

Proclamation No...../2019

**Expropriation of Landholdings for Public Purpose and Payment of
Compensation**

WHEREAS, it is unavoidable that government need to use land for development works it carries out for public services;

WHEREAS, land expropriation has become necessary to address the steadily growing urban population which requires more land for building houses, infrastructure; and for redevelopment of the urban slums to invigorate investment and other services; and for development activities in rural areas;

WHEREAS, it essential to determine the types of compensable properties and lost economic interests and the principles thereof and establish the methods of valuation in order to pay land holders whose landholdings and property are expropriated or damaged or lost their economic interests in the process of expropriation fair and equitable compensation;

WHEREAS, it is imperative to identify and define the powers and responsibilities of authorities which are in charge of property valuation; payment of compensation; and resettlement;

WHEREAS, it is necessary to rectify and fill gaps envisaged in the former law and to include other provisions to make the system of Expropriation of Landholdings and Payment of Compensation more effective;

WHEREAS, it is necessary to determine the decision making process and Grievances procedure related with the Expropriation and Payment of

Compensation ;

WHEREAS, it is necessary to enact detailed laws to implement the general powers given to the Federal Government under the Constitution of Federal Democratic Republic of Ethiopia to enact laws regarding land use under Article 51(5); and expropriate of private property for public purposes and payment of fair and equitable compensation to the expropriated land holders under Article 40(8); and provide support to resettle displaced people under Article 44 (2);

NOW, THEREFORE, in accordance with Article **55 (2/a)** of the Constitution, it is hereby proclaimed as follows;

Part I
General

1. Short Title

This Proclamation may be cited as the “Expropriation of Landholdings for Public Purposes and Payments of Compensation Proclamation No...../2019”

2. Definition

Unless the context requires otherwise, in this Proclamation:

- 1/ “Public purpose” means decision that is made by the cabinet of a Regional State, Addis Ababa, Dire Dawa or the Appropriate Federal Authority on basis of approved land use plan or; development plan or; structural plan under the belief that the land use will directly or indirectly bring better economic and social development to the public”;
- 2/ “Property compensation" means, payment to be made in cash or in kind or in both to a person for his property or permanent improvements situated on his expropriated landholding;
- 3/ “Displacement compensation” means payment to be made to a land holder for the loss of his use right on the land as a result of expropriation;
- 4/ “Displacement assistance” means payment to be made, in addition to property and displacement compensations, for a landholder who is permanently or temporarily displaced in order to help him adjust to the new place;
- 5/ “Economic loss compensation” means payment to be made to those who are not displaced but who suffer loss of employment, trade; or rentals, or similar activities as a consequence of expropriation of land for public purposes;
- 6/ “Social ties discontinuance and moral damage compensation” means payment to be made to displaced people for the breakup of their social ties and moral damage suffered;
- 7/ “Resettlement” means support provided to people who are physically displaced to enable them generate sustainable income;
- 8/ “Valuation ” means a common compensation valuation method used to calculate the value of property on expropriated land;
- 9/ “Permanent improvement” means improvements made permanently to the land like clearing, leveling and terracing the land, including the costs of water reservoir and other agricultural

infrastructure and urban courtyard floors and other decoration works.

- 10/ “Resettlement package” means work program to people who are displaced from their landholdings for public purpose and whose number is more than 100 households to enable them generate sustainable income;
- 11/ “Communal landholding” means land which is neither state owned nor individually hold; and which is held and used by communities for grazing, forestry, and other social services, etc.;
- 12/ "Region" means any region referred to in Article 47(1) of the Federal Democratic Republic of Ethiopia Constitution;
- 13/ “Urban administration" means an organ to which urban administrative powers and duties have been given by law;
- 14/ “Infrastructure” means road, railway, airport, telecommunication, electric power, irrigation, water supply line or sewerage line found on or below the ground and includes other related constructions;
- 15/ "Utility line" means water, sewerage, electric or telephone line existing on or under a land to be expropriated for public purpose;
- 16/ “Displaced people” means a person, households, firms, or public or private institutions who has been living in an occupied land, including tenants, employed and self-employed persons on the land for public benefit;
- 17/ ”Person” means natural or legal person;
- 18/ Any expression in the masculine gender includes the feminine;

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3. Scope of Application

This Proclamation shall apply throughout the country in rural and urban center in matters relating to land expropriation; payment of compensation; and resettlement of displaced people.

4. Principles

- 1/ Expropriation of land for public purposes shall be made only on the basis of approved land use plan; urban structural plan; or development master plan.
- 2/ Compensation and resettlement for land expropriation shall sustainably restore and improve

the livelihood of displaced people.

- 3/ The amount of compensation to be paid at federal or regional or Addis Ababa or DireDawa level for similar properties and economic losses in the same areas shall be similar.
- 4/ Where land is expropriated for public purpose, the procedure shall be transparent, judicious, and accountable.

Part II

Procedure to Expropriate Land

5. Decision on Public Purpose

- 1/ The appropriate Federal authority, or a Regional, Addis Ababa, Dire Dawa cabinet shall decide on the basis of an approved land use plan; or master plan; or structural plan whether the expropriated land directly or indirectly brings better development and is beneficial to the public.
- 2/ The master plan; referred under sub article 1 of this article shall have detailed action plan.
- 3/ The budget necessary to cover the costs of compensation and rehabilitation; and the responsible body that shall cover these costs shall be made clear at the time when expropriation for public purpose is decided.
- 4/ Land holders may file objections on the public purpose decision where their land is expropriated in the absence of the fulfillment of the requirements provided under sub articles (1) and (2) of this article.
- 5/ Not with standing sub article 1 of this article, a regional² Addis Ababa, Dire Dawa cabinet may delegate a woreda or city administration to decide on land expropriation for public purpose.

6. Powers to Clear Landholdings

The City or Woreda administration has the power to order evacuation and takeover land decided to be expropriated under Article 5 of this proclamation.

7. Giving Priority Rights to develop Land for the Landholders

- 1/ Landholders whose holdings are within the area prescribed to be redeveloped shall have priority rights to develop their lands according to the plan either individually or in a group.

- 2/ Rural landholders for Agricultural use shall have priority rights to develop their landholdings according to land use plan either individually or in a group.
- 3/ Priority Rights to develop Land as per sub Article 1 and 2 of this article will be preserved for the Landholders, when the capacity to develop the land as per the plan is presented.

8. Procedure of the Landholding Handover

- 1/ The City or Woreda administration shall follow the following orders when land holders hand over their lands:
 - a) Consult land holders who are to be displaced at least one year before they handover their holdings on the type; benefits and general process of the project.
 - b) Notwithstanding paragraph (a) of this Article, land holders who are to be displaced may be consulted on the type; benefits and general process of the project in less than one year if the Government decides that the land is required urgently for investment.
 - c) Collect landholding rights and conduct inventory, amount and size, of all compensable properties from displaced people or their legal representative whose landholdings are determined to be expropriated.
 - d) Decide the legal rights of holders by checking the authenticity of the documents collected as per sub article 1(b) of this Article, calculate, determine and pay the amount of the compensation and other related rights.
 - e) Notify the land holder or his agent in writing to hand over the land expropriated for public purpose with the description of the amount of compensation the landholder shall be paid; and/or the size and location of the land or house in kind compensation.
 - f) Where the building is state owned the order for handover shall be given to the housing administration authority and the lessee.
 - g) Pay compensation or provide substitute land before displacement of people from their landholding.
 - h) The detail of expropriation of landholdings procedure shall be provided in a regulation enacted to implement this Proclamation.
- 2/ Landholders or their agents whose landholdings are to be expropriated shall submit landholding certificates or other proofs that show their landholding rights over the lands that is decided to be expropriated to the urban or rural land administration office on the time

schedule of the office.

- 3/ As of the date of notification in writing on the amount of compensation, the landholder may:
 - a) Plant seasonal crops and start other activities on the land other than perennial crops and buildings where the compensation is not paid within three months of the notice on the amount of compensation.
 - b) Begin developing any kind of activity where compensation is not paid within six months of the notice on the amount of compensation.
 - c) Property developed or any change made under sub articles 2 (1 and 2) of this article shall be included in the valuation for compensation. .
- 4/ Land holder who is served with notice to handover its landholding shall take the compensation and replacement plot or house within 30 days of notice.
- 5/ Where the land holder who is served with notice fails to comply with the order within the time prescribed under sub article 4 of this article, the compensation payment shall be deposited in the closed bank account of the city or woreda administration.
- 6/ The land holder may be forced to handover the land within 120 days of the payment in cash or in kind compensation; or after the cash is deposited in the bank.
- 7/ Where there is no permanent property or crop on the expropriated land, the land holder shall hand over its landholding within thirty days of the payment of compensation to the City or Woreda administration.
- 8/ Where the land expropriated is under illegal occupation, the occupant shall evacuate without claim for compensation within 30 days of notice.
- 9/ Where the landholder fails without justifiable reason ,to hand over its landholding within the time prescribed under sub articles 6 and 7 of this article, the City; or Woreda administration can take over the expropriated land directly, and as may be necessary ,may ask cooperation of the police.

9. Responsibilities of the Land Requiring Body

- 1/ Land Requiring Body Shall submits to the City or Woreda administration the decision that shows the size and exact location of the land to be expropriated at least one year before the commencement of the project.
- 2/ Pay the money required for compensation and resettlement to the City or Woreda Administration, when it is decided that compensation and resettlement payment shall be

made to displaced people .

- 3/ City or Woreda administration may not require handover of the land until payments are made to landholders who may be displaced as per sub-article 2 this article.

10. Procedure for Removal of Utility Lines

- 1/ The City or Woreda administration shall request in writing utility line owner organizations to reply if they have utility lines over or under ground on the land to be expropriated.
- 2/ The organization that has utility lines on the expropriated land shall estimate the value of the utility line to be affected and send it with evidence to the City or Woreda Administration that requested it under sub article 1 of this article within 30 days of receiving the request.
- 3/ The city or woreda administration shall pay the compensation within 30 days of receiving the estimated cost of the utility lines to the owner organization under sub article 2 of this article.
- 4/ The utility line owner shall remove utility lines and clear the land within 60 days after the payment has been made.
- 5/ Notwithstanding sub Article (4) of this Article, the utility line owner shall remove complex utility lines and clear the land within 120 days after the payment has been made

Part III

Determination of Compensation, Substitution and Resettlement

11. Compensation to be Paid to Displaced people where Land is Expropriated for Public Purpose

Where land is expropriated for public purposes compensation for the property and displacement compensation for the loss of their right to use land shall be paid to the displaced people.

12. Property Compensation

- 1/ The landholder whose land is expropriated shall be paid compensation for the property on the land and the permanent improvement made on the land.
- 2/ The amount of compensation for the property on the land shall be able to cover the cost of replacing the property anew.
- 3/ Without prejudice to sub article 2 of this Article, the minimum compensation payable to a

housing unit, may not, in any way, be less than the current cost of constructing a house per the standard or on the basis of the objective conditions of each regional state, Addis Ababa, Dire Dawa.

- 4/ Compensation for permanent improvement to land shall be equal to the current value of capital and labor expended on the land.
- 5/ Where the property on the land can be relocated and continue its service as before, the cost of removing, transporting, and erecting the property shall be paid as compensation.
- 6/ Valuation methods to determine compensation for various properties and detail prescriptions applicable there to shall be provided for by regulations.

13. Displacement compensation and substitute land

- 1/ Displacement compensation and substitute land for Rural Landholders Permanently Displaced
 - a) A landlord whose land is to be permanently displaced shall be a substitute for a reasonable proportion of the land taken from the area, shall be given a substitute land if it is available.
 - b) Where equivalent substitute land is given as per paragraph (a) of this sub article, the land holder shall be paid a one year income which is equal to the highest income he annually generated in the last three years preceding the expropriation of the land.
 - c) Where equivalent substitute land as per paragraph (a) of this sub article is not available, the land holder shall be paid displacement compensation which is equivalent to fifteen times the highest annual income he generated during the last three years preceding the expropriation of the land.
 - d) Where the landholder is to be displaced from his residence, land for building houses shall be given; and displacement assistance determined by directives issued by regional states' Addis Ababa, Dire Dawa shall be paid.
 - e) Displaced people shall be compensated for the breakup of their social ties and moral damage they suffer that resulted from the expropriation of their land. The amount of compensation shall be provided in a regulation enacted to implement this Proclamation.
- 2/ Displacement compensation for Temporarily Displaced Rural Landholders
 - a) A rural landholder whose landholding has been provisionally expropriated shall, be paid displacement compensation for lost income based on the highest annual income

secured during the last three years preceding the expropriation of the land until repossession of the land.

- b) Displacement compensation paid under paragraph (a) of this sub article shall take into consideration the amount of time necessary for the land to regain its productivity.
- c) Where the land is no more productive as before, the land holder may be considered as permanently expropriated and shall be entitled to displacement compensation or substitute land as per sub article 1 of this article .
- d) The displacement compensation paid for temporary displacement under paragraph C of this sub-article shall be deducted from payment of compensation paid for the land considered as permanently expropriated and the difference shall be paid to the land holder.
- e) Displacement compensation for temporary expropriation shall not in any way exceed the amount of compensation payable to permanent displacement compensation.
- f) The detail implementation of this sub-article shall be provided in a regulation enacted to implement this Proclamation.

3/ Displacement Compensation for Communal Landholding

The valuation method and manner of payment to permanent and temporary expropriation of communal land holdings shall be determined in a directive issued by Regional States, Addis Ababa, Dire Dawa; and shall take the following into consideration.

- a) Valuation of Displacement compensation for communal landholding shall be based on the use of the communal land; or the lost benefits and livelihood of the displaced people.
- b) Members of the community using the communal land shall be clearly identified.
- c) Private and communal property on the expropriated communal land shall be identified.
- d) The method of allocating the Displacement compensation money or the use of it in kind to all members of the communal landholding community shall be clearly determined.

4/ Displacement compensation and substitute land for Urban Landholders Permanently Displaced

Where urban landholders are permanently displaced as a consequence of land expropriation, the valuation of the displacement compensation and substitute land given shall be as follows:.

- a) Landholders permanently displaced shall be provided with substitute land for building houses; or an arrangement shall be made to let them purchase housing units.
- b) Where substitute land is provided, a residential house shall be given to the displaced for two years free of charge until he constructs his residential housing Or displacement compensation equal to two year housing rentals estimated on the basis of the rental market comparable to the house of the displaced shall be paid.
- c) Where a substitute house is provided, the displaced shall be paid a one year displacement compensation equivalent to current rental price of the demolished house.
- d) Displacement compensation payable under paragraph (b) and (c) of this sub-article shall not be less than the amount necessary to lease the lower standard housing in the area.
- e) Displaced people shall be compensated for the breakup of their social ties and moral damage they suffer as result of the expropriation. The amount of compensation shall be determined by the regulation enacted to implement this Proclamation.
- f) Where the expropriated land is under leasehold, the substitute land to be given shall be equivalent to the expropriated land in standard and size.
- g) Provision of substitute land or house, displacement compensation and related matters shall be determined in directives that may be issued by Regional States, Addis Ababa, Dire Dawa.

5/ Displacement Assistance to Temporarily Displaced Urban Landholders

- a) Urban land holders temporarily displaced shall be provided with substitute housing or compensation to lease a house equivalent to the current rental market of the expropriated house for the period they stay displaced.
- b) Urban land holders shall be paid compensation for the economic loss they suffer due to temporary displacement.
- c) The details of this sub-article shall be determined in directives issued by Regional States, Addis Ababa, Dire Dawa.

14. Compensation paid for Loss of Income

- 1/ a Persons who lost economic benefit either permanently or temporarily without being displaced as a consequence of land expropriation shall be paid compensation; the person entitled for the compensation, type and amount of compensation shall be determined by the directives issued by a Regional state .
- 2/ Incomes generated from employment, rentals, business and the like net annual income may be considered for determination of the type and amount of compensation as per sub article 1 of this article. .

15. Residential Housing for prey -Urban Landholders Incorporated in to Towns

- 1/ A peri urban rural land holder whose residence is removed shall be entitled to not more than 500 sq. meters of land for building per the standard of the urban as it is decided by cabinet of the Regional state, Addis Ababa , Dire Dawa.
- 2/ Child of the displaced prey urban land holder the age of 18 and above shall be provided with the minimum size of land per the standard of the town or city.
- 3/ Notwithstanding sub article 1 of this article, the total land size may not exceed the total residential area of the displaced land holder.
- 4/ Residential area under sub article 3 of this article includes the area within the perimeter fence of the displaced land holder.
- 5/ The detail implementation of this article shall be determined by the directives issued by regional state, Addis Ababa, Dire Dawa.

16. Resettlement

- 1/ Regional State, Addis Ababa, Dire Dawa, shall establish fund for compensation payment and rehabilitation.
- 2/ Regional states, Addis Ababa, Dire Dawa, shall develop resettlement packages that may Enable displaced people to sustainably resettle.
- 3/ Urban or woreda administrations shall have the duty to resettle people displaced on the basis of the resettlement package and allocated budget.
- 4/ If the land expropriation for public purpose is for investment, people who are displaced may

own shares from the investment.

- 5/ People who are displaced from urban or rural areas and who lost their income as a consequence of land expropriation for public purpose and who don't own shares from the investment shall be beneficiaries of the resettlement package.
- 6/ The contents and detail implementation of the resettlement package shall be determined by the regulation.

17. Valuation of Property

- 1/ compensation for the Property situated on land to be expropriated shall be evaluated by certified private institution or individual consultant valuers on the basis of a nationally approved valuation method t.
- 2/ It shall be evaluated by an autonomous government organization established for that purpose where there is no private certified property valuation organization or individual consultant.
- 3/ Where the organizations under sub articles 1 and 2 of this article do not exist, it shall be, considering location of the expropriated land , evaluated by valuation committee established by the relevant urban or woreda administrations comprising proper professionals.
- 4/ The working procedures of the valuation committee established under sub article 3 of this article shall be determined by the directive issued by Regional State, Addis Ababa, Dire Dawa.
- 5/ Notwithstanding sub-article 1,2and 3 of this article, where the property assessed requires special expertise, the valuation may be made by a relevant government or private organization.
- 6/ Where the property is state owned infrastructure or utility line; the valuation shall be made by the government entity owning it.
- 7/ The unit price of compensation valuation shall be revised at most every two years .

18. Establishing Complaint hearing and Appeal body

- 1/ Regional States shall establish Complaint hearing body and Appeal hearing council , Quasi Administrative Courts which shall have jurisdiction to entertain grievances arising from

decisions under this Proclamation.

- 2/ Regional States, Addis Ababa, Dire Dawa may establish Complaint hearing body and Appeal hearing council in some of their Towns as deemed necessary.
- 3/ The structure, powers and duties of the Complaint hearing body and Appeal hearing council shall be determined in a regulation that shall be enacted to implement this Proclamation.

