

**Procedure of Land acquisition
for Pressure Reducing
Stations
Gas II Connections Project**

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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 (Annex 1)**.

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 receipt

In 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 land owners 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

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 | LAND DATA: | | |
| | 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"> - 25 m from ultra-voltage towers - 13 m from high voltage towers - 5 m from medium voltage towers - 2 m from low voltage cables 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"> - Agricultural - Desert - Residential - Other uses | | |
| 23 | Land Ownership | | |
| | <ul style="list-style-type: none"> - State Owned - Private Ownership | | |
| 24 | Major activities in the area <ul style="list-style-type: none"> - Agriculture - Industrial activities - Commercial activities - Other | | |
| 25 | Users of Land | | |
| | 1. Owner of land (sole owner- multiple owners- legal heirs – minors) | | |
| | 2. Tenants 3. Squatters | | |
| 26 | In Case of Agricultural Land | | |
| | <ul style="list-style-type: none"> - Title to land and possession of agricultural land should be provided. - Kind of crop(s) planted in the land - Photos showing kind and condition of crop(s) - Impact of land where the station will be set up on irrigation | | |

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

Reviewed by:

Name:

Signature: