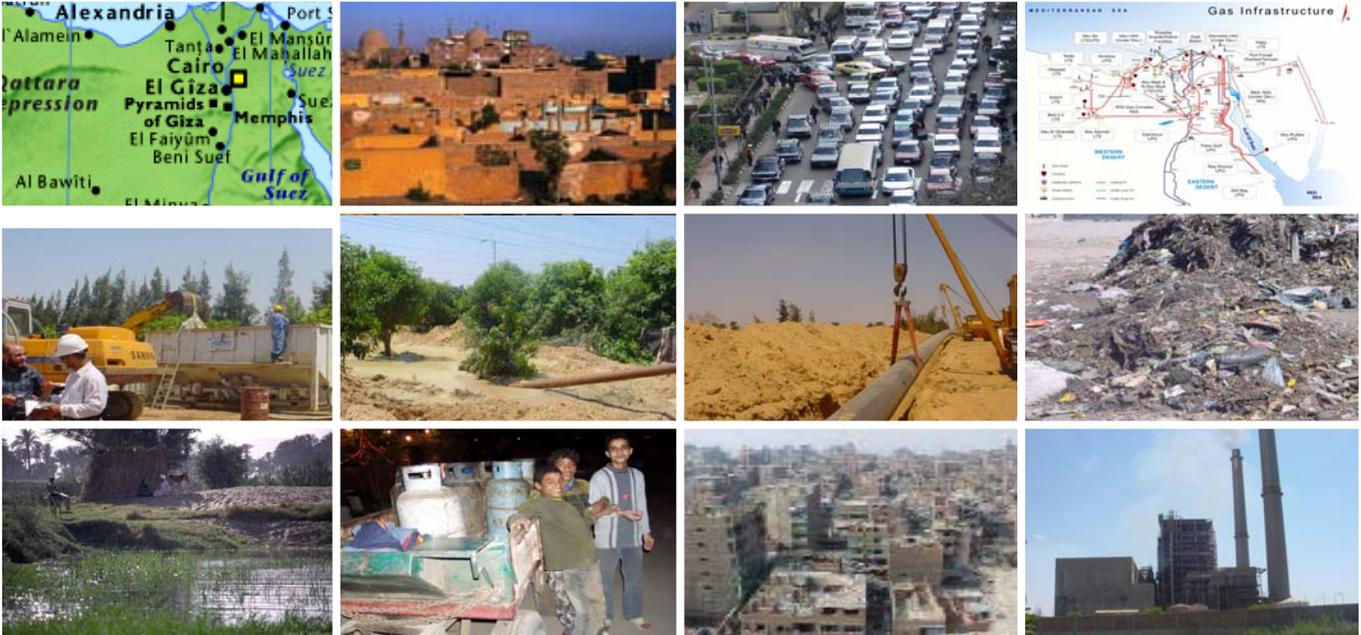


 **Arab Republic of Egypt**
Egyptian Natural Gas Holding Company



**Resettlement Policy Framework for
 Greater Cairo Natural Gas Connections Project**

14 November
 2007

TABLE OF CONTENTS

LIST OF TABLES AND BOXES.....	II
LIST OF ACRONYMS AND ABBREVIATIONS.....	III
GLOSSARY.....	IV
1. Introduction.....	1
1.1. Proposed Framework	1
1.2. Objectives of the Framework.....	2
2. Legislative Framework for Resettlement.....	2
2.1. Government of Egypt Relevant Legislation	3
2.1.1. Administrative Authority’s Decision Making Responsibilities.....	3
2.1.2. Legal and Administrative Procedures for Transfer of Ownership and Compensation	4
2.1.3. Disputes.....	6
2.1.4. Temporary Expropriation of Real Estate	7
2.1.5. Introduction of New Articles to the Law on Property Expropriation for Public Benefit No. 10 of 1990	8
2.2. World Bank Safeguard Policies	8
2.3 Gaps between Egyptian regulations and World Bank policies.....	9
3. Eligibility Criteria for Affected Persons.....	12
3.1. Defining Affected Persons	12
3.2. Eligibility Criteria	13
4. Methods of Valuation of Affected Assets and Compensation.....	14
4.1. Asset Valuation	14
4.2. Compensation	15
5. Entitlement Matrix.....	15
6. Resettlement and Compensation Planning.....	25
6.1. Institutional and Organizational Context	25
6.2. Proposed Preparation Process	25
6.2.1. Sub-Project Screening.....	25
6.2.2. Preparation of Socio-Economic Survey.....	25
6.2.3. Preparation of Resettlement Action Plans	26
6.3. Sub-Project Appraisal and Approval	26
6.4. Sub-Project Implementation	27
6.4.1. Sign Compensation Contract and Pay Compensation to the Affected People.....	27
6.4.2. Grievance Redress Mechanisms.....	27
6.5 Vulnerable Groups.....	29
6.5.1 Identification of Vulnerable Groups.....	29
6.5.2 Assistance to Vulnerable People.....	31
6.6. Resettlement Monitoring and Evaluation Arrangement	33
6.6.1. Internal Monitoring	33
6.6.2. External Monitoring and Evaluation.....	33
7. Public Consultation and Disclosure.....	34

8. Budget and Sources of Funding Raps.....	35
REFERENCES.....	36

LIST OF TABLES AND BOXES

Table 2.3: Comparison of Egyptian regulations with World Bank policies.....	10
Table 3.2: Criteria for Eligibility (OP 4.12).....	13
Table 4.1: Replacement Cost for Tangible Assets	14
Table 5: Entitlement Matrix for Affected Persons.....	16
Table 6.5.2 Assistance to Vulnerable People	31
Table 6.6.2: Verifiable Indicators for Monitoring and Evaluation Implementation of Raps. ..	33
Box 3.1: Possible Losses from Land Acquisition in Rural Areas.....	13

LIST OF ACRONYMS AND ABBREVIATIONS

AP	Affected Persons
ARP	Abbreviated Resettlement Plan
CDA	Community Development Association
CAPMAS	Central Agency for Public Mobilization and Statistics
EA	Environmental Assessment
EDHS	Egyptian Demographic and Health Survey
EEAA	Egyptian Environmental Affairs Agency
EGAS	Egyptian Natural Gas Holding Company
EIA	Environmental Impact Assessment
ESA	Environmental and Social Assessment
ESIAF	Environmental and Social Impact Assessment Framework
GASCO	Egyptian Natural Gas Company
GCNGCP	Greater Cairo Natural Gas Connections Project
IR	Involuntary Resettlement
LDU	Local Development Unit
LPG	Liquefied Petroleum Gas
NG	Natural Gas
NGO	Non Governmental Organization
PAF	Project Affected Family
PAP	Project Affected Persons
PRS	Pressure Reduction Station
POTAGASCO	The Egyptian Company for LPG distribution
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SRO	Social and Resettlement Officer
TOR	Terms of Reference
WB	World Bank

Exchange Rate: US\$ / L.E. = 5.65 as of September 2007

GLOSSARY¹

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

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

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

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

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

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

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

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

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

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

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

¹ Sources: <http://www.unescap.org>, <http://www.adb.org>, World Bank OP 4.12, and SFD's Operational Manual for the Local Development Program.

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

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

1. INTRODUCTION

The Greater Cairo Gas Connections Project is an integral part of the Government's on-going program to connect households and other users to the natural gas network (6 million households over the next 6 years). The project targeted only 400,000 customers in Cairo.

The environmental, social, and economic benefits from the Greater Cairo Gas Distribution Extension Project are considerable for beneficiaries. For one, the minimization of the transportation of L.P.G cylinders in congested urban areas as well as the reduction in the burning of fuel oil in industrial and commercial boilers will result in significant positive environmental and safety implications. Moreover, from an economic point-of-view, savings will be made in the handling and distribution of fuel for residential small commercial and industrial consumers. In addition, the monthly payments for natural gas made by the consumers are expected to be much less than what they are currently paying for L.P.G cylinders.

As previously noted, the project shall cover two major areas; namely, Cairo and Giza governorates. The total number of customers that are expected to benefit from this project is 400.000. It is not foreseen that any of the activities of the project would result in involuntary resettlement. In fact, and as per the World Bank's OP 4.12, Involuntary Resettlement shall be avoided by all means. However, since the in-depth plan and detailed activities for the project are being finalized, EGAS is proposing herein a resettlement and compensation framework (in line with the World Bank's OP 4.12) to be applied during project implementation in case that the project triggers Involuntary Resettlement.

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

1.1. Proposed Framework

It is a widely accepted fact, if left unmitigated, involuntary resettlement under development projects may give rise to economic, social and environmental risks. The purpose of the RPF is to set down the principles for social impact mitigation, as well as clarify the organizational arrangements that may be needed during sub-project preparation and implementation phases. This includes compensating all project affected persons (PAPs) for the loss of lands, properties, and livelihoods resulting from displacement and resettlement, as well as assisting these people in relocation and rehabilitation. The RPF may be triggered whenever any of the project's activities entail the acquisition of land and / or the displacement of people, causing the loss of land, property, assets, access (to land, property, and assets), income, or sources of livelihood.

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

1.2. Objectives of the Framework

The objectives of this framework correspond to those of the WB policy on Involuntary Resettlement, namely:

- To avoid or minimize (whenever possible) involuntary resettlement and land acquisition through design efforts.
- If involuntary resettlement and land acquisition is unavoidable, to execute resettlement and compensation activities as sustainable development programs, whereby sufficient investment resources are provided to give the displaced persons an opportunity to share in project benefits. Displaced and compensated persons shall be meaningfully consulted and given opportunities to participate in planning and implementing resettlement plans.
- To assist displaced persons in their efforts to improve their livelihoods and standards of living or at least to restore them to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

Since some of the project's physical components may result in involuntary resettlement/ land acquisition, OP 4.12 on Involuntary Resettlement may need to be triggered. A resettlement Policy Framework (RPF) will be the instrument implement should this issue arise. Since the nature and extent of land acquisition/resettlement within the various sub-projects is unknown at the time of appraisal, the key purpose of the RPF is to establish resettlement objectives, principles, organizational arrangements and mechanisms for any resettlement activities that may or may be necessary as a result of project activities. When the exact extent of land acquisition becomes known during the implementation phase, site specific Resettlement Plans (RPs) or abbreviated RPs will be prepared, depending on the scale and severity of impacts. The resettlement process should be finalized prior to the commencement of any physical works.

2. LEGISLATIVE FRAMEWORK FOR RESETTLEMENT

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

2.1. Government of Egypt Relevant Legislation

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

2.1.1. Administrative Authority's Decision Making Responsibilities

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

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

Other relevant laws governing expropriation and consequent compensation procedures include:

- Law 557/54, which was later amended by Law 252/60 and Law 13/162, lays down the provisions pertaining to the expropriation of real estate property for public benefit and improvement,
- Law No. 27 of 1956, which stipulates the provisions for expropriation of districts for re-planning, upgrading, and improvement, and the amended and comprehensive Law No.10 of 1990 on the expropriation of real estate for public interest.

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

- 1 Property expropriation shall be only on tangible real estate property, there shall be no expropriation of movable possessions.
- 2 Applicable only to property privately owned by individuals, thus, public property is excluded from the procedures.
- 3 The expropriation shall include land and constructions (structures).
- 4 The purpose of expropriation shall only be for realizing public interest.
- 5 The administrative authority has the right to assess the circumstances related to expropriation as well as the authority for implementation of property expropriation, which is justifiable by the objective of achieving public benefit. The administrative authority may not be challenged or judged on the grounds that it could have chosen more

appropriate real estate property to achieve public benefit than the one that it has already chosen.

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

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

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

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

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

2.1.2. Legal and Administrative Procedures for Transfer of Ownership and Compensation

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

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

Enclosed with the decree is:

- A memorandum that demonstrates that the required project shall be considered of public benefit / interest (to be published with the Decree in an official newspaper and in relevant local administrative units).
- A map delineating the project scope.
- Two weeks following the publication and promulgation, the official commissioned to

the expropriation property procedures is permitted to enter into the real estates to perform the technical and surveying operations and all the necessary demarcations of the expropriated real estate.

The steps for ownership transfer are highlighted below:

- 1 Preparation of a census of all property: The census shall be performed by commissions which consist of a delegate of the entity commissioned to perform the expropriation (i.e the Governorate, Ministry of Agriculture, etc.) and one of the local officials from the Governorate. A registered notice shall be sent to notify the concerned person. All owners and those with rights or entitlements to the expropriated property shall meet up with the commission in the project area during the census process in order to guide the commission members with regards to their property rights. The commission shall report the minutes of the procedures, which shall include all property and their owner names and addresses. The members of the commission and the owners shall sign the census report. If anyone refuses to sign, this will be noted in the minutes of the session by justifying the reason for refusal. Entering the expropriated properties from then on shall be subject to the notification of the concerned person.
- 2 Preparation of statements and evacuation warnings: The expropriating entity shall prepare statements with the number and types of property that shall be expropriated, their size, location, owner's names and addresses, and compensation values (as per the census report). These statements shall be published in an official newspaper. The owners and tenants shall be warned that they must evacuate the property within a period of maximum 5 months. The owners shall be given a period of 30 days (from the date of submission of the statements) to present their complaints or grievances regarding the data in the statement. If the complaints were not submitted during this 30-day period, the data included in the statements shall be considered conclusive and shall not be subject to any litigation or claim, and in this case the compensation amounts indicated in the statements shall be sent to the identified owners.
- 3 Transfer of ownership: For those owners with no complains or contestations, the transfer of ownership is simply made by having them sign specific forms for ownership transfer. For property which the owners have not signed the proper forms, the competent minister shall emanate a decision to expropriate the property. The forms and the Ministerial decrees shall then be deposited in the relevant Notary Office. This deposit regarding the real estates shall generate the effects caused by the declaration of the sale contract. According to it, the property shall be transferred to the administrative authority that expropriates the property, and the rights incumbent on the real estates shall be transferred to the compensation amounts.
- 4 Compensation assessment: Property expropriation shall only be made against a fair compensation in accordance to constitutional provisions. The legislator has put forth some principles which should be taken into consideration with regards to compensation assessment:
 - a. The compensation assessment for property expropriation shall not include structures, plants / crops, improvements / additions, or tenant agreements if it has been proved that the aforementioned acts were performed in order to acquire higher compensation. The legislator has provisioned that every act taken to this regard, after the publication of the decision for expropriation for public benefit in the official newspaper, shall be considered as an act performed for increasing the compensation value. Accordingly, these acts should be ruled out in the assessment of the compensation amount (*Article 25: Law No. 577 of 1954, and Article 7: Law No. 27 of 1956*).
 - b. If the compensation amount for the un-expropriated part, in projects other than urban planning, increases or decreases (due to activities causing general public benefit), the increase or decrease in amount should be taken into consideration so that the amount to be added or reduced shall not exceed 50% of the compensation value of the expropriated property (*Article*

19: Law No. 577 of 1954).

c. If the value of the property subject to expropriation for the upgrading or re-planning of districts /cities is increased as a result of the implementation of a public benefit project, the increase in value shall not be calculated in the compensation assessment if the property expropriation is performed within 5 years from the date of implementation in the previous project (*Article 20: Law No. 477 of 1954*).

d. For real estate subject to improvement due to public benefit works (district/city re-planning and upgrading projects), the owners shall be obliged to pay for the improvements, provided that the payment does not exceed 50% of the actual expenses for establishing or expanding the street or square which resulted in the improvement. This provision shall also be applicable if only part of the property within the district/city re-planning/upgrading projects is expropriated, and the authority in charge has deemed that that keeping part of the real estate by the owner does not conflict with the purpose of the intended project. The assessment of the aforementioned charges made by the authority in charge of organizing affairs shall not be subject to any appeal (*Law No. 577 of 1954*).

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

2.1.3. Disputes

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

- 1 For compensations not related to the compensation assessment: Such as those pertaining to the actual right of the expropriation. In this case, the authority in charge of the expropriation process shall be responsible for investigating these disputes in order to pay the due compensation value (*Article 11: Law No. 11 of 1954 and Law No. 11 of 1956*).
- 2 Disputes over compensation assessment: These disputes are subject to legal jurisdiction as follows: The authority in charge of the expropriation procedures shall refer the disputes over the compensation assessment submitted to court. The court shall examine the complaint quickly and its judgment shall be conclusive.

2.1.4. Temporary Expropriation of Real Estate

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

Summarized below are the legal provisions for two particular cases:

1. Occupation of Real Estate Property Prior to Expropriation: If the administration resorts to interim or temporary occupation of privately owned real estate, the time frame should be identified. However, if the temporary occupation is conclusive, the administration shall resort to the regular expropriation procedures (mentioned above). In order to save time, the new legislation has allowed the administration to occupy prior to the completion of the expropriation procedures (*Article 16: Law No. 577 of 1954*). According to the amendment of Law No. 252 of 1960, “except in emergencies and hasty cases that require the occupation of real estates to perform necessary reparation works, upgrading, and other work, temporary occupation of real estate for public benefit is subject to a Presidential Decree (to be published in an official newspaper). The legislator has included some provisions guiding this case:
 - 1 The administration cannot resort to this before the issuance of the decision that the expropriation of this specific property is considered to be of public benefit.
 - 2 The real estate owner has the right to compensation for not being able to get access or use his / her property, starting from the date of actual occupation until the payment of the due compensation as a result of the property expropriation.
 - 3 The owner of the real estate has the right to dispute / contest the value of the assessed compensation, for preventing him/ her from using or gaining access to his / her property, through the same process for grievance redress on the assessed compensation for property expropriation. In this case, it will not be allowed to remove any structures or buildings (which have been occupied) until the re-estimation of value has been conclusively made.
 - 4 In the case of expropriation of districts, the property and buildings will not be expropriated until alternative dwellings have been provided for those who lost their homes.
 - 5 Temporary Occupation: If the administration needs to manage a real estate for an interim / temporary period that does not justify the expropriation of the property, and accordingly the administration takes over only the management while the ownership remains with its official owner.
 - Summarized below are the legal provisions for two particular cases:
 - Necessity (Hastiness / Rapidity): As stated in Article 17 “...in case of sinking, or severing of a bridge, or the outbreak of an epidemic, and in all emergency cases, it is permissible to temporarily take over / occupy the needed real estates to perform reparation works, prevention, or other kinds of work”.
 - Public Benefit Project: Law No. 577 of 1954 states that the occupation decision in both cases aforementioned shall be issued by the “Director” or the Governor (Article 17), while Article 2 of the previous law concerning the occupation decisions identified the Governor as the person in charge issuing temporary occupation decisions in case of emergency / hastiness. In any other case, the aforementioned law designates a Presidential Decree for the implementation of temporary occupation.
 - Procedures: Real estate temporary occupation only requires that a representative from the competent entity to identify the type of real estate, size, and condition upon occupation. If this is done, the competent entity is then able to occupy the real estates without having to take other measures.” To simplify the procedures to the previous figure, that could be justified in the occupation case for emergency or rapidity.
 - Compensation: Within a week of the occupation date, the competent authority shall determine the compensation value for the concerned persons / owners in return for losing access and use

to their property temporarily. The owners shall have the right to dispute the assessed compensation as previously noted.

