ABO HOMOS AND DAHSHOUR-ATFEEH
GAS PIPELINES, EGYPT

RESETTLEMENT POLICY FRAMEWORK

Executive Summary
April 2013
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Introduction

The Egyptian Natural Gas Company (Gasco) is carrying out multiple projects to support the expanding national gas grid. Among them is a proposed 36” diameter, 105 km long pipeline to transport natural gas from the Dahshour compression station to the Atfeeh power station and the 32” diameter, 65 km long pipeline to transport natural gas from the Abo Homos collection unit to the Nubaria power station. The planned paths of the pipelines will run through agricultural lands, crosses several transportation routes and waterways, and may potentially encounter and disrupt inhabited areas and farms during the construction phase. The prepared Environmental and Social Impact Assessment (ESIA) showed that the project will not result in any type of physical resettlement for local population and the only impact related to involuntary resettlement will be limited to temporary livelihoods interruption due to temporary disturbance to agriculture land use during construction. The potential impact on the local livelihoods due to the construction of the gas line is elaborated on this RPF.

The purpose of the RPF is to establish resettlement objectives, organizational arrangements and funding mechanisms for any resettlement operation that may be necessary. When during implementation the exact extent of land acquisition becomes known, a Resettlement Action Plan (RAP) or abbreviated RAP- depending on the scale and severity of impacts - will be prepared. The various steps in preparing a RAP have been outlined in this document. It should also be emphasized that the resettlement process should be completed prior to the start of physical works.

Local cultivation is taking place on the route of both Dahshour Atfeah and Abu Homos Nubaria gas pipeline, where farmers own or hire land. In most of the cases, the farming activities is the sole source of livelihoods for the local farmers and the majority of them are of poor farmers with very limited agriculture land shares. Based upon Gasco experience from many similar gas pipelines projects across Egypt, the company is quite familiar with the impacts associated with the needs of both temporary and permanent land acquisition. They are fully aware of the type of land acquisition, land and crop compensations associated with the construction stage and the values of community participation in the process. The policy of compensation of Gasco goes in line with the Egyptian legislation related to these aspects. In several ways, the Egyptian legislations, most importantly The Egyptian Irrigation and Drainage Law number 12 year 1984 and relevant ministerial decrees, accords with the World Bank Safeguard OP 4.12 on involuntary resettlement. Gasco compensation system for affected lands, crops and trees involves:

1. According to Law 10 Year 90, a temporary land acquisition decree is issued for the land required for the establishment of the pipeline route. The decree is enforced after obtaining the official agreement from the Local People Assembly
2. Compensations are also paid according to the decree of the Ministry of Agriculture 346/2007 with relevance to the compensation for the crops and tress located on the gas pipelines route, for the of public interest and land improvements
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- An agriculture committee and the survey/inventory/census committee formed from a representative from Gasco (Environmental, project, legal managers, etc.), a representative from the Contractor, a representative of the Local Governorate Unit and a representative from the Agriculture Association where the line passes carry out the inventory survey and prepare lists of PAPs, amount of affected crops and trees for each affected farmer and the amount of compensation that should be estimated in accordance with the price of the crops and trees of the Directorate of Agriculture in the Governorate where the line will pass.

- These lists should be approved by Gasco, the Contractor and the Agriculture Association and they should be announced in the Agriculture Association.

For the landowners who are not accepting the compensation, negotiation and dialogues will be facilitated in cooperation with stakeholders (Mayor, Sheikh, local council, etc.) until agreement is reached. In case of refusal, the project should get a higher level of mediation through the compensation committee and the stakeholders (Mayor and Head of Agriculture Association) trying to convince the PAP amicably. GASCO showed willingness to involve community level grievance redress mechanisms in order to minimize the cases where conflict accelerates and necessitate the resort to courts. Community level grievance redress mechanisms could involve the engagement of natural leaders from the villages (Mayor- Head of Agriculture Association) or NGOs trustworthy members. It is believed that the ESIA’s, the RPF and the RAP processes introduced the project transparently to the hosting communities and channels of trust has been created between GASCO and the local communities, particularly farmers. This approach is perceived to be a key proactive approach that goes in line with the World Bank OP 4.12. In case of the compensation rejection by the PAP. He has the full right to draw his case to the Court. However, GASCO will deposit the full compensation in the Court Safe box. This action will not have any impact on the implementation plan.

3. GASCO will pay the full compensation in acceptable, appropriate and satisfying manner in agreement with squatters who cultivated agriculture lands without having official documents to prove their legal right.

4. In cases of the line passing urban areas of land that could be used for establishing buildings, the owners is compensated for being not allowed to use the land where the pipelines will pass and the right of way of 2 m from each side inside urban planned areas and 6 m from each side outside the urban boarders. This is done in accordance with law 4/1988 related to gas pipelines and as per the market price.

5. In cases when the land where the pipelines are passing entered the urban boarder (due to urban expansion) after the project completion, the affected owner resort to the Higher Council of Compensation at the Ministry of Petroleum which is Headed by a
Councillor from the State Council. The committee consults with the Governorate representatives for pricing the affected land and estimating the compensation.

- In case the affected owners are not satisfied with the amount of compensation, he/she resort to the Court.

6. In cases where the pipeline passes State owned land, no fees/compensations are paid and the Contractor is obliged to return the situation to its original conditions before construction.

7. In cases where the pipelines passes land that is owned by any Ministry (e.g. the Irrigation, Tourism …etc), a compensation is paid according to the requirements of the affected Ministry.

8. In cases of purchasing land for the purposes of the valve rooms, reduction and distribution stations, negotiations are carried out with the owner of the land before purchasing the land, according to the status of his ownership to the land. Agreement is signed and approved by the Company Chairman and a cheque with the value of the compensation is issued and submitted to the land owners and a selling contract for the Holding Company.

9. In all cases Gasco is paying directly to the affected persons without any intermediary parties.

Gasco policy goes in line with the World Bank OP 4.12, particularly in issues related to establishing dialogues with community members and the transparent sharing of information. However, the grievance redress mechanism of Gasco needs to be developed further in order to adopt a more proactive approach than largely relying on the traditional approaches.

The consultation activities carried out as part of the scoping and disclosure of the ESIA showed clearly that farmers believe that as long as their rights in fair compensation are guaranteed, they are willing to accept the projects and the various temporary or permanent land acquisition. However, the current political changes underway in the country after the people-led Revolution of 25th January 2011 necessitate the need for more emphasis on community participation in the compensation process. The traditional dispute resolution mechanisms used to involve interference of the police in some of these cases. Currently, different participatory mechanisms should be ensured in order to organize the land acquisition issues. Gasco showed willingness to involve community level grievance redress mechanisms in order to minimize the cases where conflict accelerates and necessitate the resort to courts. Community level grievance redress mechanisms could involve the engagement of natural leaders from the villages or NGOs trustworthy members. This approach is perceived to be a key proactive approach that goes in line with the World Bank OP 4.12.

Dahshour-Atfeeh Gas Pipeline Broader Context
The gas pipeline starts from the Dahshour compression station and extends parallel to the existing 36'' Dahshour-El Koreimat pipeline and parallel to El Fayoum road for 8 km through desert lands. Then it turns toward the south behind Watania fuel station to be parallel with Asuit western desert road and passes through some agricultural lands. At km 68, the pipeline will cross Abu Rady road and El Fayoum railway. Then it turns right with Masra Abu Sier road and crosses Giza canal, then extends through agricultural lands and crosses Mohiet Baniswaif drain. The pipeline passes near Maimona village and crosses Cairo-Aswan agricultural road, EL Ibrahimea canal, and Cairo-Aswan railway. Finally the pipeline passes east of (Nasr-Banisewai) water station and crosses the Nile river toward the location of the new Atfeeh power station. Eight (8) valve rooms will be constructed along the pipeline. The PRS is present inside the Atfeeh power station. Its main function is to deliver 437,000 m$^3$/hour of gas at an output pressure of 7 bar. The station consist of 3 filtering lines (to clean the gas from any particles), 5 reduction lines (to reduce the gas pressure to the desired value), and 3 measurement lines. Additionally, 3 heaters will be used.

