El-Ain Al-Sokhna
2x650 MWe Gas/Oil
Thermal Power Project

Environmental and Social Impact Assessment

Resettlement Policy Framework (RPF)
El-Ain Al-Sokhna Power Plant Interconnection Project

FINAL REPORT
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<tr>
<td>ARP</td>
<td>Abbreviated Resettlement Plan</td>
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<tr>
<td>ASPPP</td>
<td>Ain Sokhna Power Plant Project</td>
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<tr>
<td>CDA</td>
<td>Community Development Association</td>
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<td>CAPMAS</td>
<td>Central Agency for Public Mobilization and Environmental Assessment</td>
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<td>EA</td>
<td>Environmental Assessment</td>
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<td>EDEPC</td>
<td>East Delta Electricity Production Company</td>
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<td>EDHS</td>
<td>Egyptian Demographic and Health Survey</td>
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<td>EEAA</td>
<td>Egyptian Environmental Affairs Agency</td>
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<td>EEHC</td>
<td>Egyptian Electricity Holding Company</td>
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<td>EETC</td>
<td>Egyptian Electricity Transmission Company</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>ESA</td>
<td>Environmental and Social Assessment</td>
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<td>ESIAF</td>
<td>Environmental and Social Impact Assessment Framework</td>
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<tr>
<td>IR</td>
<td>Involuntary Resettlement</td>
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<td>LDU</td>
<td>Local Development Unit</td>
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<td>NGO</td>
<td>Non Governmental Organization</td>
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<td>NUPG</td>
<td>National Unified Power Grid</td>
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<tr>
<td>OTL</td>
<td>Overhead Transmission Line</td>
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<td>PAF</td>
<td>Project Affected Family</td>
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<td>SRO</td>
<td>Social and Resettlement Officer</td>
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<td>TOR</td>
<td>Terms of Reference</td>
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GLOSSARY

Census: Household survey that covers all Project Affected Persons irrespective of entitlement or ownership. It provides a complete inventory of all project affected persons and their assets. It can be used to minimize fraudulent claims made by people who move into the area affected by the project in the hope of being compensated and/or resettled.

Project Affected Persons: Persons who are affected by the involuntary taking of land and/or the involuntary restriction of access to legally designated parks and protected areas.

Environmental Impact: An effect (both positive and negative) on an environmental resource or value resulting from infrastructure development projects.

Environmental and Social Impact Assessment (ESIA): A systematic procedure for enabling the possible environmental and social impacts of development projects to be considered before a decision is made as to whether the project should be given approval to proceed.

Involuntary: Actions that may be taken without the displaced person’s informed consent or power of choice.

Involuntary Resettlement (IR): The unavoidable displacement of people and/or impact on their livelihood, assets and common property resulting from development projects that create the need for rebuilding their livelihood, sources of income and asset bases.

Monitoring: The process of repeated observations and measurements of environmental and social quality parameters to assess and enable changes over a period of time.

Public Involvement: The dialogue encompassing consultation and communication between a project proponent and the public. It includes dissemination, solicitation and presentation of information.

Rehabilitation/Resettlement: A term often used to describe the process of reestablishing lifestyles and livelihoods following resettlement. The term is also used to describe construction works that bring a deteriorated structure back to its original conditions.

Resettlement Action Plan (RAP): A time-bound action plan with a budget, setting out resettlement strategy, objectives, options, entitlements, actions, approvals, responsibilities, monitoring and evaluation.

Social Impact: An effect (both positive and negative) on a social issue resulting from infrastructure development projects

Stakeholders: Those who have an interest in project development and who will be involved in the consultative process, and includes any individual or group affected by, or that believes it is affected by the project; and any individual or group that can plan a significant role in shaping or affecting the project, either positively or negatively, including the host community/population.

Vulnerable Groups: Distinct groups of people who might suffer excessively from resettlement effects, such as, the old, the young, the handicapped, the poor, isolated groups and single parents.
1. INTRODUCTION

1.1. Background

The El-Ain Al-Shokhna 2x650 MWe Super-critical Steam Power Plant Project is an integral part of the Egyptian Electricity Sector's on-going program to meet the ever increasing demand for electricity generation. The project includes evacuation of the generated electricity to the National Unified Power Grid (NUPG) via interconnecting Overhead Transmission Lines (OTL). These interconnecting transmission lines will connect the electricity users and consumers to the National Electricity Network.

The Al-Sokhna power plant will be connected to the Egyptian Unified Power System (UPS), which is owned and operated by the Egyptian Electricity Transmission Company (EETC), an affiliate company to the EEHC, via connecting transmission lines. Connection methodology includes opening the existing single circuit 500 kV transmission line Abu Zaabal/Suez 500 and extending it with a length of about 90 km (in/out, i.e. 2 x 90 km) to Al-Sokhn power project. This will need replacement of the existing 220 kV double circuit transmission lines Suez Gulf plant/Ektisadyyah and Suez Gulf plant / El-Ezz Steel with four 220 kV double circuit 3-4 km length underground cables (XL PE 1 x 1200 mm²), to be connected to a proposed switching station that will be erected close to Ektisadyyah 220 kV substation site, in order to find a "right of way" to the 500 kV transmission line, which would evacuate the power generated by the proposed Al-Sokhna power plant to the national 500/220 kV grid. Connection methodology includes, also, opening the exiting doubl circuit transmission line Qattamyyah/ Masrlyah Cement for extending it with a length 40 km (in/out, i.e. 2x40 km) to the switching station.

It is not foreseen that any of the activities of the transmission lines project would result in involuntary resettlement, particularly with most of the routing pathways are located within desert uninhabited public lands with no land acquisition and no alternative proposed routing as is being clear in the maps of the surveyed routes (Figures 1 &2).

For the purpose of defining the study area of the main Al-Sokhna power plant project for this RPF, the proposed power plant site is located on the western coast of the Gulf of Suez, part of the Red Sea, approximately 52 km south of Suez City, and 1.6 km east of the Suez/Red Sea Highway, which runs parallel to the Gulf of Suez. The site is within the administrative boundary of the Suez governorate and its Ettqa District. The site, also, is within the Suez industrial complex, an area being developed for industrial use. The area surrounding the site is locally known as the Ain Al-Sokhna area. The general site location is given in Figure-3 (A, B & C- Landsat image of the Suez Region).
The site is located just to the immediate north of the existing Suez Gulf BOOT power plant of the net output rated at 2 x 341.25 MWe. The project site is owned by the East Delta Electricity Production Company (EDEPC), an affiliate company to the Egyptian Electricity Holding Company (EEHC), and consists of flat land measuring approximately 460m by 600m within a total allocated area of 275,000m$^2$. This includes land required for building the power plant, the land necessary for the HV switchyard and land reserved for landscaping the power plant. Actually, the area of the Al-Sokhna site is owned by EDEPC and EECH, which totals 400,000m$^2$, including 125,000m$^2$, leased to the BOOT plant company. Approximately an area of about 125,000m$^2$ (250m by 500m) only will be used for the power plant. The remaining area is reserved for future uses. Figure - 4 shows localized map of the proposed site area and Figure - 5 presents the general layout of El-Ain Al-Sokhna power project.

The site is located in a developing industrial zone (Suez Gulf Development Corporation and El-Ain Al-Sokhna) and lies 1km south of the Al-Sokhna Port which is currently under operation. The port is being developed to be a major commercial harbour facility. Areas directly to the west and south of the proposed site are being developed with a variety of heavy and light industrial activities.

The beaches to the north and south of the Suez Gulf Development Corporation area attract large numbers of tourists, particularly during the summer months. Tourist accommodation, including apartments and motels, are located to the north of Al-Sokhna port and to the south of the project site. The nearest tourist facility (the Portrait Hotel) lies approximately 8km south of the site. Ribbon tourist development has occurred to the south of this resort. Existing land uses surrounding the site are described in more detail in Section 5.8 of the Main Report.

Land cover on the site consists primarily of bare sand, with scattered low-growing vegetation. No residences, agricultural activities or other significant land uses are located on the site or in its immediate vicinity and the arid nature of the area provides little opportunity for agricultural production.

The only vegetation found on the project site is scattered low-growing bushes. Most of the site is bare sand. This type of habitat is not expected to provide adequate food or cover for large animals. The site probably is used by a limited number of invertebrates, reptiles, and birds.

Bird migration generally occurs during the autumn season. During this season, large numbers of raptors migrate and pass through the northern sector of this coastal plain, including the project site. Other migratory species utilize vegetated areas of the coastal plains.

The proposed site and the land to the northwest and west is flat, whilst rising sharply to nearly 600 m at the Khashm El Galala cliff, approximately 4.5km to the south and south west of the site. The
topography of the site is described in more detail in Sections 5.2 and 5.8 of the Main Report.

The site is located some 52 km south of Suez City and is delimited by the two coordinates: Latitudes 29° 30’ and 30° 00’ North and Longitudes 32° 00’ and 32° 30’ East.

Geomorphologically, the site region represents a portion of the Eastern desert on the coast of the Suez Gulf. The geomorphic feature of the region is classified as a coastal plain restricted between the high cliffs of Jabal Ettaqa and the shoreline of the Gulf of Suez. It attains its maximum width north of Suez City. Southwards it start narrowing, then it again widens and becomes nearly parallel to the shoreline until it opens into the plain at the mouth of Wadi Ghuwaybah. It is covered with sands and silts laid down by the wadis (drainage courses) dissecting and draining the mountainous areas.

Deep canyons, or wadis, cut into the mountain plateaus; these canyons collect the runoff from the mountain zone. The collected runoff is discharged into the alluvial fans at concentrated locations. During this process, both evaporation and infiltration of water occurs. In cases of severe floods, the water is finally discharged into the Red Sea. The site is not penetrated by any wadis; thus, it is not in the severe flood risk area.

The Gulf of Suez is in the form of an open ellipse, having its opening facing the South direction. The distance between the two shores ranges from a minimum of 11km to a maximum of 17km. A narrow marine channel extends between Adabiyyah and the opposite shore. The seabed slope in the inner Gulf (near Suez City) is around 1:250; the slope of the western coast (Ettaqa-Adabiyyah) is also around 1:250.

In general, there is no significant difference between the Adabiyyah or Ras Sudr currents. The current comes from the southern direction in high tides, while it comes from the northern direction in low tides. The frequency of current velocity exceeding 0.5m/sec is 28%, while the same value for 0.8m/sec is only 5%.

The annual average surface water temperature in the Suez Gulf site area is 23.6°C, with a range of 15.7°C (recorded in February) to 30.4°C (recorded in August). The highest monthly average surface water temperatures are 27.1°C in July and 28.0°C in August.

Compared to the Red Sea and the Gulf of Aqaba, which are internationally famous for their rich coral reefs, the Gulf of Suez is shallow, with a predominantly sandy substrate and only scattered coral reefs. The biodiversity is generally poor. Some stretches of reef (which may include coral) exist in the area. Small numbers of dolphins are seen on a regular basis, but fishing is not considered an important activity in the Al-Sokhna area. Several activities impact the quality of
The marine and coastal environment in the Gulf of Suez. These activities include the following:

- Heavy shipping traffic through the Suez Canal.
- The development of petrochemical and other industries in the Suez and Ettaqa areas.
- Intensive oil exploration and production in the Gulf of Suez.
- Presence of the SUMED oil terminal at El-Ain Al-Sokhna.
- Recent coastal tourist developments.

These activities produce various sources of pollution, most notably oil spills.

The project area lies within the hyperarid climatic province of Egypt characterized by a mild winter and hot summer. During 2006, the monthly average low temperature ranged between 11.5°C and 26.2°C, and the monthly average high temperature ranged between 18.6°C and 38.3°C. The high temperature exceeded 42°C in some summer days. During 2006, the average yearly temperature was around 23.9°C, and the average yearly humidity was around 52.25%. The air pressure is generally high all through the year; its minimum level occurs in August.

The Suez area has a dry climate. The annual evaporation reaches 300 mm, and the maximum evaporation rate occurs in June or July. Rainfall is very limited and scarce. It occurs an average of only 11 days per year. The average yearly rainfall reaches around 16.2 mm per rainfall. The rainy season starts in November and ends in March. The climatic data issued by the General Meteorological Authority states that there are periodic cycles (which range from 5 to 10 years) at which rainfall may reach 50 mm per day causing flash floods.

The annual average wind speed for 2006 was 4.37 m/sec. Wind speeds rarely exceeded 10 meters/second. The prevailing wind direction was generally from the North and/or North Northwest for over 60% of the year.

The land around the Gulf of Suez is generally composed of littoral salt marsh, coastal desert plain and adjoining hills; the project area lies in the coastal desert plains. These plains extend between the littoral salt marsh belt on the seaward side and the coastal range of hills and mountains on the inland side. The coastal plain is characterized by active soil transporting agencies (water and wind). Except for the main drainage channels or deltas of wadis, the coastal plain is mostly devoid of plant and animal life.
The site is located within a totally industrial landscape with heavy industrial and infrastructure facilities such as Iron & Steel and cement industries.

Accordingly, similar to most industrial areas around the globe, the project area appears to have little ecological significance and low biodiversity due to the immense alteration of the natural ecology. Such areas are considered a man-made environ. In these areas only those plants and animals that tolerate urban pressures and that can live close to man are found.

