EG-Helwan South Power Plant Project (P117407)

Updated Resettlement Policy Framework
For Dahshour - Atfeeh & Abu Homous – Nubaria
Gas Pipelines, Egypt

*Updated in February 2016*

FINAL Report
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## List of Acronyms and Abbreviations

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<td>ARP</td>
<td>Abbreviated Resettlement Plan</td>
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<td>CBOs</td>
<td>Community-based Organizations</td>
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<td>EPADP</td>
<td>The Egyptian Public Authority for Drainage Projects</td>
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<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
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<td>IR</td>
<td>Involuntary Resettlement</td>
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<td>LGUs</td>
<td>Local Governorate Units</td>
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<td>MALR</td>
<td>Ministry of Agriculture and Land Reclamation</td>
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<td>NGOs</td>
<td>Non Governmental Organizations</td>
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<td>PAPs</td>
<td>Project Affected Persons</td>
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<td>PRS</td>
<td>Pressure Reduction Station</td>
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<td>RAP</td>
<td>Resettlement Action Plan</td>
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<td>RPF</td>
<td>Resettlement Policy Framework</td>
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<td>WB</td>
<td>The World Bank</td>
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GLOSSARY

**Abbreviated Resettlement Plan:** Establish a baseline through the census of PAPs which will comprise socio-economic data, the inventory of assets lost, and the compensation and resettlement benefits awarded to the PAPs.

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

**Compensation:** Payment in cash or in kind to replace losses of land, housing income, and other assets caused by the project.

**Cut off Date:** The date of the census prior to which, the occupation or use of the project area, qualifies residents or users of the project area as affected persons.

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

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

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

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

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

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

**Project Affected Person:** Includes any people, households, firms or private institutions who, on account of changes that result from the project will have their (i) standard of living adversely affected, (ii) right, title, or interest in any house, land (including residential, commercial, agricultural, forest, and/or grazing land), water resources, or any other moveable or fixed assets acquired, possessed, restricted, or otherwise adversely affected, in full or in part, permanently or temporarily; and/or
(iii) business, occupation, place of work or residence, or habitat adversely affected, with or without displacement.

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

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

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

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

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

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

The Egyptian Natural Gas Company (GASCO) is carrying out multiple projects to support the expanding national gas grid. It was agreed that $74.6 million of the savings of the Helwan South Power Project (component 3: Gas Pipeline) will be used to finance the transfer of the natural gas from the gas facility in Rasheed (delivered from Raven gas field) via pipelines to West Delta Gas Complex in Alexandria. 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 the gas pipelines, where farmers own or rent 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 tress 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 lands that are cultivated by squatters and those who are not registered with the Agriculture Association, evidences for duration of squatting or the so-called “Stable squatting” are required. GASCO provides compensation in market price under satisfactory agreeable, and appropriate agreement manners to squatters who cultivate the land without official documents that prove the legal rights.

3. 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.

4. 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 Councilor 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.

5. 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.

6. 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.

7. 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.

8. 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 necessitates 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.

**Project Description**

The Purpose of Construction of this pipeline is to transfer rich gas from Raven gas field in north Alex to the western desert gas complex in Alexandria to extract the rich component.

**Route Description**

The route starts from Rashid Petroleum Company 1 km away from the Mediterranean sea coast and then it deviates south till km (1), then deviates southwest parallel to a canal till km (3,800) at the intersection of the canal with the international coastal road then it deviates west parallel to the international coastal road from the northern side parallel with ADCO -Elmadya pipeline 20 " for a distance of 14 km and passes through ADCO lake and fish farms for a distance 7 km from km (18,800) until km (25,700) and intersect with (petroleum companies road – Abokeer Rasheed road and railway - a number of canals and drains) and then intersects with the international coastal road at km (32,500) , extends parallel to it from the south side and intersects with ElMahmudiyah Canal at km (34,400) ,then intersects with Cairo / Alexandria agricultural road and railway at km (35,400) , it continues parallel to the road till km (42,500) where it cuts New Mariout canal and Aldashody drain ,then it deviates southwest parallel to the canal and the drain from the western side till km (50,200), where it intersects with Elevoom drain, a canal and an asphalt road, then extends parallel to Elhares elonomy drain from the southeast till km (57,300), where it cuts Elhares elonomy drain and Elhares drain no. (1), then it extends parallel to and extends parallel to Elhares drain no. (1) from the south side and parallel to Nubaria navigational canal from the south-east side inside farmlands till km (66,500) where it deviates West cutting Nubaria navigational canal ,West Nubaria drain and Railway till it reaches the end inside the Western desert gas complex of the Egyptian natural gas Company (GASCO).
Specific Resettlement Action Plans (RAPs) will be prepared for each connection as necessary.

**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 main crops there are perfume plants, corn, maize, trees, rice, wheat, and vegetables.

The potentially affected persons 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 pipelines. In this case the impact is limited to the construction phase which might result in destroying crops or removing trees.

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 pipelines.
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 from the owners at market price under satisfactory, agreeable and appropriate agreement and this is regarded as permanent land acquisition.

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 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 indicators 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 GASCO 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 RPF has been prepared within the framework of the related Egyptian Legislations and the WB OP 4.12.

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 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:

- **The Egyptian Constitution**
- **Egyptian Civil Code**
- **Physical Planning Law (Law3/1982)**
  - Prime Ministerial Decree No. 160 of 1991
  - Prime Ministerial Decree No. 2166 of 1994
  - Law No. 27 of 1956
- **Law 10/1990 for the Expropriation of Ownership for Public Interest**

**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**

- 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.

(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.
CHAPTER ONE: THE PROJECT

1.1 The Project and the Role of the RPF

In Egypt, the domestic market for natural gas is currently under-supplied and demand is growing. Due to major recent discoveries, natural gas is likely to be the primary growth engine of Egypt’s energy sector for the foreseeable future. Egypt’s natural gas sector is now expanding rapidly. The Egyptian Natural Gas Company (GASCO) is carrying out multiple projects to support the expanding national gas grid. It was agreed that $74.6 million of the savings of the Helwan South Power Project will be used to finance the transfer of rich gas from Raven gas field in north Alexandria to the Western Desert Gas Complex in Alexandria to extract the rich component.

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 effects of the planned activities on existing environmental and social conditions at these critical points have been thoroughly investigated in full Environmental and Social Impact Assessment (ESIA) reports. The 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 line is elaborated on this RPF.

Since some of the sub-components of the project may result in temporary or permanent land acquisition, WB-OP 4.12 on involuntary Resettlement has been triggered and a Resettlement Policy Framework (RPF) has been prepared. An RPF is the instrument used because the nature and extent of land acquisition resulting from the above infrastructure are not known at appraisal. 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 livelihoods: Local cultivation is taking place on the route of Noubaria-Meetnama gas pipelines, 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, like South Valley gas pipelines project, the company is quite familiar with the impacts associated with the needs of land acquisition. They are fully aware of the type of land acquisition as well as land and crop compensations associated with the temporary construction stage of this type.
of projects. Moreover, GASCO strongly appreciates the values of community participation and encourages building direct trust channels with the local communities.

The field work conducted during the preparation of the Environmental and Social Impact Assessment (ESIA) and the RPF and the consultation with farmers in other places where GASCO has worked revealed that fair compensations have been provided to farmers of various groups including owners and those who hire the land. 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.

**Box 1.1 Summary of the key issues related to the crop compensation strategy in Egypt within the framework of World Bank financed projects**

According to the World Bank, the projects that associate with temporary land acquisition commit to the provision of fair compensation according to the Egyptian Law in cases when the implementation of the projects result in damaging crops. Generally speaking, the Egyptian Law for crop compensation is a well functioning system that goes in line with the OP 4.12 of the World Bank. This is in particular applicable to the irrigation and drainage projects as well as other types of projects. The Egyptian Irrigation and Drainage Law number 12 year 1984 and relevant ministerial decrees set standards for the various types and amounts of compensations for the various levels of damage for crops and trees. The World Bank is assisting the Ministry of Irrigation in reviewing the Law every other year in order to make sure that the provided compensations are fair and reflect the actual market value.

The World Bank procedures in the framework of such project involve the preparation of a full survey/inventory/ census. This should be made prior to the actual project implementation. The survey/inventory/census should be carried out by a committee that encompasses a representative of the Agriculture Association, a representative of the concerned governmental authority (the Local Governorate Unit) and a representative for the contractor. The results of the survey should be interpreted into figures that present the project affected persons (PAPs) and the amount of compensations that they will be entitled to, on the light of the relevant Egyptian Law. The Agriculture Association approves the survey results and, in accordance with OP 4.12 of the World Bank, a list of the affected farmers and the compensation amounts is disclosed on a clear and visible place in the Agriculture Association. In the meantime the formed committee follows up the process of paying the compensations to farmers and another committee is formed for receiving complaints and redress. In some serious cases where a conflict accelerates, the conflicting parties might resort to the court.

The World Bank OP 4.12 gives big attention and consideration to the complaints of the vulnerable groups. In that sense, under certain projects where a farmer (s) shows serious reluctance and resistance and in the worst cases where negotiations proved
unsucessful, the project implementation might be terminated.

Source: An Interview with Dr. Hani El Sadani, Senior Water Resources Engineer, Sustainable Development Department, Water Unit.

Box 1.2 Summary of GASCO Compensation System for Affected Lands, Crops and Trees on the Pipelines Route

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 (the elected council) of the respected Governorate.

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 with accordance to the estimates of the formed committees by the Governor.

   - An agriculture committee and the survey/inventory/census committee formed from a representative from GASCO (Environmental, project, legal managers, …….ect), a representative from the Local Governorate Unit, the Contractor 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 tress 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 lands that are cultivated by squatters and those who are not registered with the Agriculture Association, evidences for duration of squatting or the so-called “Stable squatting” are required. In case of the availability of these evidences, a compensation decree is signed with those squatters. For lands that are cultivated by squatters and those who are not registered with the Agriculture Association, evidences for duration of squatting or the so-called “Stable squatting” are required. GASCO provides compensation in market price under satisfactory agreeable, and appropriate agreement manners to squatters who cultivate the land without official documents that prove the legal rights. In case of the appearance of another owner of the land, the compensated squatter should be responsible on the civil and criminal liability.

3. 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.

4. In cases when the land where the pipelines are passing entered the urban boarder (due to urban expansion) after the project completion, this causes additional negative impact on the owner of the land since the price of land is getting higher. 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.

5. 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.

6. 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.

7. In cases of purchasing land for the purposes of the valve rooms, reduction and distribution stations and since these components should be placed in specific locations that are technically feasible, negotiations are carried out with the owner of the land before purchasing the land. Dealing with the owner is done according to the status of his ownership to the land (registered final contracts, primary contracts, squatting, inherited …etc) and 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.

8. In all cases GASCO is paying directly to the affected persons without any intermediary parties.

The preparation of the ESIA and the RPF involved intense consultation process with the various groups of stakeholders and potentially affected persons (PAPs), particularly farmers. The consultation was carried out with the primary objective of transparent sharing of information and allowing PAPs to reveal concerns and give feedbacks on the project and its potential impacts. The results of the consultation and the views of various stakeholders, particularly the vulnerable groups have been emphasized on both the ESIA and the RPF. The documentation for the consultation process is attached in Annex 1. The details about the raised issues during the consultation activities have been incorporated on the ESIA study and all the concerns of the stakeholders were considered in the production of the final ESIA.

The consultation activities carried out as part of the scoping of the ESIA and the findings' disclosure the of the draft 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 expropriation.

However, the practical experience of GASCO and the discussion with the staff in charge in the company revealed that some practical limitations might be encountered in the future, particularly under the current political changes underway in the country after the people-led Revolution of 25th January 2011. During the public consultation, representatives from GASCO revealed that, in the past, the temporary and permanent land acquisition involved, in certain cases, reluctance from the land owners. The traditional dispute resolution mechanisms used to involve the interference of the police in some of these cases. Currently, under the lack of trust between community and police, different participatory mechanisms should be ensured in order to regulate the land acquisition issues and mitigate any disputes that might emerge. 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. It is believed that the ESIA’s and the RPF 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.

The various steps of the Resettlement Action Plan (RAP)/Abbreviated Resettlement Plan (ARP), as elaborated in details on this RPF, include clear description of the proposed methods in order to ensure full participation of the project affected persons, transparent information sharing and effective grievance redress mechanisms and disputes resolution. The main objective of this RPF is to provide clear guidelines for the process of the RAP/ARP preparation.

1.2 Project's Broader Context

1- 6 th October Gaseous Power Station

Pipeline Aim:
Feeding 6 of October Power Plant (600 MW).

Pipeline data:
- Length: 0.4 km
- Diameter: 20”
- Material: API 5L X 52
- Maximum operating pressure: 70 bar
- Minimum operating pressure: 25 bar
- Pipeline Capacity: 4 MMSCMD

Route Path: desert
Crossings:
No crossings
2- Damanhour Combined Power Station
Pipeline Aim:
Feeding Damanhour Power Plant (1000 MW).
Pipeline data:
- Length: 4 km
- Diameter: 24”
- Material: API 5L X 52
- Maximum operating pressure: 70 bar
- Minimum operating pressure: 30 bar
- Pipeline Capacity: 6.8 MMSCMD
  Route Path:
  Agricultural with crops
  Crossings:
  1 water path crossing

3- El-Seyouf Combined Power Station
Pipeline Aim:
Feeding Al Siouf Power Plant (750 MW).
Pipeline data:
- Length: 3.5 km
- Diameter: 16”
- Material: API 5L X 52
- Maximum operating pressure: 45 bar
- Minimum operating pressure: 25 bar
- Pipeline Capacity: 3.4 MMSCMD
  Route Path:
  Agricultural with crops
  Crossings:
  1 railway crossing

4- EL-Mahmoudia Combined Power Station
Fedded by 3 pipelines : 16", 42", 30"

Pipelines Aim:
Feeding Mahmoudia Power Plant (300 MW)
Pipelines data:

A. 16" pipeline:
Planned operation. Date: sept 2017
- Length: 7 km
- Diameter: 16”
- Material: API 5L X 52
- Maximum operating pressure: 70 bar
- Minimum operating pressure: 30 bar
- Pipeline Capacity: 2.1 MMSCMD
B. 30” pipeline:
   Planned operation. Date: sept 2017
   Length: 15 km
   Diameter: 30"
   Material: API 5L X 56
   Maximum operating pressure: 70 bar
   Minimum operating pressure: 30 bar
   Pipeline Capacity: 13 MMSCMD

C. 42” pipeline:
   Length: 27 km
   Diameter: 42"
   Material: API 5L X 65
   Maximum operating pressure: 70 bar
   Minimum operating pressure: 30 bar
   Pipeline Capacity: 25 MMSCMD

   Route Path:
   Agricultural with crops
   Crossings:
   1 water path crossing

5. Suez Thermal Power Station

   Pipeline Aim:
   Feeding Al Suez Power Plant (650 MW).
   Pipeline data:
   Length: 2.5 km
   Diameter: 16"
   Material: API 5L X 52
   Maximum operating pressure: 70 bar
   Minimum operating pressure: 30 bar
   Pipeline Capacity: 2.1 MMSCMD
   Route Path:
   Desert
   Crossings:
   1 sewage path crossing - 1 Road

6. Summed import gas pipeline

   New Capital Power Plant Feeding

   Coordinates: 29 53' 50.28"N , 31 44' 3.45"E
   Sumed port importing 32" (gas transmission pipeline)
   Pipeline Aim:
   Importing gas from Sumed Port to feed New Cairo power plant and other Consumers.
Pipeline Data:
Planned operating date: april 2017
Origin: Sumed Port
Destination: Sumed valve room
Length: 4 km
Diameter: 32"
Material: API 5L X60
Maximum: operating pressure: 70 bar
Capacity: 28.4 MMSCMD
Land uses of the Path: Desert – pipe Rack
Path Description: The route starts from an existing room which lies at south side of Sokhna port. then the route extends 2 km towards east till it reaches suez gulf coast and continuous to extend east through suez gulf up to 2km in platform which will be established with total length 4km.
Crossings: none

Banisuef power station will be feed by 3 pipelines which are:

7. **New Capital – Dahshour 32"**
Pipeline Aim:
Supporting gas delivery to Beni swief PS and upper Egypt consumers

Pipeline Data:
Planned operating date: march 2017
Origin: new capital
Destination: Dahshour
Length: 115 km
Diameter: 32"
Material: API 5L X60
Maximum: operating pressure: 70 barg
Capacity: 20 MMSCMD
Land uses of the Path: Desert-Agricultural- mountainous
Path Description: The route starts from the future valve room which will be established in the new administrative capital power station then it extends towards west parallel to Cairo-sokhna road up to distance 5km .it is continuing to extend towards south west parallel to the regional ring road from its northern side up to distance 80 km passing through desert, agricultural and mountainous lands and also intersecting with the River Nile and the eastern desert road . after that it deviates northern parallel to western Assuit desert road from its eastern side up to distance 30km passing through desert land till it reaches an existing valve room which is located in Dahshour gas area with total length 115 km.
Crossings: 6 Asphalt roads-12 Canals&Drains-River Nile

8. **Dahshour – Elwasta 36" (gas transmission pipeline)**
Pipeline Aim:
Supporting gas delivery to Beni swief PS and upper Egypt consumers

Pipeline Data:
- Planned operating date: dec 2017
- Origin: Dahshour
- Destination: Wasta
- Length: 70 km
- Diameter: 36"
- Material: API 5L X60
- Maximum: operating pressure: 70 barg
- Capacity: 20.7 MMSCMD
- Land uses of the Path: agricultural-desert
- Path Description: The route starts from an existing pressure station in dahshour then it extends towards south parallel to Cairo-Fayoum road up to distance 8km .it is continuing to extend towards south parallel to the western Assyout road from its eastern side up to distance 62 km till it reaches an existing valve room which is located on Dahshour-Koraymat gas pipe line with total length 70 km
- Crossings: 5 Asphalt roads-1 Railways

9. Elwasta – Beni Swief 36" (gas transmission pipeline)
- Pipeline Aim:
- Supporting gas delivery to Beni Swief PS and upper Egypt consumers
- Pipeline Data:
- Planned operating date: June 2017
- Origin: Elwasta
- Destination: Beni Swief
- Length: 65 km
- Diameter: 36"
- Material: API 5L X60
- Maximum: operating pressure: 70 barg
- Capacity: 20.7 MMSCMD
- Land uses of the Path: agricultural-desert
- Path Description: The route starts from an existing valve room which is located on Dahshour - Koraymat gas pipe line then it extends towards south parallel to the western Assyout road from its eastern side up to distance 8 km. after that it deviates eastern parallel to Abo Sir asphalt road then it deviates southern through agriculture land. then it extends to eastern southern direction parallel to the new Fayoum-Banyswef road till it intersects with the Nile River. then it extends south parallel to Banyswef-Menia road till it reaches an existing valve room no 2 which is located on Banyswef-Menia gas pipe line with total length 60 km
- Crossings: 10 Asphalt roads-25 canals&drains-Nile River-2 Railways

10 – Elgameel – Damietta 42" (transmission pipeline)
Pipeline Aim:
Supporting gas delivery to Burullus PS and northern consumers

Pipeline Data:
- Planned operating date: Dec 1, 2016
- Origin: Elgameel - Port Fouad
- Destination: Damietta
- Length: 50 km
- Diameter: 42"
- Material: API 5L X60
- Maximum: operating pressure: 70 bar
- Capacity: 35 MMSCMD
- Land uses of the Path: agricultural-fish farms-silty sand
- Path Description: The route starts from an existing room which lies near from Petrobel Company, then the route extends 8 km in silty sand soil parallel to Portsaid-Damietta road from its southern direction. It continuous to extend parallel to the road passing through fish farms up to distance 4 km, then it deviates western southern to intersect with international coastal road until it reaches Manzala lake. It extends parallel to international coastal road from its southern direction the distance 23 km passing through Manzala lake, after that it extends 1 km towards west through agriculture land then it extends western southern direction parallel to high voltage elect-towers behind Ahmed Shawlah farm then it intersects with El Salam canal then it extends westery northern direction parallel high voltage elect-towers, then it extends towards west intersecting with Mansoura-Faraskour road & River Nile. then it extends towards south parallel to River Nile till it reaches an existing valve room in Kafr el Batikh city with total length 50km
- Crossings: 5 asphalt roads-8 canals&Drains-River Nile

1.3 Projects’ Impacts and Estimated 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. The impacts, most importantly, include:

- The creation of direct job opportunities during the construction phase
- The creation of indirect job opportunities due to flourishing the areas economically by encouraging commercial activities during the construction phase
• Enhance local communities change to get improved access to services due to enhanced electricity provision.
• Increase future opportunities for local communities to get access to natural gas services in their households and commercial activities.

In the meantime, the construction work for both the lines will involve soil removal, excavation, extending pipelines, equipment storage, establishing valve rooms and other activities that will involve disturbance for the current land use in the projects’ sites. The main crops there are perfume plants, corn, maize rice, wheat, trees and vegetables. It is notable that people are in favor of planting perfume plants which are more lucrative.

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 owners 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. Once the construction phase is over the farmers can restore their farming activities with no restrictions. In the meantime, this type of projects also involves a need for permanent land acquisition which happens in one of those cases:

4. This case happens during the project construction. 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
5. Establishing the valve rooms requires permanent land acquisition. According to GASCO the valve rooms land is purchased with full market price from the owners of the land.
6. The third case happens during the project operation in cases where the agriculture land gets inside the official urban borders as a result of urban expansion. In this case, and by law, the owner of the land is 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 manner.

It is very challenging to quantify the number of potentially affected persons under this stage of the project for several reasons:

• In the first place, the final route of the project has not been finally determined.
• No readily available information was found to show the land share holding and allow for accurate calculation of land.
• 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.
Box 1.3 Justification for not including estimations for number of PAPs

The diversity of the land plot dimensions suggest that, for instance, if a farmer owns an area of one feddan (4200 m²), this feddan could involve, among uncountable probabilities, dimensions of 100 m length x 42 m width or could involve dimensions of 420 m length x 10 m width. Depending on the direction of the route, the affected area could be determined.

In that sense, the affected one feddan might be owned by one farmer or by tens of farmers depending on the dimensions of the land plot and the relation between these dimensions and the pipelines layout.

For the number of the farmers whose lands will be purchased for the valve rooms, it might be roughly suggested that 8 farmers in each of the project will sell their land to GASCO. This is based on the assumption that each of the land plots (25m x 45 m) for each of the valve rooms is owned by one farmer.

Annex 2 of the RPF presents the definition of the project affected persons (PAPs) on the light of the World Bank OP 4.12. It also presents examples on the potential types of losses under development projects.

1.4 Compensation to PAPs

GASCO is well-known for using a transparent and fair compensations schemes as part of their projects as summarized on Box 1.2 above. Due to their long experience and the fact that most of their projects requires the acquisition of privately owned land, they get used to adopting socially-sensitive approaches that understands the importance of land and assets to the owner/users. Their approach include transparent sharing of information, community participation and inclusion for the various categories of the community and giving higher priorities to the interests of local communities as much as they can.

Their compensation schemes are built on their internal policies and regulation as well as the countries policies which will be explored below. The Company’s policies consider the land quality, crops types and seasons as long as other variables and they obtain local knowledge through consultation with farmers, the agriculture associations as well as other stakeholders. Moreover, GASCO also adhere to the ministerial decree 346/2007 which was developed by the Ministry of Agriculture in order to provide the opportunity for each governorate to address the prices of their vegetation according to individual characteristics of each governorate.

According to both GASCO policy and OP 4.12 of the World Bank, the compensation to PAPs should be paid before physical intervention or taking of land or crops takes place against signed Contracts.

Crops valuation takes place in accordance with the unit rates stated in the Ministerial Decree in effect for each crop. In remote cases not included in the Ministerial Decree, the matter is presented to the Egyptian Public Authority for Drainage Projects (EPADP)'s board for identifying a suitable crop compensation unit rate. The Agriculture Associations are important local mechanisms in the compensation process as will be explained below.

The Compensation plan of GASCO Company includes the following steps:

- Forming two compensation committees (including a committee head, lawyer and an accountant).
• Make an inventory including PAPs names, land share and the kinds of crops.
• Valuate crops price in consultation with the Agriculture Association

• Pay PAPs the due compensations before the start of any construction work. The compensations include the price of the damaged crops or the price of renting empty land during the construction work.
• Flexibility in the implementation for the interest of farmers or any other groups of PAPs.
• Compensation in full market price for the agriculture land that become urban land as part of the urban expansions.
CHAPTER TWO: RPF PURPOSE AND OBJECTIVES

2.1 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 RPF may be triggered whenever any of the project’s activities entail the acquisition of land and / or the displacement of people, causing the loss of land, property, assets, access (to land, property, and assets), income, or sources of livelihood.

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

2.2 Objectives of the RPF Framework

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

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

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

- To assist Project Affected Persons in their efforts to improve their livelihoods and standard of living or at least to restore them to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

Since the World Bank requirements necessitate the preparation of an RPF for such cases, OP 4.12 on Involuntary Resettlement is triggered. A resettlement Policy Framework (RPF) will be the instrument implement should this issue arise. Since the nature and extent of land acquisition/resettlement within the various projects is unknown at the time of appraisal, the key purpose of the RPF is to establish resettlement objectives, principles, organizational arrangements and mechanisms for any resettlement activities that may or may be necessary as
a result of project activities. When the exact extent of land acquisition becomes known during the implementation phase, site specific Resettlement 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.

2.3 RPF Preparation

The RPF has been prepared by conducting several consultation activities with concerned Governmental departments, PAPs, neighboring communities and GASCO. The preparation of the RPF is also based on the experience of GASCO in other similar projects. The discussion with the concerned bodies included information about the Egyptian Laws, views on the application methods and timing of execution. Moreover, as part of the preparation of the ESIA and the RPF, public consultations were planned with the objectives of sharing the studies findings and get the feedbacks and comments of the concerned stakeholders.
CHATER THREE: LEGISLATIVE FRAMEWORK FOR RESETTLEMENT IN EGYPT

Resettlement and land acquisition issues under the proposed Project 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. GASCO be committed to complying with the national and WB laws and policies and to any future amendments to them.

3.1 Institutional Arrangements

Property expropriation and compensation in Egypt is initiated and executed at central, local and, stakeholders levels. On the central level, the governmental agency in charge of the implementation of the expropriation acts issued for public interest is the Egyptian General Authority for Land Survey (“ESA”), except for projects handled by other entities pursuant to a law to be issued in this respect. ESA is charged with the formation of the expropriation and compensation committees.

Usually the executing body will be the concerned Ministry or Governorate. Accordingly, this executing agency would be responsible for paying the compensation to affected groups through ESA or under its supervision, offering alternative resettlement options, and implementing the resettlement project.

On the local level, several local departments and directorates are involved in the resettlement program which includes:

- **Directorate of Housing and Infrastructure**, this department is to be responsible for setting the alternative resettlement options for the affected group and participate in all operational procedures concerning defining compensation and setting improvement actions within informal settlements.

- **Department of Physical Planning**, this department is to be responsible for preparing the detailed plans for areas subjected to resettlement and provide all detailed maps and documents required to define the affected groups (e.g, roads right-of-ways, Set-backs,..)

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

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

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

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

- **Head of Local Governorate Units (LGUs)** where the resettlement project takes place, to manage the overall project

- **Agricultural Associations**, they represent the Ministry of Agriculture on the villages level and they are the bodies in charge of assessing the compensation values related to the temporary or permanent acquisition of agriculture land and the compensation for crops and trees.

- **On the stakeholders level**, the relevant NGOs, CBOs and elected councils together with PAPs play crucial roles in ensuring that the participatory decision making, planning, implementation and monitoring process is inclusive and transparent.

### 3.2 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.

#### 3.2.1 Property Rights within the Egyptian Constitution

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.

The Egyptian Constitution recognizes three main types of ownership. Article 29 of the 1971 Constitution provides that “Ownership shall be under the supervision of the people and the protection of the State.

There are three kinds of ownership: public ownership, co-operative ownership and private ownership”.

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.

It should be noted, however, that during the preparation of this RPF in April 2011, Egypt is passing a transition period after 25 January Revolution. This period involved a preparatory period for the production of a new constitution of the country since the enforcement of the mentioned Constitution was weakened due to several political reasons. It is anticipated that the new constitutional articles will pay the due attention to protecting the rights of private property.

3.2.2 Land Tenure and Related Laws to Land and Structures Expropriation

There are three main forms of land ownership in Egypt:

a) Public or State land (in Arabic Amlak Amiriya), which is divided into the State’s public domain that cannot be alienated and the State’s private domain, which can be alienated generally through sale, lease, Takhissis (i.e. transfer of ownership conditional on meeting certain criteria, such as keeping the land use unchanged and paying the remaining installments of the land price) or through Haq Intifaa,

b) Private land (in Arabic Mulk horr), which may be alienated/transferred freely, and

c) Waqf land (land held as a trust/endowment for religious or charitable purposes), which is often subject to covenants on transfer or use, and which is typically transferred through leasehold or usufruct.

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

It is important to note that the Civil Code (No. 131 of 1948) recognizes Hiyaza (i.e. possession of immovable/movable property without ownership) as a legitimate channel to acquire ownership of the property in question through adverse possession, provided that the Hiyaza has been “peaceful, unchallenged and uninterrupted” for a period of 15 years. By Law, ownership through adverse possession does not, however, apply to State lands.

3.2.3 Egyptian Civil Code

Within the framework of the Constitution, the Civil Code, in articles 802-805 concerning private property, has recognized the private ownership right. Article 802 has stated that the owner, pursuant to the law, has the sole right of using and/or disposing his property. In Article 803, land ownership has been defined as land with all things above and below it and pursuant to the law, the property of the surface may be separated from the property of what is above or below it. Then, Article 805
provides that “No one may be deprived of his property except in cases prescribed by law and this would take place with an equitable compensation.”

3.2.4 Administrative Authority’s Decision Making Responsibilities

Main relevant laws governing expropriation and consequent compensation procedures include:

- **Physical Planning Law (Law3/1982)**

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

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

Law 3/1982 allows compensation by: (i) taking the value of the property; or (ii) postponing the taking of such value in full or in part until all or part of the area in question is sold.

Article 47 of Law 3, 1982 authorized the concerned Governor to formulate compensation committee.

**In addition:**

- Law 3 of 1982: added to the foregoing list acts aiming at the establishment of green areas and public parking.
- Prime Ministerial Decree No. 160 of 1991: added to the list the establishment of governmental educational buildings
- Prime Ministerial Decree No. 2166 of 1994: added fishery farms established by ministries, governmental departments, local government units, and public authorities.
• Law 557/54, which was later amended by Law 252/60 and Law 13/62, 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.

3.2.5 Expropriation of Ownership for Public Interest (Law 10/1990)

Although, the constitution prohibits the expropriation of private property except for public interest against compensation determined pursuant to the law, Law 10 of 1990 concerning the Expropriation of Ownership for Public Interest was issued to reflect this constitutional mandate. In addition, expropriation of property is further regulated by Law 59 of 1979 concerning the Establishment of New Urban Communities and Law 3 of 1982 concerning Urban Planning.

The term “public interest” in the context of expropriation has been defined in Article 2 of Law 10/1990. The Article specifies the acts that are considered for public interest. These include:

* Constructing, widening, improving, or extending roads, streets, or squares, or the construction of new districts.
* Water supply and sewage projects, irrigation and drainages projects.
* Energy projects.
* Construction or improvement of bridges, cross roads for railway and tunnels
* Transportation and telecommunication projects.
* Urban planning purposes and improvements to public utilities.
* Other acts considered as acts for public interests mentioned in other laws.

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

The law further stated that expropriation can be exercised only with respect to:

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

• Real property belonging to private persons (individuals or corporate) or to State private property.

• State public property may not be expropriated; rather the concerned administrative parties would enter into an agreement with respect to such property either by divesting the property in question from its public characterization or by reappropriating the said property to another public use or entity.
According to Article 3 of the Executive Regulation of Law 10, a committee will be formed to determine the properties required for the public interest.

Article 6 of Law 10/1990, requires the Minister of Public Works and Water Resources to form a Committee within each governorate to be charged with the determination of compensation.

Article (20) of Law 10/1990 requires compensation to be determined on the basis of prevailing prices at the date of issuance of the expropriation decree.
- Law No. 63 of 1974 concerning safe distances on both sides of transmission lines and prohibited areas around transformers and electrical equipment according to their voltage levels.

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

1. Property expropriation shall be only on tangible real estate property, there shall be no expropriation of movable possessions.
2. Applicable only to property privately owned by individuals, thus, public property is excluded from the procedures.
3. The expropriation shall include land and constructions (structures).
4. The purpose of expropriation shall only be for realizing public interest.
5. The administrative authority has the right to assess the circumstances related to expropriation as well as the authority for implementation of property expropriation, which is justifiable by the objective of achieving public benefit. The administrative authority may not be challenged or judged on the grounds that it could have chosen more appropriate real estate property to achieve public benefit than the one that it has already chosen.
6. The administration shall estimate the area it sees necessary for the establishment of a project. This right shall not be only restricted to the real estate property required for the project; but the legislator empowered the administration to also include expropriated property.

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

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

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

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

3.2.6 Legal and Administrative Procedures for Transfer of Ownership and Compensation

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

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

Enclosed with the decree is:

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

- A map delineating the project scope

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

The steps for ownership transfer are highlighted below:

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

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

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

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

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

b. If the compensation amount for the un-expropriated part, in projects other than urban planning, increases or decreases (due to activities causing general public benefit), the increase or decrease in amount should be taken into consideration so that the amount to be added or reduced shall not exceed 50% of the compensation value of the expropriated property (Article 19: Law No. 577 of 1954).
c. If the value of the property subject to expropriation for the upgrading or re-planning of districts/cities is increased as a result of the implementation of a public benefit project, the increase in value shall not be calculated in the compensation assessment if the property expropriation is performed within 5 years from the date of implementation in the previous project (Article 20: Law No. 477 of 1954).

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

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

3.2.7 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.
3.2.8 Temporary Expropriation of Real Estate

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

Summarized below are the legal provisions for particular cases:

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

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

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

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

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

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

Summarized below are the legal provisions for two particular cases:

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

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

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

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

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

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

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

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

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

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

The new law has introduced / specified, through Article 6, the members of the compensation assessment commission. The commission is made at the Governorate level, upon a Decree by the Minister of Water Resources and Irrigation (identified by the Law as an issuing body), 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.

Expropriation Procedures

According to the Law 10, 1990 the expropriation procedures involves (i) declaration of public interest pursuant to a Presidential Decree accompanied with a memorandum on the required project and a complete plan for the project and its buildings (Law 59/1979 and Law 3/1982 provide that the Prime Minister issues the decree) and, (ii) the decree and the accompanying memorandum must be published in the Official Gazette. A copy for the public is placed in the main offices of the concerned local government unit. Based on these procedures, the operational steps go as follows:

1. The entity requesting the expropriation of the ownership of a real property for public interest (“Expropriating Entity”) submits a memorandum with the request to the President or the Prime Minister (if a delegation of authority by the President is granted). The Egyptian General Authority for Land Survey (“ESA”) has been defined as the Expropriation Entity, except for projects handled by other entities pursuant to a law to be issued in this respect.

2. The memorandum would explain the reasons for the request, stating the compensation to be offered to the concerned owner of the property, together with evidence that the compensation amount has been issued in the form of a bank check in favor of Egyptian General Authority for Land Survey “ESA.”

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

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

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

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

7. A committee will be formed to determine the properties required for the public interest. The committee is to be composed of:

a) A representative of ESA,
b) A representative of the local government unit within which jurisdiction the project is located,
c) The treasurer of the local area in question.

8. The committee shall declare its activities to the public 15 days prior to the commencement of its works.

9. The land survey department shall verify the information collected by the committee referred to in the preceding paragraph by comparing such information with that found in the official records.

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

11. After depositing the compensation amount by the Expropriating Entity within ESA—the concerned local office—lists of all real properties and facilities being identified shall be prepared, their areas, location, description, names of their owners, and holders of property rights therein, their addresses, and the compensation determined by the Compensation Estimation Committee.

12. ESA shall thereafter officially notify the property owners, other concerned parties and the Expropriating Entity with the dates on which the lists prepared in accordance with the preceding paragraph shall be presented to them, at least 1 week prior to such presentation. These lists will be posted for a period of 1 month in the offices of the
concerned local government unit and shall also be published in the Official Gazette and two widespread daily newspapers.

13. Owners of the properties and holders of rights therein shall be officially notified with an evacuation request within a period not to exceed 5 months from the date of their notification.

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

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

16. It is further resolved that lease agreements are terminated upon expropriation. Examples are: Court of Cassation, session of 1 January 1981 Technical office year 32 and Court of Cassation, session of 25 May 1967 Technical office year 18 no. 167.

17. Article (26) of Law 577 of 1954 states, “All the real suits shall not stop the procedures of the expropriation and shall not stop its results. The rights of the right holders are transferred to the compensation.”

3.3 Valuation and Compensation Methods

Determination of the valuation methods and compensation to be given to PAPs is made at two separate levels:

- The first is made by the Expropriating Entity in order to meet the requirement that the estimated compensation amount is deposited with ESA prior to proceeding with the remaining formalities as described in the preceding section.

- The second level is a review of that estimated compensation by the Compensation Estimation Committee within ESA.

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

Compensation is determined pursuant to prevailing prices at the time the expropriation decree is issued and the estimated compensation amount shall be deposited with ESA within one month from the date of such decree. It is possible, if approved by the property owners or right holders to obtain in-kind compensation either in full or in part.
The second level is conducted by ESA. The Compensation Estimation Committee within ESA makes a final administrative determination of the compensation to be granted to property owners and rights’ holders after having received a consultative report from the General Department for Appraisal within ESA.

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

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

- Should the value of the un-expropriated part of the expropriated property increase or decrease due to the public interest works in projects other than zoning projects within cities, such decrease or increase shall be taken into consideration when determining the compensation amount.
- Compensation is determined in accordance with Article (20) of Law 10/1990 on the basis of prevailing prices at the date of issuance of the expropriation decree in question. The committee and the courts would look to expert opinion in determining the prevailing prices, taking into account prices stated in recorded contracts.
- Should the value of the expropriated property increase due to prior public interest works in a previous project, such increase shall not be calculated in determining the compensation value if expropriation is exercised within 5 years from the date of executing the previous public interest project.

- Compensation under Law 3/1982 can be in one of two ways: (i) taking the value of the property; or (ii) postponing the taking of such value in full or in part until all or part of the area in question is sold. In such event, the owner or holder of rights deserves compensation equal to the said value in proportion to the total value of the properties in question together with on behalf of the difference between the two values after deducting the costs of executing the project.

3.4 Grievance & Redress Procedures

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

In case of dispute between several individuals or parties on a single property, each party should present all evidences or documents that proof his/her rights within the next 90 days from submitting the memorandum of objection/grievance. In case of failing to submit those required evidences, the grievance would be considered as not submitted. The responsible body for expropriation has the right to request additional documents deemed necessary and define proper period for submitting these
documents. Usually in cases of informal settlements or illegal positions as, for instance, in the cases of Hekr Abou Doma or Mit Okba, these documents include:

- Registered contracts
- Cadastre registers, to determine source of ownership (or the history of the properties)
- Real estate tax registers (the compilation of these registers depended on the cadastre registers)
- “Forms of Change,” which enabled the authorities to determine the changes in ownership of each property before the date of completing cadastre.
- Any official documents recognizing the rights of the claimers such as court decision "Seha wa Nafaz”.

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

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

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

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

4. The non-deposit of the executed forms or ministerial decree with the concerned Real Estate Office for a period exceeding 2 years from the date of publishing the expropriating decree shall render the decree as null and void with respect to the properties for which the executed forms or the decree have not been deposited.

