Resettlement Policy Framework

Executive Summary & Main Report

April 30, 2007
# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ARP</td>
<td>Abbreviated Resettlement Plan</td>
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<tr>
<td>ARE</td>
<td>Arab Republic of Egypt</td>
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<tr>
<td>BCM</td>
<td>Billion Cubic Meters</td>
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<td>BP</td>
<td>Bank Procedures</td>
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<tr>
<td>CAP</td>
<td>Compliance Action Plan</td>
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<tr>
<td>CMU</td>
<td>Contract Management Unit</td>
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<tr>
<td>CPA</td>
<td>Construction Pipeline Alignments</td>
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<tr>
<td>PAP</td>
<td>Project Affected Persons</td>
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<td>DBO</td>
<td>Design-Build-Operate</td>
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<tr>
<td>DRAINFRAME</td>
<td>Drainage Assessment Integrated Framework</td>
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<tr>
<td>E(S)MP</td>
<td>Environmental (and Social) Management Plan</td>
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<tr>
<td>ESA</td>
<td>Egyptian General Authority for Land Survey</td>
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<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
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<td>GoE</td>
<td>Government of Egypt</td>
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<tr>
<td>HE&amp;PS</td>
<td>Horizontal Expansion and Projects Sector</td>
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<td>IBRD</td>
<td>International Bank for Reconstruction and Development (World Bank)</td>
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<td>IWRM</td>
<td>Integrated Water Resources Management</td>
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<tr>
<td>KM</td>
<td>kilometer</td>
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<td>LE</td>
<td>Egyptian Pound</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MWRI</td>
<td>Ministry of Water Resources and Irrigation</td>
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<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>OP</td>
<td>Operational Policy</td>
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<td>OPN</td>
<td>Operational Policy Note</td>
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<td>PAD</td>
<td>Project Appraisal Document</td>
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<td>PIN</td>
<td>Preliminary Information Notice</td>
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<td>PMU</td>
<td>Project Management Unit</td>
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<td>PPIAF</td>
<td>Public Private Infrastructure Advisory Facility (World Bank)</td>
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<td>PPP</td>
<td>Public Private Partnership</td>
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<td>PVC</td>
<td>Poly vinyl chloride</td>
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<td>RBHC</td>
<td>Rosetta Branch Hydrological Change</td>
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<td>RP</td>
<td>Resettlement Plan</td>
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<td>RO</td>
<td>Regulatory Office</td>
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<td>RP</td>
<td>Resettlement Plan</td>
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<td>RPF</td>
<td>Resettlement Policy Framework</td>
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<td>SPS</td>
<td>Supplementary Pumping Station</td>
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<td>SSC</td>
<td>Supplementary Supply Canal</td>
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<td>TA</td>
<td>Technical Assistance</td>
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<td>ToR</td>
<td>Terms of Reference</td>
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<td>WB</td>
<td>World Bank</td>
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<td>WDIP</td>
<td>West Delta Irrigation Project</td>
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<td>WDWCIRP</td>
<td>West Delta Water Conservation and Rehabilitation Project</td>
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<td>WUA</td>
<td>Water Users Association</td>
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<td>WUO</td>
<td>Water Users Organization</td>
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EXECUTIVE SUMMARY

Introduction

This executive summary presents the main findings of the Resettlement Policy Framework (RPF) prepared for the West Delta Water Conservation and Irrigation Rehabilitation Project (WDWCIRP) and summarizes the key recommendations. This project is partly financed by the World Bank and as such will have to comply with both applicable Egyptian laws and regulations and the World Bank safeguard policy on involuntary resettlement (OP 4.12). The objective of the RPF is to present resettlement objectives and principles, organizational arrangements and funding mechanisms for any resettlement or land acquisition that may be necessary during project implementation.

Project description

The Project proposes to implement a surface water conveyance system in a concession area of 80,000 ha with available funding to finance connection of up to 38,000 ha that constitute part of the southern part of the West Delta area¹. The surface water will be distributed over the area by a buried pipeline network. The preliminary lay-out is derived from the Technical Study of the preparation team and may be changed by the Design Build Operate (DBO) contractor based on detailed surveys, assessments, and optimal design needs. A main pumping station takes the required water from the Rayah el Nasseri (main canal). The Government of Egypt will construct a new supplementary pumping station on the Rosetta Branch, to replenish the Rayah el Nasseri.

Project Development Objective

The development objective is to achieve financial sustainability of irrigation infrastructure in the West Delta and promote greater efficiency in the use of water resources established through a public-private partnership and farmers participation.

Project components:

Component No. 1: Design, Construct, and Start Up of the Surface Water System, and connection program for participating farms (US$205 million).
Component No. 2: Market-driven Technical Assistance to Small and Medium Scale Farmers (US$2 million).
Component No. 3: Support for Institutional Development and Capacity Building of Project Management Unit, Regulatory Office and Water User Organization (US$5 million)

¹ The southern part of the Project Area is estimated to include approximately 190,000 feddans of the total 255,000 referenced. Most of the area is cultivated by commercial farms utilizing modern irrigation and farming techniques. Financial sustainability of this transaction can be assessed through the participation of a relatively manageable number of farms in the proposed area.
Project organization

Overall direction will be provided by the MWRI and managed on a day-to-day basis by a Project Management Unit (PMU). Since the project will be implemented using a DBO contract with the private sector, the establishment of an Economic Regulatory Office will be necessary. Both the PMU and the Regulatory Office will be under the jurisdiction of MWRI. A Water User Council has been established as an independent farmers’ organization that will monitor relationships and potential conflicts between farmers.

Potential project impacts causing resettlement

The PMU is responsible for a.o. coordination, oversight, and monitoring of the Environmental and Social Framework Management Plan.

The WDWCIRP potentially triggers the safeguards policy on involuntary resettlement (OP 4.12) in different ways:

1. The excavation of the pipeline alignments throughout the project area. (CPA for construction of pipeline alignments) and associated infrastructure.
2. The pipeline may place restrictions on the use of the land within the corridor, and if incomes and living standards are negatively affected, compensation is warranted.
3. The construction of new roads and modernization of existing ones.
4. The rising water levels in the Rosetta Branch, caused by increasing discharges required for the project, may affect the existing uses and users of the river banks. (RBHC for Rosetta Branch Hydrological Change).

Legal and Institutional Background

According to Law 10/1990, the Egyptian Authority for Land Surveying (ESA) is mandated to deal with overall coordination of expropriation and resettlement in collaboration with other ministries or local governmental bodies. In this case the MWRI at the national and governorate level would be the appropriate contact point for the DBO contractor.

Targeted Beneficiaries for RPF

The people eligible for resettlement assistance according to OP 4.12 include:

- those who have formal legal rights to land and structures (including customary and traditional rights recognized under the laws of Egypt);
- those who do not have formal legal rights to land or structures at the time of the cut-off but have a claim to such land or assets, provided that such claims are recognized under the laws of Egypt or become recognized through a process identified in the resettlement plan.
- those who have no recognizable legal right or claim to the land or structures they are occupying.
Compensation, valuation, grievance and redress mechanism and vulnerable groups

The main compensation principles are:

- Compensation shall be paid prior to displacement / land entry;
- Compensation will be at full replacement value prior to displacement.

In contrast with the depreciated or net value of a structure, the “replacement value” includes the full cost of materials and labor required to reconstruct a building of similar surface and standard. In other words, the affected person must be able to have their structure rebuilt in a different location using the compensation paid for the old building.

For grievance and redress, the framework highlights the Egyptian practice and compares it with the WB OP 4.12 and calls for Governorate intervention in areas where important gaps exist.

The Egyptian regulation does not specifically state any privileges for vulnerable groups. However, the World Bank OP 4.12 emphasizes the need to do so. Vulnerable groups are those at risk of becoming more vulnerable due to the displacement, compensation, and resettlement process. Assistance to vulnerable people is a prerequisite for World Bank financed projects and may take the form of: assistance in the compensation payment procedure; assistance in the post payment period to secure the compensation money and reduce risks of misuse/robbery, and assistance in moving. Each RP or ARP developed under the WDWCIRP will make precise provisions with respect to assistance to vulnerable groups.

Monitoring and Evaluation

The following monitoring and evaluation activities need to be undertaken by the project:

- Implementation of the Resettlement Plans by the Regulatory Office in coordination with the Governorates (see implementation responsibilities for details).
- Internal monitoring and supervision by the Regulatory Office will verify that all prerequisites to the resettlement activities are met and that all procedures for resettlement have been carried out in accordance with the provision of this Policy Framework. It should also be verified that the funds for implementing the Resettlement Plans are provided in a timely manner. All grievances should be recorded and disputes be handled properly. An assessment will be made if the Policy Framework objectives or enhancement or at least restoration of living standards and income levels of DAPs have been met.
- Gather qualitative information on the social and economic impact of Project Implementation on the DAPs.
Consultations

As provided under WB policy OP 4.12, information and consultation on the WDWCIRP Resettlement Policy Framework shall be organized as follows:

- Circulation of the draft RPF for comments to all relevant institutions.
- 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 Regulatory Office and MWRI concerned by the Project.

During the preparation of RP/ARP two types of information and consultation are required:

- Initial information:
  - This step 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);
  - Basic information will be provided to potentially affected people on the Project, and resettlement and compensation principles as they are outlined in this RPF;
  - This step should take the form of one public meeting for each sub-project.

- Consultation on draft RP/ARP should be initiated once these documents 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 in the final documents.

