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Updated by EGAS

Updated **RESETTLEMENT POLICY**  
**FRAMEWORK**

NATURAL GAS CONNECTION PROJECT IN  
20 Governorates in Egypt

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## LIST OF ACRONYMS AND ABBREVIATIONS

<b><i>ARAP</i></b>	<b><i>Abbreviated Resettlement Action Plan</i></b>
<b>EGAS</b>	Egyptian Natural Gas Holding Company
<b>ESIAF</b>	Environmental and Social Impact Assessment Framework
<b>GRM</b>	Grievance and Redressal Mechanism
<b>LDC</b>	Local Distribution Company
<b>LPG</b>	Liquefied Petroleum Gas
<b>PRS</b>	Pressure Reduction Station
<b>RAP</b>	Resettlement Action Plan
<b>RPF</b>	Resettlement Policy Framework
<b>SDO</b>	Social Development Officer
<b>TOR</b>	Terms of Reference
<b>WB</b>	World Bank

## **GLOSSARY**

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

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

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

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

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

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

**Land acquisition:** refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; and (b) repossession of public land that is used or occupied by individuals or households. "Land" includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements. In the context of the project, the term expropriation is used in case of eminent domain including expropriation for the high pressure pipelines and acquiring /securing land is used for willing buyer willing seller

**Restrictions on land use** refers to changes in or prohibitions on agricultural, residential, commercial or other land uses that are directly introduced and put into effect as part of the implementation of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, restrictions on land use within utility easements or safety zones, etc.

**Livelihood** refers to the full range of means that individuals, families and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade and bartering.

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

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

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

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

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

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

**Vulnerable Groups:** Distinct groups of people who might suffer excessively from resettlement effects, such as, the old, the young, individuals with disabilities, the poor, isolated groups and female headed households (single-mothers, widows ....etc.)

## Executive Summary

The Government of Egypt (GoE) has immediate priorities to increase household use of natural gas by connecting 800,000 to 1 Million households/yr. to the gas distribution network to replace the highly subsidized, largely imported Liquefied Petroleum Gas (LPG). The GoE is implementing an expansion program for Domestic Natural Gas connections to an additional 3-5 Million households over the next 3 to 6 years. As part of the program, the project presented in this framework study involves extending the network and accompanying infrastructure to connect 2.2 Million Households in 20 Governorates between 2016 and 2021 with the assistance of a World Bank Loan of up to US\$500 Million and the Agence Française de Développement (French Agency for Development) financing of up to €70 Million. The total program for connecting the prospective 2.2 Million customers is estimated to cost 1 Billion and 247 US\$ Million.

The World Bank (WB), the Agence Française de Développement (AFD) and the European Union (EU) are jointly providing financing to support the implementation of this project, amounting to approximately EUR 1.2 billion (including the USD 800 M contribution of the Egyptian Government and customer fees) named as component 1. Two additional components 2 and 3, were added and financed by the EU grant and managed by AFD. Component 2 for Targeted Financial Support and Component 3 for Institutional Strengthening in (i) the implementation of an Enterprise Resource Planning (ERP) system to enhance the quality of reporting and financial management of the implementing agency – EGAS – and (ii) Technical Assistance to support the establishment of Gas Regulator as part of the gas sector reforms that are being implemented.

Implementation of Component 2 is expected to maximize the number of beneficiaries amongst poor and disadvantaged households, consisting in a subsidy to the poorest households amongst those who are technically eligible for connection to overcome the financial barrier to the payment of the gas connection fee.

Table 1-1: Project Costs and Financing Schedule

Project component	WB	AFD	EU grant
Component 1 - NG network Extension	USD 500 M	EUR 70 M	EUR 10 M
Component 2 - Targeted Financial Support			EUR 45 M
Component 3 - Institutional Strengthening			EUR 13 M

The EU grant financing is delegated to and managed by AFD, according to AFD procurement and financial management procedures.

A Resettlement Policy Framework has been prepared for phase 1 of the project (connection of 1.1 Million households in 11 Governorates) based on the Terms of Reference prepared by EGAS and cleared by the bank. In August 2016 it was agreed by all parties to extend the project to connect 1.1 Million Households in 9 new governorates (Al fayoum, Beni sweif, Menia, Assiout, Luxor, Damietta, Beheira, Kafr el sheikh and Cairo) with a total of 2.2 million household in the 20 Governorates. The extension of the project is named as phase II of the project, this major change in the original scope of work mandates the preparation of this document which is an updated of the original RPF

The purpose of the RPF is to set down the principles for social impact mitigation, as well as clarify the organizational arrangements that may be needed during sub-project preparation and implementation phases. This includes compensating all project affected persons (PAPs) for the loss of lands, properties, and livelihoods resulting from displacement and resettlement, as well as assisting the affected people in relocation and rehabilitation.

The Resettlement Policy Framework is prepared in order to outline a proposed approach and work plan to guide the implementation, handover, and monitoring and evaluation of the resettlement process, in case OP 4.12 is triggered at any point.

For phase I project implementation, Town gas has been commissioned to work in Giza, Alexandria and some areas in Ismailia .Sinai Gas in the rest of Ismailia. Regas in Matrouh and Sohag Governorates while Egypt Gas will be implementing the project in the remainder of the governorates (Gharbia, Menufia, Dakahleya, Qalubia, Qena, and Aswan). Phase II of the project will be implemented by Town Gas in Cairo governorate, Egypt Gas in Luxor governorate, Natgas in Beheira governorate, TAQA in Beni sweif, Menia, Assiout and Kafr el sheikh governorates, Fayoum in Al Fayoum governorate.

### **Project Components:**

- Component 1: Gas Distribution Network and Household Connections. This includes expansion of the intermediate and low pressure gas distribution networks, installation of control units and conversions of customer appliances to allow connection of and supply of gas to the proposed new 2.2 million households.
- Component 2: Pressure Reduction Stations (PRSs) for reduction of NG pressure from 70 Bar to 7 Bar and odorant addition for residential users. The construction of PRSs to connect the distribution networks in the project areas to the high pressure gas transmission networks. Currently, around 37 new PRSs area being considered for financing by the proposed project.
- Component 3: Gas Transmission Connection. This component includes extending the gas high pressure transmission network to supply gas to the new PRSs in the project areas.

This Project is likely to have social impacts on land access, restriction of access to assets, displacement and loss of livelihood among others. The lands that will be needed permanently for the construction of PRSs and temporary land use will not be avoidable for construction of gas transmission pipelines.



Preliminary project planning has applied social, economic, safety, and technical criteria to identify 96 districts and villages in phase I of the project in addition to 128 new districts in phase II as targets for connecting the 2.2 million customers (households). The project shall introduce the service in new areas, which have not been connected before, and shall further extend the network in areas which are partially covered.

- 1- The project will finance a total of approximately 37 pressure reduction stations (20 PRSs for phase I and around 17 PRSs for phase II). Considering that each station will require approximately 2500 square meters of land (50m x 50m) on average, so the estimated total amount of land needed for the PRSs will be about 92,500 square meters. Currently 9 lands were secured totaling 21 secured, this figure is only an estimate but exact area of lands will be determined during the implementation of the project.

Phase I of the project was planned to finance the construction of 178 km of pipelines. The diameter of the pipe will approximately be 1.3 meter. The estimated total temporary land use was estimated to be about 356,000 square meters. Parts of these pipelines will pass through agriculture land resulting in temporary disruption for the crops, trees and the income of farmers. Currently, the HP pipelines lengths and the temporary land use are negligible as the offtake of most PRSs lies on the pipeline and is not requiring more land use. On the other hand, Remaining PRSs locations and routes of HP pipelines of phase I and those of phase II are not yet determined so the expected land use areas cannot be estimated.

This Resettlement Policy Framework (RPF) is prepared based on the requirements of World Bank Policy on Involuntary Resettlement OP 4.12 and relevant Egyptian laws and regulations as a guideline for resettlement preparation and implementation, if there is any. The purpose of the Resettlement Policy Framework is to set down the principles for resettlement impact mitigation, as well as to clarify the organizational arrangements that may be needed during project preparation and implementation phases.

Resettlement and land acquisition issues under the proposed Project and subsequent subprojects will be addressed under the guidance of the laws governing the Arab Republic of Egypt to this regard which is mainly Law No. 10 of year 1990, law No. 4 of the year 1988 for petroleum pipelines and its executive regulations promulgated by decree no. 292 for the year 1988 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. EGAS shall be committed to complying with the national and the WB policy

All PAPs who suffer a complete or partial loss of assets or access to assets shall be eligible for some kind of assistance, according to their legal rights to the land, if it can be proven that they occupied the land before the claim cut-off date

The valuation of losses in physical assets will be carried out by assessing the market value of the assets, if known, and estimating the replacement cost. Replacement cost is simply calculated as the cost of replacing the lost assets plus any transaction costs associated with bringing the asset to pre-displacement value. However, the valuation of crops will be mainly relied upon the price lists developed by the Agriculture directorate and revisited annually.

Given the nature of this project, the potential impacts are limited to affecting the business of farmers and their crops. They will be entitled for cash compensation to be paid prior to the

construction. For the lands needed for the PRS, EGAS aims at attaining state owned lands. In case of non-availability for such lands, EGAS purchase the lands according to the market price based on willing seller willing buyer approach and does not secure land for PRSs using eminent domain . EGAS and the LDCs select the most appropriate land (price and technical wise).The location of PRS is flexible depending on the willingness of landowners to sell the land. Upon the mutual agreement with the Land owner a preliminary contract is signed with full payment before start of construction works

Once the detailed activities and work plan under the project have been identified, the Governmental Relations Department within EGAS will obtain all approvals related to the project. Thereafter, EGAS SDOs and LDCs carries out social screening to determine whether or not the project will involve in any resettlement impacts and make decision if a resettlement action plan or abbreviated Resettlement Action Plan needs to be prepared

During the RPF preparation, it is difficult to estimate the total resettlement cost. The actual resettlement cost and budget will be included in the RAP which will be prepared during project implementation. The budget shall consider the anticipated impacts under the project and calculated cost (compensation, administrative costs and monitoring... etc) according to actual replacement costs (at market value). EGAS is fully responsible for any compensation for land acquisition. The Local Distribution Companies (LDCs) will be responsible for paying the compensation costs to the PAPs based on the price lists to be developed by EGAS and the Agriculture Directorate. Thereafter, cost will be reimbursed from EGAS

EGAS and the Local Distribution Companies adopt a multi-level grievance mechanism that enables the PAPs to voice their concerns and complaints related to compensation or other project activities.

Concerning vulnerable groups, they are those groups of people who are typically disadvantaged or marginalized based on their economic, ethnic, social, or cultural characteristics. The Resettlement Action Plan will adopt the Sustainable Livelihood Approach that will help in vulnerability identification.

In line with WB requirements, internal and external resettlement monitoring and evaluation will be carried out during implementation of Resettlement Action Plan and ensure that all PAPs are compensated adequately.

Extensive public consultations were carried out with various stakeholders at various locations during the preparation of the frameworks of phase I of the project. The locations, number of people that participated and the consultation methods are summarized as follows:

- 1- During the data collection process 1904 households were consulted using a structured questionnaire. 1038 were females and 866 were males.
- 2- Additional 315 persons were consulted among the governmental entities, potential beneficiaries and NGOs using in depth guideline and group discussion guideline. 85 %of the consulted groups were females
- 3- The Public Consultation conducted in three governorates during the scoping phase was attended by 251 persons among which 53 were females
- 4- The Public Consultation conducted in the 11 governorates during the final consultation phase was attended by 971 persons among which 273 were females

The main concerns related to involuntary resettlement were documented. The participants raised

their concerns related to avoidance mechanism and the compensation strategy. Impact on the LPG distributors was raised. The participants emphasized on the importance to adopt a comprehensive information sharing strategy.

The first public consultation for phase II of the project was conducted on October 10th, 2016 during the preparation of the updated RPF with the participation of various stakeholders from each Governorate. A question concerning the compensation strategy of lands was raised. It was clarified by EGAS that there is temporary compensation for the temporary use of land for the High pressure pipeline route with appropriate compensation payment according to an allocated budget for that purpose while for the case of securing land for the construction of Pressure reducing stations it is either allocated by the Governorate as State Owned Land or private land that is purchased through Willing Buyer Willing Seller approach, land purchasing procedures are implemented by Land Purchase Committee formulated specifically for that purpose.

Future consultations will be conducted with the PAPs in the cases of RAP preparation.

## 1 INTRODUCTION

The Government of Egypt (GoE) has immediate priorities to increase household use of natural gas by connecting 800,000 to 1 Million households/yr. to the gas distribution network to replace the highly subsidized, largely imported Liquefied Petroleum Gas (LPG). The GoE is implementing an expansion program for Domestic Natural Gas connections to an additional 3-5 Million households over the next 3 to 6 years. As part of the program, the project presented in this framework study involves extending the network and accompanying infrastructure to connect 2.2 Million Households in 20 Governorates between 2016 and 2021 with the assistance of a World Bank Loan of up to US\$500 Million and the Agence Française de Développement (French Agency for Development) financing of up to €70 Million. The total program for connecting the prospective 2.2 Million customers is estimated to cost 1 Billion and 247 Million US\$.

The World Bank (WB), the Agence Française de Développement (AFD) and the European Union (EU) are jointly providing financing to support the implementation of this project, amounting to approximately EUR 1.2 billion (including the USD 800 M contribution of the Egyptian Government and customer fees) named as component 1. Two additional components 2 and 3, were added and financed by the EU grant and managed by AFD. Component 2 for Targeted Financial Support and Component 3 for Institutional Strengthening in (i) the implementation of an Enterprise Resource Planning (ERP) system to enhance the quality of reporting and financial management of the implementing agency – EGAS – and (ii) Technical Assistance to support the establishment of Gas Regulator as part of the gas sector reforms that are being implemented.

Implementation of Component 2 is expected to maximize the number of beneficiaries amongst poor and disadvantaged households, consisting in a subsidy to the poorest households amongst those who are technically eligible for connection to overcome the financial barrier to the payment of the gas connection fee.

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The EU grant financing is delegated to and managed by AFD, according to AFD procurement and financial management procedures.

As the project components will be identified during the course of implementation of the project, frameworks are prepared, an Environmental and Social Impact Assessment Framework (ESIAF) and a Resettlement Policy Framework (RPF)

An ESIAF and an RPF were prepared for the phase I of the project (11 Governorates) in 2014

and with the expansion of the project to include additional 9 Governorates (phase II), an update of both frameworks is being prepared: updated ESIAF and updated RPF.

For phase I project implementation, **Town gas** has been commissioned to work in Giza, Alexandria and some areas in Ismailia. **Sinai Gas** in the rest of Ismailia. **Regas** in Matrouh and Sohag Governorates while Egypt Gas will be implementing the project in the remainder of the governorates (Gharbia, Menoufia, Daqahlia, Qalubia, Qena, and Aswan). Phase II of the project will be implemented by **Town Gas** in Cairo governorate, **Egypt Gas** in Luxor governorate, **Natgas** in Beheira governorate, **TAQA** in Beni sweif, Menia, Assiout and Kafr el sheikh governorates, **Fayoum** in Al Fayoum governorate.

The Natural Gas Connection Project consists of the following three components:

□ **Component 1: Gas Distribution Network and Household Connections.** This includes expansion of the intermediate and low pressure gas distribution networks, installation of control units and conversions of customer appliances to allow connection of and supply of gas to the proposed new 2.2 million households.

□ **Component 2: Pressure Reduction Stations (PRSs)** for reduction of NG pressure from 70 Bar to 7 Bar and odorant addition for residential users. The construction of PRSs to connect the distribution networks in the project areas to the high pressure gas transmission networks. Currently, around 37 new PRSs area being considered for financing by the proposed project.

**Component 3: Gas Transmission Connection.** This component includes extending the gas high pressure transmission network to supply gas to the new PRSs in the project areas.

The main features of the project have been identified; details of pipeline routings, locations of Pressure Reducing Stations, and exact households to be connected have not been confirmed at this stage. Such details will be completed during the course of implementation of the project.

### ***1.1 Objectives of the Resettlement Policy Framework***

Land will be needed for construction of PRSs and temporary land use will not be avoidable for construction of gas transmission pipelines. Since the final selection of the paths of the distribution network will be made during the course of project implementation and the exact location of pressure reduction station and gas pipeline cannot be determined at this stage, an update of the RPF of phase I of the project is prepared to include phase II of the project named as updated RPF. This document is prepared based on the requirements of World Bank Policy on Involuntary Resettlement OP 4.12 and relevant Egyptian laws and regulations as a guideline for resettlement preparation and implementation, if there is any.

1. The purpose of the RPF is to set down the principles for resettlement<sup>1</sup> impact mitigation, as well as to clarify the organizational arrangements that may be needed during project preparation and implementation phases. This includes compensating all project affected persons (PAPs) for the loss of lands, properties, assets 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

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<sup>1</sup> 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.

the acquisition<sup>2</sup> 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 covers all the project's activities, and shall apply to all displaced persons regardless of the total number affected, the severity of impact, and whether or not the affected persons have legal title to the land. Since resettlement often affects the most vulnerable and marginalized groups (economically, politically, and socially), the RPF shall be particularly sensitive to the impacts of displacement that can occur on these groups, including the poor, landless, elderly, women, children, ethnic minorities, or persons with specific mental or physical disabilities.

## **1.2 Key Principles**

The principles outlined in the World Bank's OP/BP 4.12 have been adopted in preparing this RPF. In this regard the following principles would be applied:

- (a) Acquisition of land and other assets, and resettlement of people will be minimized as much as possible. Where land acquisition is unavoidable, the project will be designed to minimize adverse impact on the PAPs, especially the vulnerable groups;
- (b) All PAPs will be compensated, relocated and rehabilitated, if required, so as to improve their standard of living, income earning capacity and production capacity, or at least to restore them to pre-Project levels;
- (c) All PAPs residing in, or cultivating land, or having rights over resources within the components' area are entitled to compensation for their losses and/or income rehabilitation. Lack of legal right to the assets lost will not bar the PAP from entitlement to such compensation, rehabilitation and relocation measures;
- (d) The rehabilitation measures to be provided are (i) compensation at full replacement cost<sup>3</sup> for houses and other structures; (ii) compensation for land acquisition and resettlement subsidy for the affected villages and farmers; (iii) dislocation allowance and transition subsidies; (iv) full compensation for crops, trees and other similar agricultural products at market value; and (v) other assets, and appropriate rehabilitation measures to compensate for loss of livelihood;

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<sup>2</sup> Land acquisition" refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; and (b) repossession of public land that is used or occupied by individuals or households. "Land" includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements

<sup>3</sup> Replacement cost is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons.

- (e) Replacement house-plots, place of business and agricultural land will be as close as possible to the land that was lost, and acceptable to the PAPs;
- (f) Land-for-land is the preferred option. Land-for-land may be substituted by cash provided that: (i) land is not available in the proximity of the subproject area; (ii) PAP willingly accept cash compensation for land and all assets on it; and receive full replacement value without any deductions for depreciation; and (iii) cash compensation is accompanied by appropriate rehabilitation measures which together with project benefits results in restoration of incomes to at least pre-subprojects levels;
- (g) The resettlement transition period will be minimized, land-for-land and/or cash compensation provided to the PAP completed prior to the expected start-up date of works in the respective components.
- (h) Resettlement plans will be implemented following consultations with the PAPs, and will have the endorsement of the PAPs;
- (i) The previous level of community services and access to resources will be maintained or improved after resettlement;
- (j) Any acquisition of, or restriction on access to resources owned or managed by PAP as common property will be mitigated by arrangements ensuring access of those PAP to equivalent resources on a continuing basis;
- (k) Financial and physical resources for resettlement and rehabilitation will be made available as and when required;
- (l) Resettlement program will include adequate institutional arrangements to ensure effective and timely design, planning and implementation of resettlement and rehabilitation measures;
- (m) Adequate arrangements for effective and timely internal and external monitoring will be made on implementation of all resettlement measures;

#### ▪ Securing land and Involuntary Resettlement

#### **Law 10 of the year 1990 for property expropriation for Public Interest Projects**

Law No. 10 of year 1990 on Property Expropriation for Public Benefit identifies infrastructure projects as public benefit activities. Law no. 10 was amended by Law 1 for the year 2015, where slight amendments were introduced on the appeal and disclosure of the PAPs list. The law describes acquisition procedures as follows:

1. The procedures start with declaring the project for public interest pursuant to the presidential decree accompanied with a memorandum on the required project and the complete plan for the project and its structures (Law 59/1979 & Law 3/1982 provided that the Prime Minister issues the decree for Expropriation);
2. The decree and the accompanying memorandum must be published in the official newspapers; a copy for the public is placed in the main offices of the concerned local Government unit.

This law has specified, through Article 6, the members of the “Compensation Assessment Commission”. This Article states that the commission is formulated at the Governorate level and consists of a delegate from the concerned 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.

**For the permanent Land acquisition for the construction of PRSs, Law 10 of the year 1990 is not applicable as the project, will not require expropriation of property and involuntary resettlement is avoided but land is secured either by allocation by the Egyptian Government (State Owned Land) that has no inhabitants or users or purchasing privately owned lands, in case of unavailability of State Owned Lands. Privately owned lands are purchased through Willing Buyer – Willing Seller Approach.**

#### **Law no.4 of the year 1988 and its executive regulations Decree no.292 for the year 1988 related to gas pipelines**

In case of **temporary Land Use** for the high pressure pipeline construction , Law 4 for the year 1988 for petroleum pipelines and its executive regulations (Decree 292 for the year 1988). Law 4 for the year 1988 and its ER is applied in cases of extending gas pipelines for public use, where the land owner or those occupants without legal rights are committed to allow the crossing of the pipelines or any relevant pipelines and their associated facilities for purpose of pipeline works (laying or installation or maintenance) with the official notification of the time plan while considering all measures that secure the buildings or occupants or others from danger.

Law 4 and its executive regulations also forbids the building of establishments or planting on top of the pipelines and at distance not less than 2 meters from each side of the pipeline within the borders of the cities or villages and at a maximum distance of 6 meters outside the borders of the city or village. In cases where there is a necessity for carrying out any activities in the restricted distances a permit is issued by the Minister of Petroleum and Mineral Resources. In cases where damage to crops or assets may occur the occupants or the illegal occupants are entitled to a fair compensation. The value of compensation is a decision of a Committee within a period of a maximum of 6 months from the date of occurrence of the damage. The ER shows the procedure for estimation of the compensation value. The Law also shows cases where those entitled for compensation may appeal to the court, when decree is not issued within the defined period of time or the decision of non-illegibility of compensation or dispute on the value of compensation. In any case implementation of works should not be stopped nor payment of the amount of estimated compensation until the juridical decision. In cases of damage caused by the implementing entity, a list of establishments and trees is prepared and appropriate compensation is paid before commencing construction works .



## **2 LEGISLATIVE FRAMEWORK FOR RESETTLEMENT**

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

### **2.1 Government of Egypt Relevant Legislation**

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

#### **2.1.1 Administrative Authority's Decision Making Responsibilities**

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

In accordance with Article 35 of the constitution developed and agreed upon during the referendum 14-15 of January 2014 "The private ownership is guarantee and the inheritance is validated for. It is not allowed to suspend the ownership unless certain conditions mentioned by a Law. No expropriation should take place unless it is for the purpose of public benefit. Fair compensation should be paid in advance according to the Law." As well as, article 63 of the Constitution: "All types of involuntary relocation using force or excessive violence is banned and whoever violating this article will be brought to court" According to this article, it is understood that amicable procedures for the private property expropriation is guaranteed by law. The competent jurisdiction shall be entitled to take cognizance of the lawsuits raised by individuals against the administration for appropriate compensations.

Other relevant laws governing expropriation and consequent compensation procedures include:

- Law 577/54, which was later amended by Law 252/60 and Law 13/162, lays down the provisions pertaining to the expropriation of real estate property for public benefit and improvement,
- Law No. 27 of 1956, which stipulates the provisions for expropriation of districts for re-planning, upgrading, and improvement, and the amended and comprehensive Law No.10 of 1990 on the expropriation of real estate for public interest.

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

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

According to Article 23 of Law 577/1954: “If the purpose of the property expropriation is the establishment of a squares, streets, or their expansion, modification, demarcation, or the establishment of a new district, or for its improvement/ upgrading or beautification, or for any health related matter; property expropriation may include, in addition to the real-estate property needed for the project, any other real-estate property which the administration in charge seems 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 of the remaining un-expropriated portion of real estate to buildings only, but it was also extended to include land as well.

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

### **2.1.2 Legal and Administrative Procedures for Transfer of Ownership and Compensation**

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

Article 1 of Law 252/60 (amended by Law 577/54) states that the determination of public

benefit for the expropriation of private real estate property is subject to Presidential Decree. On the other hand, according to Article 2 of Law 27/1956, the determination of public interest for the expropriation of districts for re-planning and upgrading is subject to a Decree from the Cabinet of Ministers.

Enclosed with the decree is:

- A memorandum demonstrates that the required project shall be considered of public benefit / interest (to be published with the Decree in an official newspaper and in relevant local administrative units).
- A map delineating the project scope.
- Two weeks following the publication and promulgation, the official commissioned to the expropriation property procedures is permitted to enter into the real estate to perform the technical and surveying operations and all the necessary demarcations of the expropriated real estate.

The steps for ownership transfer are highlighted below:

- 1 **Preparation of a census of all property:** The census shall be performed by commissions which consist of a delegate of the entity commissioned to perform the expropriation (i.e. the Governorate, Ministry of Agriculture, etc.) and one of the local officials from the Governorate. A registered notice shall be sent to notify the concerned person. All owners and those with rights or entitlements to the expropriated property shall meet up with the commission in the project area during the census process in order to guide the commission members with regards to their property rights. The commission shall report the minutes of the procedures, which shall include all property and their owner names and addresses. The members of the commission and the owners shall sign the census report. If anyone refuses to sign, this will be noted in the minutes of the session by justifying the reason for refusal. Entering the expropriated properties from then on shall be subject to the notification of the concerned person.
- 2 **Preparation of statements and evacuation warnings:** The expropriating entity shall prepare statements with the number and types of property that shall be expropriated, their size, location, owner's names and addresses, and compensation values (as per the census report). These statements shall be published in an official newspaper. The owners and tenants shall be warned that they must evacuate the property within a period of maximum 5 months. The owners shall be given a period of 30 days (from the date of submission of the statements) to present their complaints or grievances regarding the data in the statement. If the complaints were not submitted during this 30-day period, the data included in the statements shall be considered conclusive and shall not be subject to any litigation or claim, and in this case the compensation amounts indicated in the statements shall be sent to the identified owners.
- 3 **Transfer of ownership:** For those owners with no complains or contestations, the transfer of ownership is simply made by having them sign specific forms for ownership transfer. For property which the owners have not signed the proper forms, the competent minister shall emanate a decision to expropriate the property. The forms and the Ministerial decrees shall then be deposited in the relevant Notary Office. This deposit regarding the real estates shall generate the effects caused by the declaration of the sale contract. According to it, the property shall be transferred to the administrative authority that expropriates the property, and the rights incumbent on the real estates shall be transferred to the compensation amounts.
- 4 **Compensation assessment:** Property expropriation shall only be made against a fair compensation in accordance to constitutional provisions. The legislator has put forth some principles which should be taken into consideration with regards to compensation

assessment:

- a. The compensation assessment for property expropriation shall not include structures, plants / crops, improvements / additions, or tenant agreements if it has been proved that the aforementioned acts were performed in order to acquire higher compensation. The legislator has provisioned that every act taken to this regard, after the publication of the decision for expropriation for public benefit in the official newspaper, shall be considered as an act performed for increasing the compensation value. Accordingly, these acts should be ruled out in the assessment of the compensation amount (*Article 25: Law No. 577 of 1954, and Article 7: Law No. 27 of 1956*).
- b. If the compensation amount for the un-expropriated part, in projects other than urban planning, increases or decreases (due to activities causing general public benefit), the increase or decrease in amount should be taken into consideration so that the amount to be added or reduced shall not exceed 50% of the compensation value of the expropriated property (*Article 19: Law No. 577 of 1954*).
- c. If the value of the property subject to expropriation for the upgrading or re-planning of districts / cities is increased as a result of the implementation of a public benefit project, the increase in value shall not be calculated in the compensation assessment if the property expropriation is performed within 5 years from the date of implementation in the previous project (*Article 20: Law No. 477 of 1954*).
- d. For real estate subject to improvement due to public benefit works (district/city re-planning and upgrading projects), the owners shall be obliged to pay for the improvements, provided that the payment does not exceed 50% of the actual expenses for establishing or expanding the street or square which resulted in the improvement. This provision shall also be applicable if only part of the property within the district/city re-planning/upgrading projects is expropriated, and the authority in charge has deemed that
- e. Keeping part of the real estate by the owner does not conflict with the purpose of the intended project. The assessment of the aforementioned charges made by the authority in charge of organizing affairs shall not be subject to any appeal (*Law No. 577 of 1954*).

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

### 2.1.3 Disputes

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

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

### 2.1.4 Temporary Expropriation of Real Estate

The right of the public authority to expropriate needed real estate property also includes the right to temporarily occupy / take over this privately owned property. Law No. 577 of 1954, Law No. 27 of 1956, Law 4 for the year 1988 and the new Law No. 10 of 1990 and its amendments in year 2015 pertaining to property expropriation, include provisions regarding temporarily occupying property:

Summarized below are the legal provisions for two particular cases:

- 1- **Occupation of Real Estate Property Prior to Expropriation:** If the administration resorts to interim or temporary occupation of privately owned real estate, the time frame should be identified. However, if the temporary occupation is conclusive, the administration shall resort to the regular expropriation procedures (mentioned above). In order to save time, the new legislation has allowed the administration to occupy prior to the completion of the expropriation procedures (*Article 16: Law No. 577 of 1954*). According to the amendment of Law No. 252 of 1960, "except in emergencies and hasty cases that require the occupation of real estates to perform necessary reparation works, upgrading, and other work, temporary occupation of real estate for public benefit is subject to a Presidential Decree (to be published in an official newspaper). The legislator has included some provisions guiding this case:
  - 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 o real estate, size, and condition upon occupation. If this is done, the competent entity is then able to occupy the real estates without having to take other measures." To simplify the procedures to the previous figure, that could be justified in the occupation case for emergency or rapidity.
- Compensation: Within a week of the occupation date, the competent authority shall determine the compensation value for the concerned persons / owners in return for losing access and use to their property temporarily. The owners shall have the right to dispute the assessed compensation as previously noted.
- Occupation Period: The maximum period for temporary occupation is 3 years, beginning from the actual occupation date. If the administration deemed it necessary to extend the occupation period for over 3 years, this may be done through agreement with the owner. However, if no agreement is reached the property shall be expropriated and the administration shall be responsible for returning the property to the owner in its original status, at the time of occupation, along with compensation for any of spoilage or decrease in its value.

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

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

The new amendment of this law states that the authority requesting the property expropriation shall be responsible for the payment of compensation value and in representing itself in legal litigations before the jurisdiction.

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

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

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

## ***2.2 World Bank Safeguard Policies***

The WB's policy on Involuntary Resettlement as mentioned in different sections of the framework sets forth all the resettlement requirements and principles which will be well considered and fully applied in the proposed project.

## ***2.3 Gaps between Egyptian Regulations and World Bank Policies***

The gaps between Egyptian regulations and World Bank policies are summarized in Table 2-1:

**Table 2-1: Comparison of Egyptian Regulations with World Bank policies**

Topic	Egyptian legislative requirements	World Bank policy requirement	Measures to bridge the gaps
Calculation of Compensation	According to prevailing prices in the affected area and assessed by a specialized committee for that purpose	Full replacement cost	In most cases, prevailing market price can reflect the replacement cost of affected assets. In case, there is no market price as reference for some affected assets, the compensation rate will be determined based on actual cost in consultation with affected persons
Squatters	Not included in the legislation (Applied cases for resettlements revealed that squatters have been compensated as a result of political sensitivity)	Are to be provided resettlement assistance (but no compensation for land)	This has to be clearly considered in any resettlement action and offered options whether through alternative shelters or fair compensation that enables them to find other shelter.
Resettlement assistance	Not included	Affected people are to be offered support after displacement, for a transition period.	Specific assistance will be designed and included in the Resettlement Action Plan.
Vulnerable Groups	Not Included	Particular attention to be paid to vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities.	Provisions on assistance to vulnerable groups will be included in the resettlement action plan..
Information and Consultation	Displaced persons are provided timely and relevant information. Not consulted on resettlement options Not able to participate in planning, implementing and monitoring resettlement	Displaced persons and their communities are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement.	Affected groups should get access to full information about the resettlement process and options for compensation. Participatory planning and decision making will be applied in resettlement options and compensation
Grievances	Specialized committees for that purpose and time One month to object to the decision of resettlement Four months to object to the compensation value	Appropriate and accessible grievance mechanisms to be established.	The affected groups are offered the direct channel for grievance and receive redress in proper time prior to resettlement.



## 2.4 EGAS current procedure for Securing Land

EGAS and its Local Distribution Companies adopt comprehensive procedures for securing land. As relevant to the project, the procedures will be summarized for the two cases of land taking activities (i) Securing permanent land for construction of the Pressure Reducing Stations and (ii) Temporary land Use for high pressure gas pipelines routes.

### **i. Permanent Land for Construction of Pressure Reduction Station**

Land is secured either by allocation by the Egyptian Government (State Owned Land) and has no inhabitants. In case of unavailability of State Owned Lands and sometimes due to technical, socio economic factors, privately owned land is an alternative that is purchased through Willing Buyer – Willing Seller Approach according to EGAS procedure for securing land as per Annex (1). EGAS does not use eminent domain and land expropriation to acquire land.

### **ii. Temporary Land for High pressure Gas pipelines routes crossing agricultural land**

Once the land for construction of the PRS is allocated, then alternatives for HP routes are searched, the selection of the optimum route is according to technical, and socio- economic criteria. Land for HP routes may vary as there are cases where the allocated land for PRS is sufficient enough to accommodate the route of the HP pipeline, in this case no special measures are required. But in cases where more land is required, another approach is followed. Due to the nature of the project areas, the HP gas pipelines routes are mostly crossing agricultural lands then compensatory measures will be applied in compliance with Law no.4 of the year 1988 and its executive regulations Decree no.292 for the year 1988 related to gas pipelines article 2. This law identifies the right of way and the limitation to use the lands above the pipeline, as well define the groups who are entitled for compensation.

The procedure for temporary land use and compensation will be applied as follows:

1. Once the optimum land is selected, the Technical Department in the LDC provides a detailed map of the land showing the route of the pipeline in order to identify the required land areas specially the pipelines that will require crossing the agricultural lands
2. EGAS and the LDC develop a price list in cooperation with the agriculture directorate in each governorate.
3. A Compensation Committee is initiated to work on the land acquisition procedures. Members of the committee are representatives of: EGAS, LDCs, Agriculture Associations and Agriculture Directorates.
4. The committee screens the affected lands and prepare preliminary census for the affected lands and identifies the PAPs for compensation
5. Consultation meetings are held with the PAPs in order to inform them about the project, compensation arrangements, the value of the compensation and payment procedures.
6. The PAPs prepare documents declaring their legal status with the help of the Agriculture Associations
7. A contract is signed between the land owner(s) and EGAS and compensation is paid to the PAP(s), this process is finalized prior any construction works.

However, in compliance with the WB OP 4.12, EGAS will embrace the following procedures:

1. A consultant will be hired in order to prepare a Resettlement Action Plan and will work closely with the compensation committee
2. A full inventory and socioeconomic screening will be prepared, the results will be a guide to the compensation committee to implement their activities accordingly.
3. The PAPs will be consulted during the preparation of the RAP in order to provide them with the required information regarding their rights, valuation procedures and grievances and redress mechanism.
4. Final assessment by EGAS team to evaluate the needed lands in cooperation with the Agriculture Associations and the RAP consultant will be applied two months prior to the construction in order to verify the exact type of crops.
5. After receiving the approval of the WB on the RAP, the documents will be translated and disclosed to the PAPs in the Agriculture Associations, EGAS website and the World Bank Info shop. Thereafter, the Compensation Committee will start the compensation activities. A list of affected owners/tenants and type of loss will be disclosed in the Agriculture Associations.
6. A continuous dialogue will be applied with the PAPs as part of stakeholder engagement activities
7. The PAPs will develop the needed legal documents from the Agriculture Associations. The documents should be shared with the Compensation Committee.
8. The value of compensation of the potential affected lands/crops/trees and assets will be defined and forwarded to the financial department in the LDCs. If the owner/tenant approved the compensation an agreement will be signed with them. Thereafter the financial department will release the compensation amount of money
9. The Compensation Committee will disburse the compensation value according to the following system:
  - Full compensation will be given before the construction
  - After the construction, the Compensation Committee will re-measure the actual affected crops, lands and assets. In case the project causes damage to areas more than the areas estimated to be affected. Re-evaluation will be required for fair compensation of the owner /tenant. Against further demolishing and impact on assets, crops and trees.
10. Complete legal procedures for land acquisition will be documented by the Social Development Officers within the LDCs and a copy should be kept with EGAS Social Development Officers. EGAS should maintain all the records for the purposes of internal and external monitoring and the Bank due diligence.

### 3 ELIGIBILITY CRITERIA FOR AFFECTED PERSONS

#### 3.1 Defining Affected Persons

Affected persons may be classified as persons:

- Who have formal legal rights to land or assets;
- Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law; or
- Who have no recognizable legal right or claim to the land or assets they occupy or use.

Where land acquisition or restrictions on land use are unavoidable, as a part of the Site specific Environmental and Social assessment, a census will be conducted to identify the persons who will be affected by the project, to establish an inventory of land and assets to be affected, to determine who will be eligible for compensation and assistance, and to discourage ineligible persons, such as opportunistic settlers, from claiming benefits.

The social assessment will also address the claims of communities or groups who, for valid reasons, may not be present in the project area during the time of the census, such as seasonal resource users. In conjunction with the census, a cut-off date will be established for eligibility. Information regarding the cut-off date will be well documented and will be disseminated throughout the project area at regular intervals in written and non-written forms and in relevant local languages. This will include posted warnings that persons settling in the project area after the cutoff date may be subject to removal.

To address the issues identified in the environmental and social assessment, a Resettlement Action Plan (RAP) will be prepared proportionate to the risks and impacts associated with the project. According to the nature of the project and EGAS policy in securing land, it is predicted that the project will be of minor land acquisition or restriction on land use, as a result of which there will be no significant impact on incomes or livelihoods. The plan will establish eligibility criteria for affected persons, set out procedures and standards for compensation, and incorporate arrangements for consultations, monitoring and addressing grievances;

. |Table 3-1 highlights some of the key losses that may arise from land acquisition.

**Table 3-1: Means of livelihood that may be affected due to Securing Land**

<b>Land</b>	<ul style="list-style-type: none"> <li>▪ Agricultural land (rented or owned)</li> <li>▪ Access to land</li> </ul>
<b>Structures</b>	<ul style="list-style-type: none"> <li>▪ Houses or living quarters (rented or owned)</li> <li>▪ Other physical structures (rented or owned)</li> </ul>
<b>Income</b>	<ul style="list-style-type: none"> <li>▪ Income from crops</li> <li>▪ Income from wage earnings</li> <li>▪ Income from raising animals</li> <li>▪ Income from affected business</li> <li>▪ Access to formal employment opportunities</li> </ul>

<b>Communal<sup>4</sup></b>	<ul style="list-style-type: none"><li>▪ Public Schools</li><li>▪ Public Hospitals</li><li>▪ Markets</li><li>▪ Cemeteries</li><li>▪ Social capital: networks, activities, relationships</li></ul>
<b>Environmental</b>	<ul style="list-style-type: none"><li>▪ Access to natural resources</li><li>▪ Negative environmental impacts resulting from land acquisition or from the project itself</li></ul>

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<sup>4</sup> The projects should not be permitted to infringe on or damage in any way public cemeteries or private graveyards or graves physical assets. If extremely necessary, such cases shall be subject to the laws of the Government of Egypt to this regard.

### 3.2 Eligibility Criteria

All PAPs who suffer a complete or partial loss of assets or access to assets shall be eligible for some kind of assistance, according to their legal rights to the land, if it can be proven that they occupied the land before the claim cut-off date. The Bank OP4.12 specifically proposes three general categories for eligibility as illustrated in Table 3-2

**Table 3-2: Criteria for Eligibility (OP 4.12)**

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

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

### 3.3 Potential Resettlement Impacts

The potential resettlement impacts will likely be involved in construction of gas pressure reduction stations and gas pipelines. The estimated amount of lands needed is the following:

#### 2- Current status of land Acquisition and Involuntary Resettlement for phase (I) of the project.

As previously mentioned that an RPF was prepared for phase I of the project in 2014. During the lapsed period, preparatory works for the implementation of phase I of the project were executed, 9 lands were secured through allocation of State Owned Lands and purchasing privately owned land necessary for construction of the PRSs and 8 routes of HP pipelines of lengths 0.05 Km for each pipeline in the allocated /purchased land areas. At this stage of the project no involuntary resettlement took place as elaborated in table 3-2:

## 4 METHODS OF VALUATION OF AFFECTED ASSETS AND COMPENSATION

### 4.1 Asset Valuation

The valuation of losses in physical assets will be carried out by assessing the market value of the assets, if known, and estimating the replacement cost. Replacement cost is simply calculated as the cost of replacing the lost assets plus any transaction costs associated with bringing the asset to pre-displacement value. However, the valuation of crops will be mainly relied upon the price lists developed by the Agriculture directorate and revisited annually. Replacement cost will differ depending on the type of asset, as illustrated in Table 4-1.

**Table 4-1: Replacement Cost for Tangible Assets**

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

Source: WB OP 4.12

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

## **4.2 Compensation**

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

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

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

## **5 ENTITLEMENT MATRIX**

Each RAP should develop a resettlement matrix that identifies the expected negative impacts from the project, the eligible persons for compensation, and the compensation policy that is to be applied. Since the detailed activities under this project have not yet been specifically identified, Table -5-1 is entitlement matrix that may serve as a generic tool for identifying the possible losses arising from the expected projects and the respective entitlement benefits of the PAPs.