19. Complaints

- 1/ Any person who received an order of evacuation of his landholding; or who has an interest or claim on the property to be evacuated may file an application within 30 days of service of the order to the Complaint hearing body which is established as per sub-article 1 of article 18 of this proclamation.
- 2/ The body mentioned under sub article 1 of this article, after investigating the Complaint submitted to it; shall make its decisions within 30 days of the filing of the application and notify in written to the parties thereof.

20. Appeal

- 1/ A party who is aggrieved with the decision given under article 19 sub article 1 of this proclamation shall file an appeal to the Appeal hearing council within 30 days of the receipt of the written notice of the decision .
- 2/ A party aggrieved with the decision of the appeal hearing council may file an appeal to the Regional High Court in case of Addis Ababa and Dire Dawa city Federal first instant Court within 30 days of the receipt of the decision in writing. The decision of the court shall be final.

21. Taking Over Land under complain

- 1/ If the person who received an order of evacuation of his landholding filed a Complaint application as per this Proclamation, the Woreda or City administration may take over of the land only where:
 - a) The appeal is affirmed as per article 19 sub-article 1 of this proclamation and failed to make an appeal on that decision;
 - b) The land holder failed to make an appeal as per article 20 sub-article 2 of this

proclamation or appeal affirmed.

- 2/ Notwithstanding sub-article 1 of this article where Land under complain is illegally occupied land, the woreda or urban administration may takeover of the land after removing the property, demolishing building on the land.

Part IV

Miscellaneous

22. Powers and Functions of Federal Institutions

Without prejudice to powers and functions given to the Ministry under other laws

1/ Ministry of construction and Urban Development shall

- a) ensure and follow up implementation of provisions of this Proclamation pertaining to urban in the urban areas.
- b) support resettlement of displaced people from urban areas
- c) provide technical and capacity building support to Regional States , Addis Ababa, Dire Dawa and Urban Administrations to enable them implement this Proclamation.
- d) follow up and support the issuance of directives required for the proper implementation of the proclamation.

2/ Ministry of Agriculture shall

- a) follow up and ensure implementation of the provisions of this proclamation pertaining to rural areas in the regions
- b) support resettlement of displaced people from rural areas.
- c) provide technical and capacity building support to regional states Addis Ababa, Dire Dawa to enable them implement this Proclamation.

23. Powers and Functions of Regional States shall

- 1/ follow up and ensure the implementation of this Proclamation and the Regulation and Directive enacted under it in regional states, Addis Ababa, Dire Dawa;
- 2/ develop and implement resettlement packages;
- 3/ provide capacity building support to urban and woreda administrations to enable them implement this Proclamation.

24. Responsibility of Woreda and Urban Administrations shall

1. organize consultative meetings with people to be displaced on the type; benefits; and generally the process of the project;
- 2/ pay or make others pay the compensation due to landholders whose land holdings are expropriated.
- 3/ implement resettlement packages.
- 4/ maintain record of the property located on the expropriated land.
- 5/ support and ensure the improvement of the livelihood of displaced farmers and pastoralists.
- 6/ maintain record and evidences relating to the displaced.

25. Power to Issue Regulations and Directives

- 1/ The Council of Ministers shall issue regulations to implementation this Proclamation.
- 2/ Region states or Addis Ababa or Dire Dawa may issue directives necessary for the proper implementation of this Proclamation and Regulations issued hereunder.

26. Transitional Provision

Cases pending in a court before the coming into force of this Proclamation shall be disposed under the previous Proclamation No. 455/1997.

27. Repealed and Inapplicable Laws

- 1/ The "Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation No. 455/2005 is hereby repealed.
- 2/ No law, regulation, directive or practice shall, in so far as it is inconsistent with this

Proclamation, be applicable with respect to matters provided for by this Proclamation.

28. Effective Date

This Proclamation shall enter into force as of its publication in the Federal *Negarit Gazette*.

Done at Addis Ababa, the day of, 2019

**SAHELEWORK ZEWDE
PRESIDENT OF THE FEDERAL DEMOCRATIC
REPUBLIC OF ETHIOPIA**