The water resources in the project area are mainly: (1) the hallow and deep aquifers in the area; (2) Nile River, at Maadi-Helwan reach; (3) fresh Suez Canal irrigation branch, fed from Manayyef and Ismailia Canal; and desalination of Red Sea water. Rain is generally the main source of groundwater, either for surface sedimentary aquifers (Wadi Bedaaa and Wadi Gheweiba) or for structural aquifers deeply seated. It is believed that during the alluvial time, huge quantities of fresh water were kept in the porous beds and in wadi alluvium. Aquifers along the main valleys are recharged every now and then with rainwater. Percolation occurs when rainwater runs along the slopes to the Red Sea. Wadi Bedaaa and Wadi Gheweiba have the largest watershed area and rainwater flows.

A study performed by the United Nations Development Programme for the structural planning of Suez Governorate has provided information on the groundwater quality. The study covered the Miocene graben aquifers, and the underground water was found to have a salinity of around 2000-3000ppm (TDS-Brackish water). There is a 15-20m thick zone at a depth of around 150m at which the water salinity falls below 1000ppm.

The Nile River water level at Maadi-Helwan reach ranges from 15.3 to 17.3 meters. Nile River water may be pumped through pipelines to reach the area.

Fresh Suez Canal water is fed by fresh water for irrigation and domestic water uses from Manayyeh and Ismailia canal. The latter is fed from the main Nile reach, north of Cairo. The total length of the Ismailia canal is about 110km, and its maximum daily discharge is around 15.5 million cubic meters. The fresh Suez Canal is fed from Ismailia canal, and has a length of around 90km and a discharge of around 9 million cubic meters/day.

No archaeological resources are known in this site. Local archaeological authorities have been consulted, where they confirmed that the near area around the site proved that no historic resources exist.

The main transport infrastructure linking the Suez South area to the country main ports facilities is principally based on road network. The site is accessible through, at least, three main highways. The
Suez/Red Sea highway runs parallel to the Gulf of Suez. The Maadi/El-Ain Al-Sokhna highway crosses the southern part of the area from northwest to southeast. The Wadi Hagul highway runs from Cairo/Suez highway southwards to connect with Maadi/El-Ain Al-Sokhna highway west of Suez Cement Factory.

The proposed site lies within the administrative boundary of the Suez Governorate. The Governorate of Suez has prepared an Urgent Development Plan (UDP) for land use management and planning, in which it sets out its policy to control development in the Suez region up to 2000.

New development plan is published in the investment map of Egypt setting out proposals up to the year 2017. Suez Region Master Scheme, 2007 update is already there. Both of the investment map of Egypt and the Suez Region Master Scheme, 2007 update designate Al-Sokhna area for industrial activities. The proposed land uses around the project site include new industrial, tourist and residential development areas, which discussed in more detail in Section 5.8 of the Main Report.

The project site is about 112km east of Cairo. The site is approximately 7km from the nearest residential area. The total area of the Suez Governorate in 2008 is 9,002.21 km$^2$ i.e. 2,142.5 Feddans, out of which around 8,788.8 km$^2$ (i.e. 97.6% of the total Suez area) represent the Ettaqa District, where El-Ain Al-Sokhna area is located. Total population of about 502,936 reside the Suez Governorate and represent about 0.7% of the total population in Egypt. The population at the Ettaqa District is approximately 26,156.

All construction related activities will take place within the area belonging to the East Delta Electricity Production Company. The total area is 275,000 square meters, out of which 100,000 square meters have designated for the new plant. In addition to the area specifically designated for the plant, there are large empty spaces next to the power plant site. All activities related to the construction of the new plant will therefore take place within the area belonging to the East Delta Electricity Production Company, i.e. there will be no off-site activities or associated land acquisition during construction.

Transmission lines which will evacuate power generated by the El-Ain Al-Sokhna power plant, as previously mentioned, will add connecting transmission lines to the Egyptian network. Some long distance (90 km on 500kV and 40 km on 220 kV) transmission lines will connect the power plant to existing substations following new routes. No land take or resettlement will be associated to the power interconnecting lines.

Although resettlement and/or land acquisition is unlikely and one proposed routing is identified within desert uninhabited public lands, information related to the final implementation of the associated infrastructure (i.e., transmission lines and substations) is to be determined by EEHC/EETC/EDEPC. The areas in question are largely
uninhabited public land; however, in order to satisfy the World Bank requirements this Resettlement Policy Framework (RPF) is prepared as part of the ESIA. Questions relating to the land acquisition and/or resettlement and any follow-up action in the form of site-specific Resettlement Action Plans/Land Acquisition Plans are clearly clarified during the preparation of this RPF.

Assessment of major accident hazards associated with the construction and operation of the power plant has already considered the following issues:

- the potential risk to third party hazardous industry, facilities or populations of the operation of the power plant; and
- the potential risk to the power plant posed by third party hazardous industry or facilities.

Given the measures incorporated into the design of the plant to minimize the risk from fire and explosion, the plant is not anticipated to pose a potential risk of any significance to any third party facilities. Furthermore, none of the third party industrial facilities and activities within 2 km of the site represent a significant risk of a major accident hazard to the power plant e.g. from fire, explosion, release of toxic gases etc.

In addition, since natural gas will be delivered to the plant by pipeline, there will be no natural gas storage facilities on site. Furthermore, no hazardous chemicals will be held on site in quantities sufficient to pose a major hazard.

Potential accidents may however occur as a result of ruptures to the gas pipeline during future development of the area. Whilst the pipeline connection is the responsibility of "City Gas", the following mitigation measures are recommended to avoid damage to the pipelines:

- the minimum reinstated cover should be 1.2m above the pipeline;
- above ground markers should be installed so as to clearly indicate the routes for all pipelines; and
- valves should be located within the pipeline at regular intervals so that flow can be halted in the event of a rupture.

The environmental, social, and economic benefits from the Al-Sokhna power project and its interconnection are considerable for beneficiaries. For one, the increase of the national electrical installed capacity, which needs additional power generation of around 7% growth rate annually, otherwise many economic and social developments would be stopped and lot of improvement opportunities would be distorted. Moreover, from a socio-economic point-of-view, supplies of electricity will be made to enhance poverty eradication
efforts via small-scale electricity-supported consumption for low-income category of population. In addition new job opportunities that shall be created by the power project and its associated infrastructure, i.e. the overhead transmission lines, will contribute to solving the unemployment crisis.

As previously noted, the interconnection project shall cover two major areas; namely, Suez and Giza governorates, in addition to some minor parts from Cairo Governorate. The total number of kilometers that are proposed to be routed by the transmission lines is 130 km. It is not foreseen that any of the activities of the transmission lines project would result in involuntary resettlement, particularly with most of the only one routing pathways are located within desert uninhabited public lands as is being clear in the maps of the surveyed routes (Figures 1&2). It is worth mentioning that these two maps have been prepared by the EEHC/EETC High Voltage & Survey experts, according to a real physical determination for the transmission routing pathways during the period 6-17 July 2008, where they found no people, no flora and no fauna all along the routes, only desert uninhabited public lands. In fact, and as per the World Bank’s OP 4.12, Involuntary Resettlement shall be avoided by all means. However, since the World Bank requirements necessitate the preparation of an RPF for such cases, EDEPC/EETC/EEHC are proposing herein a resettlement and compensation policy framework (in line with the World Bank’s OP 4.12).

This RPF has been prepared in compliance with the Bank’s safeguard policy on involuntary resettlement, as well as the Government of Egypt’s relevant laws and policies.
Figure - 1

Proposed Routing Pathway of the Al-Sokhna Interconnection Project 500 kV Transmission Lines
Figure - 2

*Proposed Routing Pathway of the Al-Sokhna Interconnection Project 220 kV Transmission Lines*
Figure – 3

Location Map of the Proposed Site within the Egyptian Context
Figure – 4

Location Map of the Proposed Site within the Suez Governorate Context
Figure – 5

*Landsat Image of the Wider Al-Sokhna Area
Showing the Proposed Site of the Al-Sokhna Power Plant*
1.2. Proposed Framework

It is a widely accepted fact, if left unmitigated, involuntary resettlement under development projects may give rise to economic, social and environmental risks. The purpose of the RPF is to set down the principles for social impact mitigation, as well as clarify the organizational arrangements that may be needed during project preparation and implementation phases.

This includes compensating all project Project Affected Persons (PAPs) for the loss of lands, properties, and livelihoods resulting from displacement and resettlement, as well as assisting these people in relocation and rehabilitation. The RPF may be triggered whenever any of the project’s activities entail the acquisition of land and / or the displacement of people, causing the loss of land, property, assets, access (to land, property, and assets), income, or sources of livelihood.

This framework shall cover all the project’s activities, and shall apply to all Project Affected Persons regardless of the total number affected, the severity of impact, and whether or not the Project Affected Persons have legal title to the land. Since resettlement often affects the most vulnerable and marginalized groups (economically, politically, and socially), the RPF shall be particularly sensitive to the affects which displacement may have on these groups, including the poor, landless, elderly, women, children, ethnic minorities, or persons with specific mental or physical disabilities.

1.3. Objectives of the Framework

The objectives of this framework correspond to those of the World Bank's policy on Involuntary Resettlement, namely:

- To avoid or minimize (whenever possible) involuntary resettlement and land acquisition through design efforts.

- If involuntary resettlement and land acquisition is unavoidable, to execute resettlement and compensation activities as sustainable development programs, whereby sufficient investment resources are provided to give the Project Affected Persons an opportunity to share in project benefits. Displaced and compensated persons shall be meaningfully consulted and given opportunities to participate in planning and implementing resettlement plans.

- To assist Project Affected Persons in their efforts to improve their livelihoods and standard of living or at least to restore them to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
Since the World Bank requirements necessitate the preparation of an RPF for such cases, OP 4.12 on Involuntary Resettlement may need to be triggered. A resettlement Policy Framework (RPF) will be the instrument implement should this issue arise. Since the nature and extent of land acquisition/resettlement within the various projects is unknown at the time of appraisal, the key purpose of the RPF is to establish resettlement objectives, principles, organizational arrangements and mechanisms for any resettlement activities that may or may be necessary as a result of project activities. When the exact extent of land acquisition becomes known during the implementation phase, site specific Resettlement Plans (RPs) or abbreviated RPs will be prepared, depending on the scale and severity of impacts. The resettlement process should be finalized prior to the commencement of any physical works.

2. LEGISLATIVE FRAMEWORK FOR RESETTLEMENT

Resettlement and land acquisition issues under the proposed Project and subsequent subprojects will be addressed under the guidance of the laws governing the Arab Republic of Egypt to this regard and the World Bank’s OP 4.12. The RPF represents the reference to be used in managing land acquisition issues and addressing the involuntary resettlement and displacement of people related to WB financed projects. The EETC/EDEPC shall be committed to complying with the national and WB laws and policies and to any future amendments to them.

2.1 Government of Egypt Relevant Legislation

It is the Government of Egypt’s policy to pay compensation or offer assistance to people whose lands and properties are affected by projects undertaken by the Government. This section pertains to the means, causes, and the competent authorities entrusted with the implementation of the provisions and rules of the administrative law, civil law, in addition to the law related to the expropriation of private property for public interest. In addition, this section also covers the restrictions, the conditions of the legality of procedures applied by the administration at its disposal, and the consequences of property expropriation, in addition to the legal procedures for the possession of private property.

2.1.1 Administrative Authority’s Decision Making Responsibilities

The main objective of the state, represented by its executive authority through the issuance of administrative decisions for the public benefit, is to achieve public interest. The state (administrative authority) uses
various means to exercise this diversified activity that is readily perceived in the administrative affairs and reflected in the legal affairs.

In accordance with Article 34 of the Constitution: “Private ownership shall be safeguarded and may not be placed under sequestration except in the cases defined by law and in accordance with a judicial decision. It may not be expropriated except for the general good and against a fair compensation as defined by law. The right of inheritance shall be guaranteed in it.” According to this article, it is understood that procedures for private property expropriation are considered to be exceptional. The competent jurisdiction shall be entitled to take cognizance of the lawsuits raised by individuals against the administration for appropriate compensations.

Other relevant laws governing expropriation and consequent compensation procedures include:

- Law 557/54, which was later amended by Law 252/60 and Law 13/162, lays down the provisions pertaining to the expropriation of real estate property for public benefit and improvement,

- Law No. 27 of 1956, which stipulates the provisions for expropriation of districts for re-planning, upgrading, and improvement, and the amended and comprehensive Law No.10 of 1990 on the expropriation of real estate for public interest.

- Law No. 63 of 1974 concerning safe distances on both sides of transmission lines and prohibited areas around transformers and electrical equipment according to their voltage levels.

The general provisions guiding expropriation of private property (according to Law 577/54, Law No. 27 of 1956, Law No. 252 of the year 1960, and Law 577/54) include the following:

1. Property expropriation shall be only on tangible real estate property, there shall be no expropriation of movable possessions.

2. Applicable only to property privately owned by individuals, thus, public property is excluded from the procedures.

3. The expropriation shall include land and constructions (structures).

4. The purpose of expropriation shall only be for realizing public interest.

5. The administrative authority has the right to assess the circumstances related to expropriation as well as the authority for implementation of property expropriation, which is justifiable by the objective of achieving public benefit. The administrative authority may not be challenged or judged on the grounds that it could have
chosen more appropriate real estate property to achieve public benefit than the one that it has already chosen.