**Abu Homos-Nubaria Gas Pipeline Broader Context**

The planned pipeline is a 32'' diameter, 65 km long pipeline to transport natural gas from the Abo Homos collection unit to the Nubaria power station. The Abo Homos-Nubaria gas pipeline starts from the outlet of a gas collection unit at Abo Homos, and extends to the southwest for 400 m. It then turns to the southeast and runs parallel to the ring road to Basnatawy for 2.5 km, and then extends toward the south, intersecting El-Mahmoudiya Canal, Cairo-Alexandria Railway, and Cairo-Alexandria Road near the El-Azmaly estate. It follows the eastern side of El-Khadra canal, and then follows the Damanhour Canal eastward for 2.5 km until turning south for 1 km to cross the Abdel Hamid canal and continue along it briefly for 500 m. The pipeline turns southeast and again follows the Damanhour Canal at the east side of the Sharawa estate. The pipeline crosses the road to Hosh Issa, and then runs parallel to the Khairy drain along the western side for about 15 km, until it nears a transformer station at El-Nagareen estate. The path crosses the Ferhash Canal and continues eastward alongside it, then turns south with the Abo Shousha Canal. It crosses El-Hagar Canal and runs along its southern side for 11.5 km, and then crosses back to the northern side before El-Haddayn estate. The pipeline passes north of El-Ashraf, then turns south to cross the Nubaria Canal and continue along it for 3 km, then once again turns south, crossing the Alexandria-Embaba Railway, and finally reaching the Nubaria power station. The entire length of the pipeline will be below ground. Eight (8) valve rooms will be constructed along the pipeline.

**Project’s Impacts and Vulnerable Population/ Project Affected Persons (PAPs)**

The project is expected to result in several positive social impacts that are elaborated in more details on the ESIA. In the meantime, the construction work's activities will involve disturbance for the current land use in the projects' sites. The implications of involuntary
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The potentially affected persons from the two projects are mainly of farmers whose lands will be used by the project either temporarily or permanently. Those who will be affected temporarily during construction are the farmers whose lands will be crossed by the pipeline. In this case the impact is limited to the construction phase which might result in destroying crops or removing trees. Permanent land acquisition might happen in one of the cases:

1. The need for land expropriation to establish the PRS. In this case Gasco buy land from the farmers in full market price. However, this is not applicable to these two projects
2. Establishing the valve rooms requires permanent land acquisition. According to Gasco the valve rooms land is purchased with full market price
3. Due to urban expansion and in cases where the agriculture land gets inside the cities borders, the owner of the land – by law - becomes allowed to use the land in construction purposes. In such cases and in order for Gasco to secure the land where the pipelines are crossing and prevent any activities that may damage the pipelines, they buy land form the owners in market price under satisfactory, agreeable and appropriate agreement and this is regarded as permanent land acquisition.

The calculation of the ESIA and the RPF team showed that for Dahshour Atfeeh gas pipelines, about 100 Feddans of agriculture land will be temporarily affected during construction and around 2 feddans should be purchased for the valve rooms and for Abu Homos -Nubaria gas pipeline, The implementation of the project will necessitate temporary expropriation of around 270 Feddans during the construction. Moreover, around 2 feddans should be purchased for the valve rooms and Gasco has already purchased this land.

It is very challenging to quantify the number of potentially affected persons under this stage of the project as the final route of the project has not been finally determined and no readily available information was found to show the land share holding and allow for

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1 The calculation where based on the length of the line that will cross agriculture land multiplied by a width of 20 m for excavation.
2 The feddan is 4200 m²
3 This estimate is based on the following calculation: 25 m x 45 m = 1125 m² x 8 valve rooms = 9000 m²/4200 m² (area of the feddan) = 2 feddan.
accurate calculation of land. Moreover, due to the linear layout of the gas pipelines route, it was not possible for the team to use the land share holding indictors in calculating the number of affected farmers. The RPF team made a rough estimate for the numbers of PAPs from the valve rooms components. It was found that for each of the projects Gasc will purchase land from around 8 farmers (one farmer/valve room).

