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Council of Ministers Regulations No. 135/2007
COUNCIL OF MINISTERS REGULATIONS ON THE PAYMENT OF COMPENSATION FOR PROPERTY SITUATED ON LANDHOLDINGS EXPROPRIATED FOR PUBLIC PURPOSES

These Regulations are issued by the Council of Ministers pursuant to Article 2 of the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 471/2005 and Article 14(1) of the Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation No. 455/2005 with a purpose of not only paying compensation but also to assist displaced persons to restore their livelihood.

PART ONE
GENERAL

1. Short Title
These Regulations may be cited as the "Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purposes Council of Ministers Regulations No. 135/2007"

2. Definitions
In these Regulations unless the context requires otherwise:

"Landholding" means...

"Compensation" means...

"Property" means...

"Displaced person" means...

"Public purpose" means...

"Council of Ministers" means...

"Expropriation" means...

"Proclamation" means...

"Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation No. 455/2005" means...

These Regulations shall come into force on the day of publication.
1) "Proclamation" means the Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation No. 455/2005;
2) "committee" means a property valuation committee established pursuant to the Proclamation;
3) "crops" means any plant sown or planted and harvested in one season;
4) "ripe crops" means plants sown or planted on a land holding to be expropriated for public purpose and that could be harvested within the notice period given under Article 4 of the Proclamation;
5) "perennial crops" means species of crops harvested regularly for years;
6) "building" means any structure constructed or under construction in an urban center or a rural area for residential, manufacturing, commercial, social, or any other service;
7) "formula" means the methodology used for valuing compensation in accordance with these Regulations for Properties Situated on Landholdings Expropriated in Accordance with the Proclamation;
8) the terms "region", "compensation", "public purpose", "utility lines" and "implementing agency" shall have the meanings given to them under the Proclamation;
9) "person" means any natural or juridical person.

PART TWO

ASSESSMENT OF COMPENSATION

3. Compensation for Buildings

1. The amount of compensation for a building shall be determined on the basis of the current cost per square meter or unit for constructing a comparable building.

2. The compensation for a building shall include:

(a) the current cost for constructing floor tiles of the compound, septic tank and other structures attached to the building; and
3. Compensation for the Building

(a) The estimated cost for demolishing, lifting, reconstructing, installing and connecting utility lines of the building.

(b) The owner of a building shall have the right to claim compensation for the entire building by surrounding the total land in his possession where part of the building is ordered to be removed.

4. Compensation for Fences

The amount of compensation for a fence shall be determined by calculating the current cost per square meter or the unit cost required for constructing a similar fence.

5. Compensation for Crops

1) The amount of compensation for crops shall be calculated by multiplying the amount of yield that would have been collected from the land at maturity by the current market price of the crops.

2) The owner of ripe crops may, in lieu of compensation, harvest and collect the crops within the period fixed pursuant to Article 4 of the Proclamation.

6. Compensation for Perennial Crops

1) The amount of compensation for unripe perennial crops shall be determined by calculating the estimated cost for growing the plant.

2) The amount of compensation for ripe perennial crops shall be determined on the basis of the average annual yield, the current local market price of the crops and the average yield of similar crops.
7. Compensation for Trees

1. The amount of compensation for trees shall be determined on the basis of the level of growth of the tree and the current local price per square meter or per unit.

2. The owner of trees may, in lieu of compensation, cut and collect the trees within the period fixed pursuant to Article 4 of the Proclamation.

8. Compensation for Protected Grass

1. The amount of compensation for protected grass shall be determined on the basis of the productivity of the land and the current market price of the grass per square meter.

2. The owner of protected grass may, in lieu of compensation, cut and gather the grass within the period fixed pursuant to Article 4 of the Proclamation.

9. Compensation for Permanent Improvement on Rural Land

The amount of compensation for permanent improvements made on a rural land shall be determined by computing the machinery, material and labor costs incurred for clearing, leveling and terracing the land, including the costs of water reservoir and other agricultural infrastructure works.

10. Compensation for Relocated Property

The amount of compensation for a relocated property shall be determined by computing the estimated costs of labor, material and transport to be incurred at market value for removing, transferring and installing the property.

11. Compensation Payable to a Mining Licensee

Where a mining site is expropriated pursuant to the provisions of the Proclamation, the compensation due to the licensee shall be determined by the relevant mining law.