**Table 5-1: Entitlement Matrix for Affected Persons**

Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy & Standards	Remarks
<b>Agricultural Land</b>				
Loss of arable and grazing agricultural land or access to it	Permanent (complete or partial) loss of arable and grazing land located in the project site	Farmers / Individuals who have formal legal ownership rights to land	<ul style="list-style-type: none"> <li>• Provide cash compensation at replacement cost for the lost land<sup>5</sup> plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes.</li> <li>• Provide cash compensation for loss of crops or trees at replacement cost.</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
		Farmers / Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights	<ul style="list-style-type: none"> <li>• Provide development and transitional assistance in locating new replacement lease land.</li> <li>• Provide cash compensation for loss of crops or trees at replacement cost.</li> </ul>	
		Farmers / Individuals who do not have any recognizable legal right or claim to the land	<ul style="list-style-type: none"> <li>• No compensation for land.</li> <li>• Provide landless PAPs with resettlement assistance in securing temporary or lease rights to replacement land</li> <li>• Provide cash compensation for loss of crops or trees at replacement cost.</li> </ul>	
	Temporary <sup>6</sup> (complete or partial) loss of all or part of	Farmers / Individuals who have formal legal ownership rights to land	<ul style="list-style-type: none"> <li>• No compensation for land if returned to owner in less than one year.</li> <li>• Provide cash compensation equivalent to the</li> </ul>	

<sup>5</sup> Calculated at entitlement cut-off date.

<sup>6</sup> Temporary here refers to a period of up to 3 year maximum (in conformance to the Government of Egypt's Legislation).



Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy & Standards	Remarks
	arable and grazing land located in the project site		replacement cost at market price of renting the land during the temporary use. <ul style="list-style-type: none"> <li>• Provide cash compensation for loss of crops or trees at replacement cost which should include the replacement cost of the time that could be needed until the crops grow again and compensation for loss of net income from subsequent crops that cannot be planted for the duration of the lease.</li> </ul>	selling the affected land to the project at full replacement cost at current market value <ul style="list-style-type: none"> <li>• Provision of development assistance to enable farmers / land owners to restore land to its previous condition or better quality by providing measures to improve land quality in cases of land being adversely affected.</li> </ul>
		Farmers / Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights	<ul style="list-style-type: none"> <li>• No compensation for land if returned to owner in less than one year.</li> <li>• Provide cash compensation equivalent to the replacement cost at market price of renting the land during the temporary use.</li> <li>• Provide cash compensation for loss of crops or trees at replacement cost which should include the replacement cost of the time that could be needed until the crops grow again and compensation for loss of net income from subsequent crops that cannot be planted for the duration of the lease.</li> </ul>	
		Farmers / Individuals who do not have any recognizable legal right or claim to the land	<ul style="list-style-type: none"> <li>• No compensation for land if returned to owner in less than one year.</li> <li>• Provide cash compensation for loss of crops or trees at replacement cost.</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of development and resettlement assistance to landless PAPs with no legal rights.</li> </ul>
<b>Urban Land (Residential and /or Commercial)</b>				
Loss of urban residential or commercial non-	Permanent (complete or partial) loss of	Individuals who have formal legal ownership rights to land	<ul style="list-style-type: none"> <li>• Provide cash compensation at replacement cost of land of equal size and use, with similar or improved public infrastructure facilities and</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy & Standards	Remarks
arable land or access to it	urban residential or commercial non-arable land		<p>services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes.</p> <ul style="list-style-type: none"> <li>• In the case that there are structures on the land, provide cash compensation at replacement cost for the materials used to rebuild the structures or to partially repair an affected structure.</li> </ul>	
		Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights	<ul style="list-style-type: none"> <li>• In the case that there are structures on the land which have been built by the users, provide cash compensation at replacement cost for the materials used to rebuild the structures or to partially repair an affected structure.</li> <li>• Provide development and transitional assistance in locating new replacement lease land</li> </ul>	
		Individuals who do not have any recognizable legal right or claim to the land	<ul style="list-style-type: none"> <li>• Provide no compensation for land.</li> <li>• In the case that there are structures on the land which have been built by the users, provide cash compensation at replacement cost for the materials used to rebuild the structures or to partially repair an affected structure.</li> <li>• Provide landless PAPs with resettlement and transitional assistance in securing alternative commercial or residential land and to restore their livelihoods.</li> </ul>	
	Temporary (complete or partial) loss of urban residential or commercial non-arable land	Individuals who have formal legal ownership rights to land	<ul style="list-style-type: none"> <li>• No compensation for land if returned to owner in less than one year.</li> <li>• Provide cash compensation equivalent to the replacement cost at market price of renting the land during the temporary use</li> <li>• Provide cash compensation for loss of crops, trees, or structures at replacement cost</li> </ul>	<ul style="list-style-type: none"> <li>• If the temporary loss continues for more than one year, PAPs will be given a choice of either continuing with the temporary arrangements, or selling the affected land to the project at full replacement cost at current market value</li> <li>• Provision of assistance to enable the land users owners to restore land to its pre-subproject</li> </ul>

Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy & Standards	Remarks
		Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights	<ul style="list-style-type: none"> <li>No compensation for land if returned to owner in less than one year.</li> <li>Provide cash compensation equivalent to the replacement cost at market price of renting the land during the temporary use</li> <li>Provide cash compensation for loss of crops, trees, or structures at replacement cost</li> </ul>	condition by providing measures to improve land quality in cases where land is adversely affected
		Individuals who do not have any recognizable legal right or claim to the land	<ul style="list-style-type: none"> <li>No compensation for land if returned to owner in less than one year.</li> <li>Provide cash compensation for loss of crops, trees, or structures at replacement cost</li> </ul>	<ul style="list-style-type: none"> <li>Provision of resettlement assistance to landless PAPs with no legal rights</li> </ul>
<b>Structures or Buildings (Commercial, Business, Industrial, or Residential)</b>				
Loss of structures or access to them	Permanent (complete or partial) loss of structures	Individuals who have formal legal ownership rights to the structures	<ul style="list-style-type: none"> <li>Provide cash compensation at replacement cost which equals the market cost of materials used to build a replacement structure with similar area and quality, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
		Individuals who do not have formal legal ownership rights to land but have temporary or leasing rights (tenants)	<ul style="list-style-type: none"> <li>Provide assistance in moving and finding similar and affordable rental accommodation (this may include moving allowance and rental allowance for a transitional period).</li> </ul>	<ul style="list-style-type: none"> <li>A 3-months notice - at least - to be given to the tenants.</li> </ul>
		Individuals who do not have	<ul style="list-style-type: none"> <li>Provide cash compensation at replacement cost</li> </ul>	<ul style="list-style-type: none"> <li>The Environmental and Social Officer may look</li> </ul>

Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy & Standards	Remarks
		any recognizable legal right or claim to the land (squatters and persons in ownership dispute)	for the structures if they were built by the users. <ul style="list-style-type: none"> <li>Provide assistance in moving and finding similar and affordable rental accommodation (this may include moving allowance and rental allowance for a transitional period).</li> </ul>	into the possibilities of formalizing the structures following their repair.
<b>Standing Crops, Trees, and Plants</b>				
Loss of standing crops, trees, or plants or access to them	Permanent (complete or partial) loss of standing crops, trees, or plants	Farmers or individuals who cultivate the land and who have formal legal ownership rights to the land on which the crops are	<ul style="list-style-type: none"> <li>Provide cash compensation for loss of crops, trees, or plants at replacement cost.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
		Farmers or individuals who do not have formal legal ownership rights to land on which the crops are but have temporary or leasing rights (tenants)	<ul style="list-style-type: none"> <li>Provide cash compensation for loss of crops, trees, or plants at replacement cost.</li> </ul>	
		Farmers or individuals who do not have any recognizable legal right or claim to the land on which the crops are	<ul style="list-style-type: none"> <li>Provide cash compensation for loss of crops, trees, or plants at replacement cost.</li> </ul>	
<b>Income or Access to Income (Commercial, Business, and Industrial Activities)</b>				
Loss of source of income or access to source of income	Permanent loss of income source or access to it	Owner or workers in formal registered businesses	<ul style="list-style-type: none"> <li>Provide transitional cash compensation until new permanent employment is secured based on net income (for a maximum period of 6 months).</li> <li>Provide development assistance to PAPs (i.e. training in specific areas) in order to help them to maintain and/or improve their income generation</li> </ul>	<ul style="list-style-type: none"> <li>A list of available commercial, industrial, and business activities in each affected commune</li> <li>A list of PAP and entitled persons.</li> <li>The Environmental and Social Officer shall assist in the provision of development assistance to</li> </ul>

Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy & Standards	Remarks
			potential and access to gainful employment.	severely affected PAPs and vulnerable groups (i.e. design training programs, formalizing informal activities, access to credit, including them in the project's contractors' specifications wherever possible).
		Owner or workers in informal unregistered businesses	<ul style="list-style-type: none"> <li>• Provide transitional cash compensation until new employment is secured based on minimum wage per month in the respective district (for a maximum period of 6 months)</li> <li>• Priority shall be given to severely affected PAPs in the provision of any relevant employment in the activities related to the project.</li> </ul>	
	Temporary loss of income source or access to it	Owner or workers in formal registered businesses	<ul style="list-style-type: none"> <li>• Provide cash compensation for the duration of business/income generation that is disrupted based on net income.</li> </ul>	
		Owner or workers in informal unregistered businesses	Provide cash compensation for the duration of business/income generation that is disrupted based on the minimum wage per month in the respective district.	
<b>Community Resources</b>				
Loss of community assets or access to them	Permanent (complete or partial loss) of community physical assets	All members of the community	<ul style="list-style-type: none"> <li>• Affected land will be replaced in areas identified in consultation with affected communities and relevant organizations and authorities.</li> <li>• Provide alternative or similar resources to compensate for the loss of access to community physical resources</li> </ul>	
	Temporary (complete or partial loss) of community physical assets	All members of the community	<ul style="list-style-type: none"> <li>• Restoration of affected community buildings and structures to original or better condition</li> <li>• Provide alternative or similar resources to compensate for the temporary loss of access to community physical resources</li> </ul>	
Loss of socio-	Permanent	All members of the community	<ul style="list-style-type: none"> <li>• Provide development assistance to enable</li> </ul>	<ul style="list-style-type: none"> <li>• Identify different forms of social capital from</li> </ul>

Type of Losses	Level of Impact	Entitled Person(s)	Compensation Policy & Standards	Remarks
economic and/or social-cultural relationships / networks or access to them	(complete or partial loss) of community non-physical assets		community members to take advantage of income restoration measures Provide alternative or similar resources to compensate for the loss of access to community social capital.	PAPs' point of view (i.e. social credit, networks, social cohesion, etc.) <ul style="list-style-type: none"> <li>• Consultation with PAPs to identify measures to rectify the permanent or partial losses in social capital.</li> </ul>
	Temporary (complete or partial loss) of community non-physical assets	All members of the community	<ul style="list-style-type: none"> <li>• Provide development assistance to enable community members to take advantage of income restoration measures noted above.</li> <li>• Provide alternative or similar resources to compensate for the temporary loss of access to community social capital.</li> </ul>	



## 5-2 Land acquisition and Involuntary Resettlement Status for project components:

The project will finance a total of approximately 37 pressure reduction stations (20 PRSs for phase I and around 17 PRSs for phase II). Considering that each station will require approximately 2500 square meters of land (50m x 50m) on average, so the estimated total amount of land needed for the PRSs will be about 92,500 square meters.

Phase I of the project was planned to finance the construction of 178 km of pipelines. The diameter of the pipeline will be approximately 1.3 meter. The estimated total temporary land use was about 356,000 square meters. Considering that parts of these pipelines will pass through agriculture land resulting in temporary disruption for the crops, trees and the income of farmers. Currently, there are 9 lands of 20 lands for PRSs of phase I secured with a total land use 22,805 m<sup>2</sup> and 0.6 Km for the HP pipelines as elaborated in Table 5-2. The lengths of the HP are almost negligible as the offtake of most PRSs lies on the pipeline and is not requiring more land use. On the other hand, the remaining PRSs locations and routes of HP pipelines of phase I and those of phase II are not yet determined so the expected total land use areas cannot be estimated at this stage.

Table 5-2: Land acquisition and Involuntary Resettlement Status for project components of Phase I

Governorate	PRS	Ownership	Current status of compensation payment	Area m2	Length of HP pipeline /Km * 1.3 m diameter
Giza	North Giza (El Baragil)	State Owned	Paid against damage of trees	2500	Not yet determined routes alternatives are under study
	Atfih	State Owned	-----	2500	0.05
Marsa Matrouh	Marsa Matrouh	State Owned	-----	3600	0.05
Ismailia	Qantara East	State Owned	-	2500	0.05
Suhag	Temma	Private	paid	1980	0.05
	Gerga	Private	Paid	2500	0.05
	Suhag	Already existing before beginning of the project		2400	0.05
Qena	Qena	Already existing before beginning of the project		1600	0.05
Qalubia	Khosous	Already existing before beginning of the project		3225	0.05
<b>Total</b>	<b>9</b>			<b>22,805</b>	<b>0.6</b>

It was difficult during this stage of the RPF preparation to determine the estimation of the length/area of land that will be needed. The same approaches will be carried out to the rest of lands and HP pipelines of the remaining areas of phase I and project components of areas of phase II



### **5.1.1 Organizational Arrangements and Procedures for Delivery of Entitlements**

### **5.1.2 Institutional and Organizational Arrangement of EGAS and the LDC's**

Section 7.13.1 in the updated ESIAF for the 20 Governorates shows the current Institutional setup of EGAS and the LDCs for the implementation of the Environmental and Social Monitoring and Management Framework.

EGAS and the LDCs have an experience for securing/acquiring land for the construction of PRSs that was carried out in the past by different departments in the LDCs with the cooperation of members from EGAS (financial and Governmental Relations departments). With the introduction of phase I of the project and in compliance with the World Bank Safeguards, a “Community development Department” was developed in February 2016 within the organization of EGAS Environment Department for the follow up and supervision of the implementation of the ESMP by the LDCs and on a broader scope the Department is also responsible for the follow up of sustainable development projects carried out by companies working with EGAS.

Currently EGAS has assigned 3 Social Development Officers (SDOs) in the Community Development Department for phase I of the project. EGAS head of SDOs is a member of the land inspection and purchasing committee for securing land for the PRSs and routes selection of the HP pipelines.