5. No objection or appeal shall prevent the property owner or holder of rights therein from collecting the estimated compensation amount.

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

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

- The holders of rights may object to the amount of compensation in the event that they are of the opinion that the decided amount is not fair and that the title owner has not taken any objection. In such case, the holders of rights may use the right of their debtor (the titleholder) to preserve their interest.
- If the holders of rights decide not to object to the amount of compensation on behalf of the titleholder, they effect an attachment of the compensation amount to repay amounts due to them from the titleholders, if any.

GASCO has a Compensation High Committee and a separate committee for compensation is usually established as part of each of the projects. They work closely with land holders and the Agriculture Associations in the Villages and other stakeholders.

3.5 Administrative Mechanisms and Appeal to Court

The Egyptian constitution allows any aggrieved person the right of access to Court of law as described by Law 10/1990 as follows:

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

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

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

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

The following are principles set by the Administrative Courts:

- 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 water treatment plant is not subject to review.

- The determination of the exact area (in square meters) 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 underneath it 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 opined that the administration might not expropriate property for merely achieving monetary gains. Accordingly, it opined 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.

### 3.6 Legal Requirements for Disclosure

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

1. After depositing the compensation amount by the expropriating entity with ESA - the concerned local office- lists of all real properties and facilities being identified shall be prepared, their areas, location, description, names of their owners, and holders of property rights therein, their addresses, and the compensation determined by the compensation estimation committee.

2. ESA shall thereafter officially notify the property owners, other concerned parties and the expropriating entity with the dates on which the lists prepared in accordance with the preceding paragraph shall be presented to them, at least 1 week prior to such presentation. These lists will be posted for a period of 1 month in the offices of the concerned local government unit and shall also be published in the official gazette and two widespread daily newspapers.

3. Owners of the properties and holders of rights therein shall be officially notified with an evacuation request within a period not to exceed 5 months from the date of their notification.

### 3.7 Crop Compensation System

#### 3.7.1 Crop Compensations

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 losing 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. This section presents the step-by-step procedures used for providing farmers with due crop
compensations as well as the procedures adopted for conducting consultations, providing farmers with timely information as well as the grievance mechanisms in place.

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 in effect for each crop (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 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. This register shall identify affected farmers, area of land affected for each farmer, crop type and date of crop damage.

- 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. The displayed information is maintained on display for a period of 30 days and identifies affected farmers, area of land affected and crop compensation amount due to each farmer.

- 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.

The following are the implementation steps followed during the implementation of subsurface drainage works to ensure transparent and timely payment of crop compensations to affected farmers. These steps are included in relevant sections of the bidding documents of all subsurface drainage works and form contractual obligations to both parties, the Contractor and EPADP.

- The contractor is responsible throughout the contract period for compensating crop owners for the loss of crops as a result of temporary removal of agricultural production from the land for the execution of the works. This shall include compensation for loss of crops from lands used for the purpose of constructing subsurface drainage network.

- The cost of compensation for loss of crops in any land that went out of agricultural production due to the contractor’s requirements and his storage needs shall be on the contractor’s expense.

- In a period not less than 14 days prior to the commencement of any works that may affect the agricultural areas the contractor shall assign a representative to partner with a representative of the Employer and the crop owner to survey the boundaries and areas of land that will go out of agricultural production during the execution period. The value of crop compensation payable depends on the land area put out of production during the execution period, the type(s) of crops in the subject area, and the compensation unit rate as published in the effective ministerial decree as issued by the Minister of Water Resources and Irrigation.

- Agricultural losses are surveyed during the execution period by measuring the length of the losses (the width is calculated to be 10m for collector pipes and 5m. for lateral pipes), identifying the name of farmer, the type of agricultural product and the number of trees damaged in the land as well as the date of damage.

- The surveyed data is recorded in the crop compensation register as per the Employer’s instructions. The crop compensation register is certified by the agricultural association overseeing the command area within which the execution area is located as well as the village head and/or survey authority representative.
• The contractor provides the Employer with the crop compensation register, the receipts indicating that the concerned crop owners were fully compensated for agricultural losses and a register of the executed works and that during preparation of the ongoing payment certificates covering the executed works that caused crop losses during their execution.
• Providing the Employer with the above mentioned documents is a condition for paying the amounts owing to the contractor and without meeting this condition the payment certificate would not be paid to the contractor.
• Payment of compensations from the contractor to the crop owners must be paid in full before the expected date of selling the damaged crops and receiving payment for it or within four months from damaging the crops, whichever is the earlier date.
• If the contractor fails to pay to any of the crop owners within the period specified, the Employer shall pay to the delayed crop owners and shall deduct 20% of the delayed compensation costs as a penalty on the contractor plus administrative fees at the rate of 10%.
• The contractor is fully responsible for the completion of the surveying process, preparation of crop compensation registers and following-up on their approval by all the concerned authorities. The contractor shall be responsible for any delay and will be subject to penalties as mentioned in the previous clause.

3.7.2 Valuation and Compensation Methods

Crop Compensations:

As mentioned above, 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 affected area is then multiplied by the applicable unit rate depending on the type of crop to reach the crop compensation amount.

As mentioned under "implementation procedures” above, 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.

Unit rates for crop compensations based on the crop type are updated and issued in consecutive Ministerial decrees related to this matter and issued by the Minister of Water Resources and Irrigation. These updates are prepared by specialized committees established with representation from MWRI’s relevant departments, including EPADP, as well as participation of the MALR. Recent practice has been to issue updates of these crop compensation unit rates every three years or as needed depending on major occurrences such as repeated farmer requests.

### 3.7.3 Grievance & Redress Procedures

Once crop compensation registers are developed for a particular project (these registers would identify affected farmers, area of land affected for each farmer, crop type and date of crop damage) they are 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. The displayed information is maintained on display for a period of 30 days. 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. In case no grievances are submitted during the grievance period, the crop compensation register is approved by the concerned committee and the relevant directorate is mandated to proceed with the payment of crop compensations to affected farmers at the office of the agricultural association or the village council and in the presence of village leader and representative from the Ministry of Agriculture and Land Reclamation.

In addition to the above-mentioned mechanism, a Grievances Committee is established with the Survey Authority office within the Real Estate Tax Authority at the governorate level. This committee includes representation of the Real Estate Tax Authority as well as the relevant drainage directorates. In cases when a farmer is unable to submit a grievance request within the 30-day period that the crop compensation register is publicly posted, grievance requests can be submitted at anytime at the drainage directorate office or at the office of the Real Estate Tax Authority. These grievance requests are then presented to the Grievances Committee for investigation.

In case payment of crop compensations is not immediately possible due to the inability to legally identify the affected farmer(s) or due to the existence of conflicts that hinder the process, the crop compensation amount is placed in the treasury of the relevant directorate until the issue is resolved. In all cases, farmers are required during the disbursement of crop compensation amounts to submit declarations indicating their legal right to the compensation amounts and that in case they are found not to have the right to these amounts, they are required to pay them back along with interest accrued from the day of disbursement to the day of repayment.
Again, as mentioned, to limit court cases as much as possible, GASCO will try to address all grievances arise during the work of both the Compensation Committee and the Grievances Committee on a timely basis.

3.7.4 Legal Requirements for Disclosure

In accordance with the Ministerial decree regulating crop compensations procedures, crop compensation registers identifying affected farmers, area of land affected for each farmer, crop type and date of crop damage are 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. This public posting, particularly at the agricultural associations, ensures comprehensive dissemination of information to the affected farmers in the area. The displayed information is maintained on display for a period of 30 days.
CHAPTER FOUR: WORLD BANK SAFEGUARD POLICIES

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

4.1 Resettlement Instruments

- Resettlement Action Plan
- Resettlement Policy Framework
- Process Framework

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

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

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

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

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

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

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

4.2 Policy Objective and Principles

The principle policy objectives of OP 4.12 are:

- Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.

- Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.

- Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

4.3 Scope and Coverage of RPF

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

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

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

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

4.4 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
More details about the RAP/ ARP preparation process are included in Annex 3

4.5 Categories of Project Affected Persons (PAPs)

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

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

b) those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets—provided that such claims are recognized under the laws of the country or become recognized through a process identified in the Resettlement Action Plan (RAP),

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

4.6 Vulnerable Groups

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

i) Persons below the poverty line, the landless,

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

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

Vulnerable people will be identified at socio-economic survey stage. Each RAP developed under the project will make precise provisions with respect to identifying and assisting vulnerable groups which include:

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

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

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

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

Assistance may take the following forms, depending upon vulnerable persons’ requests and needs:
i) Assistance in the compensation payment procedure (e.g., going to the bank with the person to cash the compensation check),

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

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

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

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

3.7 Eligibility Procedures and Criteria

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

Consistent to paragraph 16 of OP 4.12, the following categories of persons will be qualified for compensation:

- Persons covered under paragraph 15(a) and (b) shall be provided compensation for the land they lose, and other assistance in accordance with paragraph 6.
- Persons covered under paragraph 15(c) shall be provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the project area prior to a cut-off date established by the borrower and acceptable to the Bank.
- Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.
- All persons included in paragraph 15(a), (b), or (c) are provided compensation for loss of assets other than land.

More information on Eligibility criteria is presented on Annex 4

3.8 Valuation of Assets

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

(a) Measures to ensure that the PAPs are:

- Informed about their options and rights pertaining to resettlement,
- Consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives,
• Provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.

(b) If the impacts include physical relocation, the project includes measures to ensure that the PAPs are:

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

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

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

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

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

According to paragraph 12 of the Bank’s OP4.12, payment of cash compensation by project for lost assets is appropriate in situations where:

• Livelihoods are land-based but the land taken for the project is a small fraction of the affected asset and the residual is economically viable,
• Active markets for land, housing, and labor exist, PAPs use such markets, and there is sufficient supply of land and housing,
• Livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.

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

Annex 5 presents more information about assets valuation including types of affected assets and method of valuation. Annex 5 also presents the entitlement matrix for affected persons.

4.9 Implementation Procedures

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

- **On the Project side**: commitment to pay the agreed compensation, including all its components (resettlement package, in-kind compensation and cash compensation),
- **On the PAP’s side**: commitment to vacate the land by the agreed date.

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

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

Several stakeholders are going to be involved in the implantation process of Resettlement Action Plan (RAP). However, their role would vary from leading the assigned task or just involved in implementation.

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

In such compensation and resettlement operations, it often appears that many grievances originates from misunderstandings of the Project policy, or result from neighbor conflicts, which can usually be solved through adequate mediation using customary rules. Most grievances can be settled with additional explanation efforts and some mediation. This is why a first instance of dispute handling will be set up with the aim of settling disputes amicably. Grievance could be approached through both proactive and reactive approaches as illustrated in Box 4.1 below.

**Box 4.1 Different Approaches for Grievance Redress**

**Proactive approach**
- Transparent disclosure of project background and the criteria for eligibility for assistance under the RPF framework
- The existence of the free hot line 149 of GACO for complaints and grievance announced on GACO 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.
- Establishing a committee of influential representatives to review any grievances that may result from the project

**Reactive approach**
- Settle disputes amicably
- PAPs to contact GACO hotline in cases if grievance.
- Handling the grievance and complaints of PAPs and reimbursing fair compensations.
- Responses form GACO officers in charge of responding to complaints and grievance.
- Working towards solving any disputes on the local level
- Focus on ensuring that PAPs, particularly those belonging to vulnerable groups get fair treatment.
- If disputes cannot be solved at the local level, other relevant organizations should review specific complaints. Highly skilled Persons in communication and dispute resolution should review PAPs grievances.
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. As mentioned above, the project will consider this proactive approach through transparent sharing of information and reliance on local-based mechanisms for mitigate grievance.

Proposed mechanisms for grievance will include of the following steps:

**i. Registration of grievances**

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

**ii. Amicable mediation and settlement**

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

- Head of District
- Legal advisor
- Local Representative within the Elected Council
- Head of Community Based Organization (CBO) or Non-governmental organization (NGOs)
- Community leaders

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

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

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

Such amicable mechanism as recommended by OP 4.12 is regarded as a community level mechanisms for redressing grievance.

**iii. Documentation and tracing**
A template form for claims should be developed. It is advised that these forms be collated on a quarterly basis into a database held at project level. A model for this form is attached in Annex 6

4.11 Budget and Funding

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

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

As soon as the activities triggering IR have been identified and approved by GASCO and the WB, realistic cost estimates shall be calculated based on the data collected from the socioeconomic survey on the estimated number of PAPs that are likely to be affected by the subprojects and the quantity and types of affected assets. The budget shall consider all of the anticipated impacts under the sub-project and calculate the cost (compensation, administrative costs and monitoring… etc) according to actual replacement costs (at market value). GASCO is fully responsible for any compensation for land acquisition. At the time of writing this report, as the exact 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.

4.12 Disclosure Requirements for Bank Resettlement Documents

The Bank insists on both the participation of PAPs and public disclosure of relevant resettlement documents. PAPs should be meaningfully consulted and should be given the opportunity to participate in both planning and implementation of resettlement programs.

As part of the disclosure and transparent sharing of information, it is recommended that the lists of PAPs along with the types of compensations that are entitled to should be disclosed on a visible neutral location within the village (e.g. the Agriculture Association)

4.13 Consultation & Implementation Process

With regard to RPF/RAP disclosure, certain key steps should be followed:

- P 4.12 requires that project discloses information: "As a condition of appraisal of projects involving resettlement, the borrower provides the Bank with the relevant draft resettlement instrument which conforms to this policy, and makes it available at a place accessible to displaced persons and local NGOs, in a form, manner, and language that are understandable to them. Once the Bank accepts this instrument
- as providing an adequate basis for project appraisal, the Bank makes it available to the public through its Info Shop. After the Bank has approved the final resettlement instrument, the Bank and the borrower disclose it again in the same manner.”
- Circulation of the draft RPF for comments to all relevant institutions (e.g. concerned ministry, governorate, relevant land agencies, and others as appropriate),
• Communication of comments to the Consultant for incorporation into a final RPF, together with WB comments,

• Presentation of the executive summary of the draft RPF to the appropriate Egyptian authority by the Project.

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

**Box 4.2 PAPs Participation Along the project Cycle**

<table>
<thead>
<tr>
<th>1) Project Identification / Preparation</th>
<th>2) Project Appraisal / Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ □ □ Participate in the introductory public meetings</td>
<td>□ □ □ Communities (PAPs) are informed about the approved RAP/ARP</td>
</tr>
<tr>
<td>□ □ □ Informed about the project and RPF</td>
<td></td>
</tr>
<tr>
<td>□ □ □ Consulted during the socio-economic survey</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3) Project Implementation</th>
<th>4) Project Monitoring &amp; Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>⇒ PAP will be part of the compensation contracts</td>
<td>⇒ Ensure PAPs views and concerns are concerned</td>
</tr>
<tr>
<td>⇒ PAPs will be given the chance to express grievance and redress</td>
<td>⇒ Participate in evaluating the RAP/ARP process by being consulted</td>
</tr>
</tbody>
</table>

**Source:** Mokha 60 MW Wind Farm Resettlement Policy Framework (RPF), Yemen, EcoConServ, 2010

**Initial information:**

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

The above consultation process should be carefully documented. As the scope of works is not fully defined at this stage, consultations will be carried out once the interventions are definitely defined and PAPs are identified. This will be at the stage of development of individual RAP's.

**4.14 Monitoring and Evaluation**

Monitoring and Evaluation (M&E) are key components of the RPF/RAP. They have the following general objectives:
- Monitoring of specific situations or difficulties arising from the implementation, and of the compliance of the implementation with objectives and methods as set out in the RPF/RAP.
- Evaluation of the mid- and long-term impacts of the resettlement process on affected households’ livelihood, environment, local capacities and economic development.

Monitoring aims to track project implementation will address the following aspects:

**i) Social and economic monitoring:**

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

**ii) Technical monitoring:**

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

**iii) Grievances and grievance management system,**

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

**v) Keep and provide the following statistics on an annual basis:**

a) Numbers of households and individuals affected by Project activities,
b) Numbers of households and individuals relocated as a result of Project activities and their destinations,
c) Amounts of compensation paid,
d) Number of grievances registered.

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

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

- General assessment of the compliance of the implementation of resettlement activities with objectives and methods as set out in this RPF,
- Assessment of the compliance of the implementation of resettlement activities with laws, regulations and safeguard policies as stated above,
- Assessment of resettlement and relocation procedures as they have been implemented, Evaluation of the impact of the resettlement and relocation programs on incomes and standard of living, with focus on the “no worse-off if not better-off” requirement,
- Identification of actions to take as part of the on-going monitoring to improve the positive impacts of the program and mitigate its possible negative impacts, if any.
While ensuring the evaluation process, the project will utilize:

- This RPF as its guiding instrument,
- The Egyptian laws and regulations as described above in Section 2 and as they stand as of the approval of this RPF.
- The applicable World Bank Safeguard Policies as they stand as of the approval of this RPF, i.e. OP 4.12 on “Involuntary Resettlement”.

Evaluation of resettlement activities will be part of general assessment and review activities undertaken for the Project as a whole.
CHAPTER FIVE: GAPS BETWEEN EGYPTIAN REGULATIONS AND WORLD BANK POLICIES

5.1 Overview

On the basis of the review and knowledge gained from chapters two and three of this paper, chapter three is geared toward comparing and contrasting Egyptian rules and regulations with the Bank’s policies addressing involuntary resettlement. This part of the paper will illustrate similarities, differences and will further point to project implementation difficulties that may possibly arise.

5.2 Comparison and Contrast

As demonstrated in the following subsections, there are policy gaps between the two systems. These differences arise mainly from policy issues and implementation difficulties specifically related to: (i) calculation of compensation, (ii) temporary acquisition of land, (iii) temporary occupation of structure, (iv) temporary loss of business, (v) the right of squatters, (vi) resettlement at the new site, (vii) resettlement assistance, (viii) disturbance allowance, (ix) asset value increase, (x) assistance to vulnerable groups, (xi) access to timely and relevant information on sharing, (xii) grievance and redress mechanisms and, (xii) monitoring and evaluation.

5.2.1 Property Valuation/compensation

Both the Egyptian regulations and the World Bank Operation Policy (WBOP) 4.12 agree on the need to compensate at full cost any structure affected by a Bank financed project. According to Egyptian law the value of structures to be demolished because of a proposed action by the project is to be assessed by professional valuators, either from the Egyptian General Organization for Surveying "ESA", or from private offices certified by ESA. Similarly, OP 4.12 clearly provides methods to be used to calculate land and/or structure compensation rates, and requires evidence these rates are consistent with the policy principle of “full replacement value.”

However, the evidence suggests all previous Egyptian practices of valuation have been substantially below the market full replacement value. This implementation problem emanated mainly from: (i) lack of valuation experience in ESA and (ii) absence of real market rate due to taxes and fees charged on properties.

The unit rates used for compensating farmers for loss of agricultural income due to the temporary acquisition of land for implementing irrigation and/or drainage works are updated in accordance with procedures described in Section 2.5 above. However more frequent updates (e.g. on an annual basis) of unit rates used for valuating crop compensation amounts is proposed.

5.2.2 Temporary acquisition of land

The Egyptian law provides no compensation for temporary occupation of land while the Bank policy suggests people affected by the project be paid compensation (i) equivalent to the net average income that would have been obtained from the land
during the period of temporary acquisition and (ii) restoration of the land to its original productive use or full compensation of the cost of restoration.

The nonexistence of Egyptian law to protect people affected by the project from temporary occupation of their land is contrary to the objective and principles of the Bank’s OP 4.12; and can cause implementation difficulties both for the Bank and the Egyptian government.

However for temporary acquisition of agricultural land for the implementation of irrigation and drainage works, Egyptian guidelines through the relevant Ministerial decrees include clear guidelines with regards to the application and payment of crop compensations. These crop compensations are intended to provide affected farmers with the full net value of income that would have been generated from agricultural production of the affected land. Additionally, any affected land is restored upon the implementation of irrigation and/or drainage works to its original condition as part of the contractor's obligations stipulated in the contract. In this regard, national crop compensation procedures are aligned with the Bank's policy and will be applied in the project.