Disclosure requirements

The Egyptian legal requirements for disclosure are stated in Law 10/1990. OP 4.12 states that the Resettlement Policy Framework should be made available at a place accessible to displaced persons and local NGOs, in a form, manner, and language that are understandable to them.

Implementation Responsibilities

Specific responsibilities for implementation of the RPF and subsequent RPs are as follows:

- MWRI will attach to the bidding document, (i) a copy of the RPF; (ii) available maps of the areas showing the boundaries of the properties in private and public lands; (iii) information on the standard market rate determined by a independent assessor acceptable to the Bank, for market prices of new reclaimed lands, old lands in the Delta and along the Rosetta canal. The bidding document will also require that the bidders should pay the agreed market price in case full expropriation of land is required and/or temporary or partial land acquisition.
The bidders in their technical and financial proposal, will describe the areas to be expropriated or acquired temporarily in accordance with the RPF and will also provide the cost for such expropriation and a draft RP’s.

The Bank will provide its no objection to the successful bidder provided it fully complies with the RPF and the draft resettlement plans prepared by the successful bidder. The contract should stipulate that no civil works can start until the project affected persons (PAPs) are fully compensated at market rate.

After contract signature and immediately after the subscription period, the DBO contractor will officially submit to MWRI the project alignment and the necessary documentation, including system alignment for their review and approval.

MWRI will be responsible to proceed and complete the expropriation process in accordance with the RPF and RPs. Final RP’s are submitted for approval as well.

Once the expropriation/land acquisition process is officially completed, MWRI will require that the DBO contractor provide PAPs the full amount of compensation before issuing the working orders for construction.

MWRI will submit to the Bank in its semi annual progress report, the status of expropriation/land acquisition and compensations.

With regard to the Rosetta Branch the MWRI will be responsible for RPs as necessary. The Regulatory Office under the MWRI will be responsible for: monitoring and making sure the project activities are being implemented as designed. The PMU will ensure adequate implementation of TA components for strengthening the Regulatory Office, and the Water User Council as well as the initiatives directed at assisting small farmers.

Financial aspects

The budget for mitigation and compensation of the expropriation and eventually other resettlement cost will come under the DBO contract. The resettlement that may be generated by the water level rise in the Rosetta Branch will be financed by the Government of Egypt.
1 INTRODUCTION

The objective of the Resettlement Policy Framework (RPF) is to present resettlement objectives and principles, organizational arrangements and funding mechanisms for any resettlement or land acquisition that may be necessary during the implementation of the West Delta Water Conservation and Irrigation Rehabilitation Project (WDWCIRP). This project is partly financed by the World Bank and as such will have to comply with both applicable Egyptian laws and regulations and the World Bank safeguard policy on involuntary resettlement (OP 4.12). Individual resettlement plans consistent with the policy framework will be submitted to the Bank for approval after more specific and detailed project and planning information becomes available. This RPF has been prepared in conjunction with the Environmental and Social Impact Assessment and Environmental and Social Management Plan.

This document has been prepared by a team of Egyptian and Dutch experts that included Dr. Fatma Attia, Groundwater Specialist, Egypt; Dr. Hussam Fahmy, Director, Drainage Research Institute, Egypt; Dr. Manal Eid, Social Scientist, Egypt; Ir. Jan Hoevenaars (ed.), Environmental Consultant; and Dr. Roel Slootweg, Environmental Consultant.

2 DESCRIPTION OF THE PROJECT

2.1 Project rationale and objectives

The project area is located between Cairo and Sadat City at both sides of the Desert Highway Cairo-Alexandria (Figure 1). The surface water will be distributed over the area by a buried pipeline network. The preliminary lay-out is derived from the Technical Study of the preparation team and may be changed by the Design Build Operate (DBO) contractor. A main pumping station with a capacity of about 22 m³/s takes the required water from the Rayah el Nasseri (main canal). The Government of Egypt will construct a new supplementary pumping station on the Rosetta Branch, to make up for the additional water requirements of the projects and refill the Rayah el Nasseri and Nubariya main canals. Figure 2 shows the preliminary layout of the surface water supply system where available funding would be covering 38,000 hectares as part of a concession covering up to 80,000 hectares.

Project Development Objective – Financial sustainability of irrigation infrastructure in the West Delta and for greater efficiency in the use of water resources established through a public-private partnership and farmers participation.

The Government of Egypt (GOE) has supported commercial farmers in reclaiming desert lands since the late 1960s in order to compensate for the loss of agricultural land in the Delta, and to provide opportunities to generate new jobs, increase production and widen the development base. As part of its continuing endeavor to improve water use efficiency and sustainable development, the Ministry of Water Resources and Irrigation is considering a plan for improving irrigation water availability to part of the new lands in the West of the Nile Delta. This relates to areas currently depending entirely on ground water for irrigation. In this context, an area of about 100,000 ha (equivalent to 255,000 feddans), located
approximately 60 kilometers north of Cairo to the West of the lower Nile Delta, has experienced noticeable agricultural growth through exploitation of groundwater resources.

Figure 1: Location Map of Project Area West of the Nile Delta
Today, the West Delta area is a flourishing agricultural economy estimated between $300 million to half billion dollars annually, serving both domestic and export markets in the European Union and elsewhere, entirely from groundwater. Moreover, the area is now home to 500,000 people and provides about 250,000 jobs in the agriculture sector alone. However, with the rapid development over the past few years, there has been an excessive depletion of the groundwater reserves. With about 47% of the total 100,000 hectares (ha) under cultivation, water extraction by the year 2002 reached 1,080 million m$^3$ annually, or an increase of 36.2% in just over a decade. Groundwater is quickly depleting with a commensurate effect on overall water quality, posing a substantial threat to the farming economy that has been developed over the years.

The West Delta Water Conservation and Irrigation Rehabilitation Project is GOE’s response to solve the problem of excess groundwater exploitation and to foster continued agricultural growth, employment and investment in the area. The Project proposes to implement a surface water conveyance system extracting water from the Nile River and

\[ \text{It is estimated that the groundwater recharge rate is extremely low (around 20 million m}^3/\text{year) implying an almost complete depletion of reserves in the near term at current extraction rates.} \]
initially to connect commercial farmers in the southern part of the "Project Area"\(^3\). In achieving this objective the Government also intends to introduce important reforms in the sector, particularly to charge farmers for the full cost of service through volumetric pricing. Such reforms are part of the Government’s own Integrated Water Resources Management (IWRM) Action Plan developed in 2005 to ensure correct incentives to conserve and utilize water more efficiently.\(^4\)

Beyond its objective to achieve full cost recovery, the Government also wishes to involve the private sector in the design, construction and operation of the new irrigation system and to share certain responsibilities for financing the investment costs, thus bearing certain risks as well as returns from this undertaking. While the Government fully endorses the Project and is willing to source a substantial amount of the related investment financing, it desires to assign responsibilities to the Private Operator for the design, construction, operations and maintenance of the activity and for it to assume the implementation and other related risks of these activities.

2.2 Project components

The project’s total investment cost for Component No. 1 is US$205 million, of which a World Bank loan will finance US$145 million, an AFD loan will finance US$30 million with the remainder sourced from the farmers and the private operator. In addition, an additional US$8 million will be made available from bilateral donor grants for Components Nos. 2 and 3.

Component No. 1: Design, Construct, and Start Up of the Surface Water System, and connection program for participating farms (US$205 million). - This component will finance activities leading to the final design and construction of a surface water irrigation system for the project area of an order of magnitude 36,000 ha in the West Delta. Initial design work was carried out during the technical preparation studies which were based on a “demand-driven approach to planning” where the growers’ willingness to connect and pay guided the technical design options with commensurate tariffs. Final design will be completed by the private operator that will be contracted to construct and operate the system on a long term lease basis. A fixed allocation of water resource will be made available by the government to the project area, based on the estimated average annual requirement of 13,000 m\(^3\) per year per ha. The preliminary design of the system has been sized to meet the peak demand in the summer months. Over the entire year, total usage converges to the annual average. Based on this, it is anticipated that the surface water system would meet most of the water resource needs of the farms that will be connecting, allowing the aquifers to recharge and to benefit farmers in adjacent areas. This component will also finance on-farm

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\(^3\) The southern part of the Project Area is estimated to include approximately 76,000 ha. Most of the area is cultivated by commercial farms utilizing modern irrigation and farming techniques. Financial sustainability of this transaction can be assessed through the participation of a relatively manageable number of farms in the proposed area.

\(^4\) The Government is implementing a cost recovery policy in the old lands to recover O&M costs. In the newly reclaimed lands, it is seeking to further expand this principle to achieve higher and even full cost recovery levels in irrigation services.
infrastructure at the option of small farmers in order to expedite their connection rates to the surface water system.

Component No. 2: Market-driven Technical Assistance to Small and Medium Scale Farmers (US$2 million) – This component will provide: (i) technical assistance (TA); and (ii) limited financial support, in the form of loan facilitation, to small and medium growers, traders, food processors, to increase West Delta products (fresh or processed) market share on national and international markets. The component will provide technical assistance to small and medium size growers, traders, exporters and food processors in the following areas:

- production, post harvest technology and farm management to small and medium size growers to improve competitiveness and quality of products,
- market intelligence (for local and export market) and logistics to small growers, traders and exporters, to look for new market opportunity and/or increase market share,
- food processing, packing and marketing to food processors, to improve competitiveness and/or create new food products,
- organizational arrangement for growers, traders and/or food processors to work in a coordinated manners within formal or informal organizations to achieve economy of scale and improve supply chain competitiveness.