LDCs of phase I (Town Gas, Egypt Gas, Sinai Gas and Regas) have also assigned Social Development Officers and are held responsible for social activities besides their permanent duties in their companies and held responsible to carry out the required activities as summarized as follows:

- Ensure that principals of the willing buyer willing seller approach are met and ensure that all the process is well documented
- Document the various consultations with the land owner (s) and/or user (s) and any kind of agreement reached
- Arrange meetings with PAPs to document the lands acquired by the sub-project throughout the implementation period and discuss the compensation process
- Consult with PAPs to discuss alternatives and agree on the alternatives and the type of compensation that is convenient for both PAPs and EGAS
- Participate in the process of disbursing compensations and keep track record of the compensation process documentation
- Handle grievance and respond to complaints of PAPs
- Preparation of the RAP and ARAP
- Frequent monitoring of the implementation of the resettlement activities
- Propose and take appropriate corrective actions as needed during the course of implementing the resettlement plans

Due to the immature experience of EGAS and LDCs, a consultant has been contracted for the

preparation of Resettlement Action Plans for phase I of the project, whenever needed.

With the extension of the project to include 9 new Governorates, phase II of the project, it is expected that the amount of follow up and supervisory works of EGAS SDOs will exceed the current institutional capacity of EGAS social staff

New LDCs of the 9 Governorates will need to be familiarized with Bank Safeguards, trained to comply with the Bank requirements and to enhance their awareness gap compared to LDCs of phase I

There will be a need for hiring additional experienced staff along with building the capacity of EGAS staff and the LDCs and a need for exchange of experiences for success stories in the management of projects of the size of the 20 Governorates Gas Connections project

### **5.1.3 Other support entities**

#### **Ministry of Agriculture**

The Agriculture Directorate: is responsible for developing price lists for all types of crops that might be affected

The Agriculture Associations, is responsible for the following

- Provide a proof of property documentation for lands and crops
- Nominates a member to accompany Compensation Committee during the inventory,
- Estimates the value of crops and trees according to their actual conditions
- Participate with the Compensation Committee during the payment of compensation
- Attend individual consultations related to the resettlement
- Publish PAPs lists in the agriculture association

#### **Governorate Authority and Local Governmental Units are responsible for**

- Providing the permissions and approvals on lands to be temporarily expropriated
- Provide the plots of lands required for the construction of Pressure Reduction Stations
- Participate with the Compensation Committee during the payment of compensation

### **5.1.4 Procedure for delivery of Entitlements**

#### **5.1.4.1 Project Screening**

Once the subproject or individual project components are defined and the necessary information becomes available, the framework will be expanded into a specific plan proportionate to potential risks and impacts.

EGAS Governmental Relations Department will obtain all permits/approvals related to the project. Thereafter, they will cooperate with SDOs of the LDCs to carry out social screening to determine whether or not the project components will result in any resettlement impact and accordingly there will be a decision for the need for the preparation of a Resettlement Action Plan or an Abbreviated Resettlement Action Plan

#### **5.1.4.2 Preparation of Socio-Economic and Inventory Survey**

In case the need of preparation of RAP or ARAP then a socio-economic study and census survey will be conducted, in which baseline data within the sub-project's target areas is collected. This information shall include the PAPs and related household members or dependents, total land holdings, and affected assets amongst other things. This information will be put in writing and shall be used in determining the appropriate compensation and assistance for each affected individual / household.

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

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

## **5.2 Preparation of Resettlement Action Plans**

Any project activity that shall entail the acquisition of land or may result in the involuntary resettlement of people or loss or restriction of access to private or communal resources will require the preparation of a RAP or abbreviated RAP as per the Terms of Reference shown in Annex 2 of the RPF depending on the number of people affected or the significance of the resettlement impacts. EGAS will contract an independent consultant to prepare the RAP, with the participation of SDOs of LDCs under the supervision of EGAS SDO. The commencement of the census to be conducted under the RAP will be the cut -off date. This will be announced to the public and only the PAPs included in the results of the inventory will be considered as eligible for compensation. The cut off should be established to minimize the influx of outsiders and ineligible compensation claims.

The RAP should assess the number of PAPs, propose alternative locations for the sub-projects if possible, identify the eligibility criteria, include provisions for compensation and assistance, and address the means by which the sub-project monitoring and evaluation will take place to ensure that

the PAPs receive their compensation and that their grievances are heard and addressed. The mitigation measures and compensation policies proposed in the RAP shall be disclosed to the PAPs for feedback and comments.

More specifically, the RAP should include:

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

### **5.3 RAP Review and Approval**

The RAP, including the proposed mitigation measures within the plan, will need to be reviewed and approved prior to making a decision on whether or not the sub-project shall be implemented. The RAP will be reviewed by EGAS Governmental Relations Department and approved by EGAS SDO then will be sent to the WB for final review and approval.

### **5.4 RAP Implementation**

Once the RAP is approved by the Bank, it will be translated into Arabic and disclosed locally as well as on the Info Shop at the Bank. The LDCs are responsible for implementation of the RAP.

#### **Signing Compensation Contract and Compensation payment**

PAPs will be consulted on their compensation preferences they will be formally informed through

written notification. In case some of the PAPs are illiterate they are notified in the presence of at least one public official who is mainly one of the agriculture association representatives.

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

## **5.5 Grievance Redress Mechanisms**

Since the resettlement work will be carried out with the full participation of the PAP, it is expected that no major grievance issue will arise. However, to ensure that the PAP have venues for redressing their grievance related to any aspect of land acquisition and resettlement, detailed procedures of redressal of grievances have been established in this RPF. The objective is to respond to the complaints of the PAP speedily and in a transparent manner, without resorting to complicated formal channels to the extent possible.

The updated ESIAF has prepared detailed grievance mechanism that will be shared with the community beneficiaries. Leaflets, posters and brochures will be prepared and distributed to the beneficiaries, NGOs, local governmental units, mosques and churches. Thus, sufficient and appropriate information about the GRM will be shared with the communities prior to the construction phase.

EGAS, LDCs adopt multi-levels of GRM. Three stages will be functioning as follows:

- (a) Stage 1, any person aggrieved by any aspect of the resettlement document can lodge an oral or written grievance to the SDOs of Town Gas or Egypt Gas. The SDOs should provide resolution within 10 days;
- (b) Stage 2, if the aggrieved person is not satisfied with the decision of the SDOs of Town Gas or Egypt Gas at Stage 1, he can present the case to EGAS SDO where he should provide resolution within 15 days.
- (c) Stage 3, if the aggrieved person is still dissatisfied with the decision of EGAS SDO at stage 2, the case may be submitted for consideration by the People's Court in accordance with relevant procedures.

Meanwhile, the PAPs should be well informed that the Administrative Courts have set the following principles:

- The contracted companies have freedom in selecting the appropriate property for expropriation in case of public benefit projects
- 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 pipelines below does not prevent the administration from appropriating the surface of the same land for public use.
- Courts have asserted their judicial review authority whenever the administration's exercises of its discretionary powers are for political or personal objectives aimed at spite.
- The State Council noted that the administration might not expropriate property for merely achieving monetary gains. Accordingly, it has to be opted 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.

## 5.6 Vulnerable Groups

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

By conventional definition, the vulnerable population are those groups of people who are typically excluded, disadvantaged or marginalized based on their economic, ethnic, social, or cultural characteristics. Various groups could fit within this description (e.g., women, youth, people with disabilities, refugees), there is always a need for a more specific and focused identification for them within the context of the project. The RPF analysis methodology for identifying the vulnerable groups and assessing project's impacts on them has been influenced by the Sustainable Livelihood Approach (SLA) which helped in setting the scene for describing the context, motivations and resources of the affected vulnerable households.

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

- a. Persons below the poverty line,
- b. The landless,
- c. People who are typically excluded, disadvantaged or marginalized based on their economic, ethnic, social, or cultural characteristics.

Vulnerable people will be identified at socio-economic survey stage. And according to the vulnerability of these groups, each RAP developed will identify the following:

- a. Vulnerable people and their classification;

- b. The project impact on them;
- c. The required assistance at the various stages of the process: negotiation, compensation, moving,
- d. Necessary measures to assist the vulnerable person,
- e. Means of monitoring and evaluating the continual assistance after resettlement and/or compensation.

**Assistance** provided to vulnerable persons differs depending upon their individual needs and preferences. In general, assistance falls under one or more of the following forms:

- a. Assistance in the compensation payment procedure (e.g., going to the bank with the person to cash the compensation check),
- b. Assistance in the post payment period to secure the compensation money and reduce risks of misuse/robbery

### 5.7 Resettlement Monitoring and Evaluation Arrangement

In line with WB requirements, monitoring the implementation of the resettlement activities will be carried out by the SDOs of the LDCs and supervised by EGAS SDO, monitoring will be held every three months, results and findings will be included in quarterly project progress report. The report will mainly cover resettlement policies and compensation standards, resettlement progress, delivery of resettlement compensation, provision of development and transitional assistance to PAPs (especially vulnerable groups), implementation schedule, fund disbursements, land or structure allocation, and grievances and redress. External Monitoring might be required to ensure that the overall objective of the resettlement plan is achieved in an equitable and transparent manner and ensure the effectiveness of the monitoring and evaluation activities carried out by the LDCs and EGAS. Monitoring indicators are shown in the following table.

Table 5-3: Verifiable Indicators for Monitoring and Evaluation Implementation of Resettlement Activities

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



## 6 Public Consultation and Disclosure

### 6.1 Consultation carried out during RPF preparation for phase I of the project

Extensive public consultations were carried out with various stakeholders at various locations in preparation of the RPF of phase I. The locations, number of people that participated and the consultation methods are summarized in the Table 6-1

**Table 6-1: Summary of Consultation Sessions for phase I**

Date	location	participants	Number		Methods
			Male	Female	
December 2013 During data collection phase		Potential beneficiaries, government officials, NGO representatives			Focus group discussions, individual interviews, public meetings
	Aswan	Potential beneficiaries and government officials	25	9	FGD
	Alex		16	8	FGD
	Ismailia		16	8	FGD
	Giza		18	17	FGD
	Daqahlia		24	8	FGD
	Gharbia		16	8	FGD
	Qalubia		6	8	FGD
	Menufia		31	1	FGD
	Qena		22	10	FGD
	Matrouh		11	1	FGD
	Aswan	governmental and NGOs	5	1	In-depth
	Alex		4	1	In-depth
	Ismailia		4	0	In-depth
	Giza		11	1	In-depth
	Daqahlia		6	0	In-depth
	Gharbia		4	0	In-depth
	Qalubia		3	2	In-depth
	Menufia		4	0	In-depth

Date	location	participants	Number		Methods
	Qena		2	2	In-depth
	Matrouh		2	0	In-depth
December 2013 During data collection phase	Giza	Potential; beneficiaries	257	299	Structured questionnaire
	Matrouh		24	35	
	Menufia		52	48	
	Aswan		39	55	
	Gharbia		25	36	
	Daqahlia		100	102	
	Qalubia		69	206	
	Alexandria		94	56	
	Ismailia		53	71	
	Suhag		78	63	
Qena	75	67			
26 <sup>th</sup> Nov 2013	Suhag	Potential beneficiaries, government officials, NGO representatives	71	9	Scoping phase
28 <sup>th</sup> Nov 2013	Menufia		59	23	
24 <sup>th</sup> Nov 2013	Giza		68	21	
21 <sup>st</sup> Dec 2013	Aswan	Potential beneficiaries, government officials, NGO representatives	119	30	Public consultation
21 <sup>st</sup> Dec 2013	Menufia		61	13	
23 <sup>rd</sup> Dec 2013	Qena		96	57	
23 <sup>rd</sup> Dec 2013	Giza		73	26	
25 <sup>th</sup> Dec 2013	Matrouh		47	4	
25 <sup>th</sup> Dec 2013	Sohag		82	22	
26 <sup>th</sup> Dec 2013	Alexandria		26	29	
29 <sup>th</sup> Dec 2013	Daqahlia		45	12	
29 <sup>th</sup> Dec 2013	Gharbia		55	24	
30 <sup>th</sup> Dec 2013	Qalubia		63	8	
30 <sup>th</sup> Dec 2013	Ismailia		31	48	
Total				1992	

Detailed list of participants can be referred to in the updated ESIAF through the link

[http://egas.com.eg/Corporate\\_Overview/NaturalGasConnectionsProject.aspx](http://egas.com.eg/Corporate_Overview/NaturalGasConnectionsProject.aspx)

The purpose of public participation and consultation was to create awareness on the project and involve those persons who are likely to be affected positively or negatively, and involve also other stakeholders by giving them opportunities to express their views and concerns about expected and perceived impacts and about the most suitable ways for mitigating negative effects and enhancing positive project effects.

With due consideration of gender, consultations were carried out through various methods including individual interviews, consultation meetings, and informal and formal group discussions.

Various topics were covered in the consultations. The issues raised and the responses given are summarized in Table 6-2.

**Table 6-2: Summary of Consultation Topics, Concerns and Responses for phase I**

Subject	Questions and comments	Responses
<b>Impacts on agriculture land and crops</b>	Please consider avoiding the construction of the NG grid through the agriculture land, which could be severely affected	Various measures will be taken to avoid taking of agricultural land. However, temporary use of agricultural land might not be avoidable in some case in construction of the gas pipelines. In that case, compensation will be paid to the crop damages based on market price
<b>Compensation strategy</b>	How can we are guaranteed that the NG companies will be committed to compensating the affected people	A resettlement Action Plan will be prepared according to the Egyptian Law and WB regulations OP 4.12. The RAP will include the detailed arrangement of compensation.
<b>Timing of paying compensation</b>	The compensation should be paid to the affected farmers without delay.	Compensation will be paid upfront and before the start of any physical construction activities.
<b>Dealing with informal land occupant and squatters</b>	What would be the case if the land that EGAS is purchasing involves illegal users or occupants	EGAS ensures that such cases are settled and that those people are compensated, even in the form of in-kind compensation (hiring them as part of the project as guards for the PRSs). EGAS aims for land free of disputes.

Subject	Questions and comments	Responses
<b>Land purchase value</b>	How the land for PRSs is being valued?	The compensation value will be determined based on prevailing market price in the project areas.
<b>Impact on local businesses due to construction works</b>	A repeated concern was about damaging the street without restoration activities and the potential impacts of this on the local businesses of certain areas. Some shops might be affected during the construction since digging activities will result in preventing people to access such shops. How they will be compensated	Regarding access to shops, most of NG companies' activities take place during night. The digging never exceeds two days. The contractors will install wooden board for pedestrian that enable people to have access to shops.
<b>Land alternatives for the PRSs</b>	It is recommended to define more than one plot of land as alternatives for the pressure reduction stations. This recommendation should help in minimizing problems with the land owners	The practice of EGAs, Town Gas and Egypt Gas is in line with this recommendation. In acquiring land for the PRSs, priority is given to the government owned land.
<b>Impact on the LPG distributors</b>	One of the main concerns raised during the consultation is the potential impacts on the LPG distributors. A strategy should be adopted to compensate for those people	Based on previous experience in similar projects in Greater Cairo and other Governorates, this group of people was slightly affected. Similarly with this project, the probability of negative impact on the livelihoods of this group is limited. Their business will target other unserved areas and unserved houses. Nevertheless, ESMP will be prepared to ensure the negative impacts are adequately mitigated.

Subject	Questions and comments	Responses
<b>Information dissemination and disclosure</b>	How will the project inform about any procedures related to land acquisition, particularly given the fact that the majority of the residents are illiterate	All safeguards instruments, including RPF, ESIAF, RAP, and ESIA and ESMP, will be disclosed locally. A Social Development Officer will be assigned to disseminate the project information at local level.
<b>Grievance mechanism</b>	How the complaints will be addressed on the local level. It is recommended to share information related to the complaints through flyers and brochures	Before the start of the project, EGAS will ensure that the designed grievance system is published and accessible to local people.
<b>Awareness activities</b>	Awareness activities should cover the contact person in the site (foreman) and the GRM personnel	This will be considered

## 6.2 Consultation carried out during the preparation of update of the RPF for phase II of the project

First public consultation was carried out on October 10<sup>th</sup>, 2016 with the participation of various stakeholders during the preparation of the updated RPF. Stakeholders and interested parties from each Governorate that participated in the meeting are summarized in Table 6-3

**Table 6-3: Stakeholders and interested parties from each Governorate**

Governorate	Markaz	stakeholder	No. of participants	Male	Female
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Menia	Menia – Samaloot	<ul style="list-style-type: none"> <li>-Electricity Company</li> <li>- Social solidarity</li> <li>- information centre</li> <li>- university of Menia</li> <li>- Antiquities Authority</li> <li>- potable water and sewerage</li> <li>- irrigation department of East Menia</li> <li>- agriculture directorate</li> <li>- Media for environmental affairs</li> <li>- Environment department</li> <li>- Association of NGOs for Environment protection</li> <li>- Directorate for roads and transportation</li> </ul>	13	13	-
El Fayoum	El Fayoum – Attsa	<ul style="list-style-type: none"> <li>- El Fayoum Governorate</li> <li>- potable water and sewerage</li> <li>- Association for the protection of the Environment</li> <li>- Network Information centre</li> <li>- - Directorate for roads and transportation</li> <li>- Community Service and Environmental projects</li> <li>- Electricity operation</li> <li>- Protection of land</li> <li>- Antiquities inspection</li> <li>- Urban Development</li> <li>- Irrigation of West Fayoum</li> </ul>	12	12	
Beni Suef	Beni Suef- El Wasta	<ul style="list-style-type: none"> <li>- Roads Maintenance</li> <li>- Electricity authority</li> <li>- agriculture directorate</li> <li>- Endowments</li> <li>- Shahab El Kheir Association</li> <li>- Governorate of Beni Suef</li> </ul>	13	10	3

		<ul style="list-style-type: none"> <li>- Social Solidarity</li> <li>- Antiquities Authority</li> <li>- Irrigation inspection</li> <li>- Governorate Environment Affairs</li> </ul>			
Assuit	Assuit – Manfalout – El seiouf	<ul style="list-style-type: none"> <li>- University of Assuit</li> <li>- Regional branch of EEAA Assuit</li> <li>- Electricity authority</li> <li>- Sewerage authority</li> <li>- Roads Directorate</li> <li>- Ministry of Irrigation</li> <li>- Media</li> <li>- Antiquities Authority</li> <li>- potable water and sewerage</li> <li>- Social Affairs</li> <li>- Pharmaceutical</li> <li>- Assuit Governorate</li> <li>- Planning and urban development</li> </ul>	14	10	4
Luxor	Luxor	<ul style="list-style-type: none"> <li>- Network Information centre</li> <li>- Technical assistance for projects</li> <li>- Nile protection Department</li> <li>- Media</li> <li>- Roads and Transportation Authority</li> <li>- Environment Department of the Governorate</li> <li>- NGO</li> <li>- Archaeological Authority</li> <li>- University representative</li> <li>- Ministry of Antiquities</li> <li>- Social Affairs of the Governorate</li> </ul>	12	11	1

Beheira	Damanhur – Almaza – Abu El Mattamir	<ul style="list-style-type: none"> <li>- Social Solidarity</li> <li>- Network Information centre</li> <li>- Beheira Governorate</li> <li>- Roads and Transportation Authority</li> <li>- Irrigation authority</li> <li>- University of Damanhur</li> <li>- Electricity Distribution Company</li> <li>- Potable water Authority</li> <li>- Agriculture Directorate</li> <li>- Environment Department of the Governorate</li> <li>- NGO</li> <li>- Community Development Association</li> <li>- Social Solidarity Directorate</li> <li>- Media</li> </ul>	22	19	3
Kafr El Sheikh		<ul style="list-style-type: none"> <li>- Ministry of Irrigation and water resources</li> <li>- Environment Department of the Governorate</li> <li>- Urban Development</li> <li>- Transportation Directorate</li> <li>- Agriculture Directorate</li> <li>- Network Information centre</li> <li>- Civil Societies representative</li> <li>- Social Solidarity representative</li> <li>- Electricity Sector</li> </ul>	11	10	1



		-			
Damietta		<ul style="list-style-type: none"> <li>- Roads and Transportation Authority</li> <li>- University</li> <li>- Agriculture Directorate</li> <li>- Media</li> <li>- Social Solidarity Directorate</li> <li>- Irrigation authority</li> <li>- Potable water and Sewerage Authority</li> <li>- Urban Development</li> </ul>	10	5	5
Cairo	Helwan – Nasr City-	<ul style="list-style-type: none"> <li>- Urban Development</li> <li>- Network Information centre</li> <li>- Environment Department of the Governorate</li> <li>- North Cairo Electricity Distribution Company</li> <li>- Governorate Roads and Transportation Department</li> <li>- South Cairo Electricity Distribution Company</li> <li>- Agriculture Directorate</li> <li>- Sewerage Authority</li> <li>- Civil Society</li> <li>- Social Solidarity</li> </ul>	13	7	6

Ministry of Petroleum and Mineral Resources	
Local Distribution Companies and others	TAQA Group – Natgas- Egypt Gas- Town Gas – Cairo Gas – El Fayoum Gas

Stakeholders and interested parties from each Governorate were well presented most of the concerns and questions raised are related to the Environmental and Social Issues that can be referred to in the Environmental and Social Framework of the Project. The question raised in relation to the RPF was on the compensation strategy of lands. It was clarified by EGAS that there is temporary compensation for the temporary use of land for the High pressure route with appropriate compensation in view of the allocated budget for that purpose while for the case of securing land for the construction of Pressure reducing stations it is either allocated by the Governorate as State Owned Land or private land that is purchased through Willing Buyer Willing Seller approach, land purchasing procedures are implemented by Land Purchase Committee formulated specifically for that purpose.

### 6.3 Consultations arrangements during project implementation

During project implementation, when resettlement impacts are involved and a RAP needs to be prepared, consultations with affected persons will be carried out by EGAS through the independent consultant that is contracted for the RAP preparation process in cooperation of LDCs SDOs under the supervision of EGAS SDOs. Prior to or during the consultation, the PAPs should be well informed with the following information:

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

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

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

#### **6.4 Information disclosure and local access to information**

EGAS will take steps to ensure that affected persons and communities can obtain relevant information relating to the project in general and the land acquisition and resettlement arrangements in particular. As a first step, the safeguards documents and RAP will be available to the public, in English and Arabic. Additionally, summary contents of the RPF and RAP, including compensation rates for all categories of land and assets, eligibility criteria for all modes of assistance, and information regarding the project grievance procedures, will be posted in an accessible and prominent place accessible to project affected persons.

### **7 BUDGET AND SOURCES OF FUNDING RAPS**

At this stage, it is difficult to estimate the total resettlement cost. The actual resettlement cost and budget will be included in the RAP which will be prepared during project implementation. The budget shall consider all of the anticipated impacts under the project and calculate the cost (compensation, administrative costs and monitoring.... etc) according to actual replacement costs (at market value).

EGAS is fully responsible for any compensation for land acquisition. In addition, the LDCs will be responsible for paying the compensation to the PAPs based on the price lists developed by EGAS in coordination with the Agriculture Directorate. Thereafter, the compensation costs will be reimbursed from EGAS.

Annex 1

**Procedure of securing land for construction of Pressure Reducing  
Stations**

## **Procedure of securing Land for construction of Pressure Reducing Stations**

### **Introduction:**

Pressure Reducing Station (PRS) is a component of the Natural Gas Connections project that will provide Natural Gas to residential Units. PRSs are designed for pressure reduction, metering and gas odorizing for the safe use of residential users. PRSs connect the distribution networks to the gas transmission networks. It is planned that the 1.5 million Customers Gas Connections project will comprise 24 new PRSs

### **Scope of Application:**

This procedure applies for land acquisition for the construction of Pressure Reducing Stations (PRSs) whether through willing - Buyer – Willing –Seller process or the acquisition of State Owned Land. OP 4.12 for Involuntary Resettlement will not be triggered

The exact route of Gas Transmission pipelines will be defined at later stages after the identification of the PRS location. The temporary use of land for the Gas Transmission pipelines does not follow this procedure but may require the preparation of a resettlement action plan (RAP) or an abbreviated Resettlement Action Plan (ARAP) in case the pipelines pass through private land.

### **Responsibilities:**

EGAS and the Local Distribution Companies (LDCs) will be responsible for the implementation of this procedure

- Land Selection Technical committee: responsible for the selection of Lands for PRS construction and its associated High pressure (HP) pipelines routes within the Gas II Connections Project. It evaluates different land alternatives with respect of the technical, environmental and social aspects as identified in the Land Selection Form
- Inspection and Purchase Committee: responsible for inspecting all land alternatives for PRS construction that was selected by the Land Selection Technical committee and negotiating the price of each land.

### **Documentation:**

Documents supporting the application of this procedure include the following:

1. **Land Selection Form (Annex 1)**
2. **Minutes of land selection visit**
3. **Social Back to Office Report**
4. **Decree number ( 81/2014 ) for the formulation of the Land Inspection and Purchase Committee**
5. **Minutes of Land Inspection and purchasing Visit**
6. **Estimated cost for PRS construction**
7. **Preliminary Agreement**

## 8. Purchase Contract

### Procedure:

1. The LDC / **EGAS** sends a letter to the Governorate that will be serviced by the Project requesting the allocation of State – Owned - Land for the purpose of construction of the PRS for the Gas Connections Project
2. The LDC does not approach any land owners till it is confirmed that the Governorate will not allocate any State Owned Land, this to avoid excessive expectations from land owners which may lead to social implications that can negatively impact the execution of the project
3. In the meantime and until receiving the Governorate response, the LDC carries out an informal survey to identify a number of land alternatives suitable for the PRS construction so that in case no State Owned Land is available, the owners are approached to set dates for their land inspection
4. In either case, whether the land is allocated by the Governorate (State Owned) or it is privately owned, a committee is formulated for PRS land selection to confirm that the selected land alternatives meet the socio-technical criteria identified in the **Land Selection Form**

The Land Selection Technical committee includes the following members:

- **From EGAS:** Technical member (Projects Departments) and Social Development Officer (Environment Department)
  - **From the LDC:** Representative from the same departments as EGAS
  - **A representative from Ganope Holding Company:** in case the sub project lies within its concession area in Upper Egypt
5. **In case of state owned lands:** The land selection committee visits the land to confirm that it meets the socio-technical criteria identified in the land selection form. If it meets the criteria, EGAS/LDC sends a letter to the Governorate to proceed with the ownership in the name of EGAS.
  6. If the land does not meet the criteria, then EGAS/LDC requests the Governorate to allocate another land, if not feasible then the LDC starts surveying for privately owned lands.
  7. **In case of privately owned lands:** The land selection committee start visiting all land alternatives to ensure that they are technically and socially acceptable for PRS construction, in some cases, the Prevailing land price might be determined during the land selection visit and is considered as an indicator for price negotiations with land owners at following stages.

At this stage the Grievance Redress Mechanism is introduced to serve the smooth and amicable implementation for the project activities. The locally based GRM is to ensure that complaints / inquiries are passing through appropriately announced channels and are handled properly and timely. Meetings and consultations with land owners or stakeholders may be conducted as well, during which a briefing of the project is introduced highlighting its benefits on the Community and appropriate control measures will be taken in case Environmental or Social adverse impacts are determined.