The Resettlement Policy 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 Resettlement Policy Framework (RPF) is to address any cases of involuntary resettlement that may arise, as well as clarify the organizational arrangements that may be needed during sub-projects 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 objectives of the RPF correspond to those of the World Bank's policy on involuntary Resettlement, namely:

- To avoid or minimize (whenever possible) involuntary resettlement and land acquisition through design efforts.
- If involuntary resettlement and land acquisition is unavoidable, to execute resettlement and compensation activities as sustainable development programs.
- To assist Project Affected Persons in their efforts to improve their livelihoods and standard of living or at least to restore them to pre-displacement levels.

When the exact extent of land acquisition becomes known during the implementation phase, site specific Resettlement Action Plan (RAP)s or abbreviated Resettlement Plan (ARPs) 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.

Egyptian Legislations and the World Bank OP 4.12

The development and implementation of the RPF will comply with national laws, local regulations and World Bank Policies on Involuntary Resettlement (OP 4.12). In case of any discrepancy between the national laws/decrees and OP 4.12, The WB policies and procedures including op. 4.12 should prevail as per the loan agreement.

It presented the Institutional Arrangements for property expropriation and compensation in Egypt, including the central level (the Egyptian General Authority for Land Survey), the local level, several local departments and directorates are involved in the resettlement most importantly, the Directorate of Housing and Infrastructure, the Department of Physical Planning, the Department of Amlak, the Department of Land Surveying, the Department of Social Affairs, the Department of Legal Affairs, the Local Governorate Units (LGUs) and the Agricultural Associations. On the stakeholders level, the relevant NGOs, CBOs and elected councils together with PAPs play crucial roles in ensuring that
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the participatory decision making, planning, implementation and monitoring process is inclusive and transparent.

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. The main Egyptian Legislations that regulate these issues are:

- Law No. 4 of year 1988 related to gas pipelines Article No. 2. This Law identifies the right of way and the limitation to use the lands above the pipeline. As well, defined those who are entitled for compensation
- Law No. 10 of year 1990 on the expropriation of real estate for public interest.
- Law No. 217 of year 1980 related to Natural Gas which is the responsibility of Ministry of Petroleum to declare the expropriation decree. As well, the necessity to provide an appropriate compensation to the affected people. The safety of the constructions is assured according to this law (article 2).
- Law No. 346 of year 2007 that delegates the valuation of crops and tress for the agriculture directorate in the governorate that host the project.

As part of the crop compensation system, Egypt’s agricultural drainage network is a vast one and the Egyptian Public Authority for Drainage Projects (EPADP) has a long-standing history of implementing subsurface drainage networks. During the implementation of these systems on active agricultural lands, farmers are subject to temporary loss of crops on part of their land and thus losing income. Consequently, EPADP has developed a well established system for providing affected farmers with crop compensations for land areas temporarily put out of production due to the execution of subsurface drainage systems. These procedures should apply to any type of projects, including the gas pipelines projects, when dealing with crop compensation issues.

Consultations and Provision of Timely Information:

The EPADP includes a dedicated department for drainage advisory services and is given the level of a General Directorate. This General Directorate for Drainage Advisory Services (DAS) is represented with each of EPADP’s field offices at the regional levels as well as the levels of the general directorates and drainage districts. The overall mandate of the DAS is to increase farmer’s awareness with regards to the drainage systems. In this regards, the DAS holds consultations at three progressing levels as follows: (i) consultations at the governorate level, (ii) consultations at the level of the central directorates, and (iii) consultations at the level of the interventions.

Implementation Procedures:

The procedures for crop compensation are regulated by a series of Ministerial Decrees issued by the Minister of Water Resources and Irrigation. The most recent decree is no. 358 for the year 2008 and is dated 31 July 2008. This decree specifies the procedures to
be followed for administering the process as well as the crop compensation unit rates on which the calculations are based (the decree includes a comprehensive list including numerous varieties of summer crops winter crops, vegetables, medical plants, decorative plants, palm trees, fruit trees, forestry and flowers).