5.2.3 Temporary occupation of structure

In compensating temporarily occupied structure, Egyptian law requires determination of the price per room or area to arrive at the market value. The law also provides tenants with an option to acquire alternative shelter but requires them to pay the difference, if any, in price. Whereas, the Bank’s policy in involuntary resettlement requires:

(i) compensation to restore the structure to its original condition, (ii) inconvenience allowance if the temporary land acquisition produces minor difficulties and, (iii) alternative comparable accommodations, rental allowance for equivalent temporary housing, or payment for constructing temporary housing of a reasonable equivalent standard can be provided. If structures themselves are temporarily acquired, or use of the structure is precluded, compensation for moving and restoration expenses are covered.

However, Egypt practices suggest that people affected by projects are usually compensated below market price. This may be caused by capacity constraints both at individual and institutional staff levels of the (i) Real Estate & Authentication Offices and the (ii) Egyptian General Organization for Surveying "ESA."

5.2.4 Temporary loss of business

Egyptian law stipulates that compensation for temporary losses of business is determined by a consensus of a committee. Where people affected by a project lose their business temporarily, The World Bank policy recommends that: (a) the owner of the business is paid an equivalent amount to the estimated net loss and (b) if an affected business can not continue in its current location, the business will be provided with new premises or rental allowance for new premises and, (c) the business should be compensated for the cost of relocation, business personnel and equipment from and to the new premises. The application of the provision in Egypt is
far from what is stated by Egyptian law and the Bank’s policy. In many cases compensation paid to businesses for temporary loss of income is usually below market price.

This is an issue related mainly to the capabilities of the committee involved and to the institutions facilitating the process; they include representatives of (i) ESA, (ii) the local government unit within whose jurisdiction the project is located and, (iii) the treasurer of the local impacted area.

5.2.5 The right of squatters

While the right of squatters is not addressed in Egyptian law, the Bank’s policy requires squatters be provided with resettlement assistance when their residences are affected by projects financed by the Bank, but no compensation for the land the squatters are occupying Egyptian legislation has not recognized the rights of squatters. There have been resettlement cases in which the Egyptian government compensated squatters because of political sensitivity to the problem rather than because of provisions in the law or in compliance with the Bank’s policy.

Egyptian practice in dealing with squatters’ right has reflected that because of political pressure and the “social dimension”, the government has been forced to provide an alternative for those groups of households either in terms of alternative shelter or cash.

5.2.6 Resettlement in a new site

According to Egyptian law, PAPs who are physically displaced are to be provided with replacement residential housing. However, they do not have the right to object to the location of the resettlement but only to the suitability of the housing in terms of area, design or relevant occupying issues. OP 4.12 states that PAPs 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.

Moreover, the OP 4.12 requires (i) preference is given to land-based resettlement for displaced persons whose livelihoods are land-based, (ii) affected people should be offered various options for resettlement and not only one option as stated in Egyptian law, (iii) affected people should be at least resettled in an area equivalent to the old property or site and, (iv) affected people should be supported with a soft-loan that compensates the difference in value between the old and new property.

The notion that PAPs do not have the right to object to the location of the resettlement but only the housing suitability in terms of area, design or relevant issues is contradictory to OP 4.12 paragraph 3(a) which states PAPs should be “consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives.

5.2.7 Resettlement assistance

The Egyptian law makes no provision to provide resettlement assistance to project affected people whereas OP 4.12 offers support for a transition period. The OP 4.12
further requires that the cost of this assistance should be included in the overall Resettlement Action Plan (RAP).

Without equivalent practices between Egyptian law and the Bank’s OP 4.12 it would be difficult to provide assistance to project affect people at their new resettlement site. It would be hard to ensure opportunities for project affected people to restore or improve their income and as well as being provided temporary income support if required.

5.2.8 Disturbance allowance

Egyptian regulations do not specify income disturbance allowances where the PAPs incurred losses of business income. On other hand, the WB OP 4.12 requires in addition to total business income loss compensation, a disturbance allowance of 10%. The lack of disturbance allowance provision is not in line with the OP 4.12, paragraph 12.

5.2.9 Asset value increased due to previous public interest project

The Egyptian law states that should the value of the expropriated property increase due to public interest work in a previous project, such increase shall not be calculated in determining the compensation value if expropriation is exercised within 5 years from the date of executing the previous public interest project. This stipulation is contrary to OP4.12, paragraph 6 which requires PAPs be “provided with prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.”

5.2.10 Vulnerable groups

Egyptian regulations have not addressed how vulnerable groups affected by expropriation of property should be treated. In contradiction to that fact, the World Bank OP 4.12 in paragraph 8 states the need to give special attention to the rights of vulnerable groups. It warrants it is the responsibility of government and the Bank underwritten project to ensure that venerable people are not excluded from redress measures within the overall resettlement actions. It further demands that Bank financed and other development projects pay particular attention to vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples and ethnic minorities.

The absence of Egyptian legal provisions to complement the Bank’s policy in protecting venerable people makes it difficult to care and cater to the poor, to women, indigenous people, children, elderly, disabled, and people without title of right and to their host communities. This gap between Egyptian regulations and World Bank policy can have serious and far reaching consequences in the case of forced displacement/resettlement if the appropriate and acceptable government legal provisions are not provided to address the issue of venerable people.
5.2.11 Access to timely and relevant information

Egyptian law stipulates that PAPs be provided with timely and relevant information. This legal provision is in line with OP 4.12, which specifies that project affected persons and their communities be (i) provided with timely and relevant information, (ii) consulted on resettlement options, and (iii) offered opportunities to participate in planning, implementing and monitoring resettlement.

Despite the harmony/equivalency between Egyptian law and OP 12 regarding the importance of relevant information sharing in timely fashion, implementation experience in Egypt suggested that PAPs: (i) have not been consulted on resettlement options and (ii) have not been able to participate in planning, implementing and monitoring resettlement. In the absence of lack of access to information by PAPs, realizing the Egyptian law and the Bank’s policy into practical and participatory fashion will be difficult. For crop compensation procedures however, the long established national procedures applicable include clear guidance for providing PAPs with timely information as presented in Sections 2.6 and 2.8 above. The implementation experience of these crop compensation procedures has been successful in the mobilization of farmers’ participation. In order to maximize benefit from the workshops/consultations regularly conducted by EPADP and described in Section 2.4.2 above, it is proposed that the scheduling of workshops/consultations be done in coordination with the expected work plan for execution of drainage works.

5.2.12 Grievances & redress mechanisms

Egyptian law allows the creation of “Specialized Committees” to address grievances originating from misunderstandings of project policy, or resulting from conflicts among neighbors. The law allows one month to object to the decision of resettlement, four months to seek redress to the compensation value and three months in case of dispute between several individuals or parties on a single property.

Court cases in Egypt are known to require long periods of time before settlements can be reached. With intent to address the lengthy time the Egyptian court may require to process and resolve disputes, the Bank’s OP 4.12 advances a “first tier grievance management mechanism”, which will be a function of the Project, to provide aggrieved people with an avenue for amicable settlement without necessarily pursuing a court case.

The absence of a first tier grievance mechanism in Egyptian law means there are difficulties to access grievance mechanisms addressing minor issues that otherwise should be resolved within a short period of time. The absence of such mechanism denies project affected groups the direct channel for grievance and delays resolution of disputes in an appropriate time prior to resettlement. In order to avoid delay in dispute resolution, it is essential for the government to consider adopting the first tier grievance redress mechanism advanced by the Bank OP 4.12. If need arises, aggrieved people would however remain free to open a Court case without having registered their grievance with this first-tier mechanism.

For crop compensation procedures resulting from irrigation and/or drainage works including subsurface drainage networks, two layers of a first tier grievance
management mechanism exist as presented in Section 2.6 above. The presence of these layers, the Crop Compensation Committee and the Grievance Committee, provide a project-level medium for quick settlement of minor issues arising due to crop compensation procedures, amounts or other aspects.

5.2.13 Monitoring and Evaluation

While Egyptian regulations do not offer any monitoring or evaluation measures, the Bank’s OP 4.12 does. It embraces monitoring and evaluating the social and economic impact on the affected groups. It requires measurement of the amounts of compensation paid, time taken to ensure compensation payment, number of grievances and redress cases received and addressed and objective feedback on the overall impact of the resettlement action on the affected group. The OP 4.12 explains procedures for a monitoring and evaluation process which should be incorporated into the Egyptian law. The current activities undertaken by the DAS include post-implementation interventions that involve close interaction with farmers. The nature of these interventions however are oriented towards raising farmers’ awareness with the benefits of the drainage systems as well as training them on simple maintenance activities.

The absence of monitoring and evaluation measures in Egyptian laws illustrates differences between the two systems. The lack of legally authorized resources can constrain accountability and governance mechanisms of Bank financed projects. The lack of equivalency between the Bank’s and Egyptian policy can negatively impact on the very idea of the consultation, decision making and disclosure principles charted in the Bank’s OP 4.12.

5.3 Identified Gaps

The subsequent paragraphs of this section will attempt to draw Egyptian and Bank’s authorities’ attention. It will set the stage for (i) further exploration and discussion between the Bank and the appropriate institutions in Egypt and for (ii) the appropriate Egyptian institutional bodies to take legal and administrative steps to move forward the following issues related to OP4.12 policy principles.