8. **Minutes of the land selection visit** is prepared on site and signed by the committee members. The Minutes, provides a description of land alternatives and the extent of compliance of each alternative with the socio – technical criteria identified in the land selection form, based upon which prioritization of selected lands is made.
9. **A Social back to office report** is prepared by EGAS Social Development Officer, elaborating the land alternatives with respect to the social requirements in terms of compliance with the World Bank Standards. The report is prepared with supporting documents and photos
10. The LDC collects information to estimate the prevailing market price in the area of the selected land alternatives.
11. The LDC approaches the land owners to provide their proposed land price. The land price may include the compensation for the crops, the value of crop compensation is determined in cooperation with the Agriculture Association and according to the project implementation schedule (start date and End date). Compensation arrangements proceed two weeks before the mobilization of construction equipment , as per the following:
  - i. If the crop is not harvested before starting construction the land owner/user may be allowed time for harvesting dependent on the projects schedule.
  - ii. If the project schedule cannot be delayed then compensation for the existing crops
  - iii. If construction works has to start during the interface period between two crops then compensation is paid for both crops
12. Land owners provide their proposed land price with the relevant documents that verifies their ownership of the land, if available. Documents include:
  - i. Certificate from the Agriculture Association to prove the ownership of the land Registration Bond (if available)
  - ii. Latest tax payment receiptIn case of the unavailability of the above mentioned documents, Land Owners are granted time for documents provision.
13. The LDC sends the Land Owners proposed prices with supporting documents to EGAS Land Inspection and Purchasing Committee for price negotiation with the Land Owners. **The Land Inspection and Purchasing Committee is formulated and issued by a decree number (81/2014 ) by EGAS Chairman and is headed by a General Manager from the Finance Department at EGAS,** the committee includes members from the following departments:
  - i. Governmental Relations Department
  - ii. Legal Department
  - iii. Gas Connections Project Department

EGAS Social Development Officer participates in the Committee Works and a representative from Ganope Holding Company participates as well in Governorates of Ganope Concession Area. Similar representation from the LDC participates in the committee works

14. The Land Inspection and Purchasing Committee visit all selected land alternatives and negotiate and consult with the landowners to reach the best price for each land. At this stage land owners should provide their ownership documents.
15. **Minutes of land inspection and purchasing visit** is prepared and signed by the participating parties
16. The LDC conducts a **Cost Estimation for the PRS construction**, considering the land price and construction cost of the PRS and its associated HP pipeline based upon which the best economic and technically accepted land location is decided. The Cost Estimation is then sent to EGAS.
17. A **Preliminary Agreement Contract** is issued by the Legal Department. The agreement is signed by the authorized legal officer from EGAS and the Land Owner. The contract includes information on the location of the land, area and the agreed price
18. The Preliminary Agreement Contract is raised for the approval of EGAS Board of Directors. Once approved a **Final Purchase Contract** is issued and the LDCs issue a cheque to the Land Owner, the value of which is reimbursed from EGAS
19. In case the Land Owner does not have a Registration Bond the **Final Purchase Agreement** is dually signed and the Right of Signature of the Land Owner is verified in court.  
It is ensured in the terms of the contract that the Land owner is responsible for compensating any tenant present on his land (whether formal or informal tenant(s)), in addition, the Land owner is committed to provide EGAS with evidence for such compensation,
20. In case there are informal occupants of the State Owned Land, appropriate assistance will be provided by EGAS
21. The LDC then proceeds in obtaining the required permits / approvals prior the commencement of any construction works.

Permits / Approvals include the following

**Permits provided through EGAS include the following:** Permit of the Minister of Agriculture if the land is Agricultural Land

- Permit of Security Authorities if the land is Desert Land

**Approvals/Permits provided through the LDC include the following:**

- Approval of Civil Defense
- Approval of the Antiquities Authority(if needed)
- Permit of the Ministry of Irrigation and Water Resources(if needed)
- Environmental Approval



**Annex 1 (of the Procedure of securing land for construction of Pressure Reducing)  
PRS Land Acquisition Site Selection Inspection Form**

Governorate:  
Station capacity:  
Date: / / 20

Markaz:  
Implementing company:  
Hour:

*N.B. This form should be filled out for each piece of alternative available land to be inspected. It should be accompanied with supporting photos.*

Serial no.	Item	Condition	Remarks
1	<b>LAND DATA:</b>		
	Land area and dimensions		
	Land boundaries		
	- Northern boundary		
	- Southern boundary		
	- Eastern boundary		
	- Western boundary		
2	Distance between land and National Gas Grid (off take point)		
3	Gas pipeline route between off take point and land - water barriers exist - obstacles exist - agricultural lands exist - wind direction relative to land		
4	Distance between land and nearest residential area and direction of land relative to residential block		
5	Distance between land and nearest school area; direction of land relative to school area		
6	Distance between land and nearest hospital		
7	Distance between land and police station		
8	Distance between land and nearest water supply point in the city		
9	Distance between land and railways		
10	Distance between land and electricity supply point		
11	Distance between land and nearest sewage point		
12	Distance between land and nearest human		

	gathering point (social club- worship place – condolence rooms- ... etc.)		
13	Distance between land and nearest paved road		
14	Distance between land and nearest unpaved road		
15	Distance between land and flash flood path (if any)		
16	Distance between land and cemetery (if any)		
17	Land level relative to road		
18	Width of road leading to station		
19	Distance between land and electricity lines not less than: <ul style="list-style-type: none"> <li>- 25 m from ultra-voltage towers</li> <li>- 13 m from high voltage towers</li> <li>- 5 m from medium voltage towers</li> <li>- 2 m from low voltage cables</li> </ul> in accordance with Law No. 63 of 1974 regarding electricity facilities and Law No. 204 of 1991 on amendments to some provisions of law No. 63 of 1974		
20	Land status (Does it fall within areas under the Antiquities Authority)		
21	Land status as regards natural preserves and sensitive ecosystems		
22	Nature of land		
	<ul style="list-style-type: none"> <li>- Agricultural</li> <li>- Desert</li> <li>- Residential</li> <li>- Other uses</li> </ul>		
23	<b>Land Ownership</b>		
	<ul style="list-style-type: none"> <li>- State Owned</li> <li>- Private Ownership</li> </ul>		
24	Major activities in the area <ul style="list-style-type: none"> <li>- Agriculture</li> <li>- Industrial activities</li> <li>- Commercial activities</li> <li>- Other</li> </ul>		
25	<b>Users of Land</b>		
	<ol style="list-style-type: none"> <li>1. Owner of land (sole owner- multiple owners- legal heirs – minors)</li> <li>2. Tenants</li> <li>3. Squatters</li> </ol>		
26	<b>In Case of Agricultural Land</b>		

	<ul style="list-style-type: none"> <li>- Title to land and possession of agricultural land should be provided.</li> <li>- Kind of crop(s) planted in the land</li> <li>- Photos showing kind and condition of crop(s)</li> <li>- Impact of land where the station will be set up on irrigation</li> <li>- Impact of land where the station will be set up on tile drainage</li> </ul>		
27	<p>Holding meetings with possessors of land:</p> <ul style="list-style-type: none"> <li>- Owners willingness to sell and negotiate prices</li> <li>- Preliminary prices proposed (prevailing price-market price – assessor - ...etc.)</li> <li>- Impact on agricultural crops</li> </ul>		
29	<p>During conducting the inspection works the following should be ensured :</p> <ul style="list-style-type: none"> <li>- Awareness of the project and its objectives and its benefit to the local community</li> <li>- Ensure the commitment to mitigate the negative impacts of the project if identified and provision of the necessary procedures according to the laws and the regulations</li> <li>- Ensure the availability of Grievance Redress and receiving complaints Mechanism (provision of contact and reporting means)</li> </ul>		
30	<p>Documents that should be prepared in later stages:</p> <ul style="list-style-type: none"> <li>- Antiquity approval in case the land is related to the Antiquity Authority</li> <li>- Documents and Maps from the authority of state property</li> </ul>		
31	<p>Names of those present</p> <ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> <li>4.</li> <li>5.</li> </ol>		

Reviewed by:

Name:

Signature:

## Annex 2

### **Checklist that the Social Officer Use to Ensure Willing Buyer – Willing Seller Transaction:**

1. If the owner of the land refuses to sell, will the government search for another plot of land? Yes/No
2. Is the owner free of government or social pressure to refuse to sell? Yes/No
3. Is the owner made aware of his/her refusal to sell? Yes/No
4. Will the owner continue to live in current place of residence (will not relocate)? Yes/No
5. Is the land free of any renters, users, squatters or encroachers? Yes/No
6. Is the land free of any competing claims of ownership? Yes/No
7. Can the owner negotiate for price? Yes/No
8. Is the owner made aware that he/she can negotiate for price? Yes/No
9. Does the owner have access to a project level grievance mechanism? Yes/No
10. Is the owner made aware of such grievance mechanism? Yes/No
11. Is there documentation reflecting the understandings above, signed by the owner? Yes/No

Generally speaking if the answers to any of these questions is no, then it is likely not a willing buyer willing seller transaction, and/or the acquisition triggers OP 4.12 and an ARAP/RAP should be prepared. The government should legally transfer title of land to respective agency and pay any fees/transaction costs associated with the sale.

The social officer should ensure diligent documentation of the process to ensure that each of the points above is verified and proved. This may include minutes of meetings, documenting observations in the field including with pictures, consultation documentation, contracts, agreements...

**TERMS OF REFERENCE**

**Resettlement Action Plan**

**FOR**

**NATURAL GAS CONNECTION PROJECT IN**

**20 GOVERNORATES IN EGYPT**

**December 2016**

**Terms of reference for Resettlement Action Plan for  
NATURAL GAS CONNECTION PROJECT IN  
20 GOVERNORATES IN EGYPT**

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## List of acronyms and abbreviations

AFD	Agence Française de Développement (French Agency for Development)
ARAP	Abbreviated Resettlement Action Plan
EGAS	Egyptian Natural Gas Holding Company
ESIAF	Environmental and Social Impact Assessment Framework
IBRD	International Bank for Reconstruction and Development
LDC	Local Distribution Companies (Egypt Gas and Town Gas)
LPG	Liquefied Petroleum Gas
PAP	Project Affected Persons
PRS	Pressure Reduction Station
OP	Operational Policy
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SDOs	Social Development Officers
TOR	Terms of Reference
WB	The World Bank

GLOSSARY<sup>7</sup>

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

**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.

**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 play a significant role in shaping or affecting the project, either positively or negatively, including the host community/population.

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

**Abbreviated Resettlement Plan (ARAP):** Establishes 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

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

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<sup>7</sup> Sources: <http://www.unescap.org>, <http://www.adb.org>, World Bank OP 4.12, and SFD's Operational Manual for the Local Development Program.



**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.

**Displaced persons:** refers to all the people who, on account of the activities listed above, would have their (1) standard of living adversely affected ; or (2) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed temporarily or permanently; (3) access to productive assets adversely affected, temporarily or permanently; or (4) business, occupation, work or place of residence or habitat adversely affected; and “displaced person” means any of the displaced persons.

**Replacement cost:** is defined as follows: For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard.

## 1. Introduction and Background on the Project

The Government of Egypt (GoE) has immediate priorities to increase household use of natural gas by connecting 800,000 to 1 Million households/yr. to the gas distribution network to replace the highly subsidized, largely imported Liquefied Petroleum Gas (LPG). The GoE is implementing an expansion program for Domestic Natural Gas connections to an additional 3-5 Million households over the next 3 to 6 years. As part of the program, the project presented in this framework study involves extending the network and accompanying infrastructure to connect 2.2 Million Households in 20 Governorates between 2016 and 2021 with the assistance of a World Bank Loan of up to US\$500 Million and the Agence Française de Développement (French Agency for Development) financing of up to €70 Million. The total program for connecting the prospective 2.2 Million customers is estimated to cost 1 Billion and 247 Million US\$.

The World Bank (WB), the Agence Française de Développement (AFD) and the European Union (EU) are jointly providing financing to support the implementation of this project, amounting to approximately EUR 1.2 billion (including the USD 800 M contribution of the Egyptian Government and customer fees) named as component 1. Two additional components 2 and 3, were added and financed by the EU grant and managed by AFD. Component 2 for Targeted Financial Support and Component 3 for Institutional Strengthening in (i) the implementation of an Enterprise Resource Planning (ERP) system to enhance the quality of reporting and financial management of the implementing agency – EGAS – and (ii) Technical Assistance to support the establishment of Gas Regulator as part of the gas sector reforms that are being implemented.

Implementation of Component 2 is expected to maximize the number of beneficiaries amongst poor and disadvantaged households, consisting in a subsidy to the poorest households amongst those who are technically eligible for connection to overcome the financial barrier to the payment of the gas connection fee.

Table 1: Project Costs and Financing Schedule

	WB	AFD	EU
Component 1 - NG network Extension	USD 500 M	EUR 70 M	EUR 10 M
Component 2 - Targeted Financial Support			EUR 45 M

## RAP proposed ToRs

Component 3 - Institutional Strengthening			EUR 13 M
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The EU grant financing is delegated to and managed by AFD, according to AFD procurement and financial management procedures.

As the project components will be identified during the course of implementation of the project, frameworks are prepared, an Environmental and Social Impact Assessment Framework (ESIAF) and a Resettlement Policy Framework (RPF)

An ESIAF and an RPF were prepared for the phase I of the project (11 Governorates) in 2014 and with the expansion of the project to include additional 9 Governorates (phase II), an update of both frameworks is being prepared: updated ESIAF and updated RPF.

The Natural Gas Connection Project consists of the following three components:

**Component 1: Gas Distribution Network and Household Connections.** This includes expansion of the intermediate and low pressure gas distribution networks, installation of control units and conversions of customer appliances to allow connection of and supply of gas to the proposed new 2.2 million households.

□ **Component 2: Pressure Reduction Stations (PRSs)** for reduction of NG pressure from 70 Bar to 7 Bar and odorant addition for residential users. The construction of PRSs to connect the distribution networks in the project areas to the high pressure gas transmission networks. Currently, around 37 new PRSs area being considered for financing by the proposed project, 20 PRSs are already financed by the mentioned financing entities for the 11 Governorates and 17 PRSs are planned to be financed for the extension of the project to include the 9 new Governorates and additional areas in the 11 Governorates.

**Component 3: Gas Transmission Connection.** This component includes extending the gas high pressure transmission network to supply gas to the new PRSs in the project areas.

The main features of the project have been identified; details of pipeline routings, locations of Pressure Reducing Stations, and exact households to be connected have not been confirmed at this stage. Such details will be completed during the course of implementation of the project.

## 2. Land Needs for the Project and triggering OP 4.12

## RAP proposed ToRs

An RPF was prepared for phase I of the project in 2014. During the lapsed period, preparatory works for the implementation of phase I of the project were executed, 9 lands were secured out of 20 lands required for PRS construction, through allocation of State Owned Lands and purchasing privately owned land. Until the date of preparation of this document, Land use is 22,805 m<sup>2</sup> and land use of 0.6 Km for the 8 HP pipelines, the 9<sup>th</sup> route is not yet determined. Two of the nine lands were privately owned lands that were purchased on willing buyer willing seller basis where compensations were paid to land owners.

The extension of the project in 9 Governorates includes an estimate of 17 PRSs with an expected estimate land use of approximately 42,500 square meters. The length of the HP pipelines is not yet determined accordingly the area of required land for pipelines routes cannot be predicted.

The same approaches will be followed for the rest of lands and HP pipelines of the remaining areas of phase I and project components of areas of phase II and for that OP 4.12 will not be triggered thus no RAPS/ARAPS will be needed.