Component No. 3: Support for Institutional Development and Capacity Building of Project Management Unit, Regulatory Office and Water User This component will be funded through donor grants by the Government of the Netherlands and will support capacity building of MWRI for PPP contract management, Construction Supervision Consultant, regulatory oversight, and to the user association along the lines of the policies for institutional reforms proposed by the MWRI and in cooperation with the Government of The Netherlands. In addition, it will support activities to disseminate on possible replication of the adopted PPP approach to other areas in Egypt and its riparian neighbors.

The main capacity building activities financed under this component include: (i) strengthening the PMU and the contract management activities that will oversee contractual matter between the Government and the private operators on all aspects of the implementation phases, including environmental and social safeguard compliance during the implementation of the project inclusive of groundwater monitoring; (ii) capacity building of economic regulatory office to ensure effective regulatory oversight and equitable treatment of interests between the farmers and the private operator; and (iii) capacity building of the water user association that will be formed to oversee the relationship between farmers vis-à-vis entitlements and usage of the surface and ground water resources. Given the unique nature of the PPP transaction arrangement the TA will also provide for oversight supervisory engineers and technical audits of technical milestones achieved.
3 POTENTIAL PROJECT IMPACTS CAUSING RESETTLEMENT

The WDWCIRF potentially triggers the safeguards policy on involuntary resettlement (OP 4.12) in different ways:

1. The excavation of the pipeline alignments throughout the project area. (CPA for construction of pipeline alignments) and associated infrastructure.
2. The pipeline may place restrictions on the use of the land within the corridor, and if incomes and living standards are negatively affected, compensation is warranted.
3. The construction of new roads and modernization of existing ones.
4. The rising water levels in the Rosetta Branch, caused by increasing discharges required for the project, may affect the existing uses and users of the river banks. (RBHC for Rosetta Branch Hydrological Change)

The extent to which site-specific resettlement plans will be prepared will depend upon (i) the detailed design of the pipeline alignments and roads (to be carried out by the DBO contractor at a later stage); (ii) location of new and upgraded roads in the project area; and (iii) detailed assessment of the RBHC.

A) Alignment of pipe system and additional measures

- Based on earlier technical and environmental studies a choice has been made to convey all water within the project area by closed conduit.

A summary overview of temporary or permanently affected lands, based on the preliminary design from the technical study for southern sector (S 01 – 10):

- **Main intake** + pump house.
- **Booster stations.** 1 Mains booster station and 52 sub-mains booster stations + pump house + workshop + access road (6m) + electricity feeder line
- **Electricity supply:** A new transformer substation is needed to feed the intake pumping station and the intermediate boosters. 126 km of new power lines will be constructed.
- **Mains:** Fourteen mains serve the south zone with a total length of 154.5 km. Their diameters range between 2200 and 1200 mm. The number of parallel pipes for the carrier mains range from 6 (5 km) to 4 (16 km) to 2 (8 km). Some area is required for different valve chambers along the mains. These chambers are required for control valves at each main ends, air valves if required and drain valves.
- **Sub-mains:** 250 km of ps PVC sub-mains further distribute water. Diameters range from 900mm at the start to 300mm at the end.
- **Farm connections:** about 920 km of 200 mm diameter pvc pipe bring water to the farm gates.
- **Roads system:** includes the improvement of the existing road system especially earth roads. This system is essential to reach all boosters and pump stations. A first degree road system 10.0 m width at least will connect the intakes, intermediate boosters and
sub-main boosters. A second degree road system 6.0 m width at least will reach till the farm connections.

Potential resettlement issues

- **Expropriation.** A limited surface area needs to be expropriated for permanent use for main intake, pump house, 52 booster stations, and valve chambers.

- **Compensation for temporary disturbance.** During construction of pipelines lands will temporarily be put out of use for construction purposes. Obviously the construction of mains and sub-mains will have the biggest impact, simply because of the size of the pipes and the amount of earth works required to bury these. For example, the first 5 km of mains will include 6 parallel pipes of 2000mm diameter, buried at 1.5 m below the surface. This implies the removal of some 30 m3 of earth for each meter of pipeline.

- **Rights-of-way:** Land owners have to give rights-of-way for pipes to pass under their lands. All pressurized pipes within the project have a soil cover of 1.5 m at least to allow traffic load and even enough depth for agricultural activities. Right of way also needs to be arranged for the crossing of power lines.

- **Restrictions on use of land:** The pipeline may place restrictions on the use of the land within the corridor, and might in some cases permanently constrain activities such as cultivation of tree crops. Because they can affect incomes and living standards limitations on use may in some cases warrant compensation.

- **Roads.** As stated a network of roads is needed to service the pipeline infrastructure, from intake to farm connections. Very few public roads exist in the area (see map below, but many local private roads have been constructed. At the present stage of design it is impossible to provide any sensible comments on the adequacy of the existing road network and the demand posed by the project.

The involuntary character of the impacts created by the closed conduit system will have to be determined as many of the affected farmers in the West Delta area will also act as beneficiaries of the project. The major problem of course lies with those farmers not willing to connect to the surface water supply system, and consequently neither willing to accept any inconveniences caused by the project.

B. **Inundation of Rosetta Branch banks and islands**

The changing hydrological conditions in the Rosetta Branch with the WDWCIRP will result in higher water levels. Since flooding disappeared after construction of High Aswan Dam the river banks and islands have been encroached for cultivation, legally or illegally, by small-holders. One can also find buildings at places which erstwhile were not suitable for construction. Depending on the rise of the water levels between Delta Barrage and the Rosetta Pumping Station, part of the land and buildings may get inundated and be lost.

Potential resettlement issues

- Legally or illegally occupied land for agriculture along or in Rosetta Branch.
3.1 **Categorization of impacts by type of sub-projects**

Due to a lack of information on the components which may entail resettlement, it has not been possible at this stage to quantify the impacts on assets and livelihoods caused by the proposed project. It should be noted that in order to quantify these impacts, the detailed studies of these components should include:

- Detailed maps showing the extensions of roads and/or infrastructure networks, right-of-ways, parts require widening, structures located on these proposed extensions and right-of-ways,
- Number of housing units and other economic units existing in these affected structures,
- Total areas of land subjected to expropriation,
- Land tenure status of those subjected to expropriation,
- Socio-economic surveys for those affected households and economic units,
- Information about land value in adjacent or neighboring areas.

As soon as the above information is available Resettlement Plans will be prepared as necessary.

3.2 **Categorization of Project land needs**

Land required for the Project may fall under the following three categories:

- **Land permanently required** for construction and operation.
- **Land temporarily required** for the duration of construction activities (example: access track that will be reclaimed after construction, or staging area that a contractor will use for the duration of construction of a given facility).
- **Rights-of-Way**, i.e. land that can still be used by its former users during operation of the facility subject to certain restrictions (example: pipeline corridor).

4 **LEGAL AND INSTITUTIONAL BACKGROUND**

4.1 **Introduction**

This part explains the current legal and institutional framework governing the resettlement activities in Egypt. It analyzes the various laws and legislations managing the issue of expropriation for public interest whether for land or structures. It also shows the operational procedures stated within Egyptian laws that should be followed during the expropriation process and methods of estimating the compensations for those affected persons by displacement/resettlement.

According to Law 10/1990 the Egyptian Authority for Land Surveying (ESA) is mandated to deal with overall coordination of expropriation and resettlement in collaboration
with other ministries or local governmental bodies. In this case the MWRI at the national and governorate levels would be the appropriate contact point for the DBO contractor. The preparation of Resettlement Plans/Land Acquisition plans will be made by the DBO contractor and submitted to MWRI for review and approval. (See section 4.7)

4.2 Property Rights and Expropriation within the Egyptian Constitution

The Egyptian Constitution recognizes three main types of ownership. Article 29 of the 1971 Constitution provides that “ownership is subject to the control of the people, is protected by the State and is divided into three types: public ownership, co-operative ownership, and private ownership”.

Article 34 of the Constitution further provides that “private ownership is protected and may not be sequestrated except in the cases provided by law pursuant to a court decision and may not be expropriated except for public interest against compensation determined pursuant to the law”.

Expropriation can be exercised only with respect to real property and not moveable property. The term real property means, “Anything that is fixed in its space affirmed therein, which may not be moved without being damaged.” Accordingly, real property includes only land (whether agricultural or vacant, whether in urban or rural areas) and buildings above this land.

Expropriation can only be exercised with respect to real property belonging to private persons (individuals or corporate) or to State private property. State public property may not be expropriated; rather the concerned administrative parties would enter into an agreement with respect to such property either by divesting the property in question from its public characterization or by re-appropriating the said property to another public use or entity.

The regulations on land tenure and related laws to land and structures expropriation are summarized in Annex 1

4.3 Institutional background

At the central level, the governmental agency in charge of the implementation of the expropriation acts issued for public interest is the Egyptian General Authority for Land Survey (“ESA”), except for projects handled by other entities pursuant to a law to be issued in this respect. As mentioned above, ESA is charged with the formation of the expropriation and compensation committees.

Usually the executing body could be a Ministry (e.g., Ministry of Water Resources and Irrigation). Accordingly, this executing agency would be responsible for paying the compensation to affected groups through ESA or under its supervision, offering alternative resettlement options, and implementing the resettlement project.

- **Directorate of Housing and Infrastructure** is responsible for setting the alternative resettlement options for the affected group and participate in all operational procedures concerning defining compensation and setting improvement actions within informal settlements.
• **Department of Physical Planning** this department is responsible for preparing the detailed plans for areas subjected to resettlement and provide all detailed maps and documents required to define the affected groups (e.g., roads right-of-ways, Setbacks)

• **Department of Amlak** is responsible for providing all required documents for ownerships or tenure status within the affected areas with all attached historical documents for those properties that show the different transactions of the properties.

• **Department of Land Surveying** is the main responsible body for defining the size, area ad locations of different ownerships to be affected by the resettlement. It is also responsible for defining the compensation mechanisms and values in cooperation with ESA and other relevant local bodies.

• **Department of Social Affairs** is responsible for conducting all field surveys required to define the affected groups, their socio-economic status, affordability level, their preference against different resettlement options and compensations mechanisms. Another major role to be played by this department is to mitigate the negative impact of resettlement whether during or after resettlement, through preparing rehabilitation programs for those affected group, and monitoring the impact of the process.

• **Department of Legal Affairs**, deals with legal issues related to tenure and ownerships and resolve dispute between different involved parties.

• **Head of District where the resettlement project takes place** is to manage the overall project. This may be the case if resettlement becomes real along the Rosetta Branch.

4.4 *World Bank safeguard policy on involuntary resettlement*

OP 4.12 “Involuntary Resettlement” includes the following requirements:

• 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.

According to OP 4.12, the resettlement plan or resettlement policy framework should include measures to ensure that the displaced persons 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 for losses of assets attributable directly to the project; and
• If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are:

1 provided assistance (such as moving allowances) during relocation; and
2 provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, location advantages, and other factors is at least equivalent to the advantages of the old site.

Where necessary to achieve the objectives of the policy, the resettlement plan or resettlement policy framework also includes measures to ensure that displaced persons are:

a) 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; and
b) provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training, or job opportunities.

4.5 Gaps between Egyptian regulations and World Bank policies

Table 1: Comparison of Egyptian regulations with World Bank policies

<table>
<thead>
<tr>
<th>Topic</th>
<th>Egyptian legislative requirements</th>
<th>WB policy requirement</th>
<th>Practical Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timing of compensation payment</td>
<td>Prior to displacement</td>
<td>Prior to displacement</td>
<td>Compensation should be paid prior to displacement for affected people</td>
</tr>
</tbody>
</table>
| Calculation of compensation   | According to prevailing prices in the affected area and assessed by a specialized committee for that purpose | Full replacement cost                                                                  | This issue is crucial since previous practices of valuation have been substantially below the market rate due to:  
• Lack of experience  
• No real market rate is defined  
| Squatters                     | Not included in the legislation (Applied cases for resettlements revealed that squatters have been compensated as a result of political sensitivity) | Are to be provided resettlement assistance (but no compensation for land)              | This has to be clearly considered in any resettlement and offered options whether through alternative shelters or fair compensation that enables project affected people to find other shelter. |
| Resettlement                  | Affected occupants who are physically displaced are to be provided with another residential housing. They do not have the rights to object 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 | 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 to be given to land-based resettlement for displaced persons whose livelihoods are land-based. The resettlement would be based on RPs in case there the | 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 also be supported with a soft-loan that compensates the difference in value between the old and new property. Both RP and ARP should be followed in relevant cases. |
### 4.6 Regulatory Principles

#### Preamble

Any impact of the WDWCIRP on land, structures and/or people (land acquisition, resettlement, livelihood restoration of affected people) will be addressed in compliance with the Constitution of Egypt and other Egyptian regulations, and with the World Bank safeguard policy on involuntary resettlement (OP 4.12). Where there are gaps or inconsistencies between Egyptian legislation and the World Bank policy, the World Bank policy OP 4.12 shall apply.

#### 4.6.1 Minimization of Displacement

In line with the World Bank safeguard policy OP 4.12, the WDWCIRP will minimize displacement through the following design procedures:

- Wherever inhabited dwellings may potentially be affected by a component or a project activity, the project activity shall be redesigned (facility relocation, rerouting) to avoid any impact on such dwellings and to avoid displacement/relocation accordingly;
- Wherever the impact on the land holding of one particular household is such that this household may not be sustainable in the long term, even if there is no need to...
physically displace this household, the activity shall be redesigned (facility relocation, rerouting) to avoid any such impact;

- For major works, minimization of land impact will be factored into site and technology selection and design criteria;
- Costs associated with displacement and resettlement will be internalized into activity costs to allow for fair comparison of processes and sites;
- To the extent possible, project facilities will be located on public spaces;
- Pipelines, other linear infrastructures (power lines) required by the WDWCIRP will be routed inside existing right-of-ways, easements or reservations (roads, streets, power lines) wherever possible.

These principles intend to minimize negative impacts. However, it will not be always feasible to avoid displacement or land acquisition. In addition to impact minimization measures, mitigation measures are therefore needed.

4.6.2 Eligibility

In accordance with OP 4.12 and for any activity under the WDWCIRP, a cut-off date will be determined, taking into account the likely implementation schedule of the sub-project. To ensure consistency between Egyptian legal requirements and WB policies, this cut-off date should be at one month prior to the publication of the expropriation decree for public interest.

In line with OP 4.12, the following three categories of affected people will be eligible to Project resettlement assistance:

a) those who have formal legal rights to land and structures (including customary and traditional rights recognized under the laws of Egypt);

b) those who do not have formal legal rights to land or structures at the time of the cut-off but have a claim to such land or assets, provided that such claims are recognized under the laws of Egypt or become recognized through a process identified in the resettlement plan

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

Persons covered under (a) and (b) above are provided compensation for the land and/or structures, they lose, and other assistance as needed.

Persons covered under (c) above are provided resettlement assistance in lieu of compensation for the land and/or structures they occupy, and other assistance, as necessary, if they occupy the project area prior to the cut-off date.

In practice, this means that people usually considered in Egypt as “squatters” will be entitled to Project assistance as long as they are present on site at the cut-off date. However, persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.
4.6.3 Income and livelihood restoration

One paramount principle of World Bank safeguards is that where people are affected by land take, the aim of resettlement must be that they should be “no worse-off if not better off” after the resettlement has taken place.

Where impact on land use is such that the sustainability of people’s livelihoods may be affected, preference will be given to land-for-land solutions rather than cash compensation, in consistency with the Constitution of Egypt and with OP 4.12. This applies to people who are not necessarily physically displaced, but who are negatively affected by loss of land.

Where necessary, affected people will be monitored in the rehabilitation of their livelihood, during and after the transition period.

Livelihood restoration measures will be assessed in relevant RPs and ARPs depending upon the specific situation of the considered location. They may include the following:

- Micro-finance support (savings and credit), and other small business development activities,
- Skill development and training to build their capacities on new vocations.

4.6.4 Compensation

Compensation principles will be as follows:

- Compensation shall be paid prior to displacement / land entry;
- Compensation will be at full replacement value prior to displacement.

By contrast with the depreciated or net value of a structure\(^5\), the “replacement value” includes the full cost of materials and labor required to reconstruct a building of similar surface and standing. In other words, the affected person must be able to have their structure rebuilt in a different location using the compensation paid for the old building.

4.6.5 Consultation – Grievance mechanisms

Gaps between the Egyptian law requirements and World Bank requirements on consultation and information, as well as those related with grievance management exist. The application of these will require:

- meaningful information and consultation to take place before the process leading to displacement is launched in each particular location concerned by a sub-project;

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\(^5\) Depreciation (or wear) coefficients are usually applied by Government valuers. This would not be acceptable under WB policies.
• a specific grievance registration and processing mechanism to be put in place.

4.7 Processes

4.7.1 Overview of the resettlement preparation process

The proposed process for project components is summarized as follows:

• Preliminary siting and/or routing of sub-project;
• Preliminary reconnaissance of resettlement;
• Application of national legislation;
• Notification to identified owners/occupants;
• Period of registration of claims start;
• Valuation of land and immovable assets.

Assess whether more or less than 200 individuals are affected.

If more than 200 people are affected:

• Definition and public disclosure of cut-off date;
• Initial information to affected people;
• Census of affected people and affected assets;
• Development of resettlement plan (RP);
• Consultation with affected community of RP;
• Presentation of RP to World Bank;
• Implementation of RP

If less than 200 people are affected:

• Definition and public disclosure of cut-off date;
• Initial information to affected people;
• Census of affected people and affected assets;
• Development of abbreviated resettlement plan (ARP);
• Consultation with affected community of ARP;
• Presentation of ARP to World Bank;
• Implementation of ARP

4.7.2 Census of Affected Assets and Affected Households

In all events, a census will be carried out to inventory affected assets and affected households.
4.7.3 Resettlement Plan (RP)

The Resettlement Plan will be used where more than 200 individuals are displaced. All RPs need World Bank approval prior to commencing resettlement activities. RPs need to be developed once the final design of the works is known and prior to their commencement. Ideally, a time period of 2 to 3 months should be made available for consultants to develop RPs prior to actual work commencement.

4.7.4 Abbreviated Resettlement Plan (ARP)

It is generally the practice to carry out an Abbreviated Resettlement Plan where less than 200 individuals are resettled. The project must keep documentation and provide reports that detail what actions were taken in these areas. All ARPs need World Bank approval prior to commencing resettlement activities. As for RP, ARPs need to be developed once the final design of the works is known and prior to their commencement. Ideally, a time period of 1 to 2 months would be required to develop ARPs.

Regardless of specific approach applied (RP or ARP), the Law 10/1990 mandates the Egyptian Authority for Land Surveying (ESA) to deal with overall coordination of expropriation and resettlement in collaboration with other ministries or local governmental bodies. In this case the MWRI at the national and governorate levels would be the appropriate contact point for the DBO contractor. The preparation of Resettlement Plans/Land Acquisition Plans will be made by the DBO contractor and submitted to MWRI for review and approval. MWRI will be responsible for the overall expropriation process based on the RPF and RPs and all payments of compensations will be made by MWRI which in turn will be reimbursed by the DBO contractor (See Section 11.1 for specific implementation responsibilities).