During the execution of the project, any due crop compensations are paid directly by the Contractor to farmers under the supervision of EPADP and in coordination with the relevant agricultural association(s). In order to ensure representation of all concerned parties in the crop compensation process, a Crop Compensation Committee, or more than one if needed, is established at the level of each general directorate responsible for the implementation of subsurface drainage works. This committee is headed by the general directorate’s engineer in charge of the drainage project and includes one member from each of the following: (i) representative of the contractor executing the works, (ii) head of the relevant agricultural association from the Ministry of Agriculture and Land Reclamation (MALR), (iii) board member of the agricultural association nominated by the association’s board, and (iv) village head in the project area. The above-mentioned committee is entrusted with the following responsibilities:

- Identification of the agricultural areas affected by the project.
- Calculating the crop compensations due in accordance with the unit rates stated in the Ministerial Decree.
- The committee delegates to the Contractor to prepare, within a maximum period of 30 days, a crop compensation register in coordination with the agricultural association and village head.
- The crop compensation register identified to the committee is then publicly displayed at the bulletin board within the relevant agricultural association office as well as within the drainage directorate office and the village local council office.
- Any grievances related to the posted crop compensation information shall be submitted within 30 days to be investigated by the Crop Compensation Committee within the following 30 days.
- OP 4.12 requires that dispute handling will be set up with the aim of settling disputes amicably. Grievance could be approached through both proactive and reactive approaches.

**Proactive approach**

- Transparent disclosure of information
- Establishing a committee of influential representatives to review any grievances
- The existence of the free hot line 149 of GASCO for complaints and grievance announced on GASCO markers in the field.
- Raising the awareness of PAPs with the various grievance mechanisms.
- Raising the awareness of GACO field supervisor who are available in the field on daily basis during construction with the importance of responsiveness to PAPs and the mechanisms to do that.

**Reactive approach**
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- Settle disputes amicably
- PAPs to contact GASCO hotline in cases if grievance.
- Handling the grievance and complaints of PAPs and reimbursing fair compensations.
- Responses form GASCO officers in charge of responding to complaints and grievance.
- Working towards solving any disputes on the local level
- Focus on ensuring that PAPs get fair treatment.

It is crucial that the project pays special attention to strengthening the proactive approach to grievance. This will largely help the poor and vulnerable groups of poor farmers to avoid getting into trouble related to accelerated disputes.

Crop Compensations

The valuation of crop compensation amounts applicable to affected farmers are regulated by a series of Ministerial Decrees issued by the Minister of Water Resources and Irrigation. The most recent decree is no. 358 for the year 2008 and is dated 31 July 2008.

This decree specifies the procedures to be followed for administering the process as well as the crop compensation unit rates on which the calculations are based (the decree includes a comprehensive list including numerous varieties of summer crops, winter crops, vegetables, medical plants, decorative plants, palm trees, fruit trees, forestry and flowers). In the remote case of crops not included in the Ministerial decree, the matter is presented to EPADP’s board for identifying a suitable crop compensation unit rate.

The valuation of crop compensations areas are measured by field surveys during implementation for measuring lengths of affected areas along the pipelines route based on a width of 20 m. for excavation and construction work.

The WB’s policy on involuntary resettlement and the compensation of Project Affected Persons is clearly spelled out under the Bank’s operational safeguard policy (OP) # 4.12. the Resettlement Instruments include Resettlement Policy Framework (RPF), Resettlement Action Plan (RAP) and the Process Framework. A Resettlement Action Plan (RAP) or abbreviated RAP – depending upon the scale of impacts - is prepared when all the details of the project are known at appraisal.

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

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

(b) The involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons.
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(c) Project activities resulting in involuntary resettlement that in the judgment of the Bank, are (i) directly and significantly related to the project, (ii) necessary to achieve project objectives as set forth in the project documents and, (iii) carried out, or planned to be carried out, contemporaneously with the project.

RAP Preparation and Approval Process

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

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

The RPF presents the full required details of each of these components in order to ensure compliance with the WB OP 4.12.

The RPF also presents the key gaps between the Egyptian legislations and the WB OP 4.12 and presents local based suggestions in order to bridge these gaps.