12. Compensation for Burial-ground

1. The amount of compensation for a burial-ground shall be determined on the basis of the estimated costs to be incurred for removing the grave stones, preparing other burial-ground, transferring and relocating the corpse and for conducting religious and cultural ceremonies in relation thereto.
2. The amount of costs stipulated under Sub-Article (1), this Article shall be determined on the basis of the current local market prices of materials, transport services and labor.

13. Formula

The formula for calculating the amount of compensation payable in accordance with the Proclamation and Regulations shall be as follows:

1) Compensation for building = cost of construction (c.

\[ \text{Compensation for building} = \text{cost of construction} + \text{cost of permanent improvement on land} + \text{refundable money for the remaining term of lease contract} \]

2) Compensation for crops = the total area of the land (in square meters) x value of the crop per kilogram x the amount of crop to be obtained per square meter + cost of permanent improvement on land

3) Compensation for unripe Perennial Crops = number of plants (legs) x cost incurred to grow an individual plant + cost of permanent improvement on land

4) Compensation for ripe Perennial Crops = the annual yield of the Perennial Crops (in Kg) x the current price of the produce of the perennial crops + cost of permanent improvement on land

5) Compensation for relocated Property = cost of removal + cost of transferring + cost of reinstallation
3. The average annual yield of crops or perennial crops shall be calculated on the basis of the last five years, or the average yield obtained from the land for the years the land was used for crops or perennial crops, if the average yield obtained from the land for the last five years is not available.

2. Where a replacement land has been provided in accordance with Article 15 of these Regulations, the amount of displacement compensation payable with respect to land used for crops or perennial crops, shall be the product of the annual average yield of crops or perennial crops multiplied by the number of years required to attain the level of growth of the displaced crops.

1. Provision of replacement land shall be governed by rules and regulations prescribed by the Regional States in accordance with Article 14(2) of the Proclamation.
c) where the crops or perennial crops have not yet started giving annual yield, the yield of similar crops or perennial crops obtained from a similar area of land in the locality for the last five years.

17. Displacement Compensation for Protected Grass or Grazing Land

1) where a replacement land is provided in accordance with Article 15 of these regulations with respect to expropriated protected grass or grazing land, displacement compensation equivalent to the annual average income obtained from the land shall be paid.

2) The amount of displacement compensation payable with respect to the protected grass or grazing land shall, where it is impossible to provide replacement land in accordance with Article 15 of these Regulations, be ten times the annual average income obtained from the land.

3) The provisions of Sub-Article (3) of Article 16 of these Regulations shall, mutatis mutandis, be applicable with respect to calculating the average annual income derived from a protected grass or grazing land.

18. Displacement Compensation for Provisional Expropriation of Rural Land

Where a rural land is expropriated only for a limited period of time, the multiplication factor for calculating the displacement compensation shall be the number of years for which the land is cleared; provided, however, that the compensation obtained by such calculation shall not exceed the amount payable under Article 16 or 17 of these regulations.

PART FOUR
MISCELLANEOUS PROVISIONS

19. Properties for which Compensation is not Payable

There shall be no payment of compensation with respect to any construction or improvement of a building, any crops sown, perennial crops planted or any permanent improvement on land, where such activity is done after the possessor of the land is served with the expropriation order.
20. **furnishing of Data**

1) The committee shall request the relevant federal, regional or other bodies to furnish any data necessary for determining the value of a property in accordance with the Proclamation and these Regulations.

2) Any body requested under Sub-Article (1) of this Article shall hand over the data immediately to the Committee.

3) where the data is not available with the requested bodies, the committee shall conduct its own survey on the local market price of the property.

21. **Records of Property**

A woreda or a city administration shall, for the purpose of the implementation of the Proclamation and these Regulations, record properties situated on a landholding subjected to an expropriation order.

22. **Evidence of Possession and Ownership**

Any person who claims for payment of compensation in accordance with the Proclamation and these Regulations shall produce proof of legitimate possession of the expropriated landholding and ownership of the property entitling compensation.

23. **Valuation Costs**

1) Woreda and city administrations shall cover the costs of valuation of properties in accordance with these regulations, including payment of per diem to members of the Committee in accordance with the relevant laws.

2) The costs referred to Sub-Article (1) of this Article shall be covered by the concerned implementing agency where the expropriation is made upon its request.

24. **Effective Date**

These Regulations shall enter into force on the date of their publication in the Federal Negarit Gazeta.

Done at Addis Ababa this 4th day of July 2007

MELES ZENAWI

PRIME MINISTER OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA