment
- Staff and home resources analysis
- Institutional operation analysis

(6) Social Sustainability Analysis

Identify all risks and potential impacts during project construction and operation

(7) Social Management Plan

- Mitigation measures
- Enhancement measures
- Risk management
- Schedule
- Budget and resources
- Institutional arrangements

2.3.2 SA for Development Projects in China

Post SA in project operation stage will focus on the overall assessment of social impacts and consequences, and provide inputs to the post-project assessment.

Actions needed may include:

- Formulate transparent monitoring and assessment procedures;
- Formulate monitoring and assessment index so that the social impacts can be measured;
- Assess the **target groups' needs level**;
- Ensure the monitoring and appraisal procedures in mitigating negative impacts;
- Timely propose adjustments to eliminate the factors affecting the social targets.

2.4 Social Stability Risk Assessment (SSRA)

2.4.1 Social Stability Risk (SSR)

- **Political Risk:** Risks on state and local government and political parties
- **Economic Risk:** Cost-benefit risk for national economy and society
- **Financial Risk:** Cost-benefit risk at enterprise or project level
- **Safety Risk:** Risks of endangering personal or property safety
- **Environmental Risk:** Impact of contaminants on environment and their cumulative effects
- **Ecological Risk:** Risk of affecting species, populations, and other ecosystems
- **Social Risk:** Risks to individuals, families, communities, and public and socio-economic organization

Causes of Social Risk

- **Direct social risk** - Risks arising from decisions that directly affecting individuals, families, communities, or public and socio-economic organizations
- **Political** – Social risk arising from influence of decisions made by the state and/or local government or political parties
- **Economic** – Social risk or instability resulting from decisions of negative impact on the cost-effectiveness of the national economy and society as a whole
- **Financial** – Social risk caused by financial problems of the business or project
- **Safety** – Social risk caused by the possible harmful impact of decisions on personal and property safety
- **Environmental and Ecological** – Social risk arising from adverse environmental/ecosystem impacts of decisions or their cumulative effects

2.4.2 Main Tasks of SSRA

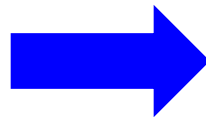
- Identify the various risks facing the organization
- Assess probability of risks and the potential negative impacts
- Determine organization's capacity to mitigate the risks
- Prioritize risk mitigation and control
- Recommend risk mitigation measures

Basic Measures

- Risk Investigation: Field visit, questionnaire, interview, symposium, expert consultation
- Risk Evaluation: Risk identification, analysis, prediction, assessment and grading
- Risk Prevention: Reduction, resolution, mitigation, monitoring, early warning, control

2.4.3 Social Stability Risk Assessment (SSRA) in China

- SSRA is a **national police since 2012**.
- SSRA applies to all key decision-making processes by central and local government
- **Decisions should be scientific, democratic, and lawful.**
- SSRA is **to identify, investigate, analyze, evaluate, predict, mitigate, avoid or decrease and manage the direct social risks and indirect social risks** caused by technique, economic, environmental impacts.
- **Decree No. 713 (State Council): Regulations in Major Administrative Decision-making Procedures** since **September 2019**
- Provincial and Local followed
- **SSRA Guidelines by CIECC in 2022**



Major administrative decision types -

- Engineering and Construction
- Reform and restructuring
- Administrative regulations/rules
- Resource and environment
- People's livelihood
- Major activities

Decision-making procedures -

- Public participation
- Expert advice
- **Risk assessment**
- Legality check
- Collective discussion, decision, and announcement of decision
- Execution and adjustment

2.4.4 Sources of SSR – (1) Land Acquisition & Resettlement (LAR) ranks the top in China

1. Land Acquisition (incl. housing demolition) and Resettlement (LAR) in project development and construction –

- Permanently land acquisition from rural collective economic organizations and farmers
- Temporarily land occupation from rural collective economic organizations and farmers
- Transfer of state-owned land use right
- Temporary occupation of State-owned land use right
- Housing demolition and resettlement in collective land
- Housing demolition and resettlement in state-owned land

Article 47 of China's Land Administration Law (2020 amendment)

- Land acquisition by the State shall be announced and implemented by local people's governments at and above the county level after approval in accordance with legal procedures.
- Local people's governments at or above the county level to apply for the land, **should carry out** plans to land status quo **investigation and risk assessment, social stability** and the collection scope, land situation, purpose, standard of compensation and resettlement way, and the social security and so on where to land the township (town) and village, the villagers group range announcement at least 30 days, Listen to the opinions of the rural collective economic organizations whose land is expropriated and their members, villagers' committees and other interested persons.

2.4.4 Sources of SSR – (1) Land Acquisition & Resettlement (LAR) ranks the top in China

Targeted Stakeholders for Risk Evaluation

- Stakeholder **groups** (individuals, families, groups)
- Stakeholder **organizations** (government, competent and related institutions, industry organizations, enterprises, public institutions, social organizations, etc.)
- Stakeholder **communities**
- Stakeholder **society**

2.4.4 Sources of SSR – (1) Land Acquisition & Resettlement (LAR) ranks the top in China

Common Causes of SSR in LAR

- a. Policies/regulations on land acquisition, compensation and resettlement are outdated, inconsistent with local socio-economic situation, and non-compliant to laws;
- b. Compensation standard of land acquisition is unreasonable, unfair, or unequal;
- c. Housing expropriation compensation standard is unreasonable, unfair, or unequal;
- d. Way of housing expropriation and resettlement is unreasonable and infeasible;
- e. Compensation and resettlement policies/standards/measures/programs unacceptable to people;
- f. Policies and standards for LAR are not good enough to address regional disparities or time differences;
- g. Difference between the compensation price of housing expropriation, the exchange price of physical settlement and the market price is too large to be accepted by the expropriated
- h. Employment, livelihood and income of the landless population not addressed or guaranteed
- i. Social safety issues (i.e. pension and medical care of the landless farmers) not effectively solved Expropriate/demolish first, and compensate later (demolition before compensation)
- j. Policies and plans for LAR and compensation not made public base on the law, and without public consultation;
- k. Compulsory collection in violation of lawful procedures
- l. Violent demolition and forced demolition
- m. Corruption in LAR compensation, resettlement and use of land Expropriation Funds
- n. Non-public interest items (i.e. real estate) are expropriated for public interest

2.4.4 Sources of SSR – (1) Land Acquisition & Resettlement (LAR) ranks the top in China

Causes of new conflict in LAR

- Unequal exchange of ownership of land/house/property or use rights
- Land and public resources
- Division and sharing of public assets
- Division and sharing of family assets
- Unbalance of public facilities and ownership
- Community governance and participation rights
- Unbalanced interests within similar stakeholders
- Uneven benefits among developers, beneficiaries, and losers
- Cultural dissonance

2.4.4 Sources of SSR – (1) Land Acquisition & Resettlement (LAR) ranks the top in China

Social conflicts in LAR among various stakeholders –

- Among resettled family members
- Among members of resettled community
- Among resettlers and host population
- Between community organizations in moving out/in
- Governments of the departure/destination places
- Developer/contractor

2.4.4 Sources of SSR – (1) Land Acquisition & Resettlement (LAR) ranks the top in China

Conflicts may result in –

- **Unemployment** - landless farmers, enterprises, shops,
- **Loss of home** - a long temporary transition
- **Loss of income source** - expropriated farmers, workers of demolished enterprises, road construction affecting commercial operation...
- **Lost community** – Rural village (group) dismissed or weakened
- **Local social instability** - mass incidents
- **Local social trust crisis** - constant petition and pestering

2.4.4 Sources of SSR – (2) Project Environmental Impact

During planning/construction/operation

- Atmospheric (esp. toxic, harmful and non-ferrous gas), water and noise pollution, etc.
- Soil and water loss
- Abandoned soil and slag
- Water pollution (ground and underground)
- Adverse impact on local agriculture, livelihoods and living environment
- Damage to local natural environment and ecosystem

After project closure

- Groundwater pollution
- Soil pollution
- Conflicts between different groups, or between project area with upstream and/or downstream communities or environmental cost or benefits

2.4.4 Sources of SSR – (3) Improper Handling of Social & Economic Relation in Project Period

Disputes and conflicts between –

- Project implementing agency and local government and community
- Construction contractor and local community
- Project implementing agency and contractors
- Contractors of the same project
- Contradictions between different groups within the construction contractor
- Project area and upstream or downstream jurisdictions, or communities on the other bank of the water
- Stakeholders in various project stages, concerning financial arrangement, operations and management, staffing, handling of enterprise assets, handover of land/assets, and environmental and social issues.

3. Examples

- ✓ Three Gorges Dam Project
- ✓ Xiaolangdi Dam Project
- ✓ South to North Water Transfer Project



3.1 Three Gorges Dam Project in China (22,200MW hydropower)

Three Gorges Dam Project

- Total project cost: US\$12 billion (price in May 1993)
- **Resettlement Cost: US\$5 billion** (44.6% of total project cost)
- **1.3 million APs**, 44% farmers and 56% urban citizens, in 2 provinces and 21 county/districts
- 1,626 enterprises and 11 towns, 2 cities affected
- 200,000 rural APs relocated over long distance to 11 coastal or downstream provinces; others were relocated within the county.
- All APs relocated before Jun 2009 smoothly



3.1 Three Gorges Dam Project – Resettlement in Process



3.1 Three Gorges Dam Project – Old Villages



3.1 Three Gorges Dam Project – New Resettlement Villages





3.1 Three Gorges Dam Project – New Livelihood after Resettlement

3.2 Xiaolangdi Dam Project

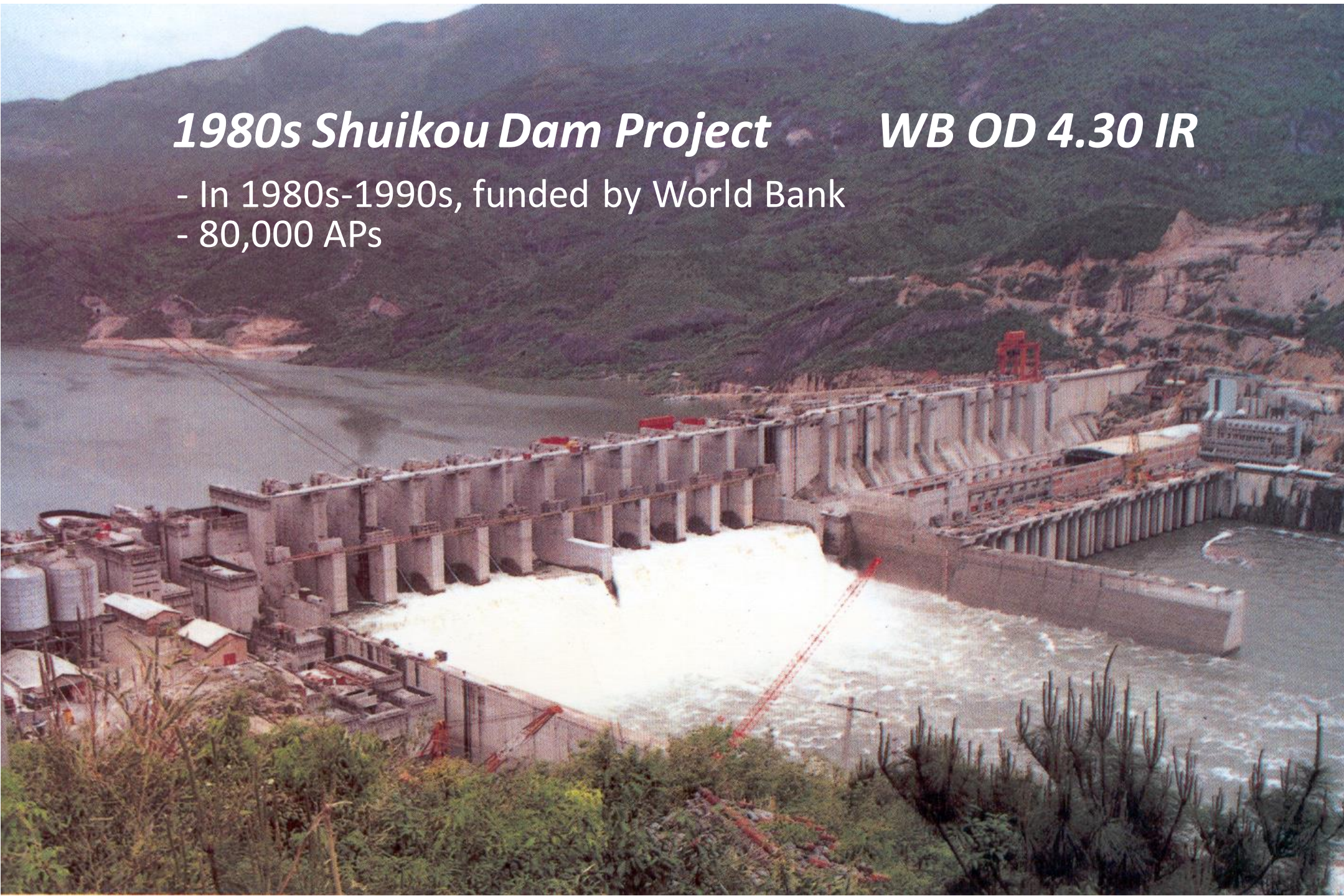
- Xiaolangdi Dam is one of the state key projects for flood control, hydropower, and irrigation on the **Yellow River**, **funded by World Bank**
- *Impact scope*: land requisition involves two provinces, 8 counties, 29 townships, 174 villages, **200,000 APs** mainly rural people, and 134,000 ha cultivatable land
- *Budget*: **US\$ 3.5 billion (construction)**, **US\$ 1 billion (resettlement)**, relocation of people completed in 2004



1980s Shuikou Dam Project

WB OD 4.30 IR

- In 1980s-1990s, funded by World Bank
- 80,000 APs



Case Study: Danjiangkou Dam Project

What are the best resettlement practices?

1) Provide better living conditions for resettlars

✓ House

- Better quality
- Larger space
- Higher value

✓ Community facilities

- Water supply
- Electricity supply
- Road connectivity
- Clinics
- School
- Market
- TV and internet...

✓ Housing

- Replacement price as fundamental
- Minimal compensation standard in concrete-brick structure house 24m²/person (benefiting poor families)

✓ Community facilities rehabilitation

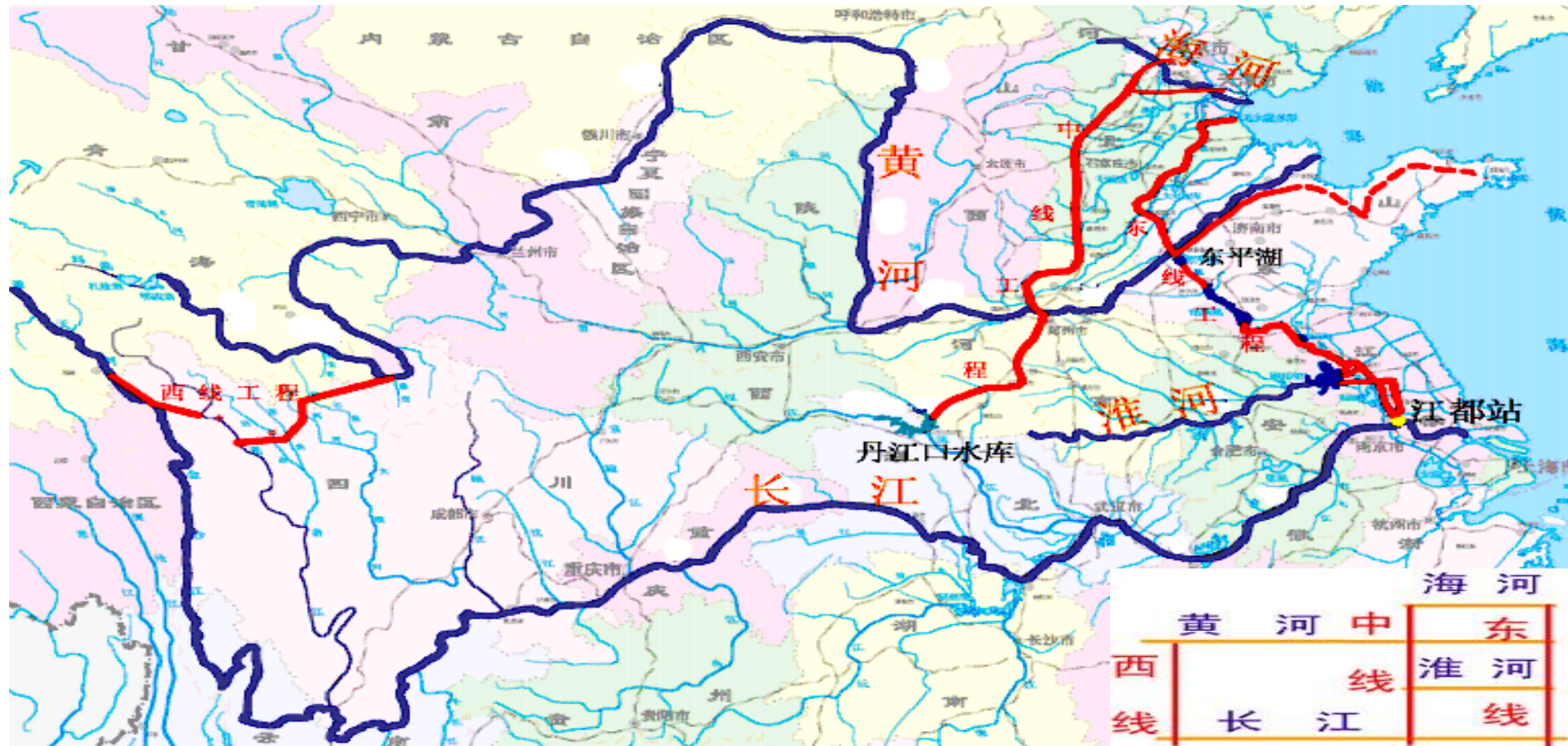
- Good location selected by local government and satisfied by APs
- Public facilities rebuilt with better standards, cost borne by project and local government

Case Study: Danjiangkou Dam Project (2002-2013)

345,000 affected people relocated in 2009-2011

South to North Water Diversion Project of China-

The largest water diversion project in the World: 50 years, 5 million m³, RMB 500 billion (or US\$ 6.5 billion)

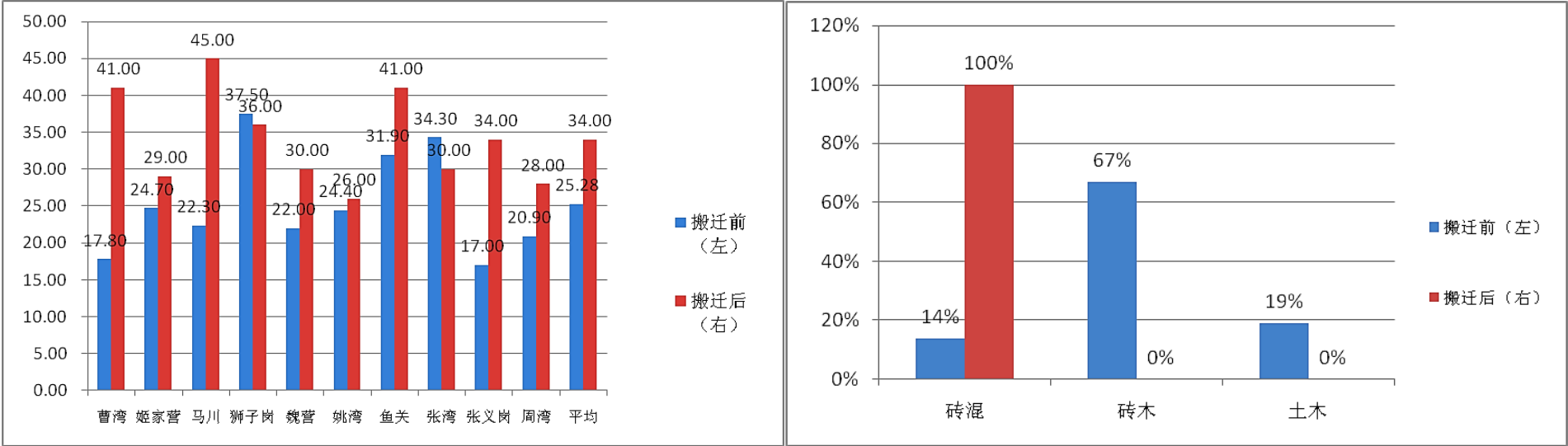


Case Study: Danjiangkou Dam Project (2002-2013)

Danjiangkou Dam Resettlement Villages in 2011

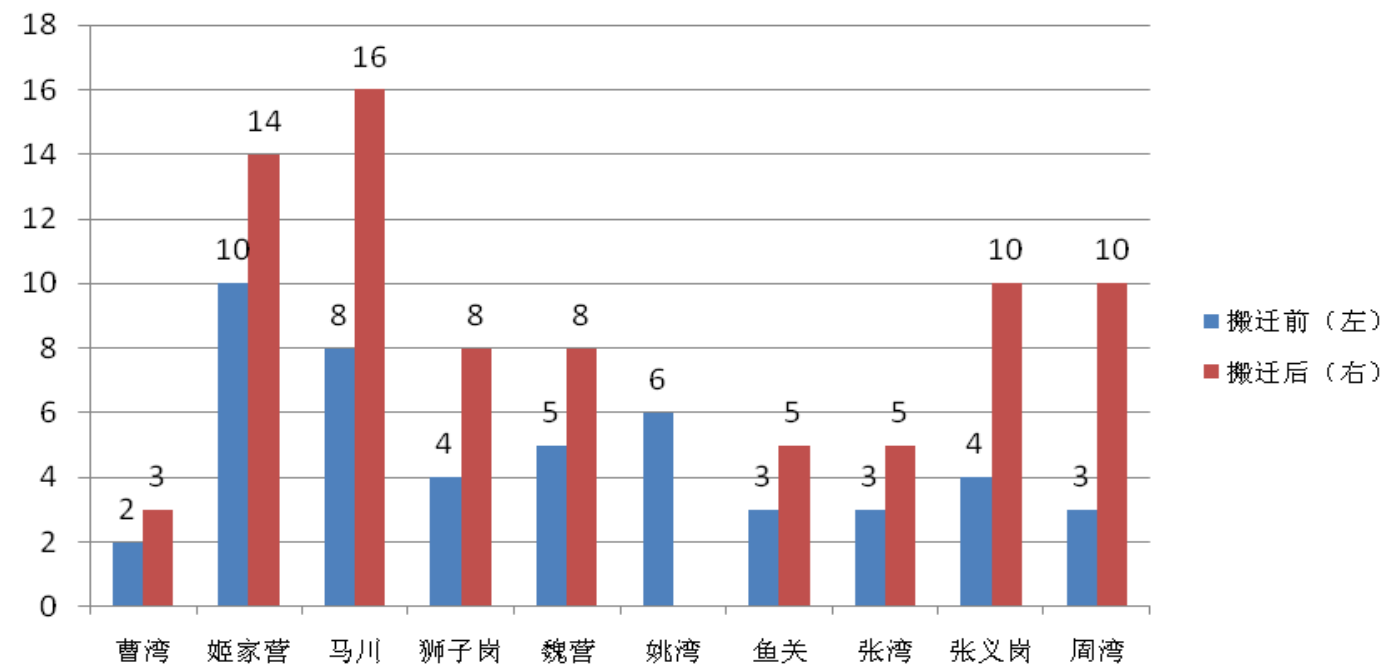


House space/person in 10 villages (pre vs. post resettlement) photos: Guanggou Village



Case Study: Danjiangkou Dam Project (2002-2013)

Danjiangkou Dam IR - Guanggou Village in 2011

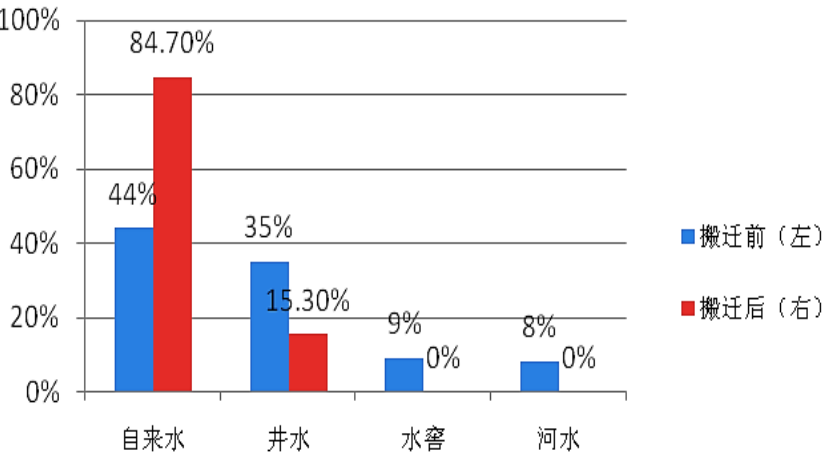


School teachers in 10 villages (pre vs. post resettlement)



Case Study: Danjiangkou Dam Project (2002-2013)

Danjiangkou Dam IR- Guanggou Villages in 2011

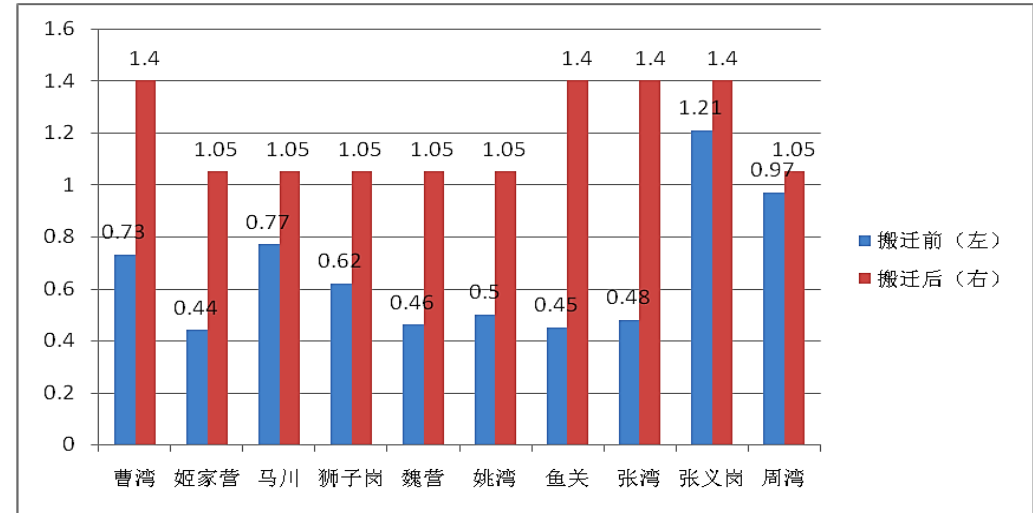


Water supply in 10 villages (pre vs. post resettlement)

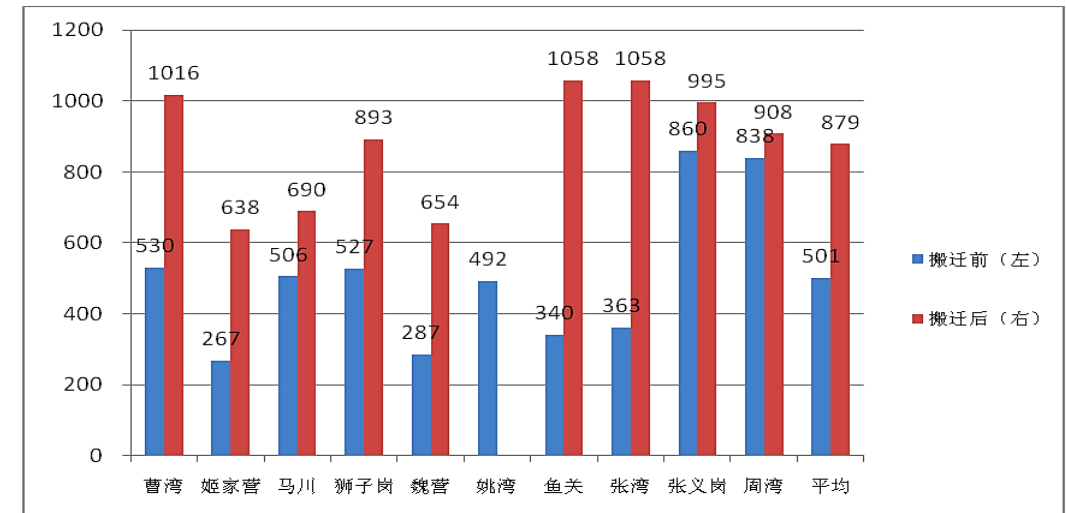
Case Study: Danjiangkou Dam Project (2002-2013)

2) Restore and develop sustainable livelihoods for the affected people

- Land for land as the first priority option for rural farmers
- Help to generate various income sources
- Deliver the post-resettlement support fund for livelihoods
- Deliver micro credit support
- Deliver technique skills and training
- Create non-farming jobs and deliver employment services



Farmlands and food/pp in 10 villages (pre vs. post resettlement)





Zhangjiakou Dam IR – Guangou Village in 2011

4. Conclusions – Key Points

- **SA, SMP** and their implementation are for better project social friendship, social sustainability and social inclusive
- **SRRA** is for social risks identification, analysis, prediction, avoidance, decreases and governance
- **LAR** is the foremost factor of social risk and socioeconomic benefits
- **Environmental impact** is a second important factor
- All social elements including gender, poverty, ethnic minority/IP, vulnerable group, participation, and transparency should be included in social elements.

4.1 Conclusions – Follow Up with Management Tools during and after SA/SSAR

- **SMP** (Social Management Plan) **and implementation**
- **LARP** (Land acquisition and Resettlement Plan), implementation and governance
RS (resettlement supervision) and
RM&E (resettlement monitoring and evaluation)
- **EEMP** (Environmental Management Plan)
ES (environment supervision)
EME (environmental monitoring and evaluation)

4.2 Key Factors for Well-Managed SA, SSRA and LARR

Highlights

- Procedures: RPO-Cut-off dates-SES-RP/FSR-RIP-RI-RIR-PRS
- Take various approaches to implement **Development-Oriented Resettlement** to restore or improve the income and livelihood of APs
- **Active participation, consultation and information disclosure** with ACs and APs
- **EMSEES (External Monitoring, Supervision, Editing and Ensuring System)**
- **Integrate all responsibility under one roof** (Resettlement Bureau) with the assistant and support by other government agencies and consulting firm
- **Integrate all resettlement activities in one workplan** (implementation policy, survey, planning, design, expropriation, displacement, reconstruction, relocation, income restoration, implementation administration, monitoring, supervision, etc.)