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

2.1.5. Introduction of New Articles to the Law on Property Expropriation for Public Benefit No. 10 of 1990

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

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

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

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

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

2.2. World Bank Safeguard Policies

The WB's policy on involuntary resettlement and the compensation of affected persons is clearly spelled out under the Bank's operational safeguard policy (OP) # 4.12.

“For sector investment operations that may involve involuntary resettlement, the Bank requires that the project implementing agency screen sub-projects to be financed by the Bank to ensure their consistency with [OP 4.12]. For these operations, the borrower submits, prior to appraisal, a resettlement policy framework that conforms to this [OP 4.12]. The framework also estimates, to the extent feasible, the total population to be displaced and the overall resettlement costs.”

2.3. Gaps between Egyptian Regulations and World Bank Policies

The gaps between Egyptian regulations and World Bank policies are summarized in the following table :

Table 2.3: Comparison of Egyptian regulations with World Bank policies

Topic	Egyptian legislative requirements	World Bank policy requirement	Practical Implication
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 all previous Egyptian practices of valuation have been substantially below the market rate due to: Lack of valuation experience in ESA No real market rate is defined due to taxes and fees charged on properties
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 action and offered options whether through alternative shelters or fair compensation that enables them 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 to the location of the resettlement, but only the housing suitability in terms of area, design or relevant issues. Their objection is submitted within 15 days after receiving the notification of the new housing, to a dedicated committee for that purpose, which should respond within one month.	Affected people who are physically displaced are to be provided with residential housing, or housing sites, or, as required, agricultural sites at least equivalent to the old site. Preference is to be given to land-based resettlement for displaced persons whose livelihoods are land-based. The resettlement would be based on RAP in case the affected people is 200 or more while for less than 200, an ARP would be conducted	Affected people should be offered various options for resettlements (not only one option) at least equivalent to the old property or site. The affected people should be supported also with a sort of soft-loan that compensates the difference in value between the old and new property. Both RAP and ARP should be followed in relevant cases.
Resettlement assistance	Not included	Affected people are to be offered support after displacement, for a transition period.	This assistance should be included in any resettlement project in Natural Gas through the governorate
Vulnerable Groups	Not Included	Particular attention to be paid to vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities.	The PMU and Upgrading unit in each informal settlement should pay considerable attention for those groups and give them priority in selecting resettlement options and receiving financial support.

Topic	Egyptian legislative requirements	World Bank policy requirement	Practical Implication
Information and Consultation	Displaced persons are provided timely and relevant information. Not consulted on resettlement options Not able to participate in planning, implementing and monitoring resettlement	Displaced persons and their communities are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement.	Affected groups should get access to full information about the resettlement process and options for compensation. Participatory planning and decision making should be applied in resettlement options and compensation
Grievances	Specialized committees for that purpose and time One month to object to the decision of resettlement One month to object to the decision of resettlement Four months to object to the compensation value	Appropriate and accessible grievance mechanisms to be established.	There is a need for ensuring that affected groups are offered the direct channel for grievance and receive redress in proper time prior to resettlement. The receiving of full compensation should be prior to resettlement.

Source: Resettlement Policy Framework, Alexandria Governorate, December 2006

3. ELIGIBILITY CRITERIA FOR AFFECTED PERSONS

3.1. Defining Affected Persons

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

Box 3.1: Possible Losses from Land Acquisition in Rural Areas

Land	<ul style="list-style-type: none">▪ Agricultural land (rented or owned)▪ Access to land
Structures	<ul style="list-style-type: none">▪ Houses or living quarters (rented or owned)▪ Other physical structures (rented or owned)
Income	<ul style="list-style-type: none">▪ Income from crops▪ Income from wage earnings▪ Income from fishing areas▪ Income from affected business▪ Access to formal employment opportunities
Communal ²	<ul style="list-style-type: none">▪ Public Schools▪ Public Hospitals▪ Markets▪ Community centers▪ Cemeteries▪ Social capital: networks, activities, relationships
Religious and Cultural ³	<ul style="list-style-type: none">▪ Religious shrines▪ Worship areas (mosque, church, synagogue)▪ Cultural, historical, sites

² The sub-projects should not be permitted to infringe on or damage in any way public cemeteries or private graveyards or graves physical assets. If extremely necessary, such cases shall be subject to the laws of the Government of Egypt to this regard.

Environmental	<ul style="list-style-type: none"> ▪ Access to natural resources ▪ Negative environmental impacts resulting from land acquisition or from the project itself
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3.2 Eligibility Criteria

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

Table 3.2: Criteria for Eligibility (OP 4.12)

Displacement Category	Entitlement
Individuals who have formal legal rights to land (including customary and traditional rights recognized under the laws of Egypt)	<ul style="list-style-type: none"> ▪ Compensation for loss in land and assets at full replacement cost. ▪ In case of physical relocation, provide assistance during relocation (i.e. moving allowances) and residential housing and / or agricultural sites with productive and location advantages equivalent to the lost sites. ▪ Support after displacement, until livelihoods and standards of living are restored to pre-displacement levels. ▪ Development assistance in addition to compensation measures (i.e. land preparation, credit facilities, training, job opportunities).
Individuals who do not have formal legal rights to land, but have a claim to such land or assets (provided that such claims are recognized under Egyptian laws or become recognized through a process identified in the resettlement plan)	<ul style="list-style-type: none"> ▪ Compensation for loss in land and assets at full replacement cost. ▪ In case of physical relocation, provide assistance during relocation (i.e. moving allowances) and residential housing and / or agricultural sites with productive and locational advantages equivalent to the lost sites. ▪ Support after displacement, until livelihoods and standards of living are restored to pre-displacement levels. ▪ Development assistance in addition to compensation measures (i.e. land preparation, credit facilities, training, job opportunities).
Individuals who have no recognizable legal right or claim to the land they are occupying (i.e. squatter settlements, disputed ownership).	<ul style="list-style-type: none"> ▪ Resettlement assistance as appropriate (i.e. land, assets, cash, employment, etc.).