The gaps between Egyptian regulations and World Bank policies are summarized in the following Table.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Egyptian Legislative Requirements</th>
<th>World Bank Policy Requirement</th>
<th>Practical Implication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation of Compensation</td>
<td>According to prevailing prices in the affected area and assessed by a specialized committee for that purpose</td>
<td>Full replacement cost</td>
<td>This issue is crucial since all previous Egyptian practices of valuation have been substantially below the market rate due to: Lack of valuation experience in ESA No real market rate is defined due to taxes and fees charged on properties</td>
</tr>
<tr>
<td>Squatters</td>
<td>Not included in the legislation (Applied cases for resettlements revealed that squatters have been compensated as a result of political sensitivity)</td>
<td>Are to be provided resettlement assistance (but no compensation for land)</td>
<td>This has to be clearly considered in any resettlement action and offered options whether through alternative shelters or fair compensation that enables them to find other shelter.</td>
</tr>
<tr>
<td>Resettlement</td>
<td>Affected occupants who are physically displaced are to be provided with another residential housing. They do not have the rights to object to the location of the resettlement, but only the housing suitability in terms of area, design or relevant issues. Their objection is submitted within 15 days after receiving the notification of the new housing, to a dedicated committee for that purpose, which should respond</td>
<td>Affected people who are physically displaced are to be provided with residential housing, or housing sites, or, as required, agricultural sites at least equivalent to the old site. Preference is to be given to land-based resettlement for Project Affected Persons whose livelihoods are land-based. The resettlement would be based on RAP in case the affected people is 200 or more while for</td>
<td>Affected people should be offered various options for resettlements (not only one option) at least equivalent to the old property or site. The affected people should be supported also with a sort of soft-loan that compensates the difference in value between the old and new property. Both RAP and ARP should be followed in relevant cases.</td>
</tr>
<tr>
<td>Topic</td>
<td>Egyptian Legislative Requirements</td>
<td>World Bank Policy Requirement</td>
<td>Practical Implication</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Resettlement assistance</td>
<td>Not included</td>
<td>Affected people are to be offered support after displacement, for a transition period.</td>
<td>This assistance should be included in any resettlement project</td>
</tr>
<tr>
<td>Vulnerable Groups</td>
<td>Not included</td>
<td>Particular attention to be paid to vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities.</td>
<td>GASCO should pay considerable attention for those groups and give them priority in selecting resettlement options and receiving financial support.</td>
</tr>
<tr>
<td>Information and Consultation</td>
<td>Project Affected Persons are provided timely with relevant information.</td>
<td>Not consulted on resettlement options. Not able to participate in planning, implementing and monitoring resettlement. Project Affected Persons and their communities are provided timely with relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement.</td>
<td>Affected groups should get access to full information about the resettlement process and options for compensation. Participatory planning and decision making should be applied in resettlement options and compensation.</td>
</tr>
<tr>
<td>Grievances</td>
<td>Specialized committees for that purpose and time One month to object to the decision of resettlement</td>
<td>Appropriate and accessible grievance mechanisms to be established.</td>
<td>There is a need for ensuring that affected groups are offered the direct channel for grievance and receive redress in proper time</td>
</tr>
<tr>
<td>Topic</td>
<td>Egyptian Legislative Requirements</td>
<td>World Bank Policy Requirement</td>
<td>Practical Implication</td>
</tr>
<tr>
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</tr>
<tr>
<td></td>
<td>Four months to object to the compensation value</td>
<td>prior to resettlement. The receiving of full compensation should be prior to resettlement.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Resettlement Policy Frameworks for Greater Cairo Natural Gas Connections Project, November 2007, PP.10-11
5.4 Gaps and Measures to be Considered

5.4.1 Legal and Regulatory Gaps

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

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

**Temporary acquisition of land:**

- **Gap:** Lack of legal provision in Egyptian law to compensate temporarily occupied land for public interest. The lack of national law to protect project affected people from temporary acquisition of land fall short of the Bank’s OP 4.12 objectives and principles. However for temporary acquisition of agricultural land for purposes of implementing irrigation and/or drainage works, the national procedures are aligned with the Bank’s OP 4.12 measures.

- **Measure:** discussion with Egyptian authority to draw their attention to the Bank’s policy regarding compensation for temporary acquisition of land to persons impacted by that decision of a project.

**Temporary occupation of structure:**

- **Gap:** Inadequate legal provision to determine the market value and compensation for temporarily occupied structures involves compensating project affected people below market price. The practice of compensating project affect people below the value of temporarily taken property is contrary to the Bank’s full replacement value policy principle.

- **Measure:** Dialogue with Egyptian authority on the Bank’s policy in involuntary resettlement with focus on compensation for: (i) temporary land acquisition with minor inconvenience; (ii) structures that are temporarily acquired; (iii) precluding use of the structure and (iii) moving and restoration expenses.

**The right of squatters**

- **Gap:** The right of squatters has not been addressed in Egyptian law. This is major policy difference and gap with the Bank’s OP 4.12. However, there are resettlement cases in which the Egyptian government has compensated squatters because of the political sensitivity.

- **Measure:** Egyptian practices regarding the right of squatters can be employed to deepen discussion leading toward legislative solutions. Bank’s discussion with
Egyptian authorities may help address and formalize the treatment of squatters in line with the Bank’s OP 4.12.

**Vulnerable groups**

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

- **Measure:** Need to take steps to lead the Egyptian authorities to pay attention to vulnerable groups in order to ensure that these groups are consulted meaningfully in the process of selecting resettlement options and in receiving financial support. For those parts of the transmission lines passing on active agricultural land, a social survey assessing the impact of crop compensations on farmers and the extent of farmer vulnerability could be undertaken in this regard.

**Disturbance allowance:**

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

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

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

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

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

- **Gap:** Monitoring or evaluation measures are not stipulated in Egyptian regulation. Lack of the necessary legal provision needed to put in place monitoring and evaluation measures can negatively impact the accountability and transparency Programs and plans may not be able to benefit from corrective action in cases of mistakes or receive rewards in cases of good performance.

- **Measure:** It is imperative the Bank move toward advancing the monitoring and evaluation principles stated in OP 4.12. Social and economic impacts will have to be measured; the amounts of compensation will have to be known and accounted; the efficiency and effectiveness of grievances and redress mechanisms will have to be evaluated and progress in the resettlement process will have to reported and known. In terms of crop compensation activities, it is proposed to integrate into the post-implementation activities undertaken by DAS, relevant monitoring and evaluation tasks related to crop compensation procedures (e.g. amounts of compensation paid, time taken to ensure compensation payment, number of grievances and redress cases received and addressed...etc). A study to define the nature of such M&E activities and their social impact could be undertaken as part of a social survey study. The following are legal fits between the two systems but capacity constraints at individual and institutional levels and measures to be considered.

**Full replacement cost:**

**Possible capacity constraints:**

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

- **Measure:** As stated in table 5.1, this area would require capacity building for the concerned local government staff and the implementing agency. Additional training for the evaluators should be considered, and the mandated institution needs to be enhanced, equipped and sensitized.

**Temporary losses of business:**

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

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

**Provision of timely and relevant information:**

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

- **Measure:** The Bank started to discuss with authorities on how to translate what has been stipulated in the law into practice. The notion of access to information by project affected people, the importance of participatory approach while planning and implementing Resettlement Action Plan (RAP) are made clear to the authorities.

**Grievances:**

- **Possible capacity constraints:** The Egyptian law provides the creation of Specialized Committees to address grievances driven by misunderstandings of the project policy, or resulting from conflict(s) among neighbors. Nevertheless existing grievance mechanism processes embrace long procedural steps and take a long time to resolve disputes. The practice denies project affected groups a direct channel for grievance adjudication and delays resolution of disputes in an appropriate time prior to resettlement. In case of crop compensations the procedures stated in the relevant section above shall be followed.

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

- When planning project and resettlement strategies, the affected group should be informed about the displacement and participate in defining resettlement options from the earliest stage of the process, that is even before issuing the decree for public interest,
- It is essential a cut-off date be clearly spelled out to assure the right of affected groups and yet avoid subsequent problems.
- It is critical to conduct a detailed economic study evaluating expected properties to be expropriated and this exercise should be carried out by a professional body (private or public) able to define the real-market value,
- It is important to consider establishing a specialized unit within the management of the project to address grievances at the early stages of the project and the inception of the Resettlement Action Plan (RAP). The unit should include representation from local governmental executive bodies in addition to representatives from the local affected community.
- It is imperative to undertake a detailed socio-economic study focusing on the affordability of the probable impacts on assets and livelihoods of affected people with particular attention to vulnerable subsets.
- The process governing Resettlement Action Planning (RAP) and implementation should have full transparency and project affected people must have their voice heard and incorporated into the overall program via an established project unit.
- It is important to enlist high profile government officials as champions at an early stage of the process. Their role is vital in implementing and solving urgent conflict issues and this is crucial for building the trust within local communities to assure the project’s success.
- Craft and operationalize fair, quick and transparent grievance and redress mechanisms.
- Active involvement of traditional leaders within the local community is also a cornerstone for the success of the project.

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

- Right of squatters to be compensated
- Right of customary owners to be compensated
- Valuation of compensation should be based on the date of implementing the resettlement not the date of issuing the decree of public interest.
- Publication of list of properties should be done in compliance with the law.
- Disputes over land or structure ownership or tenure should be solved through a specialized committee to expedite PAP compensation payments.
- Compensation should be defined based on transparent criteria that cover both real market value and transfer cost. This is to be applied to residential and economic activities for different tenure status (e.g., owners, tenants, squatters, customary owners).
- Compensation is to be paid prior to displacement/ resettlement (in case of crop compensations, they should be paid not later than the timing on which the income generated from the agricultural activity would have been made in-line with the procedures stated in this RPF report.
- Compensation is valued based on date of implementation rather than date of issuing decree.

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

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

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

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

- All technical steps and procedures should be explained to affected people prior to resettlement in order that they be prepared for displacement.

- Several committees should be established for preparation, implementation, management, assessment of compensation and monitoring of project operations. Those committees should include representatives from different central and local executive bodies to ensure the coordination of different tasks within the process.

- The role of NGOs and CBOs will include, but is not limited to, mediating, informing and supporting socio-economic aspects related to resettlement.

- NGOs and CBOs could play important roles in bridging the gaps between the government and local communities, especially during the displacement process.

- Affected families should be offered various options for displacement and resettlement in locations for resettlement and compensation mechanisms.

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

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

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

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

- Socio-economic support from local government and NGOs will be provided for displaced persons during and after the resettlement (e.g., small and short-term credit for transfer and for start-up of new business, soft-loans for housing improvement).
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Annex 1: Documentation for the Public consultation