

## Abu Ghalib Village Reparations

The “Abu Ghalib Village Reparations” project aimed to provide organizational assistance, build knowledge and skills that will enable the inhabitants of Abu Ghalib and surrounding villages to monitor and quantify the consequences of the North Giza Power Plant to their livelihoods and environment. That ability will enable them to represent their community and interests in making the case for reparations, including restitution, for the damages wrought by the World Bank-funded power plant. In the longer term, a rights-based solution in this case seeks also to set a precedent for social responsibility of both public and foreign investment in Egypt.

During the implementation of the project, ECCLR adopted a new methodology to define the reasons behind this development project to the inhabitants of Abu Ghalib and to quantify their resulting costs, losses and damages. This methodology manifested in the following two mechanisms:

First: Defining qualitative effects of the project by conducting technical analysis of the soil to determine its porosity (mechanical analysis), and a chemical analysis of the soil to determine rates of acidity and alkalinity, as well as a chemical analysis of water to determine percentage of salinity in water used for irrigation.

Second: Applying a quantitative questionnaire (Loss Matrix survey) to 57 households in Abu Ghalib village, comprising a total of 334 persons (162 male, 172 female) to measure the economic losses and social consequences that they suffered due to the establishment of North Giza Power Plant.

The applied mechanisms resulted in the following findings:

First: An increase in production cost for most crops, with qualitative variations, due to the nature of the crops, in the case of field crops (e.g., clover, beans, zucchini, pepper, wheat, cucumbers, etc.). The added cost was about 50% on average, with a few exceptions. In contrast, the additional cost of fruit trees (e.g., tangerines, custard apple, grapes, etc.) varied greatly, ranging between 191% for tangerines, and nearly 129% for custard apple. These extra costs were attributed to a number of elements as follows:

- (A) The relatively low cost of production of field crops compared with fruit trees, due to the differential in initial investment required and the length of time for germination and fruition; i.e., the production cycle of field crops does not exceed a few months, while fruit trees usually take 3–5 years to reach fruition.
- (B) The distance of agricultural holdings from the project site, as the closest holdings were the most affected, whether due to the reduced level of artesian water used to irrigate crops, or the dust rising from the construction site and, thus, the spread of pests and insects (e.g., aphids, fruit flies and brown rot, etc.), as well as the effects of the fence

and constant lighting, noise and its negative effects on the metabolic processes, antenna pollination and others.

(C) The ability of some crops, as compared to others, to withstand drought and changing proportions of salts in the irrigation water for relatively longer periods.

Second: the irrigation factor (number of hours needed to run irrigation machines and the cost of deepening artesian wells) was the cause of most of the extra cost for all crops, in addition to other agricultural inputs and elements such as preparing the soil and fertilizer. In the case of fruit trees, some of the extra cost was due to pesticides due to the spread of insects and pests.



Abu Ghalib Village farmlands

Third: Low productivity of both crops (field crops and fruit trees). For some holdings, the productivity did not exceed 30% of the average, especially with regard to grapes (27%) and custard apple (30%).

Fourth: The internment of a significant portion of farmers in jail and prison as a result of their inability to repay loans and advances they used in agriculture.

Fifth: The disparity of the total value of loss according to crops types. The cumulative investment for fruit trees, which take approximately 3–5 years to reach fruition, involves the allocation of large plots of agriculture holdings. Thus, the loss of the quick and guaranteed income of traditional crops constitutes a significant opportunity cost.

While some farmers received stipends from the North Giza Electricity Company ostensibly to cover the cost of needed water pumps and drilling to reach the depleted water table for irrigation and household use, these amounts are unrelated to the collateral effects of the power plant's construction.

The study found that the inhabitants of Abu Ghalib village incurred severe losses due to the establishment of North Giza Power Plant, and that the practices of both the World Bank and North Giza Electricity Company failed to fulfill the requirements of reparation and restitution, in addition to violating their human rights, including the rights to food, water and livelihood.

The token "stipends" that some farmers received (e.g., to buy water pumps) (1) do not serve as compensations, (2) are not linked to any method of calculating losses/costs/damages, and (3) reveal that the World Bank and its local partner, in this case, have no provision for compensations, and even less for reparations.

In the course of the Abu Ghalib Reparations project, the Ministry of Electricity and Energy issued an order to confiscate privately held farmlands for the onward construction of transmission towers connected to the power plant. Implementation of this order augurs additional costs, losses and damages yet to be quantified.