6. The administration shall estimate the area it sees necessary for the establishment of a project. This right shall not be only restricted to the real estate property required for the project; but the legislator empowered the administration to also include expropriated property.

According to Article 23 of Law 577/1954: “If the purpose of the property expropriation is the establishment of a squares, streets, or their expansion, modification, demarcation, or the establishment of a new district, or for its improvement/ upgrading or beautification, or for any health related matter; property expropriation may include, in addition to the real-estate property needed for the project, any other real-estate property which the administration in charge sees to be necessary to achieve the project’s objective or any other property whose current state (whether in size or form) is not consistent with the required improvement.

Moreover, the first article of Law No. 27 of 1956 allows for the expropriation of districts for their improvement, upgrading, re-planning, and reconstruction. Article 24 of Law 577/54 also stipulates that in case only partial expropriation of real estate property is required, and the remaining un-expropriated part will not be of benefit to the owner; the owner shall be given the right to submit a request within 30 days (beginning from the date of final disclosure of the list of the expropriated property) for the purchase of the entire area.

It should be noted that the new law has not restricted the right to request the purchase the remaining un-expropriated portion of real estate to buildings only, but it was also extended to include land as well.

Law No. 252 of the year 1960, amended by Law 577/54 was promulgated to equilibrate the rights and guarantees for individuals with the rights of the state in expropriating private property. Moreover, this law has stipulated that the assessment of public benefit / interest, which justifies property expropriation, shall be emanated in all cases by a Presidential Decree, while previously it was made by the competent minister.

2.1.2 Legal and Administrative Procedures for Transfer of Ownership and Compensation

The procedures taken to this regard are administrative, with no judicial interference except in the assessment of the compensation amount.

Article 1 of Law 252/60 (amended by Law 577/54) states that the determination of public benefit for the expropriation of private real estate property is subject to Presidential Decree. On the other hand,
according to Article 2 of Law 27/1956, the determination of public interest for the expropriation of districts for re-planning and upgrading is subject to a Decree from the Cabinet.

Enclosed with the decree is:

- A memorandum demonstrating that the required project shall be considered of public benefit / interest (to be published with the Decree in an official newspaper and in relevant local administrative units).

- A map delineating the project scope.

- Two weeks following the publication and promulgation, the official commissioned to the expropriation property procedures is permitted to enter into the real estates to perform the technical and surveying operations and all the necessary demarcations of the expropriated real estate.

The steps for ownership transfer are highlighted below:

1. Preparation of a census of all property: The census shall be performed by commissions which consist of a delegate of the entity commissioned to perform the expropriation (i.e the Governorate, Ministry of Agriculture, etc.) and one of the local officials from the Governorate. A registered notice shall be sent to notify the concerned person. All owners and those with rights or entitlements to the expropriated property shall meet up with the commission in the project area during the census process in order to guide the commission members with regards to their property rights. The commission shall report the minutes of the procedures, which shall include all property and their owner names and addresses. The members of the commission and the owners shall sign the census report. If anyone refuses to sign, this will be noted in the minutes of the session by justifying the reason for refusal. Entering the expropriated properties from then on shall be subject to the notification of the concerned person.

2. Preparation of statements and evacuation warnings: The expropriating entity shall prepare statements with the number and types of property that shall be expropriated, their size, location, owner’s names and addresses, and compensation values (as per the census report). These statements shall be published in an official newspaper. The owners and tenants shall be warned that they must evacuate the property within a period of maximum 5 months. The owners shall be given a period of 30 days (from the date of submission of the statements) to present their complaints or grievances regarding the data in the statement. If the complaints were not submitted during this 30-day period, the data included in the statements shall be considered conclusive and shall not be subject to any litigation or claim, and in this case the
compensation amounts indicated in the statements shall be sent to the identified owners.

3. Transfer of ownership: For those owners with no complaints or contestations, the transfer of ownership is simply made by having them sign specific forms for ownership transfer. For property which the owners have not signed the proper forms, the competent minister shall emanate a decision to expropriate the property. The forms and the Ministerial decrees shall then be deposited in the relevant Notary Office. This deposit regarding the real estates shall generate the effects caused by the declaration of the sale contract. According to it, the property shall be transferred to the administrative authority that expropriates the property, and the rights incumbent on the real estates shall be transferred to the compensation amounts.

4. Compensation assessment: Property expropriation shall only be made against a fair compensation in accordance to constitutional provisions. The legislator has put forth some principles which should be taken into consideration with regards to compensation assessment:

a. The compensation assessment for property expropriation shall not include structures, plants / crops, improvements / additions, or tenant agreements if it has been proved that the aforementioned acts were performed in order to acquire higher compensation. The legislator has provisioned that every act taken to this regard, after the publication of the decision for expropriation for public benefit in the official newspaper, shall be considered as an act performed for increasing the compensation value. Accordingly, these acts should be ruled out in the assessment of the compensation amount (Article 25: Law No. 577 of 1954, and Article 7: Law No. 27 of 1956).

b. If the compensation amount for the un-expropriated part, in projects other than urban planning, increases or decreases (due to activities causing general public benefit), the increase or decrease in amount should be taken into consideration so that the amount to be added or reduced shall not exceed 50% of the compensation value of the expropriated property (Article 19: Law No. 577 of 1954).

c. If the value of the property subject to expropriation for the upgrading or re-planning of districts /cities is increased as a result of the implementation of a public benefit project, the increase in value shall not be calculated in the compensation assessment if the property expropriation is performed within 5 years from the date of implementation in the previous project (Article 20: Law No. 477 of 1954).
d. For real estate subject to improvement due to public benefit works (district/city replanning and upgrading projects), the owners shall be obliged to pay for the improvements, provided that the payment does not exceed 50% of the actual expenses for establishing or expanding the street or square which resulted in the improvement. This provision shall also be applicable if only part of the property within the district/city re-planning/upgrading projects is expropriated, and the authority in charge has deemed that that keeping part of the real estate by the owner does not conflict with the purpose of the intended project. The assessment of the aforementioned charges made by the authority in charge of organizing affairs shall not be subject to any appeal (Law No. 577 of 1954).

In order to avoid delays, which may prevent owners from acquiring their compensation in due, time, Law No. 14 of 1962 has provided for a new provision in Article 21', which states that “Half of the value of the expropriated property that has entered into the improvements areas shall be disbursed, while the second half of the value shall be deposited in the trust funds of the competent authority, until the owner submits a certificate issued from the competent authority that demonstrates the payment in return for the improvements made to the property.

2.1.3 Disputes

The procedures for expropriation are administrative by nature and usually rapidly implemented. Accordingly, the abrogation proceedings, compensation disputes, and all actions related to the expropriation property will not stop the expropriation procedures nor prevent its consequences; rather, the owner’s right for compensation is addressed (Article 26: Law No. 577 of 1954). However, the rapidity of these procedures should not prevent the owners and concerned persons from claiming and ensuring their rights. Accordingly, the legislator has distinguished two different the redress mechanism:

1. For compensations not related to the compensation assessment: Such as those pertaining to the actual right of the expropriation. In this case, the authority in charge of the expropriation process shall be responsible for investigating these disputes in order to pay the due compensation value (Article 11: Law No. 11 of 1954 and Law No. 11 of 1956).

2. Disputes over compensation assessment: These disputes are subject to legal jurisdiction as follows: The authority in charge of the expropriation procedures shall refer the disputes over the compensation assessment submitted to court. The court shall examine the complaint quickly and its judgment shall be conclusive.
2.1.4 Temporary Expropriation of Real Estate

The right of the public authority to expropriate needed real estate property also includes the right to temporarily occupy / take over this privately owned property. Law No. 577 of 1954, Law No. 27 of 1956, and the new Law No. 10 of 1990 pertaining to property expropriation, include provisions regarding temporarily occupying property:

Summarized below are the legal provisions for particular cases:

1. Occupation of Real Estate Property Prior to Expropriation: If the administration resorts to interim or temporary occupation of privately owned real estate, the time frame should be identified. However, if the temporary occupation is conclusive, the administration shall resort to the regular expropriation procedures (mentioned above). In order to save time, the new legislation has allowed the administration to occupy prior to the completion of the expropriation procedures (Article 16: Law No. 577 of 1954). According to the amendment of Law No. 252 of 1960, “except in emergencies and hasty cases that require the occupation of real estates to perform necessary preparation works, upgrading, and other work, temporary occupation of real estate for public benefit is subject to a Presidential Decree (to be published in an official newspaper). The legislator has included some provisions guiding this case:

   a. The administration cannot resort to this before the issuance of the decision that the expropriation of this specific property is considered to be of public benefit.

   b. The real estate owner has the right to compensation for not being able to get access or use his / her property, starting from the date of actual occupation until the payment of the due compensation as a result of the property expropriation.

   c. The owner of the real estate has the right to dispute / contest the value of the assessed compensation, for preventing him/ her from using or gaining access to his / her property, through the same process for grievance redress on the assessed compensation for property expropriation. In this case, it will not be allowed to remove any structures or buildings (which have been occupied) until the re-estimation of value has been conclusively made.

   d. In the case of expropriation of districts, the property and buildings will not be expropriated until alternative dwellings have been provided for those who lost their homes.

   e. Temporary Occupation: If the administration needs to manage a real estates for an interim / temporary period
that does not justify the expropriation of the property, and accordingly the administration takes over only the management while the ownership remains with its official owner.

Summarized below are the legal provisions for two particular cases:

- **Necessity (Hastiness / Rapidity):** As stated in Article 17 “…in case of sinking, or severing of a bridge, or the outbreak of an epidemic, and in all emergency cases, it is permissible to temporarily take over / occupy the needed real estates to perform reparation works, prevention, or other kinds of work”.

- **Public Benefit Project:** Law No. 577 of 1954 states that the occupation decision in both cases aforementioned shall be issued by the “Director” or the Governor (Article 17), while Article 2 of the previous law concerning the occupation decisions identified the Governor as the person in charge issuing temporary occupation decisions in case of emergency / hastiness. In any other case, the aforementioned law designates a Presidential Decree for the implementation of temporary occupation.

- **Procedures:** Real estate temporary occupation only requires that a representative from the competent entity to identify the type of real estate, size, and condition upon occupation. If this is done, the competent entity is then able to occupy the real estates without having to take other measures.” To simplify the procedures to the previous figure, that could be justified in the occupation case for emergency or rapidity.

- **Compensation:** Within a week of the occupation date, the competent authority shall determine the compensation value for the concerned persons / owners in return for losing access and use to their property temporarily. The owners shall have the right to dispute the assessed compensation as previously noted.

- **Occupation Period:** The maximum period for temporary occupation is 3 years, beginning from the actual occupation date. If the administration deemed it necessary to extend the occupation period for over 3 years, this may be done through agreement with the owner. However, if no agreement is reached the property shall be expropriated and the administration shall be responsible for returning the property to the owner in its original status, at the time of occupation, along with compensation for any of spoilage or decrease in its value.
2.1.5 Introduction of New Articles to the Law on Property Expropriation for Public Benefit No. 10 of 1990

The legislator deemed it necessary to amend the law to reflect new developments that have occurred, beginning from the administrative decentralization process in the local governance system and the transformation of many public entities into separate public bodies, each being a separate legal entity, independent from the state, and a budget, independent from the public budget.

This law was promulgated when the Egyptian Public Entity for Survey, one of the subsidiary departments for the Ministry of Water Resources and Irrigation, was the competent authority for performing the expropriation procedures. It is required that the Entity allocate the compensations values in its budget. The new amendment of this law states that the authority requesting the property expropriation shall be responsible for the payment of compensation value and in representing itself in legal litigations before the jurisdiction.

Article 2 of the Law No. 10 of 1990 has identified public benefit activities to be:

- Construction of roads, streets, squares, or their broadening, modification, paving, or the constructing of entirely new districts.
- Sanitary drainage and water projects
- Irrigation and drainage projects
- Electricity / power projects
- Construction of bridges and the surface paths (slides, lower passages, or modifying them)
- Transportation projects
- Urban / rural planning and improvement of infrastructure
- All activities that are considered to be of public benefit as per any other law
- Other public benefit activities may be added as per Cabinet of Ministries Decree(s)
- The decision ruling public benefit activities shall be in accordance with a Presidential decree and shall have a memorandum of the project enclosed.

The new law has introduced / specified, through Article 6, the members of the compensation assessment commission. The commission is made at the Governorate level, upon a Decree by the Minister of Water Resources and Irrigation, and consisting of a delegate from the Ministry's Surveying Body (as President), a delegate from the Agricultural Directorate, a delegate from the Housing and Utilities Directorate, and a delegate from the Real Estate Taxes...
Directorate in the Governorate. The compensation shall be estimated according to the prevailing market prices at the time of the issuance of the Decree for Expropriation.

2.2 World Bank Safeguard Policies

The WB’s policy on involuntary resettlement and the compensation of Project Affected Persons is clearly spelled out under the Bank’s operational safeguard policy (OP) # 4.12.

2.2.1 Resettlement Instruments

- Resettlement Action Plan
- Resettlement Policy Framework
- Process Framework

In projects triggering OP 4.12 the task team must decide which of the above three instruments are appropriate for the project in question, and the necessary documentation must be prepared by appraisal.

A Resettlement Action Plan (RAP) or abbreviated RAP - depending upon the scale of impacts - is prepared when all the details of the project are known at appraisal.

In projects where the extent and location of resettlement and/or land acquisition cannot be known at appraisal, e.g. in projects with multiple components, a Resettlement Policy Framework is prepared. An RPF should include information on how subsequent RAPs are developed both with regard to substance and process.

The third instrument, a Process Framework is applied in conservation projects that restrict access to legally designated parks or protected areas without acquiring the land outright.

Involuntary resettlement resulting from development projects, if unmitigated, will give rise to difficult economic, social, and environmental risks which may lead to: i) dismantling production systems, ii) impoverishing people when their productive assets or income sources are lost, iii) relocating people to environments where their productive skills may be less applicable and the competition for resources is greater, iv) resettling people into community institutions and social networks are weakened, v) dispersing kin groups and, vi) diminishing or losing cultural identity, traditional authority, and the potential for mutual help.

On the other hand well-designed and well-implemented resettlement programs may represent good development opportunities. By providing proactive mitigation measures, the policy is used to ensure that Project Affected Persons (PAPs) are not negatively affected by
Bank financed projects. The Bank’s involuntary resettlement policy is a road map to be used by practitioners in the identification, preparation, and implementation of WB funded programs with a focus on minimizing negative social and economic impacts on PAPs and their community as a whole.

With the above focus in mind, the following discussion presents a brief overview of OP 4.12 Policy Objective and Principles. The scope and coverage of the RPF and the subsequent process of preparing and approving a Resettlement Action Plan (RAP) are highlighted including the identification of different categories of PAPs, measures for protecting vulnerable PAPs, eligibility procedures and criteria as well as assets valuation.

### 2.2.2 Policy Objective and Principles

The principle policy objectives of OP 4.12 are:

- Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.
- 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.
- 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-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

### 2.2.3 Scope and Coverage of RPF

A Policy Framework covers direct economic and social impacts that both result from, and are caused by project:

(a) The involuntary taking of land resulting in: (i) relocation or loss of shelter, (ii) lost of assets or access to assets and, (iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location.

(b) The involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons.

(c) Project activities resulting in involuntary resettlement that in the judgment of the Bank, are (i) directly and significantly related to the project, (ii) necessary to achieve project objectives as set forth in
the project documents and, (iii) carried out, or planned to be carried out, contemporaneously with the project.

2.2.4 Process for RAP Preparation and Approval

The RAP process involves the following and should be done at early design stage of project component:

- Categorisation of project activities with respect to land needs
- Conduct socio-economic survey to determine assets and households affected
- A full RAP where more than 200 individuals are affected, abbreviated RAP if scale and severity of impacts are more limited.
- Organize and conduct stakeholders consultation
- Linking the RAP with projects and projects

2.2.5 Categories of Project Affected Persons (PAPs)

PAPs eligible for support may be classified in one of the following three groups:

a) those who have formal, legal rights to land (including customary and traditional rights recognized under the laws of the country),
b) those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets--provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan(*)

c) Those who have no recognizable legal right or claim to the land they are occupying.

2.2.6 Vulnerable Groups

Specific attention should be paid to the needs of the following vulnerable groups, including:

i) Persons below the poverty line, the landless,

ii) Elderly, women and children, indigenous peoples, ethnic minorities,

iii) Project affected persons who may not be protected through national land compensation legislation.


(*) Annex A, para. 7(f) provides more detail
Vulnerable people will be identified at socio-economic survey stage. Each RAP developed under the project will make precise provisions with respect to identifying and assisting vulnerable groups which include:

i) Identification of vulnerable people and identification of the cause and impacts of their vulnerability, either through direct interviews by the Project social worker or through the community; this step is critical because vulnerable people often do not participate in community meetings, and their disability/vulnerability may remain unknown,

ii) Identification of required assistance at the various stages of the process: negotiation, compensation, moving,

iii) Implementation of the measures necessary to assist the vulnerable person,

iv) Monitoring and evaluating continuation of assistance after resettlement and/or compensation took place.

Assistance may take the following forms, depending upon vulnerable persons' requests and needs:

i) Assistance in the compensation payment procedure (e.g., going to the bank with the person to cash the compensation check),

ii) Assistance in the post payment period to secure the compensation money and reduce risks of misuse/robbery,

iii) Assistance in moving: providing vehicle, driver and assistance at the moving stage,

iv) Assistance in building: providing materials, workforce, or building houses.

v) Health care if required at critical periods: moving and transition period.

2.2.7 Eligibility Procedures and Criteria

A project triggering OP 4.12 is required to develop a procedure, satisfactory to the Bank, for establishing the criteria by which PAPs will be deemed eligible for compensation and other resettlement assistance. The procedure includes provisions for meaningful consultations with: (i) Project affected persons and communities, (ii) Local authorities, and, as appropriate, (iii) Nongovernmental organizations (NGOs), and (iv) Grievance mechanisms.
Consistent to paragraph 16 of OP 4.12, the following categories of persons will be qualified for compensation:

- Persons covered under paragraph 15(a) and (b) shall be provided compensation for the land they lose, and other assistance in accordance with paragraph 6.

- Persons covered under paragraph 15(c) shall be provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the project area prior to a cut-off date established by the borrower and acceptable to the Bank.

- Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.

- All persons included in paragraph 15(a), (b), or (c) are provided compensation for loss of assets other than land.

### 2.2.8 Valuation of Assets

In compliance with paragraph 6 of the OP 4.12, a resettlement plan or a resettlement policy framework should apply to impacts covered under paragraph 3 (a) of Bank’s resettlement policy. Hence, the project covers the following measure:

(a) Measures to ensure that the PAPs are:

- Informed about their options and rights pertaining to resettlement,

- Consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives,

- Provided prompt and effective compensation at full replacement cost\(^{(a)}\) for losses of assets attributable directly to the project.

\(^{(a)}\) “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 (for a detailed definition of replacement cost, see Annex A, footnote 1). For losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the replacement cost standard. Such additional assistance is distinct from resettlement assistance to be provided under other clauses of para. 6. If the residual of the asset being taken is not economically viable, compensation and other resettlement assistance are provided as if the entire asset had been taken. The alternative assets are provided with adequate tenure arrangements. The cost of alternative residential housing, housing sites, business premises, and agricultural sites to be provided can be set off against all or part of the compensation payable for the corresponding asset lost.
(b) If the impacts include physical relocation, the project includes measures to ensure that the PAPs are:

- Provided assistance (such as moving allowances) during relocation,
- Provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors are at least equivalent to the advantages of the old site.

(c) Where necessary to achieve the objectives of this policy, the RAP or RPF also includes measures to ensure that PAPs are:

- Offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living,
- Provided with development assistance in addition to compensation measures described in paragraph 6(a) of the OP4.12,
- Provided with land preparation, credit facilities, training, or job opportunities.

According to paragraph 11 of the OP 4.12, preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. Thus the project resettlement strategy should include:

- Resettlement on public land or on private land acquired or purchased for resettlement,
- Whenever replacement land is offered, PAPs are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken,
- If land is not the preferred option of the displaced persons, the provision of land would adversely affect the sustainability of a park or protected area, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of adequate land must be demonstrated and documented to the satisfaction of the Bank.

According to paragraph 12 of the Bank's OP4.12, payment of cash compensation by project for lost assets is appropriate in situations where:
• Livelihoods are land-based but the land taken for the project is a small fraction of the affected asset and the residual is economically viable,

• Active markets for land, housing, and labor exist, PAPs use such markets, and there is sufficient supply of land and housing,

• Livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.

In a situation where the PAPs incurred losses of income from business, the compensation method should be the following: (i) Estimate of net monthly profit of the business, based on records if any, on operator’s statements, cross-checked by an assessment of visible stocks and activity, (ii) Application of this net monthly profit to the period during which the business is prevented to operate, (iii) A disturbance allowance of 10% of total compensation

2.2.9 Implementation Procedures

Each eligible PAP will sign a compensation certificate together with the authorized project representative. The compensation certificate will clarify mutual commitments as follows:

• **On the Project side:** commitment to pay the agreed compensation, including all its components (resettlement package, in-kind compensation and cash compensation),

• **On the PAP’s side:** commitment to vacate the land by the agreed date.

The format of payment certificates will be developed in order to be as easily understandable as possible to PAPs.

Compensation will be paid prior to the PAP vacating the land. Actual vacation will be monitored by project in cooperation with local authorities.

Several stakeholders are going to be involved in the implantation process of resettlement plan. However, their role would vary from leading the assigned task or just involved in implementation.

The financial resources to deal with resettlement would be determined based on the detailed plans for the proposed components that may entail resettlement action. However, both World Bank and the Government would allocate the necessary resources to carry out this task when it would be deemed necessary.
2.2.10 Grievance Redress Mechanisms

In such compensation and resettlement operations, it often appears that many grievances originates from misunderstandings of the Project policy, or result from neighbor conflicts, which can usually be solved through adequate mediation using customary rules. Most grievances can be settled with additional explanation efforts and some mediation. This is why a first instance of dispute handling will be set up with the aim of settling disputes amicably. Proposed mechanism will include of the following steps:

i. Registration of grievances

The project implementation agencies shall establish a register of resettlement/compensation related grievances and disputes mechanism. The existence and conditions of access to this register (where, when, how) shall be widely disseminated within the community/town as part of the consultation undertaken for the project in general.

ii. Amicable mediation and settlement

A committee of knowledgeable persons, experienced in the subject area, shall be constituted at a local level as a Committee to handle first instance dispute/grievances. This group of mediators attempting amicable mediation/litigation in first instance will consist of the following members:

- Head of District
- Legal advisor
- Local Representative within the Elected Council
- Head of Community Based Organization
- Community leaders

This mediation committee will be set up at local level by the implementation agency on an “as-needed” (i.e. it will be established when a dispute arises in a given community).

When a grievance/dispute is recorded as per above-mentioned registration procedures, the mediation committee will be established, and mediation meetings will be organized with interested parties. Minutes of meetings will be recorded.

The existence of this first instance mechanism will be widely disseminated to the affected people as part of the consultation undertaken for the project in general.

It is important that these mediation committees be set up as soon as RAP preparation starts. Disputes documented e.g. through socio-economic surveys should be dealt with by appropriate mediation mechanisms which must be available to cater for claims, disputes and grievances at this early stage.
iii. Documentation and tracing

A template form for claims should be developed. It is advised that these forms be collated on a quarterly basis into a database held at project level.

2.2.11 Budget and Funding

Based on the preliminary quantitative estimate of affected assets and affected people presented, the budget for resettlement activities associated with the First Year should be prepared and a summary of implementation Plan presented.

If feasible a tentative budget may be prepared as part of the RPF. This will need to be itemized and refined as part of the RAP process.

<table>
<thead>
<tr>
<th>Item No</th>
<th>Item</th>
<th>Local currency</th>
<th>USD</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Total compensation</td>
<td></td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>B</td>
<td>Total resettlement</td>
<td></td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>C</td>
<td>Total additional mitigations</td>
<td></td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>D</td>
<td>Total implementation</td>
<td></td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>E</td>
<td>Contingencies %</td>
<td></td>
<td></td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>Grand total</td>
<td></td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

It is assumed that compensation and land acquisition for resettlement sites will be funded by the project. Fund channeling arrangements are to be determined by the project.

2.2.12 Disclosure Requirements for Bank Resettlement Documents

The Bank insists on both the participation of PAPs and public disclosure of relevant resettlement documents. PAPs should be meaningfully consulted and should be given the opportunity to participate in both planning and implementation of resettlement programs. With regard to RPF/RAP disclosure, certain key steps should be followed:

- OP 4.12 requires that project discloses information: "As a condition of appraisal of projects involving resettlement, the borrower provides the Bank with the relevant draft resettlement instrument which conforms to this policy, and makes it available at a place accessible to displaced persons and local NGOs, in a form, manner, and language that are understandable to them. Once the Bank accepts this instrument as providing an adequate
basis for project appraisal, the Bank makes it available to the public through its Info Shop. After the Bank has approved the final resettlement instrument, the Bank and the borrower disclose it again in the same manner."

- Circulation of the draft RPF for comments to all relevant institutions (e.g. concerned ministry, governorate, PMU, relevant land agencies, and others as appropriate),
- Communication of comments to the Consultant for incorporation into a final RPF, together with WB comments,
- Presentation of the executive summary of the draft RPF to the appropriate Egyptian authority by the Project.

Consultation on the RPF is to be organized by the appropriate government agency through the project. Information and consultation are proposed to be implemented in the course of the preparation of RAPs:

- sharing of information should coincide with the cut-off date (information should not be delivered in advance of the cut-off date to avoid encroachment of new arrivals),
- information will be provided to potential PAPs on the project including resettlement and compensation principles as they are outlined in the RPF,
- convene at least one public meeting for each project,
- with regard to RAP consultation: once these are available in draft form, they should be discussed with local authorities (e.g. District executive and elected Councils) and affected communities, whose comments will be incorporated into final documents.
- The above consultation process should be carefully documented.

### 2.2.13 Monitoring and Evaluation

Monitoring and Evaluation (M&E) are key components of the RPF/RAP. They have the following general objectives:

- Monitoring of specific situations or difficulties arising from the implementation, and of the compliance of the implementation with objectives and methods as set out in the RPF/RAP.
- Evaluation of the mid- and long-term impacts of the resettlement process on affected households’ livelihood, environment, local capacities and economic development.
Monitoring aims to track project implementation will address the following aspects:

i) Social and economic monitoring:
   a) follow-up of the status of project affected persons,
   b) cost of housing in the displacement area,
   c) re-establishment of livelihoods including agriculture and other activities.

ii) Technical monitoring:
   a) supervision of infrastructure and housing construction where relevant,
   b) commissioning and testing of the technical components of the resettlement housing,

iii) Grievances and grievance management system,

iv) Assistance in livelihood restoration: agriculture and business re-establishment and assistance,

v) Keep and provide the following statistics on an annual basis:
   a) Numbers of households and individuals affected by Project activities,
   b) Numbers of households and individuals relocated as a result of Project activities and their destinations,
   c) Amounts of compensation paid,
   d) Number of grievances registered.

vi) Annual monitoring report will be developed and issued by the project.

Evaluation is intended at ensuring that policies have been complied with and should provide feedback needed for adjusting strategic directions. The evaluation has the following specific objectives:

- General assessment of the compliance of the implementation of resettlement activities with objectives and methods as set out in this RPF,

- Assessment of the compliance of the implementation of resettlement activities with laws, regulations and safeguard policies as stated above,

- Assessment of resettlement and relocation procedures as they have been implemented,

- Evaluation of the impact of the resettlement and relocation programs on incomes and standard of living, with focus on the “no worse-off if not better-off” requirement,
• Identification of actions to take as part of the on-going monitoring to improve the positive impacts of the program and mitigate its possible negative impacts, if any.

While ensuring the evaluation process, the project will utilize:

• This RPF as its guiding instrument,
• The Egyptian laws and regulations as described in the following chapter
• OP 4.12 on Involuntary Resettlement

Evaluation of resettlement activities will be part of general assessment and review activities undertaken for the Project as a whole.

2.3 Gaps between Egyptian Regulations and World Bank Policies

The gaps between Egyptian regulations and World Bank policies are summarized in the following Table:
<table>
<thead>
<tr>
<th>Topic</th>
<th>Egyptian Legislative Requirements</th>
<th>World Bank Policy Requirement</th>
<th>Practical Implication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation of</td>
<td>According to prevailing prices in the affected area and assessed by a specialized committee for that purpose</td>
<td>Full replacement cost</td>
<td>This issue is crucial since all previous Egyptian practices of valuation have been substantially below the market rate due to: Lack of valuation experience in ESA No real market rate is defined due to taxes and fees charged on properties</td>
</tr>
<tr>
<td>Compensation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Squatters</td>
<td>Not included in the legislation (Applied cases for resettlements revealed that squatters have been compensated as a result of political sensitivity)</td>
<td>Are to be provided resettlement assistance (but no compensation for land)</td>
<td>This has to be clearly considered in any resettlement action and offered options whether through alternative shelters or fair compensation that enables them to find other shelter.</td>
</tr>
<tr>
<td>Resettlement</td>
<td>Affected occupants who are physically displaced are to be provided with another residential housing. They do not have the rights to object to the location of the resettlement, but only the housing suitability in terms of area, design or relevant issues. Their objection is submitted within 15 days after receiving the notification of the new housing, to a dedicated committee for that purpose, which should respond within one month.</td>
<td>Affected people who are physically displaced are to be provided with residential housing, or housing sites, or, as required, agricultural sites at least equivalent to the old site. Preference is to be given to land-based resettlement for Project Affected Persons whose livelihoods are land-based. The resettlement would be based on RAP in case the affected people is 200 or more while for less than 200, an ARP would be conducted</td>
<td>Affected people should be offered various options for resettlements (not only one option) at least equivalent to the old property or site. The affected people should be supported also with a sort of soft-loan that compensates the difference in value between the old and new property. Both RAP and ARP should be followed in relevant cases.</td>
</tr>
<tr>
<td>Resettlement assistance</td>
<td>Not included</td>
<td>Affected people are to be offered support after displacement, for a transition period.</td>
<td>This assistance should be included in any resettlement project in electrical networks through the governorate</td>
</tr>
<tr>
<td>Vulnerable Groups</td>
<td>Not included</td>
<td>Particular attention to be paid to vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities.</td>
<td>The PMU and EETC should pay considerable attention for those groups and give them priority in selecting resettlement options and receiving financial support.</td>
</tr>
</tbody>
</table>
### Table -1 (Contd.)
**Comparison of the Egyptian Regulations with World Bank Policies**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Egyptian Legislative Requirements</th>
<th>World Bank Policy Requirement</th>
<th>Practical Implication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information and</td>
<td>Project Affected Persons are provided timely with relevant information. Not consulted on resettlement options. Not able to participate in planning, implementing and monitoring resettlement.</td>
<td>Project Affected Persons and their communities are provided timely with relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement.</td>
<td>Affected groups should get access to full information about the resettlement process and options for compensation. Participatory planning and decision making should be applied in resettlement options and compensation.</td>
</tr>
<tr>
<td>Consultation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grievances</td>
<td>Specialized committees for that purpose and time. One month to object to the decision of resettlement. Four months to object to the compensation value.</td>
<td>Appropriate and accessible grievance mechanisms to be established.</td>
<td>There is a need for ensuring that affected groups are offered the direct channel for grievance and receive redress in proper time prior to resettlement. The receiving of full compensation should be prior to resettlement.</td>
</tr>
</tbody>
</table>

2.4 Gaps and Measures to be Considered

The subsequent paragraphs of this section will set the stage for (i) further dialogue and discussion between the Bank and appropriate institutions in Egypt and for (ii) relevant Egyptian institutional bodies to explore how legal and administrative steps may be taken to ensure that domestic law is supplemented by additional measures to achieve equivalency between the two systems.

The following are legal and regulatory gaps between the Egyptian law and Bank policy and measures to be considered,

Temporary acquisition of land:
- **Gap**: Lack of legal provision in Egyptian law to compensate temporarily occupied land for public interest. The lack of national law to protect project affected people from temporary acquisition of land fall short of the Bank's OP 4.12 objectives and principles.
- **Measure**: discussion with Egyptian authority to draw their attention to the Bank’s policy regarding compensation for temporary acquisition of land to persons impacted by that decision of a project.

Temporary occupation of structure:
- **Gap**: Inadequate legal provision to determine the market value and compensation for temporarily occupied structures involves compensating project affected people below market price. The practice of compensating project affect people below the value of temporarily taken property is contrary to the Bank’s full replacement value policy principle.
- **Measure**: Dialogue with Egyptian authority on the Bank’s policy in involuntary resettlement with focus on compensation for: (i) temporary land acquisition with minor inconvenience; (ii) structures that are temporarily acquired; (iii) precluding use of the structure and (iii) moving and restoration expenses.

The right of squatters
- **Gap**: The right of squatters has not been addressed in Egyptian law. This is major policy difference and gap with the Bank’s OP 4.12. There are nevertheless resettlement cases in which the Egyptian government has compensated squatters because of the sensitivity of such issues.
- **Measure**: Egyptian practices regarding the right of squatters can be employed to deepen discussion leading toward legislative solutions. Bank dialogue with Egyptian authorities may assist in addressing this challenge with a view to formalize the treatment of squatters.
**Vulnerable groups:**

- **Gap:** Egyptian regulation has no provision on how vulnerable groups should be treated in case of involuntary resettlement. This is a major shortfall from the Bank’s policy which states: “particular attention is paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation”.

- **Measure:** Need to take steps to encourage the Egyptian authorities to pay attention to vulnerable groups in order to ensure that these groups are consulted meaningfully in the process of selecting resettlement options and in receiving financial support.

**Disturbance allowance:**

- **Gap:** There is a difference between Egyptian law and the Bank’s OP 4.12 addressing compensation for loss incurred as a result of business disturbance. Egyptian regulation makes no allowance for business disturbance losses while the Bank policy requires 10% of the total business loss compensation is paid as an income disturbance allowance.

- **Issues:** In the absence of Egyptian law to address disputes that may arise from business disturbance, the Bank’s policy on disturbance allowance may not be enforced as effectively as it should be. The lack of equivalency between the two systems may result in implementation conflict and in unfair treatment of PAPs.

**Asset value increased due to previous public interest project:**

- **Gap:** The Egyptian law states that should the value of the expropriated property increase as result of prior public interest works in a previous project, such increase shall not be calculated in determining the compensation value. This is inconsistent with OP4.12 which requires full replacement cost for losses of assets attributable directly to the project.

- **Issues:** This requirement contradicts Egyptian legal provision stated in article (20) of Law 10/1990 which requires the expropriating agency to determine compensation on the basis of prevailing prices at the date of issuance of the expropriation decree. It also contradicts the principle of full replacement cost of OP4.12.

**Monitoring and Evaluation:**

- **Gap:** Monitoring or evaluation measures are not stipulated in Egyptian regulation. Lack of the necessary legal provision needed to put in place monitoring and evaluation measures can negatively impact the accountability and transparency Programs and plans may not be able to benefit from corrective action in cases of mistakes or receive rewards in cases of good performance.
• **Measure**: It is imperative the Bank move toward advancing the monitoring and evaluation principles stated in OP 4.12. This would facilitate the measuring of social and economic impacts, amounts of compensation would be better accounted for and the efficiency and effectiveness of grievances and redress mechanisms would be fully evaluated. In general, the different stages of the resettlement process and lessons learnt would be systematically documented.

The following are legal fits between the two systems but capacity constraints at individual and institutional levels and measures to be considered.

**Full replacement cost:**

- **Possible capacity constraints**: Egyptian regulations use prevailing price in the affected areas to calculate and compensate project affected people for their expropriated property. The prevailing price is assessed by a specialized committee created by the government. However previous Egyptian experiences show that the full replacement principle as stated by OP 4.12 has not been realized by the affected group. This problem can be linked to lack of capacity. Staff involved in calculating the value of the property may not have been trained and/or equipped adequately. The institutions mandated to facilitate and ensure the assessment of the expropriated property at market value may not have the appropriate instruments or the institutional culture to ensure they fulfill their mandates.

- **Measure**: As stated in table 1, this area would require capacity building for the concerned local government staff and the implementing agency. Additional training for the evaluators should be considered, and the mandated institution needs to be enhanced, equipped and sensitized.

**Temporary losses of business:**

- **Possible capacity constraints**: In a situation where involuntary resettlement cause a temporary loss of business, Egyptian law stipulate that entitlement for compensation for temporary losses of business is determined by a committee. However compensation paid by the committee is usually below market price. The practice of paying/compensating affected business owners below their net loss is against the Bank’s full replacement value principle.

- **Measure**: Sensitize and discuss with Egyptian authority how the Bank’s policy addresses the issues of temporary loss of business income with special focus on importance of: (i) compensating the business with its net loss and (ii) providing new premises or rental allowance for new premises if old location is undesired, (iii) covering business’ cost of relocation, personnel and equipment to a new location.
Provision of timely and relevant information:

• **Possible capacity constraints:** While Egyptian law requires the provision of information to those the project affects, the experience in Egypt suggests that PAPs have not been part of the resettlement consultation, planning and implementation process. This practice is not in line with OP 4.12 policy principles which states: “Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.”

• **Measure:** It is important the Bank start to discuss with authorities which practical steps may be taken to ensure that what has been stipulated in the law is actually carried out in practice. This has important consequences for access to information by the PAPs, and it is a prerequisite for the development of meaningful participation in planning and implementation of the resettlement process.

Grievances:

• **Possible capacity constraints:** The Egyptian law provides the creation of Specialized Committees to address grievances resulting from misunderstandings of the project policy, or resulting from conflicts among neighbors. Nevertheless existing grievance mechanisms are limited to the Courts, which generally takes a very long time to resolve disputes. This practice denies project affected groups a direct channel for grievance adjudication and substantially delays the resolution of disputes.

• **Measure:** The Bank must advance to the government of Egypt the notion of adopting a first tier grievance management mechanism, which should be implemented at the project levels. This would provide aggrieved people with an avenue for amicable settlement without necessarily initiating time-consuming Court actions.

2.5 Recommendations

On the basis of results obtained from the preceding analysis, the following section will advance (i) key preliminary recommendations and (ii) general points which may be included in the policy dialogue with the Egyptian authorities.

2.5.1 Key Preliminary Recommendations

β When planning project and resettlement strategies, the affected group should be informed about the displacement and participate in defining resettlement options from the earliest stage of the process, that is even before issuing the decree for public interest,

β Spell out clearly a cut-off date to assure the right of affected groups and yet avoid subsequent problems.
Evaluate expected properties to be expropriated through a detailed economic study which must be carried out by a professional body (private or public) able to define the real-market value.

Consider establishing a specialized unit within the management of the project to address grievances at the early stages of the project and the inception of the resettlement plan. The unit should include representation from local governmental executive bodies in addition to representatives from the local affected community.