5 ENTITLEMENTS

The Egyptian laws and regulations state that formally affected owners or formal occupiers are only entitled for compensation. The laws showed that they are entitled to physical compensation whether through offering alternative shelter or equivalent remuneration to their original properties.

While, the Egyptian laws do not state any formal right for squatters, the World Bank OP 4.12 gives those squatted households entitlements for shelter and compensation for involuntary resettlement. This may be applicable for the users of the Rosetta Branch river banks. Accordingly, WDWCIRP would provide all affected groups from any proposed involuntary resettlement, with proper entitlements.

Table 2 analyses the gaps between Egyptian rules and World Bank requirement. In case of differences, the World Bank requirements will prevail.
Table 2: Gaps between Egyptian regulation and World Bank policy related to Entitlement

<table>
<thead>
<tr>
<th>Entitlement Cases</th>
<th>Entitlement in Egyptian Regulation</th>
<th>Entitlement according to World Bank Policy</th>
<th>Gaps to be considered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent acquisition of land</td>
<td>Full payment according to prevailing prices in the date of the decree</td>
<td>Full value of the land based on price of similar land in adjacent areas.</td>
<td>- The real market value should be defined as the basis for compensation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Need for clear mechanisms for defining real value.</td>
</tr>
<tr>
<td>Acquisition of easement rights</td>
<td>Compensation through equivalent value (usually value is determined below real market value)</td>
<td>Full value of the land based on price of similar land in adjacent areas.</td>
<td>- The real market value should be defined as the basis for compensation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Need for clear mechanisms for defining real value.</td>
</tr>
<tr>
<td>Temporary occupation of land</td>
<td>No compensation</td>
<td>Full value of economic return (assuming that the land has been rented on market basis) within the occupation period.</td>
<td>- The real market value should be defined as the basis for compensation.</td>
</tr>
<tr>
<td>Destruction of permanent immovable structures</td>
<td>Determination of price per room or area (usually the compensation below actual market value). Tenants get the options for acquiring alternative shelter but paying the difference in price.</td>
<td>Full cost of the structure (without applying any depreciation) including internal finishing. Both owner and tenants get full compensation.</td>
<td>- The real market value should be defined as the basis for compensation.</td>
</tr>
<tr>
<td>Temporary displacement of moveable structures</td>
<td>No entitlement for compensation</td>
<td>Estimated value of using this moveable structure within the displacement period.</td>
<td>- Estimated value of using this moveable structure within the displacement period.</td>
</tr>
<tr>
<td>Businesses</td>
<td>Entitlement for compensation determined by a committee (usually below market value)</td>
<td>Compensation is based on area, location, license, practice of activity, internal or external finishing together with compensation for establishing new business</td>
<td>- The real market value should be defined as the basis for compensation.</td>
</tr>
</tbody>
</table>

6 VALUATION AND COMPENSATION RATES

Compensation principles will be as follows:

- Compensation shall be paid prior to displacement / land entry; and
- Compensation will be at full replacement value prior to displacement.
For land it is 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.

For houses and other structures, it is 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.

By contrast with the depreciated or net value of a structure, the "replacement value" includes the full cost of materials and labor required to reconstruct a building of similar surface and standing. In other words, the affected person must be able to have their structure rebuilt in a different location using the compensation paid for the old building.

6.1 Valuation and compensation of lands and structures according to Egyptian regulations

Determination of the compensation to be given to expropriated property owners and holders of rights therein is made at two separate levels. The first is made by the Expropriating Entity in order to meet the requirement that the estimated compensation amount is deposited with ESA prior to proceeding with the remaining formalities as described in the preceding section. The second level is a review of that estimated compensation by the Compensation Estimation Committee within ESA.

The first level, as stated in Article 6 of Law 10/1990, requires the Minister of Water Resources and Irrigation to form a Committee within each governorate to be charged with the determination of compensation (this contradict with Article 47 of Law 3, 1982 which authorized the concerned Governor to formulate this committee!). The Committee shall be composed of a representative of ESA as chairman and the membership of representatives of certain departments within the governorate: the Agricultural, Housing and Infrastructure, and the Real Estate Tax Departments (in law 3, 1982, the committee is headed by the representative of Housing department and includes representative of Surveying Department, Real Estate Tax Department, Land Registration Department and local unit).

Compensation is determined pursuant to prevailing prices at the time the expropriation decree is issued and the estimated compensation amount shall be deposited with ESA within one month from the date of such decree. It is possible, if approved by the property owners or right holders to obtain in-kind compensation either in full or in part.

The second level is conducted by ESA. The Compensation Estimation Committee within ESA makes a final administrative determination of the compensation to be granted to property owners and rights' holders after having received a consultative report from the General Department for Appraisal within ESA.

All concerned parties, including the Expropriating Entity, have the right to object to the compensation determined in accordance with the foregoing rules before ESA and,
thereafter, to ESA’ ruling on the objection before the competent court. The following section describes the objection procedures.

The following rules concerning the determination of the compensation for expropriation of ownership are worth noting:

- Should the value of the un-expropriated part of the expropriated property increase or decrease due to the public interest works in projects other than zoning projects within cities, such decrease or increase shall be taken into consideration when determining the compensation amount.
- Compensation is determined in accordance with Article (20) of Law 10/1990 on the basis of prevailing prices at the date of issuance of the expropriation decree in question. The committee and the courts would look to expert opinion in determining the prevailing prices, taking into account prices stated in recorded contracts.
- Should the value of the expropriated property increase due to prior public interest works in a previous project, such increase shall not be calculated in determining the compensation value if expropriation is exercised within 5 years from the date of executing the previous public interest project.
- Compensation under Law 3/1982 can be in one of two ways: (i) taking the value of the property; or (ii) postponing the taking of such value in full or in part until all or part of the area in question is sold. In such event, the owner or holder of rights deserves compensation equal to the said value in proportion to the total value of the properties in question together with one-half of the difference between the two values after deducting the costs of executing the project.

*According to World Bank OP 4.12*, RPs and ARPs state clearly which methods are used to calculate land and/or structure compensation rates, and provide evidence that these rates are consistent with the “full replacement value” requirement. This issue is crucial for WDWCIRP, as previous experiences show that estimated market price has been less than full replacement cost.

### 6.2 Valuation and compensation of structures

The Egyptian regulation matches with WB OP 4.12 in the need to compensate any affected structure with the full cost.

The value of structures that are to be demolished because of any proposed action by the project is to be assessed by professional valuers, either from the Egyptian General Organization for Surveying "ESA", or from private offices certified by ESA. Structures will be valued at full replacement cost, according to methods that will be detailed in the relevant RPs or ARPs.

### 6.3 Valuation of losses of income for businesses

The method should be the following:

1. 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,
2. Application of this net monthly profit to the period during which the business is prevented to operate (should be between 2 and 6 weeks in most cases).

6.4 Disturbance allowance

Although Egyptian regulation does not specify such type of compensation, however following the WB OP 4.12, on top of compensation, a disturbance allowance of 10% of total compensation would be served as per the eligibility matrix.

7 GRIEVANCE MANAGEMENT AND REDRESS MECHANISMS

In compensation and resettlement operations, it often appears that many grievances derive 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.

Annex 2 highlights the Egyptian practice and compares it with the WB OP 4.12. In Egypt, Court cases are known to require long periods of time before settlements can be reached. It is therefore proposed here to make available a first tier of grievance management mechanisms, which will be taken care of by the Project, and which will provide aggrieved people with an avenue for amicable settlement without necessarily opening a Court case. Aggrieved people would however remain free to open a Court case without having registered their grievance with this first-tier mechanism. Based on this context and WB OP 4.12, the proposed mechanism will comprise of the following measures:

- Registration,
- Amicable mediation/litigation and settlement.

7.1 Registration of grievances

As long as one of their activities entails resettlement and/or compensation, the WDWCIRP implementation agencies shall establish preferably at district level a register of resettlement/compensation related grievances and disputes. 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 sub-project in general.

Amicable mediation and settlement

A committee of knowledgeable persons, experienced in the subject area, shall be constituted on a District as a Committee to handle 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
- 2 natural leaders from the community
This mediation committee will be set up at District level by the implementation agency on an "as-needed" basis (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 sub-project in general.

It is important that these mediation committees be set up as soon as RP/ARP preparation starts. Disputes can arise from census operations and it is therefore that the mediation mechanisms be available to cater for claims, disputes and grievances at this early stage.

7.2 Administrative mechanism and appeal to Court

Thanks to the existence of the first tier mechanism, Courts of law will be a "last resort" option, which in principle should only be triggered where first instance amicable mechanisms have failed to settle the grievance/dispute. However, the Constitution allows any aggrieved person the right of access to Court of law as described by Law 10/1990 as follows:

- The concerned owners and holders of rights have the right, within 30 days from the date of posting and publishing the lists and information of the expropriated properties, to object to the information contained in such lists. The objection is made to the main offices of the Expropriating Entity or the administration to which it is attached within the governorate in which the property is located.
- The ruling of the Expropriating Entity on the objection can be appealed to the court of first instance within whose jurisdiction the expropriated property is located. The appeal must be made within 60 days from the date of notifying the concerned parties with the Expropriating Entity’s ruling on their objection.
- The Expropriating Entity and the concerned owners and holders of rights have the right within 4 months from the last date on which the lists and other information are posted (1 month after the posting date) to object to the determination of compensation by ESA before the competent court of first instance.
- A list of properties for which no objection or appeal is made shall be prepared. No objection or dispute may thereafter arise with respect to these particular properties. Payment made to the owners and holders of rights in these properties shall be conclusive as to the fulfillment of the Expropriating Entity’s payment obligations.

