

THE WEST DELTA WATER CONSERVATION
AND
IRRIGATION REHABILITATION PROJECT

Resettlement Policy Framework

Executive Summary

Final Draft

April 30, 2007

EXECUTIVE SUMMARY

Introduction

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

Project description

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

Project Development Objective

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

Project components:

Component No. 1: Design, Construct, and Start Up of the Surface Water System, and connection program for participating farms (US\$205 million).

Component No. 2: Market-driven Technical Assistance to Small and Medium Scale Farmers (US\$2 million).

Component No. 3: Support for Institutional Development and Capacity Building of Project Management Unit, Regulatory Office and Water User Organization (US\$5 million)

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

Project organization

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

Potential project impacts causing resettlement

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

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

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

Legal and Institutional Background

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

Targeted Beneficiaries for RPF

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

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

Compensation, valuation, grievance and redress mechanism and vulnerable groups

The main compensation principles are:

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

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

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

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

Monitoring and Evaluation

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

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

Consultations

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

- Circulation of the draft RPF for comments to all relevant institutions.
- Communication of comments to the Consultant for incorporation into a final RPF, together with WB comments.
- Presentation of the executive summary of the draft RPF to Regulatory Office and MWRI concerned by the Project.

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

- Initial information:
 - This step should coincide with the cut-off date (information should not be delivered in advance of the cut-off date to avoid encroachment of new arrivals);
 - Basic information will be provided to potentially affected people on the Project, and resettlement and compensation principles as they are outlined in this RPF;
 - This step should take the form of one public meeting for each sub-project.
- Consultation on draft RP/ARP should be initiated once these documents are available in draft form, they should be discussed with local authorities (e.g. District executive and elected Councils) and affected communities, whose comments will be incorporated in the final documents.

Disclosure requirements

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

Implementation Responsibilities

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

- MWRI will attach to the bidding document, (i) a copy of the RPF; (ii) available maps of the areas showing the boundaries of the properties in private and public lands; (iii) information on the standard market rate determined by an independent assessor acceptable to the Bank, for market prices of new reclaimed lands, old lands in the Delta and along the Rosetta canal. The bidding document will also require that the bidders should pay the agreed market price in case full expropriation of land is required and /or temporary or partial land acquisition.

- The bidders in their technical and financial proposal, will describe the areas to be expropriated or acquired temporarily in accordance with the RPF and will also provide the cost for such expropriation and a draft RP's.
- The Bank will provide its no objection to the successful bidder provided it fully complies with the RPF and the draft resettlement plans prepared by the successful bidder. The contract should stipulate that no civil works can start until the project affected persons (PAPs) are fully compensated at market rate.
- After contract signature and immediately after the subscription period, the DBO contractor will officially submit to MWRI the project alignment and the necessary documentation, including system alignment for their review and approval.
- MWRI will be responsible to proceed and complete the expropriation process in accordance with the RPF and RPs. Final RP's are submitted for approval as well.
- Once the expropriation/ land acquisition process is officially completed, MWRI will require that the DBO contractor provide PAPs the full amount of compensation before issuing the working orders for construction.
- MWRI will submit to the Bank in its semi annual progress report, the status of expropriation/land acquisition and compensations.

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

Financial aspects

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