Once the detailed activities and work plan under the project have been identified, EGAS will obtain all permits/approvals related to the project. Thereafter, social screening will be required to determine whether or not the project components will result in any resettlement impact and accordingly the decision will be taken for the need for the preparation of RAP or an ARAP. In case there will a need , then the RAP or ARAP will be prepared according to this set of Terms of Reference .

### 3. Project Description

The project involves extending the network and accompanying infrastructure to connect a total of 2.2 Million Households in 20 Governorates between 2016 and 2021 with the assistance of a World Bank Loan of up to US\$500 Million and the Agence Française de Développement (French Agency for Development) financing of up to €70 Million. The total program for connecting the prospective 2.2 Million customers is estimated to cost 1 Billion and 247 Million US\$.

The project description is presented in Annex 1 of this TOR. Any further details can be obtained from the updated ESIAF /RPF of the project available on the following link:

[http://egas.com.eg/Corporate\\_Overview/NaturalGasConnectionsProject.aspx](http://egas.com.eg/Corporate_Overview/NaturalGasConnectionsProject.aspx)

### Objectives of RAP/ARAP

The main objective of the RAP/ARAP is to outline the set of actions needed to ensure that PAPs are informed, consulted and compensated prior to the start of any civil works. The RAP/ARAP should also outline the institutional setup as well as the arrangements for carrying out monitoring and evaluation. An Abbreviated Resettlement ACTION Plan (ARAP) needs to be prepared under

the following conditions: 1) Total number of people affected is less than 200; and 2) No PAPs need to be physically relocated. The contents of ARAP is less complicated than RAP.

#### **4. Preparation of Resettlement Action Plans**

Any project activity that shall entail the acquisition of land or may result in the involuntary resettlement of people, negative impacts on livelihoods or loss or restriction of access to private or communal resources will require the preparation of a RAP or abbreviated RAP depending on the number of people affected or the significance of the resettlement impacts. The consultant shall prepare the RAP, with the participation of SDOs of the LDCs under the supervision of EGAS SDO. The commencement of the census to be conducted under the RAP will be the cut-off date. This will be announced to the public and only the PAPs included in the results of the inventory will be considered as eligible for compensation. The cut-off date should be established to minimize the influx of outsiders and ineligible compensation claims.

The RAP should assess the number of PAPs, propose alternative locations for the sub-projects if possible or state why other alternatives were not feasible, identify the eligibility criteria, include provisions for compensation and assistance, and address the means by which the sub-project monitoring and evaluation will take place to ensure that the PAPs receive their compensation and that their grievances are heard and addressed. The mitigation measures and compensation policies proposed in the RAP shall be disclosed to the PAPs for feedback and comments.

The following includes an outline for the RAP with an elaboration on what should be covered under each Chapter

**I. *Executive Summary***: including the statement of objectives, legal framework, main impacts, and the mitigation measures, and the budget.

**II. *Description of the Project***, including the following

1. Key objectives of project
2. Description of the project activities, including the transmission line, substations
3. Description of the project areas, including the administrative territories (governorates, districts, and communities) to be traversed, locations and substations and land use.

**III. *Resettlement Impacts***, including

1. To provide details (or best estimates) on categories and amounts of significant adverse impact, and the number of persons to be affected by each. The text should indicate how these data were obtained. As relevant in each case, this should include:
  - land to be acquired (by category of use; permanent and temporary acquisition) of each project activity ( e.g. transmission line, towers, substations access road)
  - housing or other structures to be demolished
  - fixed assets taken (e.g., wells, fences, tombs)
  - crop losses

- businesses (and employees) affected by temporary or permanent displacement
  - disruptions to community facilities or services
2. To provide details (or best estimates) regarding identification of any groups who may be particularly vulnerable to hardship. The text should indicate how these data were obtained. As relevant, this should include:
- Those occupying or utilizing land or structures without legal title or permit
  - Households vulnerable to hardship because of poverty, age, infirmity, or other limitations to responsiveness

#### ***IV. Socio-economic survey:***

This section will be the summary of the results and findings of the socio-economic studies and surveys, including:

1. The results of a census survey covering:
  - The current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people for eligibility for compensation and resettlement assistance;
  - Standard characteristics of displaced households;
  - The magnitude of the expected loss - total or partial – of assets, and the extent of displacement, physical or economic;
  - Information on vulnerable groups or persons, for whom special provisions may have to be made; and
  - Provisions to update information on the displaced peoples livelihoods and standards of living at regular intervals
2. The results of other studies describing the following:
  - Land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems, and any issues raised by different tenure systems in the project area;
  - The patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project;
  - Public infrastructure and social services that will be affected, and
  - Social and cultural characteristics of displaced communities including a description of formal and informal institutions that may be relevant to the consultation strategy and to designing and implementing the resettlement activities

#### ***V. Policy Objectives, Legal Framework, and Definitions***

This section normally would consist of standardized text outlining key objectives, principles and definitions to be employed in resettlement planning. This would include reference to the national legislation as well as to World Bank OP 4.12, Involuntary Resettlement

1. Key policy objectives include:

- Avoidance or minimization of land acquisition and other adverse impacts
  - Those adversely affected (“displaced persons,” as defined below) are compensated at replacement cost for lost assets, and otherwise receive any assistance necessary to provide them with sufficient opportunity to improve, or at least restore, incomes and living standards
2. Legal framework, including:
- The scope of the power of eminent domain and the nature of compensation associated with it in terms of both the valuation methodology and the timing of payment;
  - The applicable legal and administrative procedures;
  - Relevant laws governing land tenure, valuation of assets and losses, compensation and natural resource usage rights customary personal law related to displacement
  - Laws and regulations relating to the agencies responsible for implementing resettlement activities:
  - Gaps, if any, between local laws in the country covering eminent domain and resettlement and the World Bank's resettlement policy, and the mechanisms to bridge such gaps and
  - Any legal steps necessary to ensure the effective implementation of Resettlement activities under the project.
3. Eligibility and Cut-Off date. A cut-off date is the date by which the delineation of the project site is confirmed and communicated to the public. This would allow the determination of project affected people as at the cut-off date to be made, which helps prevent further population influx to the project site.

## ***VI. Valuation and Compensation***

This section provides the following information:

- Eligibility criteria (including cut-off dates if necessary) establishing all displaced persons<sup>8</sup> who is entitled to receive compensation (or other forms of assistance in lieu of compensation)
- Description of valuation procedures used to establish compensation rates for land, structures or other fixed assets. Compensation rates should be determined based on their replacement cost for loss of assets<sup>9</sup>.

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<sup>8</sup> “Displaced persons” refers to all the people who, on account of the activities listed above, would have their (1) standard of living adversely affected ; or (2)right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed temporarily or permanently; (3) access to productive assets adversely affected, temporarily or permanently; or (4)business, occupation, work or place of residence or habitat adversely affected; and “displaced person” means any of the displaced persons.

<sup>9</sup> "Replacement cost" is defined as follows: For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use

- Description of arrangements for delivery of compensation to displaced persons
- Compensation rates for all categories of land acquisition, for all affected areas
- Compensation rates for all categories of affected structures, for all affected areas
- Compensation rates for all categories of other fixed assets, for all affected areas
- Transitional support (e.g., moving expenses, temporary living allowances, payment of fees or other transaction costs) to be provided
- Arrangements for recalculation of compensation rates in case of prolonged delay in delivery of compensation

### ***VII. Income and Livelihood Rehabilitation Measures***

This section provides the following information:

- Arrangements (in addition to compensation) providing sufficient opportunity for those losing land to improve, or at least restore, incomes
- Arrangements, timing and availability for replacement housing, including site preparation and access to facilities and services as needed to improve, or at least restore, living standards
- Relocation or other arrangements necessary for shops and enterprises to resume profitable operation
- Arrangements (e.g., alternative employment, temporary wage support, other) necessary to maintain or restore incomes of workers in affected enterprises
- Relocation assistance to renters or leaseholders losing access to land or structures
- Special assistance to be provided to vulnerable groups (e.g., the poor, elderly, disabled)
- Restoration or replacement of community infrastructure and services
- Entitlement matrix, including entitlement for compensation, resettlement assistance and other resettlement measures.

### ***VIII. Institutional Arrangements***

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located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard.



This section identifies organizations or agencies primarily responsible for resettlement implementation. It describes these entities' capacity for effective implementation by reference to links to authority, prior experience with resettlement, and number and training of personnel. This section also briefly describes the implementation timetable, establishing that key implementation measures precede adverse impacts.

#### ***IX. Budget and Funding Arrangements***

This section includes a budget breakdown estimating all resettlement-related costs, including an allocation for contingencies. It also establishes financial responsibility for meeting resettlement commitments, and describes funding flow arrangements.

#### ***X. Consultation, Disclosure and Grievance Procedures***

This section provides information on the following:

- Measures taken to consult with displaced persons regarding proposed resettlement arrangements, and to foster their participation in activities essential to improvement or restoration of incomes and living standards
- Disclosure arrangements for the resettlement plan, ensuring that it is made available in a language and location accessible to displaced persons and the general public.
- Administrative and legal steps displaced persons can take to pursue questions or grievances they may have regarding resettlement implementation.

#### ***XI. Monitoring Arrangements***

This section briefly describes arrangements for monitoring implementation, for both internal project purposes and external monitoring to be conducted by a qualified agency independent of the project office. The scope and frequency of monitoring activities should be described.

### **5. Preparation of Abbreviated RAP**

- A census survey of displaced persons and valuation of assets;
- A description of compensation and other resettlement assistance to be provided and the basis of compensation rates;
- Consultations with displaced people about acceptable alternatives;
- Institutional responsibility for implementation and procedures for grievance redress;
- Arrangements for monitoring and implementation; and
- A timetable and budget.

## **6. RAP Review and Approval**

The RAP, including the proposed mitigation measures within the plan, will need to be reviewed and approved prior to making a decision on whether or not the sub-project shall be implemented. The RAP will be reviewed and approved by EGAS then will be sent to the WB for final review and approval. It has to be noted, that all compensation and resettlement arrangement should be finalised before the start of any construction works.

The consultant is required to carry out any necessary modifications to the RAP report in response to EGAS/WB reviews.

## **7. Qualifications and Experience of the ESIA Team**

The assignment will be carried out by a specialized consultant. It has to be well noted that the implementation of the project activities will proceed in parallel in the 20 Governorates so the consultant has to ensure the availability of adequate competent staff to carry out the required activities in due time. A confirmation letter from the consultant will be required including the staff that will be working on the project and in case of any changes EGAS has to be notified with the change and replacement arrangements to avoid any delays in executing the required activities. The consultant should have a previous experience in conducting social studies including RAPs that has been approved and cleared by the World Bank. The consultant should furnish samples of such work and studies that the Bank found satisfactory.

## **8. Facilities to be provided by Client**

The consultant shall be provided with project document, studies already conducted for the project including updated ESIAF and updated RPF. The client may also facilitate meeting with stakeholders for the consultant to give legitimacy and support from the key stakeholders

## **9. RAP Disclosure requirements**

Once the RAP is approved by the Bank, the consultant shall carry out the translation into Arabic and then the following documents should be disclosed in country by EGAS and in the Bank infoshop:

- RAP/ARAP (English Language)
- RAP/ARAP (Arabic Language)

## **10. ACTIVITIES, AND TIME SCHEDULE**

RAPS for the PRSs:

## RAP proposed ToRs

In most cases, the PRS will be either state owned land or if these are not available then EGAS will follow the World Bank principles for willing buyer willing seller process and for that OP 4.12 will not be triggered thus no RAPS/ARAPS will be needed. But in few instances, there may be some unavoidable involuntary resettlement and in this case a RAP/ARAP should be prepared. The consultant shall be informed once the location of such PRSs is determined in case his service is needed to prepare RAPs for the cases when OP 4.12 on involuntary resettlement is triggered.

### RAPs for Pipelines

Once the final location of the PRS is determined, the path of the pipelines will be designed then the LDCs will start obtaining all necessary governmental approvals, this may take from 1-2 months depending on the length and location of the pipe line, the consultant shall be informed to start preparing the RAP once the exact pipeline path is finalized. This will apply only to the paths that will cross agriculture land and will involve crop damage and crop compensation.

It should be noted that all the paths that will cross agriculture land, will need preparation for RAPs even if the PRS does not need a RAP preparation (i.e. obtained through willing buyer willing seller approach).

Activity		1	2	3	4	5	6	7	8	9	10	11	12
1	Contract Award												
2	Survey and census for determination of the Project Affected Persons												
3	Consultation with PAPs, Governmental and non governmental Organizations												
4	Draft RAP preparation and Submission							D					
5	Client /WB Review												
6	Draft Final RAP									D F			
7	Client Review												
8	Final RAP submission												F

**D:** Draft RAP

**DF:** Draft Final RAP

**F:** Final RAP

### 11. Deliverables

	<b>Report</b>	<b>Language</b>	<b>Due Date (from contract awarding)</b>	No. of hard copies	No. of soft copies
1	RAP/ARAP	English	13 Weeks	2	2
2	RAP/ARAP	Arabic	13 Weeks	2	2

**Annex 1 (of the TOR of the RAP)**

**Project Description**

Project Execution schedule and Geographical Scope

	Governorate	PRS location	70-bar steel lines (Km)	LDC
Phase I	Giza	Giza North		Town Gas
		Giza South		
		Atfih		
	Ismailia	El Qantara Sharq		Sinai Gas
		El Qantara Gharb		
		Fayed		Town Gas
	Matrouh	Matrouh		Regas
	Qalubia	Qaha		Egypt Gas
		El Khosous		
	Gharbia	Kotour		
	Daqahlia	Belqas		
		Dikirnis		
		Aga		
	Menufia	Ashmoon		
Qena	Qena		Regas	
	Elwakf			
	Farshout			
Suhag	Temma			
	Suhag			
	Gerga			
Gharbia	Kafr El Zayat		Egypt Gas	
	Zefta			
Luxor	Al Luxor city			
	Esna			
	Armant			
Ismailia	Ismailia el Gedida		Sinai Gas	
Beni sweif	El fashn		TAQA group	
	El wasta			
El Menia	Malawi			
	Beni Mzaar			
	Kanflot			
Assiout	Abu Teeg			
	Dayrout			
	Balteem			
Kafr el Sheikh	Balteem			
El Fayoum	El Tamyia		El Fayoum Gas	
	El Fayoum			