8 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.
8.1 Identification of vulnerable groups

Vulnerable groups are those at risk of becoming more vulnerable due to the displacement, compensation, and resettlement process. Vulnerable people specific for the WDWCIRP include, but not limited to:

- Smallholders in the Old Lands
- Fishermen on Rosetta Branch
- Customary right holders
- Squatters on the banks of Rosetta
- Female Headed Households

8.2 Assistance to vulnerable people

Assistance to vulnerable people may include the following:

- Identification of vulnerable people and identification of the cause and impacts of their vulnerability.
- Identification of required assistance at the various stages of the process: negotiation, compensation, moving.
- Implementation of the measures necessary to assist the vulnerable person.
- Monitoring and continuation of assistance after resettlement and/or compensation, if required.

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

- Assistance in the compensation payment procedure (e.g., going to the bank with the person to cash the compensation check).
- Assistance in the post payment period to secure the compensation money and reduce risks of misuse/robbery.
- Assistance in moving: providing vehicle, driver and assistance at the moving stage;

8.3 Provisions to be made in RPs/ARPs

Vulnerable people will be identified at census stage. Each RP or ARP developed under the WDWCIRP will make precise provisions with respect to assistance to vulnerable groups, for example amongst assistance possibilities listed above in paragraph 8.2.

9 MONITORING AND EVALUATION

The following monitoring and evaluation activities need to be undertaken by the project:
• Implementation of the Resettlement Plans will go regularly supervised and monitored by the PMU in coordination with the Governorate. The finding will be recorded in reports to be furnished to the World Bank and one to the PMU.

• Internal monitoring and supervision by the PMU will:

  - Verify that the baseline information of all project affected persons (PAPs) has been carried out and that the valuation of assets lost or damaged, and the provision of compensation, resettlement and other rehabilitation entitlements have been carried out in accordance with the provision of this Policy Framework.
  - Oversee that the Resettlement Plans are implemented as designed and approved.
  - Verify that the funds for implementing the Resettlement Plans are provided in a timely manner, and that such funds are used by them in accordance with the provisions of the Resettlement Plan.
  - Record all grievances and their resolution and ensure that complaints are dealt with in a timely manner.
  - An independent agency or agencies will be retained by the Governorate to periodically carry out external monitoring and evaluation of the implementation of the Resettlement Plans. The independent agency may be an academic or research institution, a non-governmental organization (NGO) or an independent consulting firm, all with qualified staff and terms of reference acceptable to the World Bank.
  - Determine whether the procedures for PAPs participation and delivery of compensation and other entitlements have been done in accordance with this policy Framework and the respective Resettlement Plan;
  - Assess if the Policy Framework objectives or enhancement or at least restoration of living standards and income levels of PAPs have been met;

• Gather qualitative information on the social and economic impact of Project Implementation on the PAPs.

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

10 CONSULTATION AND DISCLOSURE

10.1 Consultation on the Resettlement Policy Framework

As provided under WB policy OP 4.12, information and consultation on the WDWCIRP Resettlement Policy Framework shall be organized as follows:

• Circulation of the draft RPF for comments to all relevant institutions.
• 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 PMU and MWRI concerned by the Project.

10.2 Consultation on RPs and ARPs

As mentioned in section 4.9.2 (Figures 1 and 2), two steps of information and consultation are proposed to be implemented in the course of the preparation of RPs and ARPs:
• Initial information:
  - This step 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),
  - Basic information will be provided to potentially affected people on the Project, and resettlement and compensation principles as they are outlined in this RPF,
  - This step should take the form of one public meeting for each sub-project,
• Consultation on draft RP/ARP: 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.

10.3 Disclosure requirements
The Egyptian legal requirements for disclosure as stated in Law 10/1990 can be explained in the following steps:

• After depositing the compensation amount by the expropriating entity with ESA, the concerned local office lists of all real properties and facilities being identified shall be prepared, their areas, location, description, names of their owners, and holders of property rights therein, their addresses, and the compensation determined by the compensation estimation committee.
• ESA shall thereafter officially notify the property owners, other concerned parties and the expropriating entity with the dates on which the lists prepared in accordance with the preceding paragraph shall be presented to them, at least 1 week prior to such presentation. These lists will be posted for a period of 1 month in the offices of the concerned local government unit and shall also be published in the official gazette and two widespread daily newspapers.
• Owners of the properties and holders of rights therein shall be officially notified with an evacuation request within a period not to exceed 5 months from the date of their notification.

World Bank OP 4.12 states that:

"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 InfoShop. After the Bank has approved the final resettlement instrument, the Bank and the borrower disclose it again in the same manner."
11 IMPLEMENTATION RESPONSIBILITIES

11.1 Implementation Responsibilities

While the Government fully endorses the Project, it is also keen to share the implementation and other related risks; and to assign responsibilities for the operations, maintenance and loan amortization to a private operator. Using the private sector as a partner through Public Private Partnerships (PPP) is a concept that has been studied and is included as a specific action in the 2005 Egypt Integrated Water Resources Management (IWRM) Action Plan, specifically for addressing the needs of the West Delta Area⁶.

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Figure 3. West Delta Water Conservation and Irrigation Project Organization

⁶ World Bank (June 2005). Project appraisal document for the West Delta Water Conservation and Irrigation Rehabilitation Project
Responsibilities for implementation of the RPF and subsequent RPs are as follows:

- MWRI will attach to the bidding document, (i) a copy of the RPF; (ii) available maps of the areas showing the boundaries of the properties in private and public lands; (iii) information on the standard market rate determined by an independent assessor acceptable to the Bank, for market prices of new reclaimed lands, old lands in the Delta and along the Rosetta canal. The bidding document will also require that the bidders should pay the agreed market price in case full expropriation of land is required and/or temporary or partial land acquisition.
- The bidders in their technical and financial proposal will describe the areas to be expropriated or acquired temporarily in accordance with the RPF and will also provide the cost for such expropriation. Draft RP’s will be submitted with bids.
- The Bank will provide its no objection to the successful bidder provided it fully complies with the RPF and the draft resettlement plans prepared by the successful bidder. The contract should stipulate that no civil works can start until the project affected persons (PAPs) are fully compensated at market rate.
- After contract signature and immediately after subscription period ends, the DBO contractor will officially submit to MWRI the necessary documentation including RP’s for their review and approval.
- MWRI will be responsible to proceed and complete the expropriation process in accordance with the RPF and RPs.
- Once the expropriation/land acquisition process is officially completed, MWRI will require that the DBO contractor provide PAPs the full amount of compensation before issuing the working orders for construction.
- MWRI will submit to the Bank in its semi annual progress report, the status of expropriation/land acquisition and compensations.

The MWRI will be responsible for resettlement plans as necessary along the Rosetta Branch. The Regulatory Office under the Ministry of Water Resources and Irrigation will be responsible for: (i) monitoring and making sure the project activities are being implemented as designed; (ii) ensuring compliance with contract clauses vis-à-vis the Government by the private operator. The PMU will (iii) ensure adequate implementation of TA components for strengthening the Regulatory Office, and the Water User Council as well as the initiatives directed at assisting small farmers.

In order to facilitate the implementation of this process it is critical that all involved parties and the affected farmers in particular are involved in a thorough process of consultation prior to bidding.

12 BUDGET AND FUNDING FOR RESETTLEMENT

The budget for mitigation and compensation of the expropriation and eventually other resettlement cost for the pipelines and roads alignments will come under the DBO contract.

The resettlement that may be generated by the water level rise in the Rosetta Branch will be financed by the Government of Egypt.
Detailed cost estimates for the pipelines and roads alignments will follow from the RPs prepared by the DBO contractor. The assessment that will be done on hydrological changes of Rosetta, will include a resettlement plan if the conclusions of the assessment dictate so

13 RECOMMENDATIONS

Resettlement should be an integral part out of an overall improvement project. With respect to operational procedures, the following steps regarding methods and procedures for evaluating assets affected by expropriation should be taken:

- As soon as the subscription period ends and before detailed design starts, more specific information on resettlement and/or land expropriation requirements, if any, will be available. In the layout that should be available before detailed design activities starts the operator will strive for options with least expropriation impact on private land and least disturbance of any nature.
- The relevant office for legislation and compensation applies to the Governorate for permission to expropriate. They annex to the letter the full rationale together with sketch maps. No further actions may be taken without the express consent of the MWRI at the national and governorate levels.
- Upon review of the evidence, and on finding the application justified, the Governorate gives permission to the relevant office for legislation and compensation to expropriate with the consent of the owner and to pay agreed compensation.
- The details of planned expropriation will be considered in a Resettlement Plan as appropriate. The MWRI in cooperation with the Regulatory Office in case of pipelines and roads alignments, and with the Project Management Unit in case of RBHC, ensures that Resettlement Plans conform to the requirements of Egyptian law and the World Bank’s policy. The document is transmitted to the World Bank who determines whether the plan conforms to Bank requirements for financing.
World Bank. Operational Policy No. 17.50 Public Consultation and Information Disclosure
A.R.E. Law 10/1990 for Property Expropriation for Public Interest
World Bank (2007). Draft Project appraisal document on a proposed loan to the Arab Republic of Egypt for the West Delta Water Conservation and Irrigation Rehabilitation Project (February 27, 2007) By:
Sustainable Development Department Middle East and North Africa Region.
ANNEX 1: LAND TENURE AND RELATED LAWS TO LAND AND STRUCTURES

There are three main forms of land ownership in Egypt:

- Public or State land (in Arabic *Amlak Amiriya*), which is divided into the State's public domain that cannot be alienated and the State's private domain, which can be alienated generally through sale, lease, *Takhssiss* (i.e. transfer of ownership conditional on meeting certain criteria, such as keeping the land use unchanged and paying the remaining installments of the land price) or through *Haq Intifaa* (i.e. usufruct);
- Private land (in Arabic *Mulk horr*), which may be alienated/transferred freely; and
- *Waqf* land (land held as a trust/endowment for religious or charitable purposes), which is often subject to covenants on transfer or use, and which is typically transferred through leasehold or usufruct.

In addition, there are some areas in Sinai and in the northern coast, in Alexandria and Matruh Governorates, with implicitly recognized *customary rights* to land to the benefit of Bedouins. In these areas, someone wishing to acquire land often has to make two payments, first to the Bedouin claimant(s) for the right of use and then to the State to regularize and register their land tenure/ownership and be able to obtain services.

It is important to note that the Civil Code (No. 131 of 1948) recognizes *Hiyaza* (i.e. possession of immovable/movable property without ownership) as a legitimate channel to acquire ownership of the property in question through adverse possession, provided that the *Hiyaza* has been “peaceful, unchallenged and uninterrupted” for a period of 15 years. By Law, ownership through adverse possession does not, however, apply to State lands. The large majority of land in Egypt is public or State-owned desert land that is for the most part undeveloped (estimated to be 90-95% of the national territory).

Within the framework of the Constitution, *the Civil Code, in articles 802-805 concerning private property*, has recognized the private ownership right. Article 802 has stated that the owner, pursuant to the law, has the sole right of using and/or disposing his property. In Article 803, land ownership has been defined as land with all things above and below it and pursuant to the law, the property of the surface may be separated from the property of what is above or below it.

Then, Article 805 provides that “No one may be deprived of his property except in cases prescribed by law and this would take place with an equitable compensation.” As mentioned above, the Constitution prohibits the expropriation of private property except for public interest against compensation determined pursuant to the law. Law 10 of 1990 concerning the Expropriation of Ownership for Public Interest was issued to reflect this constitutional mandate. In addition, expropriation of property is further regulated by Law 59 of 1979 concerning the Establishment of New Urban Communities and Law 3 of 1982 concerning Urban Planning.
The term “public interest” in the context of expropriation has been defined in Article 2 of Law 10/1990. The Article specifies the acts that are considered for public interest. These include: Constructing, widening, improving, or extending roads, streets, or squares, or the construction of new districts.

- Water supply and sewage projects.
- Irrigation and drainage projects.
- Energy projects.
- Construction or improvement of bridges, cross roads for railway and tunnels.
- Transportation and telecommunication projects.
- Urban planning purposes and improvements to public utilities.
- Other acts considered as acts for public interests mentioned in other laws.

In addition, other laws have also added some acts which are as follows:

- Law 3 of 1982 concerning Urban Planning added to the foregoing list acts aiming at the establishment of green areas and public parking.
- Prime Ministerial Decree No. 160 of 1991 added to the list the establishment of governmental educational buildings.
- Prime Ministerial Decree No. 2166 of 1994 further added fishery farms established by ministries, governmental departments, local government units, and public authorities.

Article 2 of law 10, 1990 further delegates the Cabinet of Ministers to add other acts to the foregoing list. Expropriation may not be limited to those land or buildings directly subjected to the previous acts but it could includes also any other neighboring properties that are deemed useful for the acts.

Law 10, 1990 has described the expropriation procedures as follows:

- The procedures start with a declaration of public interest pursuant to a Presidential Decree accompanied with a memorandum on the required project and a complete plan for the project and its buildings (Law 59/1979 and Law 3/1982 provide that the Prime Minister issues the decree).
- The decree and the accompanying memorandum must be published in the Official Gazette.
- A copy for the public is placed in the main offices of the concerned local government unit.

Based on that, the operational steps go as follows:

- The entity requesting the expropriation of the ownership of a real property for public interest (“Expropriating Entity”) submits a memorandum with the request to the President or the Prime Minister (if a delegation of authority by the President is granted). The Egyptian General Authority for Land Survey (“ESA”) has been defined as the Expropriation Entity, except for projects handled by other entities pursuant to a law to be issued in this respect.
- The memorandum would explain the reasons for the request, stating the compensation to be offered to the concerned owner of the property, together with evidence that the
compensation amount has been issued in the form of a bank check in favor of Egyptian General Authority for Land Survey "ESA:.

- The compensation is usually determined in accordance to the prevailing price for land surrounding the expropriated land (the market price). These prices are taken from recorded contracts in the Real Estate & Authentication Offices. However, usually this entails a crucial problem that always faces such expropriation projects, as these prices are, in most cases, not real, since the parties to the contracts usually state lower prices in order to reduce charges and fees decided on the basis of data recorded in the contracts. Also it should be noted that the representatives of ESA are assumed to be experts in evaluating land prices.

- If approved, the President or the Prime Minister would issue the required decree declaring the property in question appropriated in the public interest and authorizing taking the property pursuant to direct enforcement procedures by the Expropriating Entity.

- Once the authorizing decree is published, the concerned Expropriating Entity is authorized to enter into the property in question in the case of long-term projects and after giving notice of its intention to do so for other projects. The objective of such immediate authorization is to conduct necessary technical and survey operations, position landmarks, and obtain information on the property.

- The Expropriating Entity shall communicate the authorizing decree to ESA, together with the information on the project to be executed and a drawing of the full project and the real property needed in order to take procedures for expropriating the property in question.

According to Article 3 of the Executive Regulation of Law 10, a committee will be formed to determine the properties required for the public interest. The committee is to be composed of:

- A representative of ESA;
- A representative of the local government unit within which jurisdiction the project is located;
- The treasurer of the local area in question.

The committee shall declare its activities to the public 15 days prior to the commencement of its works. The land survey department shall verify the information collected by the committee referred to in the preceding paragraph by comparing such information with that found in the official records.

The General Department for Appraisal within ESA shall inspect the property of the project in question, examine and complete the appraisal maps and lists of transactions concerning the property within the area of the project. It shall also prepare a consultative report with the estimated compensation for consideration by the Compensation Estimation Committee within ESA.

After depositing the compensation amount by the Expropriating Entity within ESA—the concerned local office—lists of all real properties and facilities being identified shall be prepared, their areas, location, description, names of their owners, and holders of property rights therein, their addresses, and the compensation determined by the Compensation Estimation Committee.
ESA shall thereafter officially notify the property owners, other concerned parties and the Expropriating Entity with the dates on which the lists prepared in accordance with the preceding paragraph shall be presented to them, at least 1 week prior to such presentation. These lists will be posted for a period of 1 month in the offices of the concerned local government unit and shall also be published in the Official Gazette and two widespread daily newspapers. Owners of the properties and holders of rights therein shall be officially notified with an evacuation request within a period not to exceed 5 months from the date of their notification.

The holders of rights include: owners of beneficiary rights, using rights, housing rights, mortgaging rights, concession rights, hekr right holders

Court of Cassation decisions have resolved that rights holders are those who hold rights on the tenement and that, accordingly, the holders of leasing rights are regarded as right holders since they are holders of personal rights.

It is further resolved that lease agreements are terminated upon expropriation. Examples are: Court of Cassation, session of 1 January 1981 Technical office year 32 and Court of Cassation, session of 25 May 1967 Technical office year 18 no. 167. Article (26) of Law 577 of 1954 states, “All the real suits shall not stop the procedures of the expropriation and shall not stop its results. The rights of the right holders are transferred to the compensation.” Although Law 10/1990 does not clearly specify lessees as entitled to compensation, however, lessees implicitly fall within the group of “right holders” referred to in the law.

It is clear, however, that lessees may not have recourse against the landlord for termination of their lease agreements as a result of the expropriation act. Despite that several legal advisors, based on their understanding of Law 10/1990, concluded that lessees are not entitled to compensation, in all cases of land expropriation applied in Egypt so far, lessees were compensated.

Another important issue that has not been addressed in Egyptian law, is the right of squatters to be compensated in cases of displacement or resettlement. The Egyptian legislation framework has not recognized the rights of squatters whether squatting took place on State private land (where adverse possession applies after 15 years of peaceful visible and uninterrupted possession) versus those of State public land (where no adverse possession applies irrespective of time). However, the Egyptian experiences in dealing with this issue has shown the fact that due to the political pressure and the social dimension, the government has been forced to provide an alternative for those groups of households whether in terms of alternative shelter or cash liquidity.

The same has been applied with the issue of customary ownership north of the Alexandria-Cairo desert road and along the northern-western coast. Although the laws do not specifically provide any rights for those customary owners, however, this issue has been sensitively dealt with where it exists. In several cases, the adverse possession has been applied. The Egyptian government has recently shifted towards a more strict position against
this phenomenon and has stopped recognizing the right of land ownership by those Bedouins who claimed that those lands have been under their custody for long periods. The Case of Dahab city in South Sinai Governorate is an example of this fact. The governorate has previously recognized the right of customary ownership of land by Bedouins based on their living on uncharted land for a sufficient number of years, accordingly, claimants can buy it at a nominal price from the government despite the lack of official proofing documents for that. However, since 1986, the governorate stopped this practice and stated that those Bedouins have no legal right on land, which has created several problems between the two parties. Accordingly, this issue would need to be dealt with based on negotiation and amicable mediation between the Alexandria governorate and local community.

Law No. 3, 1982 for Physical Planning, in its Sixth chapter concerning District Renewal (this also applies for slums' redevelopment or resettlement projects) has obliged the concerned local body entitled to renewal to first plan and prepare the proposed relocation sites where the occupants of the original area under renewal or redevelopment, would be resettled. The concerned local body should first prepare these relocation sites to be suitable for housing and proceeding different activities of the relocates prior to their transfer to the new site.

Article 40 of this law stated that it is not allowed to commence with the resettlement before at least one month from officially notifying the affected groups with their new destination. Any occupant, who would be subjected to the resettlement and receives a new housing unit, has the right to complain of its unsuitability within 15 days of receiving the notification to a specialized committee formulated by the concerned Governor. The committee should reach its decision concerning the complaint within a maximum one month period. However, the right to complaint does not include the location of the new resettlement site, rather it is only limited to the unit itself.
ANNEX 2: THE CURRENT GRIEVANCE PROCEDURES UNDER EGYPTIAN LAWS AND REGULATIONS

- The concerned owners and holders of rights have the right, within 30 days from the date of posting and publishing the lists and information of the expropriated properties, to object to the information contained in such lists. The objection is made to the main offices of the Expropriating Entity or the administration to which it is attached within the governorate in which the property is located.

- In case of dispute between several individuals or parties on a single property, each party should present all evidences or documents that proof his/her rights within the next 90 days from submitting the memorandum of objection/grievance. In case of failing to submit those required evidences, the grievance would be considered as not submitted. The responsible body for expropriation has the right to request additional documents deemed necessary and define proper period for submitting these documents such as:
  - Registered contracts
  - Cadastre registers, to determine source of ownership (or the history of the properties)
  - Real estate tax registers (the compilation of these registers depended on the cadastre registers)
  - "Forms of Change," which enabled the authorities to determine the changes in ownership of each property before the date of completing cadastre.
  - Any official documents recognizing the rights of the claimers such as court decision "Seha wa Nafaz".

- The ruling of the Expropriating Entity on the grievance can be appealed to the court of first instance within whose jurisdiction the expropriated property is located. The appeal must be made within 60 days from the date of notifying the concerned parties with the Expropriating Entity's ruling on their objection.

- The Expropriating Entity and the concerned owners and holders of rights have the right within 4 months from the last date on which the lists and other information are posted (1 month after the posting date) to object to the determination of compensation by ESA before the competent court of first instance.

- A list of properties for which no objection or appeal is made shall be prepared. No objection or dispute may thereafter arise with respect to these particular properties. Payment made to the owners and holders of rights in these properties shall be conclusive as to the fulfillment of the Expropriating Entity's payment obligations.

- Non-objecting concerned persons shall execute and sign transfer of title forms in favor of the Expropriating Entity. For properties for which signed forms cannot be obtained, a ministerial decree declaring such transfer shall be issued in lieu thereof. The signed forms and the ministerial decree shall be deposited with the concerned Real Estate Office. The deposit thereof shall result in the full transfer of title ordinarily associated with a recordation of a deed of sale.

- The non-deposit of the executed forms or ministerial decree with the concerned Real Estate Office for a period exceeding 2 years from the date of publishing the expropriating decree shall render the decree as null and void with respect to the properties for which the executed forms or the decree have not been deposited.
No objection or appeal shall prevent the property owner or holder of rights therein from collecting the estimated compensation amount.

Under current law and practice, the Government has wide powers in determining whether a project is a public interest project. This falls within the full discretion of the Government. Accordingly, objections to an expropriation decree cannot interfere with or limit the Government powers in this respect except where there is a clear misuse or abuse of this right that amount to bad faith on the part of the Government. An example of this bad faith is a case where a property is merely expropriated to harm the owner of the property. Allowable objections are usually based on whether the amount of compensation is sufficient or whether the property falls within the area defined under the expropriation decree.

The involvement of right holders usually results in one of the following scenarios with respect to objection procedures:

a) The holders of rights may object to the amount of compensation in the event that they are of the opinion that the decided amount is not fair and that the title owner has not taken any objection. In such case, the holders of rights may use the right of their debtor (the titleholder) to preserve their interest.

b) If the holders of rights decide not to object to the amount of compensation on behalf of the titleholder, they effect an attachment of the compensation amount to repay amounts due to them from the titleholders, if any.
ANNEX 3: OUTLINE OF A RESETTLEMENT PLAN

(Reference: OP 4.12, annex A).

1. Description of the sub-project and of its potential land impacts
   1.1 General description of the project and identification of the project area
   1.2 Potential impacts. Identification of
      1.2.1 the project component or activities that give rise to resettlement;
      1.2.2 the zone of impact of such component or activities;
      1.2.3 the alternatives considered to avoid or minimize resettlement; and
      1.2.4 the mechanisms established to minimize resettlement, to the extent possible, during project implementation.

2. Objectives. The main objectives of the resettlement program.

3. Socio-economic studies and census of affected assets and affected livelihoods. The findings of socio-economic studies and census to be conducted with the involvement of potentially displaced people, include:
   3.1 the results of a census survey covering current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
   3.2 standard characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
   3.3 the magnitude of the expected loss—total or partial—of assets, and the extent of displacement, physical or economic;
   3.4 information on vulnerable groups or persons as provided for in OP 4.12, para. 8, for whom special provisions may have to be made;
   3.5 provisions to update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement.

3.6 Other studies describing the following
   3.6.1 land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;
3.6.2 the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project;

3.6.3 public infrastructure and social services that will be affected; and

3.6.4 social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs)) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

4. Legal and Institutional Framework.

4.1 Summary of the information included in this RPF

4.2 Local legal specificities if any

4.3 Local institutional specificities

4.3.1 identification of agencies locally responsible for resettlement activities and NGOs that may have a role in project implementation;

4.3.2 assessment of the institutional capacity of such agencies and NGOs; and

5. Eligibility and entitlements. Based on the definitions and categorization in this RPF (see entitlement matrix), definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

6. Valuation of and compensation for losses. The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.

7. Resettlement measures:

7.1 Description of the packages of compensation and other resettlement measures that will assist each category of eligible displaced persons to achieve the objectives of the policy (see OP 4.12, para. 6).

7.2 Site selection, site preparation, and relocation. Alternative relocation sites considered and explanation of those selected.

7.3 Legal arrangements for regularizing tenure and transferring titles to resettlers.

7.4 Housing, infrastructure, and social services.

7.5 Environmental protection and management.

7.6 Community participation. Involvement of resettlers and host communities

7.7 Integration with host populations. Measures to mitigate the impact of resettlement on any host communities.
7.8 Specific assistance measures intended for vulnerable people, to be
defined for instance amongst those listed in the relevant section of
the RPF

8. Grievance procedures. Based on the principal mechanisms described in this RPF,
description of affordable and accessible procedures for third-party settlement of
disputes arising from resettlement; such grievance mechanisms should take into
account the availability of judicial recourse and community and traditional
dispute settlement mechanisms.

9. Organizational responsibilities. The organizational framework for implementing
resettlement, including identification of agencies responsible for delivery of
resettlement measures and provision of services; arrangements to ensure
appropriate coordination between agencies and jurisdictions involved in
implementation; and any measures (including technical assistance) needed to
strengthen the implementing agencies' capacity to design and carry out
resettlement activities; provisions for the transfer to local authorities or resettlers
themselves of responsibility for managing facilities and services provided under
the project and for transferring other such responsibilities from the resettlement
implementing agencies, when appropriate.

10. Implementation schedule. Based on the template presented in the RPF, present an
implementation schedule covering all resettlement activities from preparation
through implementation, including target dates for the achievement of expected
benefits to resettlers and hosts and terminating the various forms of assistance.
The schedule should indicate how the resettlement activities are linked to the
implementation of the overall project.

11. Costs and budget. Tables showing itemized cost estimates for all resettlement
activities including allowances for inflation, population growth, and other
contingencies; timetables for expenditures; sources of funds; and arrangements
for timely flow of funds, and funding for resettlement, if any, in areas outside the
jurisdiction of the implementing agencies.

12. Monitoring and evaluation. Arrangements for monitoring of resettlement
activities by the implementing agency, supplemented by independent monitors as
considered appropriate by the Bank, to ensure complete and objective
information; performance monitoring indicators to measure inputs, outputs, and
outcomes for resettlement activities; involvement of the displaced persons in the
monitoring process; evaluation of the impact of resettlement for a reasonable
period after all resettlement and related development activities have been
completed; using the results of resettlement monitoring to guide subsequent
implementation.
ANNEX 4: OUTLINE OF AN ABBREVIATED RESETTLEMENT PLAN

Depending on the magnitude of the displacement, an Abbreviated Resettlement Plan (ARP) should be between 10 and 25 pages, including annexes.

1. Brief Description of the Sub-Project
   1.1. Sub-Project Land Needs
   1.2. Land Needs Justification and Minimization

2. Census Survey of Displaced Persons and Valuation of Assets
   2.1. Methodology
   2.2. Results

3. Affected Assets

4. Socio-Economic Features and Affected People’s Livelihoods

5. Description of Compensation and Other Resettlement Assistance

6. Consultation with Displaced People

7. Procedures for Grievance Redress

8. Monitoring and Evaluation

9. Institutional Responsibilities and Arrangements for Implementation

10. Timetable, Budget and Funding Arrangements