³ The sub-projects should not be permitted to infringe on or damage in any way religious or cultural physical assets. If extremely necessary, such cases shall be subject to the laws of the Government of Egypt to this regard.

In addition, all individuals in possession of properties (i.e. land, houses, structures) that may be adversely affected by any of the sub-projects' activities (i.e. construction, rehabilitation, etc.) shall also be eligible for some sort of compensation which shall be identified in the resettlement plan depending on the type of damage.

4. METHODS OF VALUATION OF AFFECTED ASSETS AND COMPENSATION

4.1. Asset Valuation

The valuation of losses in physical assets will be carried out by assessing the market value of the assets, if known, and estimating the replacement cost. Replacement cost is simply calculated as the cost of replacing the lost assets plus any transaction costs associated with brining the asset to pre-displacement value. Replacement cost will differ depending on the type of asset, as illustrated in the table below.

Table 4.1: Replacement Cost for Tangible Assets

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

Source: WB OP 4.12

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

4.2. Compensation

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

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

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

5. ENTITLEMENT MATRIX

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

Table 5: Entitlement Matrix for Affected Persons

Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy & Standards	Implementation Issues
Agricultural Land				
Loss of arable and grazing agricultural land or access to it	Permanent (complete or partial) loss of arable and grazing land located in the project site	Farmers / Individuals who have formal legal ownership rights to land	<ul style="list-style-type: none"> • Provide cash compensation at replacement cost for the lost land⁴ plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. • Provide cash compensation for loss of crops or trees at replacement cost. 	<ul style="list-style-type: none"> • A list of available arable and grazing land in each affected commune • A list of PAP and entitled persons • Consultations and formal agreement with PAPs on type of compensation (cash or in-kind)
Loss of arable and grazing agricultural land or access to it	Permanent (complete or partial) loss of arable and grazing land located in the project site	Farmers / Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights	<ul style="list-style-type: none"> • Provide development and transitional assistance in locating new replacement lease land. • Provide cash compensation for loss of crops or trees at replacement cost. 	<ul style="list-style-type: none"> • If available and requested by the PAPs and agreed to by the project and concerned authorities: provide equivalent land nearby, of similar size, value, and quality • In case of relocation,

⁴ Calculated at entitlement cut-off date.

Loss of arable and grazing agricultural land or access to it	Permanent (complete or partial) loss of arable and grazing land located in the project site	Farmers / Individuals who do not have any recognizable legal right or claim to the land	<ul style="list-style-type: none"> • No compensation for land. • Provide landless PAPs with resettlement assistance in securing temporary or lease rights to replacement land • Provide cash compensation for loss of crops or trees at replacement cost. 	<p>provide assistance to farmers during and after the relocation process</p> <ul style="list-style-type: none"> • Provision of assistance to farmers to develop new crops and improve production for both crops and livestock • Poor and vulnerable PAPs (including the landless) will not be displaced until replacement land is provided
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Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy & Standards	Implementation Issues
Loss of arable and grazing agricultural land or access to it	Temporary ⁵ (complete or partial) loss of all or part of arable and grazing land located in the project site	Farmers / Individuals who have formal legal ownership rights to land	<ul style="list-style-type: none"> • No compensation for land if returned to owner in less than one year. • Provide cash compensation equivalent to the replacement cost at market price of renting the land during the temporary use. • Provide cash compensation for loss of crops or trees at replacement cost and compensation for loss of net income from subsequent crops that cannot be planted for the duration of the lease. 	<ul style="list-style-type: none"> • If the temporary loss continues for more than one year, PAPs will be given a choice of either continuing with the temporary arrangements, or selling the affected land to the project at full replacement cost at current market value • Provision of development assistance to enable farmers / land owners to restore land to its previous condition or
Loss of arable and grazing agricultural	Temporary (complete or partial) loss of all	Farmers / Individuals who do not have formal legal ownership rights	<ul style="list-style-type: none"> • No compensation for land if returned to owner in less than one year. • Provide cash compensation equivalent 	

⁵ Temporary here refers to a period of up to 3 year maximum (in conformance to the Government of Egypt's Legislation).

land or access to it	or part of arable and grazing land located in the project site	to land but have temporary or leasing rights	to the replacement cost at market price of renting the land during the temporary use. <ul style="list-style-type: none"> • Provide cash compensation for loss of crops or trees at replacement cost and compensation for loss of net income from subsequent crops that cannot be planted for the duration of the lease. 	better quality by providing measures to improve land quality in cases of land being adversely affected.
Loss of arable and grazing agricultural land or access to it	Temporary (complete or partial) loss of all or part of arable and grazing land located in the project site	Farmers / Individuals who do not have any recognizable legal right or claim to the land	<ul style="list-style-type: none"> • No compensation for land if returned to owner in less than one year. • Provide cash compensation for loss of crops or trees at replacement cost. 	<ul style="list-style-type: none"> • Provision of development and resettlement assistance to landless PAPs with no legal rights.
Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy & Standards	Implementation Issues
Urban Land (Residential and /or Commercial)				
Loss of urban residential or commercial non-arable land or access to it	Permanent (complete or partial) loss of urban residential or commercial non-arable land	Individuals who have formal legal ownership rights to land	<ul style="list-style-type: none"> • Provide cash compensation at replacement cost of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. • In the case that there are structures on the land, provide cash compensation at replacement cost for the materials used to rebuild the structures or to partially repair an affected structure. 	<ul style="list-style-type: none"> • A list of available non-arable land in each affected commune • A list of PAP and entitled persons • Consultations and formal agreement with PAPs on type of compensation (cash or in-kind) • If available and requested by the PAPs and agreed to by the project and

Loss of urban residential or commercial non-arable land or access to it	Permanent (complete or partial) loss of urban residential or commercial non-arable land	Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights	<ul style="list-style-type: none"> • In the case that there are structures on the land which have been built by the users, provide cash compensation at replacement cost for the materials used to rebuild the structures or to partially repair an affected structure. • Provide development and transitional assistance in locating new replacement lease land 	<p>concerned authorities: provide equivalent land nearby, of similar size, value, and quality</p> <ul style="list-style-type: none"> • Provision of development and resettlement assistance, mainly in the form of transition allowances for severely affected PAPs (transition subsistence allowance for food, moving incentive allowance, assistance in locating new residential or commercial leasing, and income transition allowance if businesses are affected).
Loss of urban residential or commercial non-arable land or access to it	Permanent (complete or partial) loss of urban residential or commercial non-arable land	Individuals who do not have any recognizable legal right or claim to the land	<ul style="list-style-type: none"> • Provide no compensation for land. • In the case that there are structures on the land which have been built by the users, provide cash compensation at replacement cost for the materials used to rebuild the structures or to partially repair an affected structure. • Provide landless PAPs with resettlement and transitional assistance in securing alternative commercial or residential land and to restore their livelihoods. 	

Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy	Implementation Issues
Loss of urban residential or commercial non-arable land or access to it	Temporary (complete or partial) loss of urban residential or commercial non-arable land	Individuals who have formal legal ownership rights to land	<ul style="list-style-type: none"> No compensation for land if returned to owner in less than one year. Provide cash compensation equivalent to the replacement cost at market price of renting the land during the temporary use Provide cash compensation for loss of crops, trees, or structures at replacement cost 	<ul style="list-style-type: none"> If the temporary loss continues for more than one year, PAPs will be given a choice of either continuing with the temporary arrangements, or selling the affected land to the project at full replacement cost at current market value
Loss of urban residential or commercial non-arable land or access to it	Temporary (complete or partial) loss of urban residential or commercial non-arable land	Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights	<ul style="list-style-type: none"> No compensation for land if returned to owner in less than one year. Provide cash compensation equivalent to the replacement cost at market price of renting the land during the temporary use Provide cash compensation for loss of crops, trees, or structures at replacement cost 	<ul style="list-style-type: none"> Provision of assistance to enable the land users owners to restore land to its pre-subproject condition by providing measures to improve land quality in cases where land is adversely affected
Loss of urban residential or commercial non-arable land or access to it	Temporary (complete or partial) loss of urban residential or commercial non-arable land	Individuals who do not have any recognizable legal right or claim to the land	<ul style="list-style-type: none"> No compensation for land if returned to owner in less than one year. Provide cash compensation for loss of crops, trees, or structures at replacement cost 	<ul style="list-style-type: none"> Provision of resettlement assistance to landless PAPs with no legal rights

Structures or Buildings (Commercial, Business, Industrial, or Residential)				
Loss of structures or access to them	Permanent (complete or partial) loss of structures	Individuals who have formal legal ownership rights to the structures	<ul style="list-style-type: none"> • Provide cash compensation at replacement cost which equals the market cost of materials used to build a replacement structure with similar area and quality, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. 	<ul style="list-style-type: none"> • A list of available structures in each affected commune • A list of PAP and entitled persons • Consultations and formal agreement with PAPs on type of compensation (cash or in-kind, i.e relocation)
Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy	Implementation Issues
Loss of structures or access to them	Permanent (complete or partial) loss of urban residential or commercial non-arable land	Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights (tenants)	<ul style="list-style-type: none"> • Provide assistance in moving and finding similar and affordable rental accommodation (this may include moving allowance and rental allowance for a transitional period). 	<ul style="list-style-type: none"> • A 3-months notice - at least - to be given to the tenants.
Loss of structures or access to them	Permanent (complete or partial) loss of urban residential or commercial non-arable land	Individuals who do not have any recognizable legal right or claim to the land (squatters and persons in ownership dispute)	<ul style="list-style-type: none"> • Provide cash compensation at replacement cost for the structures if they were built by the users. • Provide assistance in moving and finding similar and affordable rental accommodation (this may include moving allowance and rental allowance for a transitional period). 	<ul style="list-style-type: none"> • The Environmental and Social Officer may look into the possibilities of formalizing the structures following their repair.

Standing Crops, Trees, and Plants				
Loss of standing crops, trees, or plants or access to them	Permanent (complete or partial) loss of standing crops, trees, or plants	Farmers or individuals who cultivate the land and who have formal legal ownership rights to the land on which the crops are	<ul style="list-style-type: none"> • Provide cash compensation for loss of crops, trees, or plants at replacement cost. 	<ul style="list-style-type: none"> • A comparative list of the prices of agricultural products in local markets. • A list of tree and plant species in the commune area. • The project activities should take into consideration the cropping patterns and seasons in order to avoid partial or complete loss – if possible.
Loss of standing crops, trees, or plants or access to them	Permanent (complete or partial) loss of standing crops, trees, or plants	Farmers or individuals who do not have formal legal ownership rights to land on which the crops are but have temporary or leasing rights (tenants)	<ul style="list-style-type: none"> • Provide cash compensation for loss of crops, trees, or plants at replacement cost. 	
Loss of standing crops, trees, or plants or access to them	Permanent (complete or partial) loss of standing crops, trees, or plants	Farmers or individuals who do not have any recognizable legal right or claim to the land on which the crops are	<ul style="list-style-type: none"> • Provide cash compensation for loss of crops, trees, or plants at replacement cost. 	

Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy	Implementation Issues
Income or Access to Income (Commercial, Business, and Industrial Activities)				
Loss of source of income or access to source of income	Permanent loss of income source or access to it	Owner or workers in formal registered businesses	<ul style="list-style-type: none"> • Provide transitional cash compensation until new permanent employment is secured based on net income (for a maximum period of 6 months). • Provide development assistance to PAPs (i.e. training in specific areas) in order to help them to maintain and/or improve their income generation potential and access to gainful employment. 	<ul style="list-style-type: none"> • A list of available commercial, industrial, and business activities in each affected commune • A list of PAP and entitled persons. • The Environmental and Social Officer shall assist in the provision of development assistance to severely affected PAPs and vulnerable groups (i.e. design training programs, formalizing informal activities, access to credit, including them in the sub-project's contractors' specifications wherever possible).
Loss of source of income or access to source of income	Permanent loss of income source or access to it	Owner or workers in informal unregistered businesses	<ul style="list-style-type: none"> • Provide transitional cash compensation until new employment is secured based on minimum wage per month in the respective district (for a maximum period of 6 months) • Priority shall be given to severely affected PAPs in the provision of any relevant employment in the activities related to the sub-project. 	
Loss of source of income or access to source of income	Temporary loss of income source or access to it	Owner or workers in formal registered businesses	<ul style="list-style-type: none"> • Provide cash compensation for the duration of business/income generation that is disrupted based on net income. 	
Loss of source of income or access to source of income	Temporary loss of income source or access to it	Owner or workers in informal unregistered businesses	Provide cash compensation for the duration of business/income generation that is disrupted based on the minimum wage per month in the respective district.	

Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy	Implementation Issues
Community Resources				
Loss of community assets or access to them	Permanent (complete or partial loss) of community physical assets	All members of the community	<ul style="list-style-type: none"> Affected land will be replaced in areas identified in consultation with affected communities and relevant organizations and authorities. Provide alternative or similar resources to compensate for the loss of access to community physical resources 	<ul style="list-style-type: none"> A list identifying community physical assets and resources (i.e., public hospitals, markets, fishing areas, grazing areas, fuel, or fodder). If income loss is expected due to the loss in any community assets, compensation for this loss shall be in the form of development assistance to restore the livelihoods of the PAPs.
Loss of community assets or access to them	Temporary (complete or partial loss) of community physical assets	All members of the community	<ul style="list-style-type: none"> Restoration of affected community buildings and structures to original or better condition Provide alternative or similar resources to compensate for the temporary loss of access to community physical resources 	
Loss of socio-economic and/or social-cultural relationships / networks or access to them	Permanent (complete or partial loss) of community non-physical assets	All members of the community	<ul style="list-style-type: none"> Provide development assistance to enable community members to take advantage of income restoration measures noted above. Provide alternative or similar resources to compensate for the loss of access to community social capital. 	<ul style="list-style-type: none"> Identify different forms of social capital from PAPs' point of view (i.e. social credit, networks, social cohesion, etc.) Consultation with PAPs to identify measures to rectify the permanent or partial losses in social capital.
Loss of socio-economic and/or social-cultural relationships / networks or access to them	Temporary (complete or partial loss) of community non-physical assets	All members of the community	<ul style="list-style-type: none"> Provide development assistance to enable community members to take advantage of income restoration measures noted above. Provide alternative or similar resources to compensate for the temporary loss of access to community social capital. 	

6. RESETTLEMENT AND COMPENSATION PLANNING

6.1. Institutional and Organizational Context

At present, there is no institutional capacity for dealing with resettlement within the GCNGC project. However, since the project's policy shall be to avoid involuntary resettlement, and since no previous project has involved the displacement or resettlement of people, it is believed that – at this point – there is no need to create an independent unit responsible for the preparation and implementation of RAPs. However, if an involuntary land acquisition occurs, the contractor will be handling the resettlement activities, under the supervision of the EGAS Company and its representatives.

6.2. Proposed Preparation Process

6.2.1. Sub-Project Screening

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

6.2.2. Preparation of Socio-Economic Survey

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

The objective of conducting this socio-economic survey is to:

Introduce the sub-project to the PAPs.

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

6.2.3. Preparation of Resettlement Action Plans

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

More specifically, according to Annex A of the WB's OP 4.12 on IR, the sub-project RAP should include:

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

6.3. Sub-Project Appraisal and Approval

The RAP, including the proposed mitigation measures within the plan, will need to be reviewed and approved prior to making a decision on whether or not the sub-project shall be implemented. EGAS / Towngas shall take into consideration the communities concerns and worries raised in the process of putting together the socio-economic survey and RAP.

The RAP may need to be reviewed by other local or central authorities in some cases. Once the RAP has been approved by EGAS / Towngas and the local authorities, the resettlement plan should be sent to the WB for final review and approval.

6.4. Sub-Project Implementation

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

6.4.1. Sign Compensation Contract and Pay Compensation to the Affected People

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

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

6.4.2. Grievance Redress Mechanisms

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

Proactive approach

- a) Widespread disclosure of project background
- b) Clarification of criteria for eligibility for assistance under the RPF framework

c) Establishing a committee of honorable and respected persons (community leaders, people assembly members, religious persons etc), to review any grievances that may result from the project.

Reactive approach,

a) Settle disputes amicably

b) If disputes arise these should to the extent possible, be dealt with at the local level approach and the above committee will focus on ensuring that PAPs, particularly those belonging to vulnerable groups get fair treatment.

c) If disputes cannot be solved at the local level, the PMU in collaboration with Egas and Towngas should review specific complaints. Highly skilled Persons in communication and dispute resolution should review PAPs grievances.

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

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

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

- The Competent Administrative Authority has freedom in selecting the appropriate property for expropriation. Accordingly, it was ruled that as long as the administration is not abusing its powers, its decision to select a particular plot to build a hospital is not subject to review. Similarly, the administration selection of a particular site to build a RPF is not subject to review.
- The determination of the exact area (in square metres) to be expropriated is subject to the discretion of the administration and not subject to judicial review.
- Expropriating the ownership of land to extend sewage pipelines below does not prevent the administration from appropriating the surface of the same land for public use.
- Courts have asserted their judicial review authority whenever the administration's exercises of its discretionary powers are for political or personal objectives aimed at spite.
- The State Council noted that the administration might not expropriate property for merely achieving monetary gains. Accordingly, it noted that the expropriation act by

the local council of an area adjacent to the location where a new station will be relocated aiming merely at making a profit was void.

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

6.5 Vulnerable Groups

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

6.5.1 Identification of Vulnerable Groups

The main group of people that will be affected by this project are the LPG cylinders' distributors⁶. They are divided into three categories.

- The first group is the people who started this business using their own money. Most of them are uneducated and unemployed. Accordingly, this is their sole source of income. Their number is not known, since they do not trust the authority because the Supply Authority (Tamween) is used to pursuing them. Hence, there is no accurate or even estimated number for them. These people have clearly indicated that if this project is to go through, they should be eligible for some sort of compensation.
- The second group is those who took a loan from the Social Fund for Development. Delivering and replacing the LPG cylinders is, in most cases their only job. "We will be beggars" they would say. They are a total of 328 persons in Cairo and Giza. 276 of them have already paid back the loan but, 52 of them are still paying until present. As a result of the project, they might not be able to pay back the loan. This may result in them being sent to prison.
- The third group is those who have obtained a license to distribute LPG cylinders through their private stores. They are about 2,500 in Egypt. No available number for them in Cairo and Giza specifically.