Undertake a detailed socio-economic study focusing on the affordability of the probable impacts on assets and livelihoods of affected people with particular attention to vulnerable groups.

Ensure that the process governing resettlement planning and implementation is fully transparent and that project affected people have their voice heard and incorporated into the overall program via an established project unit.

Enlist high profile government officials as champions at an early stage of the process, as their role is vital in implementing and solving urgent conflicts crucial for building trust within local communities.

Establish and operationalize fair, quick and transparent grievance and redress mechanisms where the local community.

Support the active involvement of traditional leaders within the local community to facilitate meaningful local inputs to the resettlement process.

### 2.5.2 Discussion

In addition to the above, it is also important to focus on the following issues in order to address existing policy gaps:

- Right of squatters to be compensated
- Right of customary owners to be compensated
- Valuation of compensation should be based on the date of implementing the resettlement not the date of issuing the decree of public interest.
- Publication of list of properties must be done in compliance with the law.
- Disputes over land or structure ownership or tenure should be solved through a specialized committee to expedite PAP compensation payments.
- Compensation should be defined based on transparent criteria that cover both real market value and transfer cost. This is to be applied to residential and economic activities for different tenure status (e.g., owners, tenants, squatters, customary owners).
Compensation is to be paid prior to displacement/resettlement

Compensation is valued based on date of implementation rather than date of issuing decree

For poor households and vulnerable groups, compensation should be linked with soft loans for paying the price of alternative housing or job opportunities

Resettlement option is to be avoided and to be ranked as the least preferred option.

In case resettlement is inevitable, the option with minimum number of displaced people should whenever feasible be selected

The resettlement decision should be supported with detailed technical documents (maps, drawings, reports) showing the scope of resettlement.

All technical steps and procedures should be explained to affected people prior to resettlement in order to prepare them fully for the coming process.

Committees should be established as appropriate for preparation, implementation, management, assessment of compensation and monitoring of project operations. Representatives from different central and local executive bodies and PAP representatives must be included to ensure transparency and coordination.

The role of NGOs and CBOs in mediating, informing and supporting socio-economic aspects related to resettlement has to be explored, as such organizations could play important roles in bridging the gaps between the government and local communities, especially during the resettlement process.

Affected families should be offered various options for displacement, resettlement and compensation

The affected people should have the right to claim redress about a resettlement location.

The compensation value should be based on real market assessment that can enable the affected group to have equivalent shelter or economic value

An effective monitoring mechanism should be established to follow up on the impact of the resettlement process on the livelihoods of affected persons

Rehabilitation programs should be designated for affected groups to overcome the negative impact of resettlement

Socio-economic support from local government and NGOs should be provided for displaced persons during and after the resettlement (e.g., small and short-term credit for transfer and for start-up of new business, soft-loans for housing improvement).
3. ELIGIBILITY CRITERIA FOR PROJECT AFFECTED PERSONS

3.1 Defining Project Affected Persons

Project Affected Persons (PAPs) are defined in this policy framework as individuals who may be subjected to adverse economic, social, or cultural impacts by the WB's assisted projects. These impacts may constitute anything from the loss of physical assets such as land, farm lands, crops, commercial properties, homes, personal belongings, sources of income, and cultural / historical / religious sites, to nonphysical assets such as social capital and cultural networks and activities. Moreover, adverse impacts also include the loss of access to the physical and non-physical assets and the involuntary restriction of access to legally designated parks and protected areas. Box 2 highlights some of the key losses that may arise from land acquisition.

Box –I

*Possible Losses from Land Acquisition in Rural Areas*

<table>
<thead>
<tr>
<th>Category</th>
<th>Possible Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>✈ Agricultural land (rented or owned)</td>
</tr>
<tr>
<td></td>
<td>✈ Access to land</td>
</tr>
<tr>
<td>Structure</td>
<td>✈ Houses or living quarters (rented or owned)</td>
</tr>
<tr>
<td></td>
<td>✈ Other physical structures (rented or owned)</td>
</tr>
<tr>
<td>Income</td>
<td>✈ Income from crops</td>
</tr>
<tr>
<td></td>
<td>✈ Income from wage earnings</td>
</tr>
<tr>
<td></td>
<td>✈ Income from fishing areas</td>
</tr>
<tr>
<td></td>
<td>✈ Income from affected business</td>
</tr>
<tr>
<td></td>
<td>✈ Access to formal employment opportunities</td>
</tr>
<tr>
<td>Communal&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>✈ Public Schools</td>
</tr>
<tr>
<td></td>
<td>✈ Public Hospitals</td>
</tr>
<tr>
<td></td>
<td>✈ Markets</td>
</tr>
<tr>
<td></td>
<td>✈ Community centers</td>
</tr>
<tr>
<td></td>
<td>✈ Cemeteries</td>
</tr>
<tr>
<td></td>
<td>✈ Social capital: networks, activities, relationships</td>
</tr>
<tr>
<td>Religious and Cultural&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>✈ Religious shrines</td>
</tr>
<tr>
<td></td>
<td>✈ Worship areas (mosque, church, synagogue)</td>
</tr>
<tr>
<td></td>
<td>✈ Cultural, historical, sites</td>
</tr>
<tr>
<td>Environmental</td>
<td>✈ Access to natural resources</td>
</tr>
<tr>
<td></td>
<td>✈ Negative environmental impacts resulting from land.</td>
</tr>
<tr>
<td></td>
<td>✈ Acquisition or from the project itself</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> The projects should not be permitted to infringe on or damage in any way public cemeteries or private graveyards or graves physical assets. If extremely necessary, such cases shall be subject to the laws of the Government of Egypt to this regard.

<sup>(2)</sup> The projects should not be permitted to infringe on or damage in any way religious or cultural physical assets. If extremely necessary, such cases shall be subject to the laws of the Government of Egypt to this regard.
3.2 Eligibility Criteria

All Project Affected Persons (APs) who suffer a complete or partial loss of assets or access to assets shall be eligible for some kind of assistance, according to their legal rights to the land, if it can be proven that they occupied the land before the claim cut-off date. The Bank OP4.12 specifically proposes three general categories for eligibility, as illustrated in the Table below:

Table- 2

Criteria for Eligibility (OP 4.12)

<table>
<thead>
<tr>
<th>Displacement Category</th>
<th>Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals who have formal legal rights to land (including customary and traditional rights recognized under the laws of Egypt)</td>
<td>- Compensation for loss in land and assets at full replacement cost.</td>
</tr>
<tr>
<td></td>
<td>- In case of physical relocation, provide assistance during relocation (i.e. moving allowances) and residential housing and / or agricultural sites with productive and location advantages equivalent to the lost sites.</td>
</tr>
<tr>
<td></td>
<td>- Support after displacement, until livelihoods and standards of living are restored to pre-displacement levels.</td>
</tr>
<tr>
<td></td>
<td>- Development assistance in addition to compensation measures (i.e. land preparation, credit facilities, training, job opportunities).</td>
</tr>
<tr>
<td>Individuals who do not have formal legal rights to land, but have a claim to such land or assets (provided that such claims are recognized under Egyptian laws or become recognized through a process identified in the resettlement plan)</td>
<td>- Compensation for loss in land and assets at full replacement cost.</td>
</tr>
<tr>
<td></td>
<td>- In case of physical relocation, provide assistance during relocation (i.e. moving allowances) and residential housing and / or agricultural sites with productive and locational advantages equivalent to the lost sites.</td>
</tr>
<tr>
<td></td>
<td>- Support after displacement, until livelihoods and standards of living are restored to pre-displacement levels.</td>
</tr>
<tr>
<td></td>
<td>- Development assistance in addition to compensation measures (i.e. land preparation, credit facilities, training, job opportunities).</td>
</tr>
<tr>
<td>Individuals who have no recognizable legal right or claim to the land they are occupying (i.e. squatter settlements, disputed ownership).</td>
<td>- Resettlement assistance as appropriate (i.e. land, assets, cash, employment, etc.).</td>
</tr>
</tbody>
</table>
In addition, all individuals in possession of properties (i.e. land, houses, structures) that may be adversely affected by any of the projects' activities (i.e. construction, rehabilitation, etc.) shall also be eligible for some sort of compensation which shall be identified in the resettlement plan depending on the type of damage.

4. METHODS OF VALUATION OF AFFECTED ASSETS AND COMPENSATION

4.1 Asset Valuation

The valuation of losses in physical assets will be carried assets, if known, and estimating the replacement cost. the cost of replacing the lost assets plus any transaction pre-displacement value. Replacement cost will differ in the Table below.

<table>
<thead>
<tr>
<th>Asset</th>
<th>Replacement Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Land</td>
<td>Equals the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes.</td>
</tr>
<tr>
<td>Urban Land</td>
<td>Equals the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes.</td>
</tr>
<tr>
<td>Houses / Other Structures</td>
<td>Equals the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors’ fees, plus the cost of any registration and transfer taxes.</td>
</tr>
</tbody>
</table>

*Source: WB OP 4.12*

For intangible losses that can not easily be valued in monetary terms (i.e. access to employment opportunities, public services, natural resources, social capital), the subprojects should attempt to establish access to equivalent resources and earning opportunities that are acceptable to the Project Project Affected Persons (PAPs).
4.2 Compensation

Compensation will be provided to all individuals whose assets or access to assets is severely affected or damaged, as a consequence of land acquisition or any other activities undertaken by the projects. The compensation for the loss of physical and nonphysical assets will vary depending on the type of loss, severity of the loss, and eligibility of the APs. Compensation may come in the form of cash compensation, in-kind compensation, and/or assistance.

All PAPs will be entitled to monetary compensation at replacement cost, at market value (at the entitlement cut-off date) for affected tangible assets. Another option may be in-kind compensation where the affected assets would be replaced with an asset of similar size, value, and quality. The decision on which type of compensation is used should be jointly agreed upon between the project staff and the APs and shall be subject to the availability of replaceable assets. Moreover, development and resettlement transitional assistance needed to restore the livelihood and standard of living of PAPs under the subproject to pre-project levels shall also be part of the compensation component of any resettlement plan (i.e. short-term jobs, subsistence support, moving allowance, salary maintenance, food assistance, etc.).

It should be noted here that compensation for losses in communal property shall only be in-kind for the community as a whole, and shall take the form of reconstruction of the affected or damaged facility (i.e. public school buildings, markets, etc.) to - at least - the same standard it was on prior to the project’s implementation.

5. ENTITLEMENT MATRIX

Each RAP should develop a resettlement matrix that identifies the expected negative impacts from the project, the eligible persons for compensation, and the compensation policy that is to be applied. Since the detailed activities under this project have not yet been specifically identified, the following entitlements matrix may serve as a generic tool for identifying the possible losses arising from the expected projects and the respective entitlement benefits of the PAPs.
### Entitlement Matrix for Project Affected Persons

<table>
<thead>
<tr>
<th>Type of Losses</th>
<th>Level of Impact</th>
<th>Entitled Person(s)</th>
<th>Compensation Policy &amp; Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agricultural Land</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of arable and grazing agricultural land or access to it</td>
<td>Permanent (complete or partial) loss of arable and grazing land located in the project site</td>
<td>Farmers / Individuals who have formal legal ownership rights to land</td>
<td>• Provide cash compensation at replacement cost for the lost land(*) plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. • Provide cash compensation for loss of crops or trees at replacement cost.</td>
</tr>
<tr>
<td>Loss of arable and grazing agricultural land or access to it</td>
<td>Permanent (complete or partial) loss of arable and grazing land located in the project site</td>
<td>Farmers / Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights</td>
<td>• Provide development and transitional assistance in locating new replacement lease land. • Provide cash compensation for loss of crops or trees at replacement cost.</td>
</tr>
<tr>
<td>Loss of arable and grazing agricultural land or access to it</td>
<td>Permanent (complete or partial) loss of arable and grazing land located in the project site</td>
<td>Farmers / Individuals who do not have any recognizable legal right or claim to the land</td>
<td>• No compensation for land. • Provide landless PAPs with esettlement assistance in securing emporary or lease rights to replacement and • Provide cash compensation for loss of crops or trees at replacement cost.</td>
</tr>
</tbody>
</table>

(*) Calculated at entitlement cut-off date.
<table>
<thead>
<tr>
<th>Type of Losses</th>
<th>Level of Impact</th>
<th>Entitled Person(s)</th>
<th>Compensation Policy &amp; Standards</th>
<th>Compensation Policy &amp; Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of arable and grazing agricultural land or access to it</td>
<td>Temporary (*) (complete or partial) loss of all or part of arable and grazing land located in the project site</td>
<td>Farmers / Individuals who have formal legal ownership rights to land</td>
<td>- No compensation for land if returned to owner in less than one year. &lt;br&gt; - Provide cash compensation equivalent to the replacement cost at market price of renting the land during the temporary use. &lt;br&gt; - Provide cash compensation for loss of crops or trees at replacement cost and compensation for loss of net income from subsequent crops that cannot be planted for the duration of the lease.</td>
<td>- If the temporary loss continues for more than one year, PAPs will be given a choice of either continuing with the temporary arrangements, or selling the affected land to the project at full replacement cost at current market value. &lt;br&gt; - Provision of development assistance to enable farmers / land owners to restore land to its previous condition or better quality by providing measures to improve land quality in cases of land being adversely affected.</td>
</tr>
<tr>
<td>Loss of arable and grazing agricultural land or access to it</td>
<td>Temporary (complete or partial) loss of all or part of arable and grazing land located in the project site</td>
<td>Farmers / Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights</td>
<td>- No compensation for land if returned to owner in less than one year. &lt;br&gt; - Provide cash compensation equivalent to the replacement cost at market price of renting the land during the temporary use. &lt;br&gt; - Provide cash compensation for loss of crops or trees at replacement cost and compensation for loss of net income from subsequent crops that cannot be planted for the duration of the lease.</td>
<td>- Provision of development and resettlement assistance to landless PAPs with no legal rights.</td>
</tr>
<tr>
<td>Loss of arable and grazing agricultural land or access to it</td>
<td>Temporary (complete or partial) loss of all or part of arable and grazing land located in the project site</td>
<td>Farmers / Individuals who do not have any recognizable legal right or claim to the land</td>
<td>No compensation for land if returned to owner in less than one year. &lt;br&gt; - Provide cash compensation for loss of crops or trees at replacement cost.</td>
<td>- Provision of development and resettlement assistance to landless PAPs with no legal rights.</td>
</tr>
</tbody>
</table>

(*) Temporary here refers to a period of up to 3 year maximum (in conformance to the Government of Egypt’s Legislation).
Table 4 (Contd.)