4.2 Key Factors for Well-Managed SA, SSRA and LARR

Other common factors

- Well-established resettlement **policies and legislation system**
- Good **governance and institution** system
- Good **design** of details
- Good **RIP** and **implementation**
- Independent **monitoring and supervision mechanism**
- **Consultation and grievance** redress mechanisms
- **Autonomous organizations and ACs**
- **Special attention to impacts** in social, culture and traditional livelihoods and develop mitigation measures for the affected indigenous people or ethnic minority groups
- **Capacity building** through research, training and education



Results of Successful LAR Management -

- AP **willing to be resettled**
- From **Involuntary** resettlement to **Voluntary** resettlement
- Turn **risk to opportunities** through resettlement
- AP **share benefits** of hydropower development **rather than be impoverished**
- Increase **social sustainability and social friendship** of hydropower development

4.3 China's Experience and Practices

1. Systematic policy & legal framework
2. National standard & specifications
3. Gov't leadership and clear accountability
4. Strengthened social service institutions
5. Project planning & design process
6. Effective resettlement implementation and management mechanism
7. Good supervision & monitoring system
8. Effective social assessment and cultural property protection measures
9. Capacity building
10. Scientific research and education

We are still learning...

First ESM training workshop on overseas investment projects organized for some top Chinese hydropower companies, November 2016



5. ANNEXES

Annex 1. Evolvment of SA/SSRA/DIDR

Evolution has been mainly driven by

- Changes in development theory and outlook
- Practical needs of development project
- Evolvment of development projects management

Evolution of Development Outlook

- **Before 1980s**: Development centered on economic growth
- **1980s**: Development began to be human-centered
- **1990s**: Sustainable development with put people in the center
- **Differentiated groups**: rich/poor, male/female, healthy/handicap, urban/ rural, young/elder

Six Elements in Social Development

- Economic growth
- Improvement of living standards
- Higher knowledge level
- Equal opportunity for all
- Sustainable opportunities for the next generation
- Empowerment of people, inclusive for benefit sharing

Annex 1. Evolvment of SA/SSRA/DIDR

Social Assessment (SA) -

Mainly applies **sociology, anthropology and project assessment** in the analysis of a range of **social problems that will possibly** occur in the process, and **suggests measures** to mitigate or avoid the negative social impacts by means of **systematical investigation and collection of relevant social factors and statistics.**

Assessment Package

International

1940s - Financial Assessment (**FA**)

1950s - (post WWII): National Economy Assessment (**NEA**)

1970s - Environmental impacts assessment (**EIA**)

1990s - Social Assessment (**SA**)

China

Early 1980s - Financial assessment (**FA**)

Mid-1980s - National economic assessment (**NEA**)

Late 1980s - Environmental impacts assessment (**EIA**)

Early 2000 - Social assessment (**SA**)

2012 - Social Stability Risk Assessment (**SSRA**)

Annex 1. Evolvment of SA/SSRA/DIDR

International development organizations (i.e. World Bank, Asia Development Bank, etc.)

- Between 1980s and 1990s, WB, ADB, IDB, JBIC, DFID, CIDA etc. created their own social development department and issued the guidance for social analysis or assessment.
- World Bank and ADB included social dimension in their project preparation process key elements of social aspects, such as involuntary resettlement, poverty, gender, ethnic minority or sounding people, and RP, SA, EMDP, and RME and SAP and EMDP monitoring were engaged in the project cycle.

5 Dimensions -

- i. Social diversity and gender equity
- ii. Organization, role and behavior
- iii. Stakeholder engagement
- iv. Participatory approach
- v. Social risks management

Sequence of project assessment and decision from WCD in 2000 -

- a. Social assessment
- b. Environment assessment
- c. Economic and financial assessment
- d. Management assessment
- e. Technical assessment

Annex 2. China Country Profile

- Since 1978 – GDP growth averaged almost 9% annually
- 2000 – Became a lower-middle-income country
- 2015 – Entered the upper-middle-income country bracket
- By 2021 – Announced the elimination of extreme poverty
- 1945 – China as a founding member of the WB
- 1980 – People's Republic of China joined the WB
- 1981 – 1st WB loan project started in Lubuge Dam, Yunnan Province
- 1988-1990 – WB TP No.80 and OD 4.30 IR from and applied in Shuikou Dam
- 1988 – WB engaged TGP Dam research TA for FSR and Xiaolangdi Dam
- 1993 – NRCR/Hohai University cooperated with WB in IR and SA
- 1997 – 1st SA in WB project in China was Baise Dam
- 2000-2002: ADB TA 3441 SA Capacity Building cooperated with WB/MOF/NDRC/CIECC/CASS
- 2003/2005 – SA as the a part of master and Ph.D program of Sociology in HHU
- 2004 – 1st international SA workshop by WB/ADB in Hohai University
- 2012 – SA capacity building by WB in STA

Annex 2. China Country Profile

Key social challenges arising from rapid economic growth –

- **Poverty** - rural/urban disparity
- **Regional** disparity (i.e. urban/rural, west/middle/east)
- **Social class** difference (i.e. wealth, politics, power)
- **Social problems** (i.e. urban demolition, landless farmers, laid-off workers...)
- **Environmental** pollution and ecological conservation
- **Gender equality**
- **Equality** (equal opportunities to all)

Annex 3. China Country Experience 1 – Policy & Legal Framework

A. Land acquisition and Resettlement

- **Constitution**
- **Laws- Land Administration Law (LAL)**, is the basic law in resettlement induced by land acquisition in PRC.
- **Administrative regulations:** a series of regulations associated with LAL
 - **Reservoir Resettlement Regulation:** Regulation on the Compensation for Land Acquisition and Resettlement of the Construction of Large and Medium-sized Water Conservancy and Hydroelectric Projects, adopted in 1991, revised in 2006/2017
 - **Regulations on Resettlement for the Construction of the Three Gorges Project** on the Yangtze River in 1993, revised in 2001
- **Administrative rules - Documents or National Technique/Standard/Guidelines** issued by relevant ministries of the central government
- **Administrative Rules/Documents or National Technique Standard/guidelines** issued by relevant ministries of the central government
 - Specification for planning and design of land acquisition and resettlement of hydroelectric engineering– *1st version in 1984; 2nd revision DL/T5064 in 1996 and in 2002, 3rd version in 2007 (8 documents)*
 - Supervision guidelines for **hydropower project induced resettlement in 1998**

China Country Experience 1 – Policy & Legal Framework

- Local regulations and rules- Province/city/county level, issued by provincial/local gov't
- Special project's resettlement policies and implementation rules (Xiaolangdi, Three Gorges, SNWD etc.)
- International standards/practice/projects
 - World Bank OD4.30,OP4.12,BP 4.12-WB projects
 - ADB policy-Involuntary Resettlement-ADB project

Specifications for Resettlement in Hydroelectric Project (1+7)

Specification 1 of [resettlement planning and designing](#) for hydroelectric projects

Specification for [+7](#)

- identification of the [landfill scope](#)
- physical loss [survey](#)
- planning and design for [rural resettlement](#)
- planning and design for [special item](#)
- planning and design for [town reconstruction](#)
- design for [reservoir cleaning](#)
- resettlement [compensation budget preparation](#)

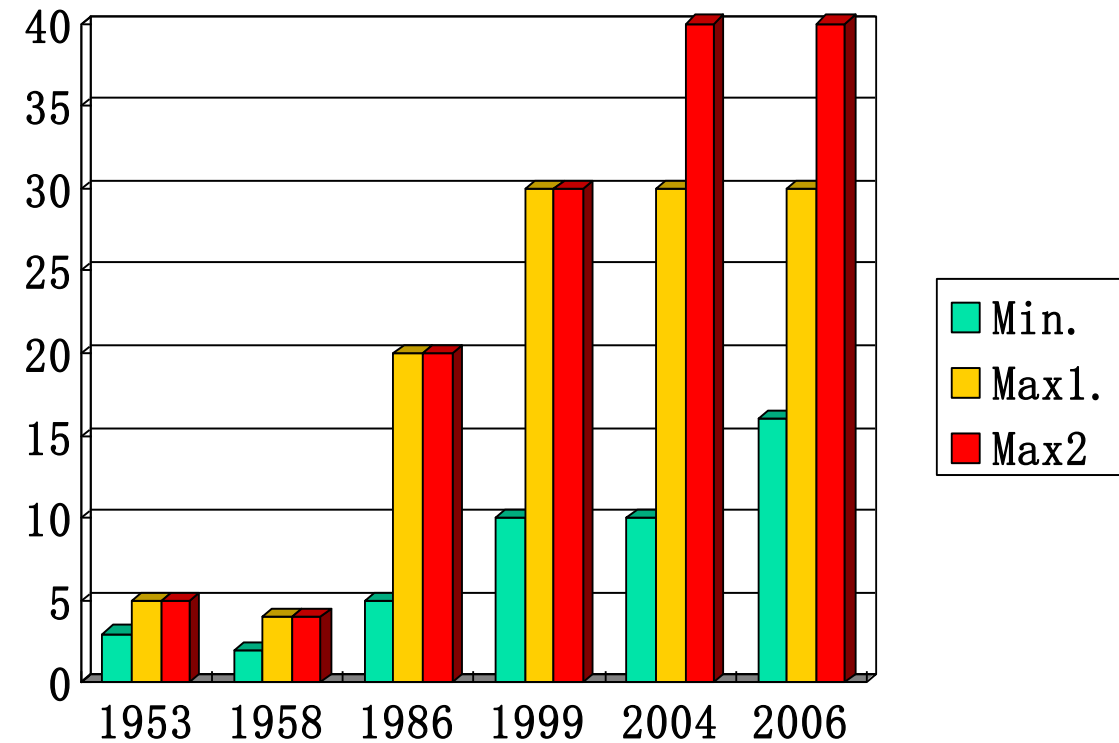
China Country Experience 1 – Policy & Legal Framework

B. Social policy and legal rules

- Law of culture property protection
- Law of self administration of ethnic minority region
- Law of aging rights protection
- Law of women rights protection
- National poverty alleviation policy

China Country Experience 2 – Standards & Specifications

- 10 Compensation standard can be above 30 times of annual AOV since Dec.1,2004
- 10 30 AOV \geq 60 years Net Income of farmland at present
- 10 AOV decided by governments and disclosure to the public since Dec 2004, reviewed and re-disclosure annually
- 10 10-30 times in 1999
- 10 5-20 times in 1986
- 10 2-4 times in 1958
- 10 3-5 times in 1953
- 10 16 times during 2006-2017 for Hydropower



China Country Experience 2 – Standards & Specifications

Major policies on resettlement

- Supreme aim of resettlement policy is to minimize the occupied land and number of displaced persons as much as possible.
- But if resettlement cannot be avoided, it should make proper arrangement to ensure the displaced people be well compensated assisted, and restore or surpass their original income and living standard – **similar to WB**
- Provide compensation to collective land-owners and users
- All compensation and resettlement cost should be included in project budget
- Land acquisition and RP should get government approval prior to execution
- No RP, NO project, No implementation
- Rural APs should be provided with the option of agriculture resettlement on land basis
- Interest parties should sign contracts on compensation and resettlement
- Dispute can be settled through grievance redress channels, both administrative and legal

China Country Experience 2 – Standards & Specifications

New Resettlement Policy since September 2006

- Compensation and rehabilitation Package for Dam resettled people after 2006
- Compensation for farmland acquisition in 16 times of AOV of ≈ 32 years NI at present
- + Compensation for individual assets (house etc.)
- + Subsidies of relocation and training for livelihoods
- + Annual post-relocation fund support after relocation
- RMB600 yuan/year/person, for 20 years
- + Community infrastructure rehabilitation and improvement based on needs

New approach

- Higher reconstruction standards for houses and community's public facilities in resettlement villages
- Income restoration and improvement for APs
 - Long term compensation (LTC) for farmers who loosen farmlands according to annual output of farmlands annually up to the end of life of the hydropower station, rather than compensation once when land acquisition happens
 - Socioeconomic pension replaced farmland use (SPRFU) for old farmers- standard high than the income from farmlands
 - Farmlands asserts securitization (FAS)
 - Skills and employments with high wages for young and middle-aged APs

China Country Experience 3 – Gov't Leadership & Clear Accountability

Central government (State Council)

- **NDRC** (National Development and Reform Committee) for **projects approval** based on CIECC technical review and recommendation
- **MLR** (Ministry of Land and Natural Resources) for **land acquisition approval**
- **SEA/MWR** (Ministry of Water Resource) review and **approval the draft and final RP** for some key projects, based on General Institute on WCHPPDR technical review and recommendation

Provincial Government Resettlement Bureau (RB)

- Announcement of cut-off date and resettlement survey
- Review and approval RP outline and RP

Local Government and RB

- Province, municipal/prefecture RB: implementation administration, supervision and coordination
- County government for implementation response
- County RB as the executive implementation agency
- Township government as assistant of county government

China Country Experience 4 – Strengthened Social Service Institutions

- **Villagers' Committees/community:** In resettlement decision-making, planning and implementation within community
- **Consulting institution**
- Associations, and social survey organization
- **Research institutes and university**
- **NGOs/ NPOs**
- **Planning and Design institutions:** Identify the scope of land requisition, SES, RP, budget, RIP
- **External M&E institutions:** Research institution, universities, design institutions
- **Supervision institutions:** In practice since 1995
- **Audit department:** Auditing the resettlement funds utilization by national/provincial/local auditing agencies

Capacity Building: (1) Building capacity in SES, RP, RIP, M&E for Local Gov. SMAs, EAs, IAs and DIs; (2) BA/MA/PhD programs in resettlement, i.e. BA since 1988, MA and PhD since 1994 as independent major in Hohai University since 2005; and (3) Scientific research started in Hohai University, and training for staff from MWR/HHU since 1990.

China Country Experience 5 – Project Planning & Design Process

- Developer submit project proposal to national or provincial government and get approval and registration and RP outline approval by provincial government.
- Provincial government announcement: cut-off dates and survey
- Consulting firm mapping and confirm scope
- DPLS (Detail Physical Loss Survey) and SES (Socioeconomic survey) by a joint team comprising representatives from AHs, ACs, township and county government and developer. Official document shall be signed to confirm the final results and sent to developer by county government.
- **Draft RP preparation** by the joint team (consulting firm, county and township government) based on community participation and consultation
- **Draft RP** submit to provincial government and get the appraisal
- **Final RP** submit to provincial government and national government for approval

China Country Experience 6 – Effective Resettlement Implementation and Management Mechanism

- Formulated the project policies and rules
- Implemented by county government and supervised by provincial level
- Established Resettlement Offices at prefecture and county levels and built capacity
- Obligated developers to come into agreements with provincial/county governments
- Obligated county government to sign agreement with AH/AC based on consultation
- Obligated county government for information disclosure to AHs/ACs for losses, compensation standard and relocation policies
- External onsite supervision by the independent supervision firm
- External monitoring & evaluation by independent firm or institute or university

Highlight Income Restoration & Livelihoods Restoration

- AC held villager representatives meetings to discuss and make decisions (on i.e. house plot and farmland redistribution, collective land compensation distribution etc.)
- AHs restore their income based on farming activities in redistributed farmlands (if it has), using of remained compensation fund for farming or/and un-farming income generation, or/and get the job opportunities outside of village/township/county...

China Country Experience 6 – Effective Resettlement Implementation and Management Mechanism

Relocation and House Reconstruction

- **AH's house plot** location selection decided and publicized through community consultation meetings
- **AHs rebuild** new houses and in-house facilitates before or after old house demolition, using individual housing compensation (standard in replacement cost) and other funds
- **AHs relocated** to new house
- **AHs demolish** old house (if AH would use the materials they did before relocation to new house)

Public facilities and infrastructure rehabilitation

- Land for public infrastructure arranged by County Government
- Public facilities (roads, water supply, wastewater, electricity, public center, schools, clinics, greens outside of individual house) built by constructor selected by county RO through bidding and supervised by AC and M&E firm.

China Country Experience 7 – Good Supervision & Monitoring System

- **External onsite supervision for resettlement implementation by a 3rd party agency**
- Independent Resettlement Monitoring and Evaluation by third party
- Internal government supervision
- Internal government audit
- External audit

China Country Experience 8 – Effective Social Assessment & Cultural Property Protection Measures

- Culture Property Protection Plan (CPPP) should be prepared in PFSR (*Project Feasibility Study Report*), approved by national or provincial government before implementation
- Social Assessment (SA) as one project assessment Component in *PFSR Guideline* for technique review and approval by CIECC since 2002
- SA as one component of *PRAR (Project Review and Approval Report)*, submitted to NDRC for review and approval since June 2007
- TA, EA, FA, EIA, SA and RP etc. at the same level

China Country Experience 9 – **Capacity Building**

- Budget for training for PAPs and LARR-ESIAM staffs (0.5% rural LA and resettlement budget)
- Short training workshops for officials and staff at all levels of government
- Degree education in part time in Resettlement Engineering for professional LARR planner and designers from consulting firms
- Journal of Water Engineering Resettlement in Chinese

China Country Experience 10 - Scientific Research and Education

- Scientific research: fund (1% LARR budgets) etc.
- Research organizations: universities and institutes
- Funds: National Fund of Science, National Fund of Social Sciences, more subjects, more researchers...
- **Education: Ph.D / MA programs in, RSM (Resettlement Science and Management), and Sociology since 2004; Interdisciplinary RSE (Resettlement Science and Engineering) both in Chinese and English programs since 2021 in Hohai University**
- Association: Reservoir Resettlement Committee of CAHE; Resettlement Sociology Committee, and Engineering Sociology of CAS; Risk evaluation and governance Committee of CAEG; IHA; ICOID-RRC

Thank You!