Persons included in the first category cannot be entitled to compensation, since there is no detailed information about their activities and assets and accordingly the impact this project will have on them. In addition, they feel suspicious about any potential process to collect data about them. As an adaptation measure to the project's activities, they can continue to distribute the LPG cylinders elsewhere, such as squatters' areas. They also have the ability to sell the cylinders and start new businesses. They are accustomed to finding alternative business opportunities at times when they have faced difficulty in distributing the cylinders and this implies that the project activities will not be disrupting their sole means of financial income.

For those in the second category, who took loans from the Social Fund for Development, they will not need compensation either, because the distribution of cylinders is very lucrative business

⁶ They are a group of people who take the subsidized gas cylinders from the main store for LE 2.5, and then distribute them to the houses for a cost ranging from LE 7 to LE 15.

and they will be able to continue to engage in it in other areas such as slums and squatters' areas that will not be served by the GCNGC project.

The third category is those who have a shop in the areas that will be connected to natural gas. In addition, the only work they used to do is LPG distributing. Actually, they have the right to distribute in other areas too. They can continue distributing or they can sell the cylinders and start a new business. This is what a number of them have done previously.

The second major group of affected people is the shopkeepers and vendors, since their own livelihoods and sources of income may also be affected by the digging and accumulation of solid waste. The shopkeepers noted that they are accustomed to such disturbances. Thus, this group of affected people has not identified the need for compensation since they will only be slightly affected.

The third group that will be affected are the door attendants. Although they do currently benefit from delivering the LPG cylinders to flats and earning around LE 2 (in addition to its actual price) per cylinder, they do not perceive natural gas as a serious threat to their livelihoods since they provide other different services to the tenants for which they receive tips.

The fourth group is people who live in poverty who may be affected due to not being able to be connected to natural gas. However, the implementation of a long term installments plan will allow them to be connected.(see chapter 3 on income distribution and poverty level in WTP survey)

Table : 6.5.2 Assistance to Vulnerable People

This section aims at identifying all potential mitigation measures and types of assistance that might be provided to vulnerable people

Affected Groups	Mitigation measures	Responsibility of mitigation	Responsibility of direct supervision	Means of supervision	Estimated Cost of mitigation / supervision
Those who work in the distribution of gas cylinders in the governmental stores	Provide technical support and assistance to those who work in the distribution of gas cylinders in the governmental stores through rehabilitation and training or moving them to another area	Potagasco	Potagasco	lists of rehabilitated persons and the lists of new jobs they acquired	The routes until now are not addressed and the number of those who need rehabilitation is not addressed too. However, there will be no cost because they are working in Potagasco and they receive their salaries from the company
People who received loan from the Social Fund for Development	<p>People who received a loan from the Social Fund for Development. 328 persons should be investigated, in order to identify how they will react concerning the GCNGC project.</p> <p>a. They can distribute in areas that are not served by the GCNGC project</p> <p>b. They can sell the cylinders and start another business (they used to do so)</p>	Social Fund for Development	EGAS	A list of them will be provided by the Social Fund for Development	Since most of them will continue in distributing, the rest of them should be paid for the cylinders and should be rehabilitated.
The owners of private cylinders' store	The owners of private cylinders' stores in some districts (New Cairo, Shrouq/ Badr City/ El Hadied we El Solb buildings/ El Hoda city/ Qeba – Omar Ebn El Khatab- Sheraton buildings) should be compensated if they stop distributing the cylinders. They should be paid for the cylinders to give them the opportunity to start a new business. If they want to continue distributing LPG cylinders in the areas that are not served by the	EGAS	EGAS	A list of them will be provided by Potagasco	Because the exact routes have not been addressed yet, the cost cannot be estimated. Especially in the case of not changing their activity/business.

Affected Groups	Mitigation measures	Responsibility of mitigation	Responsibility of direct supervision	Means of supervision	Estimated Cost of mitigation / supervision
	project, they should not be compensated				
Poor people	A clear and realistic installment plan should be proposed and discussed with the people. The plan is settled but it needs to be discussed with the people during the willingness to pay survey ⁷	Town Gas	Town Gas	The plan of installments	No cost

Since most of the exact routes have not been finalized, estimating the cost of compensation for land acquisitions and damages will not be possible at this time. However, it is very important to establish who will be responsible for compensation. Egas will be mainly responsible for compensation due to any land acquisition. However, the contractor will be responsible for any damage that occurs to assets as a result of project works including construction activities. A commission from Egas will do the follow up for compensation of both land acquisition and damage to assets. The same commission will be responsible for the compensation if any of the above mentioned groups are affected. A social component will be included during the implementation of the project. This component will identify the ultra poor affected by the project and provide guidance to the Egas commission about the best compensation plan for this affected group.

⁷ That plan was discussed through the (WTP) survey and a new installment plan has been designed with TownGas

6.6. Resettlement Monitoring and Evaluation Arrangement

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

6.6.1. Internal Monitoring

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

6.6.2. External Monitoring and Evaluation

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

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

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

Table 6.6.2: Verifiable Indicators for Monitoring and Evaluation Implementation of Raps.

Monitoring	Evaluation
Percentage of individuals selecting cash or a combination of cash and in-kind compensation	Proposed use of payments
Payment of compensation to PAPs in various categories	Conformance to compensation policies described in the RAP
Number of grievances	Timeliness and quality of decisions made on grievances
Delivery of technical assistance,	Facilitation of access to technical and

relocation, payment of transitional subsistence and moving allowances	development assistance and transitional allowances
Delivery of income restoration and development assistance	Ability of individuals and households to re-store sources of income
Public information dissemination and consultation procedures	Timeliness, quality, and effectiveness of consultation and information disclosure

RPF	EGAS / World Bank
Completion dates of the RAP activities	Actual completion of resettlement activities compared with the RAP time schedule

7. Public Consultation and Disclosure

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

- Project components
- Project impacts
- PAPs' legal rights and entitlements
- Compensation policies
- Resettlement activities
- Grievance and redress Mechanism
- Implementation schedule
- Public consultation and disclosure of information.
- Organizational responsibilities.

It is crucial that the PAPs and other primary stakeholders are involved in the sub-project from the very early stages, and that relevant and adequate information about the subproject and its activities is provided to them in a timely manner, since this would:

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

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

resettlement sites, compensation, and income restoration measures.

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

8. Budget and Sources of Funding Raps

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

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