Entitlement Matrix for Project Affected Persons

<table>
<thead>
<tr>
<th>Type of Losses</th>
<th>Level of Impact</th>
<th>Entitled Person(s)</th>
<th>Compensation Policy &amp; Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Land (Residential and/or Commercial)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Loss of urban residential or commercial non-arable land or access to it | Permanent (complete or partial) loss of urban residential or commercial non-arable land | Individuals who have formal legal ownership rights to land | • Provide cash compensation at replacement cost of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes.  
• In the case that there are structures on the land, provide cash compensation at replacement cost for the materials used to rebuild the structures or to partially repair an affected structure. |
| Loss of urban residential or commercial non-arable land or access to it | Permanent (complete or partial) loss of urban residential or commercial non-arable land | Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights | • In the case that there are structures on the land which have been built by the users, provide cash compensation at replacement cost for the materials used to rebuild the structures or to partially repair an affected structure.  
• Provide development and transitional assistance in locating new replacement lease land. |
| Loss of urban residential or commercial non-arable land or access to it | Permanent (complete or partial) loss of urban residential or commercial non-arable land | Individuals who do not have any recognizable legal right or claim to the land | • Provide no compensation for land.  
• In the case that there are structures on the land which have been built by the users, provide cash compensation at replacement cost for the materials used to rebuild the structures or to partially repair an affected structure.  
• Provide landless PAPs with resettlement and transitional assistance in securing alternative commercial or residential land and to restore their livelihoods. |
**Table - 4 (Contd.)
Entitlement Matrix for Project Affected Persons**

<table>
<thead>
<tr>
<th>Type of Losses</th>
<th>Level of Impact</th>
<th>Entitled Person(s)</th>
<th>Compensation Policy &amp; Standards</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Loss of urban residential or commercial non-arable land or access to it</td>
<td>Temporary (complete or partial) loss of urban residential or commercial non-arable land</td>
<td>Individuals who have formal legal ownership rights to land</td>
<td>• No compensation for land if returned to owner in less than one year. • Provide cash compensation equivalent to the replacement cost at market price of renting the land during the temporary use. • Provide cash compensation for loss of crops, trees, or structures at replacement cost.</td>
<td>• If the temporary loss continues for more than one year, PAPs will be given a choice of either continuing with the temporary arrangements, or selling the affected land to the project at full replacement cost at current market value. • Provision of assistance to enable the land users owners to restore land to its pre-subproject condition by providing measures to improve land quality in cases where land is adversely affected.</td>
</tr>
<tr>
<td>Loss of urban residential or commercial non-arable land or access to it</td>
<td>Temporary (complete or partial) loss of urban residential or commercial non-arable land</td>
<td>Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights</td>
<td>• No compensation for land if returned to owner in less than one year. • Provide cash compensation equivalent to the replacement cost at market price of renting the land during the temporary use. • Provide cash compensation for loss of crops, trees, or structures at replacement cost.</td>
<td>• Provision of resettlement assistance to landless PAPs with no legal rights.</td>
</tr>
<tr>
<td>Loss of urban residential or commercial non-arable land or access to it</td>
<td>Temporary (complete or partial) loss of urban residential or commercial non-arable land</td>
<td>Individuals who do not have any recognizable legal right or claim to the land</td>
<td>• No compensation for land if returned to owner in less than one year. • Provide cash compensation for loss of crops, trees, or structures at replacement cost.</td>
<td>• A list of available structures in each affected commune. • A list of PAP and entitled persons. • Consultations and formal agreement with PAPs on type of compensation (cash or in-kind, i.e relocation).</td>
</tr>
<tr>
<td>Loss of structures or access to them</td>
<td>Permanent (complete or partial) loss of structures</td>
<td>Individuals who have formal legal ownership rights to the structures</td>
<td>• Provide cash compensation at replacement cost which equals the market cost of materials used to build a replacement structure with similar area and quality, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors’ fees, plus the cost of any registration and transfer taxes.</td>
<td>• A list of available structures in each affected commune. • A list of PAP and entitled persons. • Consultations and formal agreement with PAPs on type of compensation (cash or in-kind, i.e relocation).</td>
</tr>
<tr>
<td>Type of Losses</td>
<td>Level of Impact</td>
<td>Entitled Person(s)</td>
<td>Compensation Policy &amp; Standards</td>
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</tr>
<tr>
<td>-------------------------------------------------</td>
<td>------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Loss of structures or access to them</td>
<td>Permanent (complete or partial) loss of urban residential or commercial nonarable land</td>
<td>Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights (tenants)</td>
<td>• Provide assistance in moving and finding similar and affordable rental accommodation (this may include moving allowance and rental allowance for a transitional period).</td>
<td>• A 3-months notice – at least - to be given to the tenants.</td>
</tr>
<tr>
<td>Loss of structures or access to them</td>
<td>Permanent (complete or partial) loss of urban residential or commercial nonarable land</td>
<td>Individuals who do not have any recognizable legal right or claim to the land (squatters and persons in ownership dispute)</td>
<td>• Provide cash compensation at replacement cost for the structures if they were built by the users.</td>
<td>• The Environmental and Social Officer may look into the possibilities of formalizing the structures following their repair.</td>
</tr>
<tr>
<td>Loss of standing crops, trees, or plants or access to them</td>
<td>Permanent (complete or partial) loss of standing crops, trees, or plants</td>
<td>Farmers or individuals who cultivate the land and who have formal legal ownership rights to the land on which the crops are</td>
<td>• Provide cash compensation for loss of crops, trees, or plants at replacement cost.</td>
<td>• A comparative list of the prices of agricultural products in local markets.</td>
</tr>
<tr>
<td>Loss of standing crops, trees, or plants or access to them</td>
<td>Permanent (complete or partial) loss of standing crops, trees, or plants</td>
<td>Farmers or individuals who do not have formal legal ownership rights to land on which the crops are but have temporary or leasing rights (tenants)</td>
<td>• Provide cash compensation for loss of crops, trees, or plants at replacement cost.</td>
<td>• A list of tree and plant species in the commune area.</td>
</tr>
<tr>
<td>Loss of standing crops, trees, or plants or access to them</td>
<td>Permanent (complete or partial) loss of standing crops, trees, or plants</td>
<td>Farmers or individuals who do not have any recognizable legal right or claim to the land on which the crops are</td>
<td>• Provide cash compensation for loss of crops, trees, or plants at replacement cost.</td>
<td>• The project activities should take into consideration the cropping patterns and seasons in order to avoid partial or complete loss –if possible.</td>
</tr>
</tbody>
</table>

Table - 4 (Contd.)

Entitlement Matrix for Project Affected Persons
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**Entitlement Matrix for Project Affected Persons**

<table>
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<th>Type of Losses</th>
<th>Level of Impact</th>
<th>Entitled Person(s)</th>
<th>Compensation Policy &amp; Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income or Access to Income (Commercial, Business, and Industrial Activities)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Loss of source of income or access to source of income | Permanent loss of income source or access to it   | Owner or workers in formal registered businesses                                   | • Provide transitional cash compensation until new permanent employment is secured based on net income (for a maximum period of 6 months).  
• Provide development assistance to PAPs (i.e. training in specific areas) in order to help them to maintain and/or improve their income generation potential and access to gainful employment. |
| Loss of source of income or access to source of income | Permanent loss of income source or access to it   | Owner or workers in informal unregistered businesses                               | • Provide transitional cash compensation until new employment is secured based on minimum wage per month in the respective district (for a maximum period of 6 months).  
• Priority shall be given to severely affected PAPs in the provision of any relevant employment in the activities related to the project. |
| Loss of source of income or access to source of income | Temporary loss of income source or access to it    | Owner or workers in formal registered businesses                                   | • Provide cash compensation for the duration of business/income generation that is disrupted based on net income. |
| Loss of source of income or access to source of income | Temporary loss of income source or access to it    | Owner or workers in informal unregistered businesses                               | • Provide cash compensation for the duration of business/income generation that is disrupted based on the minimum wage per month in the respective district. |

- A list of available commercial, industrial, and business activities in each affected commune
- A list of PAP and entitled persons.
- The Environmental and Social Officer shall assist in the provision of development assistance to severely affected PAPs and vulnerable groups (i.e. design training programs, formalizing informal activities, access to credit, including them in the project’s contractors’ pacifications wherever possible).
### Table - 4 (Contd.)

**Entitlement Matrix for Project Affected Persons**

<table>
<thead>
<tr>
<th>Type of Losses</th>
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<th>Compensation Policy &amp; Standards</th>
<th>Compensation Policy &amp; Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Loss of community assets or access to them         | Permanent (complete or partial loss) of community physical assets | All members of the community | • Affected land will be replaced in areas identified in consultation with affected communities and relevant organizations and authorities.  
• Provide alternative or similar resources to compensate for the loss of access to community physical resources. |                                                                                                  |
|                                                   | Temporary (complete or partial loss) of community physical assets | All members of the community | • Restoration of affected community buildings and structures to original or better condition.  
• Provide alternative or similar resources to compensate for the temporary loss of access to community physical resources |                                                                                                  |
| Loss of socioeconomic and/or social-cultural relationships/ networks or access to them | Permanent (complete or partial loss) of community non-physical assets | All members of the community | • Provide development assistance to enable community members to take advantage of income restoration measures noted above.  
• Provide alternative or similar resources to compensate for the loss of access to community social capital. | • Identify different forms of social capital from PAPs’ point of view (i.e. social credit, networks, social cohesion, etc.)  
• Consultation with PAPs to identify measures to rectify the permanent or partial losses in social capital. |
| Loss of socioeconomic and/or social-cultural relationships/ networks or access to them | Temporary (complete or partial loss) of community non-physical assets | All members of the community | • Provide development assistance to enable community members to take advantage of income restoration measures noted above.  
• Provide alternative or similar resources to compensate for the temporary loss of access to community social capital. |                                                                                                  |
6. RESETTLEMENT AND COMPENSATION PLANNING

6.1 Institutional and Organizational Context

At present, there is no institutional capacity for dealing with resettlement within the Al-Sokhna Power Project. However, since the project’s policy shall be to avoid involuntary resettlement, and since no previous project has involved the displacement or resettlement of people, it is believed that – at this point – there is no need to create an independent unit responsible for the preparation and implementation of RAPs. However, if an involuntary land acquisition occurs, the EETC/EDEPC Company will be handling the resettlement activities, under the supervision of the EEHC and its representatives. Institutional arrangements may include the following:

i. Establishment of a register of resettlement/ compensation related grievances and disputes mechanism by the project implementation agencies.

The existence and conditions of access to this register (where, when, how) shall be widely disseminated within the community/town as part of the consultation undertaken for the project in general.

ii. Amicable mediation and settlement

A committee of knowledgeable persons, experienced in the subject area, shall be constituted at a local level as a Committee to handle first instance dispute/grievances. This group of mediators attempting amicable mediation/ litigation in first instance will consist of the following members:

- Head of District
- Legal advisor
- Local Representative within the Elected Council
- Head of Community Based Organization
- Community leaders

This mediation committee will be set up at local level by the implementation agency on an “as-needed” (i.e. it will be established when a dispute arises in a given community).

When a grievance/dispute is recorded as per above-mentioned registration procedures, the mediation committee will be established, and mediation meetings will be organized with interested parties. Minutes of meetings will be recorded.

The existence of this first instance mechanism will be widely disseminated to the affected people as part of the consultation undertaken for the project in general.
It is important that these mediation committees be set up as soon as RAP preparation starts. Disputes documented e.g. through socio-economic surveys should be dealt with by appropriate mediation mechanisms which must be available to cater for claims, disputes and grievances at this early stage.

i. Documentation and tracing

A template form for claims should be developed. It is advised that these forms be collated on a quarterly basis into a database held at project level.

6.2 Proposed Preparation Process

6.2.1 Project Screening

Once the detailed activities and work plan under the project have been identified, they should be screened to determine whether or not they will necessitate the involuntary resettlement of people within the determined project areas.

6.2.2 Preparation of Socio-Economic Survey

Following the identification of the projects that may necessitate involuntary resettlement, the next step would be prepare a socio-economic study, in which baseline data within the subproject’s target areas is collected. This information shall include the PAPs and related household members or dependents, total land holdings, and affected assets amongst other things. This information will be put in writing and shall be used in determining the appropriate compensation and assistance for each affected individual / household.

The objective of conducting this socio-economic survey is to:
Introduce the project to the PAPs.

- Collect census data to identify PAPs on the individual and household levels.
- Collect census data to identify vulnerable and severely affected PAPs.
- Collect census data on the overall socio-economic environment of the affected communities: Identify stakeholders. Identify impacts of the project on the livelihoods of the PAP (i.e. property, structures, income, etc.).
- Identify any concerns or worries the PAPs may have
 identifying the resettlement preferences of the PAPs.

6.2.3 Preparation of Resettlement Action Plans

Any project activity that shall entail the acquisition of land or may result in the involuntary resettlement of people or loss or restriction of access to private or communal resources will require the preparation of a RAP. The RAP should assess the number of PAPs, propose alternative locations for the projects if possible, identify the eligibility criteria, include provisions for compensation and assistance, and address the means by which the project monitoring and evaluation will take place to ensure that the PAPs receive their compensation and that their grievances are heard and addressed. The mitigation measures and compensation policies proposed in the RAP shall be disclosed to the PAPs for feedback and comments.

More specifically, according to Annex A of the WB’s OP 4.12 on Involuntary Resettlement, the project RAP should include:

- A description of the project
- Identification of potential impacts
- Objectives of RAP
- Relevant findings of the socio-economic study
- Legal framework
- Institutional framework
- Eligibility criteria and eligible PAPs
- Valuation and compensation for losses
- Resettlement measures
- Site selection, site preparation, and relocation
- Housing, infrastructure, and social services
- Environmental protection and management
- Community participation
- Integration with host populations
- Grievance procedures
- Organizational responsibilities
- Implementation schedule
- Costs and budget
- Monitoring and evaluation

6.3 Project Appraisal and Approval

The RAP, including the proposed mitigation measures within the plan, will need to be reviewed and approved prior to making a decision on whether or not the project shall be implemented. EETC/EDEPC/EEHC shall take into consideration the communities concerns and worries raised in the process of putting together the socio-economic survey and RAP.
The RAP may need to be reviewed by other local or central authorities in some cases. Once the RAP has been approved by EETC/EDEPC/EEHC and the local authorities, the resettlement plan should be sent to the WB for final review and approval.

6.4 Project Implementation

A detailed survey of the project site will be prepared to determine the scope of land acquisition and the impacts that the acquisition, demolition, and consequent displacement will have on the affected individuals, household, and communities. PAPs that have been determined to be eligible for compensation should be compensated prior to project implementation, in accordance with the project’s RAP. This includes providing the PAPs with cash compensation, preparing the resettlement sites with the adequate structures and facilities, and / or providing different development and transitional assistance measures to assist the Project Affected Persons.

6.4.1 Sign Compensation Contract and Pay Compensation to the Affected People

As previously noted, affected individuals, households, and communities, who have been identified earlier under the socio-economic survey, will be consulted on their compensation preferences. The PAPs will be formally informed through written or verbal notification (in case some of the PAPs are illiterate) delivered in the presence of at least one public official. The environmental and social focal point in the regional office will arrange meetings with the affected individuals / households to document the lands acquired by the project throughout the implementation period and discuss the compensation process.

The PAP will be required to sign a contract detailing the acquired land plots and / or partially or completely affected structures and the corresponding types of compensation (i.e. cash or in-kind) that have been agreed upon. The signature of the compensation contracts as well as the actual payments and in-kin transfers shall be made in the presence of at least one public official from the village authorities. The contracts may also include contracts on possible transitional or developmental assistance and income restoration measures that will be given to the PAPs including, provision of skills training, access to credit, and project related job opportunities.

6.4.2 Grievance Redress Mechanisms

A grievance mechanism should be devised in order for the PAPs to be able to voice their concerns, complaints, or dissatisfaction with any part of the compensation process and seek redress. Simply, complaints can be made concerning the non-fulfillment of contracts, compensation entitlement, types and levels of compensation, compensation policy, acquisition / destruction of land or assets, resettlement, or development or transitional assistance. The grievances should be addressed to the relevant regional office and local authorities (in case legal claims or land acquisition issues need to be settled).
either verbally or in writing. Grievance redress will be approached both proactively and reactively:

**Proactive approach:**

a) Widespread disclosure of project background
b) Clarification of criteria for eligibility for assistance under the RPF framework
c) Establishing a committee of honorable and respected persons (community leaders, people assembly members, religious persons etc), to review any grievances that may result from the project.

**Reactive approach:**

a) Settle disputes amicably
b) If disputes arise these should to the extent possible, be dealt with at the local level approach and the above committee will focus on ensuring that PAPs, particularly those belonging to vulnerable groups get fair treatment.
c) If disputes cannot be solved at the local level, the PMU in collaboration with EETC/EDEPC/EEHC should review specific complaints. Highly skilled Persons in communication and dispute resolution should review PAPs grievances.

It is important that these mediation committees be set up prior to the implementation of any Resettlement Action Plans. Disputes can arise even before the preparation of the projects, as people are curious about any new projects and rumors might be aroused. Hence, the mediation mechanisms should be available to cater for claims, disputes and grievances at this early stage.

The above multi-level treatment of grievances mechanism should reduce the number of court cases. However, if no solution can be found, the legal system is the last resort.

Grievances shall be collected and reviewed monthly and a decision shall be made on appropriate compensation. If the PAPs continue to refuse the compensation suggested by the regional office, the two parties may resort to legal action at the local government courts. However, it should be noted that the Administrative Courts have set the following principles:

- The Competent Administrative Authority has freedom in selecting the appropriate property for expropriation. Accordingly, it was ruled that as long as the administration is not abusing its powers, its decision to select a particular plot to build a hospital is not subject to review. Similarly, the administration selection of a particular site to build a RPF is not subject to review.
- The determination of the exact area (in square metres) to be expropriated is subject to the discretion of the administration and not subject to judicial review.
• Expropriating the ownership of land to extend sewage pipelines below does not prevent the administration from appropriating the surface of the same land for public use.

• Courts have asserted their judicial review authority whenever the administration’s exercises of its discretionary powers are for political or personal objectives aimed at spite.

• The State Council noted that the administration might not expropriate property for merely achieving monetary gains. Accordingly, it noted that the expropriation act by the local council of an area adjacent to the location where a new station will be relocated aiming merely at making a profit was void.

World Bank OP. 4.12 emphasizes that the PAPs should be heard. Therefore, they should be fairly and fully represented in an appropriate way. It is also recommended to minimize the cases that are taken to the court in order to avoid long and tiring litigation.

6.5 Vulnerable Groups

The Egyptian regulation does not specifically state any privileges for those vulnerable groups. However, the World Bank OP 4.12 emphasizes the need to give special attention to the right of vulnerable groups to make sure that they are not excluded from any adopted measures within the overall resettlement actions.

Since most of the exact routes have not been finalized, estimating the cost of compensation for land acquisitions and damages will not be possible at this time. However, it is very important to establish who will be responsible for compensation. EETC/EDEPC/EEHC will be mainly responsible for compensation due to any land acquisition. However, the contractor will be responsible for any damage that occurs to assets as a result of project works including construction activities. A commission from EETC/EDEPC/EEHC will do the follow up for compensation of both land acquisition and damage to assets. The same commission will be responsible for the compensation if any of the above mentioned groups are affected.
6.6 Resettlement Monitoring and Evaluation Arrangement

In line with WB requirements, internal and external resettlement monitoring and evaluation will be carried out in order to supervise resettlement implementation and ensure that all PAPs are compensated adequately.

6.6.1 Internal Monitoring

Internal monitoring of the RAP implementation shall be made every two months, which will be documented. The internal report will mainly cover resettlement policies and compensation standards, resettlement progress, delivery of resettlement compensation, provision of development and transitional assistance to PAPs (especially vulnerable groups), implementation schedule, fund disbursements, land or structure allocation, and grievances and redress.

6.6.2 External Monitoring and Evaluation

An independent agency will be required to do external resettlement monitoring and evaluation.

The rationale behind hiring an external institution is to ensure that the overall objective of the resettlement plan is achieved in an equitable and transparent manner. In addition to reviewing the issues covered by the internal monitoring progress report, the external agency shall also evaluate and assess:

- the competence and effectiveness of EETC / EDEPC / EEHC staff,
- adequacy of compensation, development and transitional assistance techniques provided to the PAPs,
- ability to reach the most vulnerable PAPs,
- consultation and public disclosure of the RAP,
- Effectiveness of the grievance redresses mechanism, and the overall effectiveness of the entire ESMP.

The table below provides a list of some verifiable indicators for monitoring and evaluating the implementation of RAPs.
### Table – 6

**Verifiable Indicators for Monitoring and Evaluation Implementation of RAPs.**

<table>
<thead>
<tr>
<th>Monitoring</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of individuals selecting cash or a combination of cash and in-kind compensation</td>
<td>Proposed use of payments</td>
</tr>
<tr>
<td>Payment of compensation to PAPs in various categories</td>
<td>Conformance to compensation policies described in the RAP</td>
</tr>
<tr>
<td>Number of grievances</td>
<td>Timeliness and quality of decisions made on grievances</td>
</tr>
<tr>
<td>Delivery of technical assistance, relocation, payment of transitional subsistence and moving allowances</td>
<td>Facilitation of access to technical and development assistance and transitional allowances</td>
</tr>
<tr>
<td>Delivery of income restoration and development assistance</td>
<td>Ability of individuals and households to re-store sources of income</td>
</tr>
<tr>
<td>Public information dissemination and consultation procedures</td>
<td>Timeliness, quality, and effectiveness of consultation and information disclosure</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RPF</th>
<th>EETC/EDEPC/EEHC - World Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completion dates of the RAP activities</td>
<td>Actual completion of resettlement activities compared with the RAP time schedule</td>
</tr>
</tbody>
</table>

### 7. Public Consultation and Disclosure

During the preparation phase and upon the identification of the activities that will necessitate IR, public meetings should be held in the areas where resettlement and displacement may take place to introduce to the affected communities, and other primary stakeholders, general information on the project and resettlement policies and procedures. Information will be given to the PAPs and other stakeholders on:

- Project components
- Project impacts
- PAPs’ legal rights and entitlements
- Compensation policies
- Resettlement activities
- Grievance and redress Mechanism
- Implementation schedule
- Public consultation and disclosure of information.
- Organizational responsibilities.
It is crucial that the PAPs and other primary stakeholders are involved in the sub-project from the very early stages, and that relevant and adequate information about the project and its activities is provided to them in a timely manner, since this would:

- Help to identify the sub-project impacts and the affected individuals, households, and communities (especially the most vulnerable groups)
- Allow for the collection of more accurate data for the socio-economic survey
- Make the delivery of entitlement and services more transparent
- Reduce the potential for conflicts and minimize the risk of sub-project delays
- Support the formulation and design of resettlement programs and rehabilitation measures that meet the needs and priorities of the affected people

Following the preliminary introductory meeting, the PAPs will be again consulted during the process of conducting the socio-economic survey where they will be interviewed and asked to present their ideas, concerns, and preferences on issue regarding land acquisition and replacement, resettlement sites, compensation, and income restoration measures.

If the project is approved, the PAPs should be involved in the actual formulation of different options for the RAP. After the finalization of the RAP it shall be publicly disclosed to all PAPs and other relevant stakeholders in a meeting. The stakeholders’ points of views will be taken into consideration upon the actual implementation of the RAP. The PAPs will have a chance to express their concerns with the implementation of the RAP through the grievances and redress mechanism mentioned above. It will be amongst the main objectives of the monitoring and evaluation phase to ascertain that the PAPs complaints have been addressed and that they have been informed about the organizational procedures for resettlement throughout the entire process.

8. **BUDGET AND SOURCES OF FUNDING RAPs**

As soon as the activities triggering IR have been identified and approved by EETC/EDEPC/EEHC, and the WB, realistic cost estimates shall be calculated based on the data collected from the socioeconomic survey on the estimated number of PAPs that are likely to be affected by the subprojects and the quantity and types of affected assets. The budget shall consider all of the anticipated impacts under the sub-project and calculate the cost (compensation, administrative costs and monitoring…. etc) according to actual replacement costs (at market value). The Egyptian Electricity Holding Company and their concerned affiliate companies are fully responsible for any
compensation for land acquisition. At the time of writing this report, as the routes have not yet been determined, it is very difficult to estimate the requirements and sources for a budget associated with the implementation of the OP 4.12. In addition, the EETC/EDEPC/EEHC will be responsible for a large part of compensation due to damages to assets, as compensation for any damages has been included in the contracts of all contractors working on this project (as they have been in all previous Natural Gas projects. However the World Bank OP 4.12, states clearly that the full cost should be estimated to have a clear idea about the amount of money required for compensation, administrative costs and monitoring.

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