

PN-ABD-418

6/25/89

**REGULARIZATION OF LAND TITLE FOR INFORMAL COMMUNITIES IN CAIRO:
AN ANALYSIS AND PROPOSED APPROACH**

by

**Dr. Sawsan El-Messiri
Consultant**

AUGUST 1989

This report was prepared under a grant made to the Cooperative Housing Foundation
by USAID/Cairo.



Cooperative Housing Foundation

Mail: P.O. Box 91280, Washington, D.C. 20090-1280 ■ Office: 1010 Wayne Ave., Suite 240, Silver Spring, MD 20910 ■ (301) 587-4700 ■ FAX (301) 587-2626 ■ Telex 443271 CHFUI

Foreword

This report describes and analyzes the complex issue of providing regularized land title for residents of informal communities. The land title issue remained largely unresolved at the completion in 1988 of the Project for Housing and Community Upgrading for Low Income Egyptians (USAID Contract 263 0066 01 HCC), under which an integrated program of physical and socio-economic improvements was implemented in seven informal communities in Helwan. Although the Helwan upgrading strategy proved successful in most respects, resolution of the land title problem has stood in the way of its replication. In late 1988, USAID/Cairo provided a grant to the Cooperative Housing Foundation (CHF) to describe and analyze work already underway with the Cairo Governorate and the Executive Agency for Joint Projects and to recommend a future course of action. This report is the result.

As this report documents, the legal, policy and institutional environment has altered considerably since the initiation of the upgrading project in Helwan. The intent of the report, therefore, is both to describe and analyze the current situation, to draw upon experience elsewhere in Egypt and to outline a possible course of action for future upgrading programs.

TABLE OF CONTENTS

I.	Introduction	1
II.	Legal Framework and Processes	2
	A. General Background	2
	B. Laws and Decrees	3
III.	Institutional Framework and Processes	8
	A. Institutional Framework for Land Tenure in Upgrading Areas	8
	B. Recommended Organizational Structure for New Upgrading Areas	10
IV.	The Issue of Value and Valuation	16
	A. Perception of Cairo Governorate	16
	B. Perception of EAJP	18
	C. Perception of Residents of Upgrading Areas	18
V.	Constraints and Issues	19
VI.	Different Experiences of Land Tenure	20
	A. Nassriya Upgrading Project (Aswan)	20
	B. Ismailiya Experience in Land Tenure	23
	C. Conclusion	26
VII.	Recommendations and Guidelines for Processing Land Tenure Program	26
	A. Recommendations Related to the Issue of Value	27
	B. Guidelines for an Operational Program for Processing Land Tenure	28

LAND TITLE PROGRAM FINAL REPORT

I. INTRODUCTION

Land tenure refers to the kind of rights and title in which land is held. There are many forms of land tenure ranging from individual to communal and public. In the informal settlements in Egypt there are five types of land tenure. These are:

- 1 - **Leased Land (Hekr):** This is land owned by the state and leased on a long-term basis to the occupants of the land. Squatters may be granted this status, if they make a request to the Governorate.
- 2 - **Trust (Wakf):** This is property set aside for charitable or religious purposes and usually administered by the Ministry of Waqf. Patriarchate property is considered waqf, but is independent of the Waqf Ministry.
- 3 - **Encroachment:** The civil code makes it possible for the possessor or user of a plot of land to gain ownership of that land if he occupies it continuously for 15 years and if the owner does not assert his rights.
- 4 - **Private Ownership or Freehold:** This is land ownership registered with the local district office of the land registration division, Ministry of Justice, owned by private persons or companies.
- 5 - **Public Ownership:** This land is registered as state property or lands owned by the state and which serves a public purpose. This land includes Cairo Governorate Amlak land, land reform, antiquity, and military properties.

The individual ownership of land is the most secure form of tenure and therefore the one most likely to encourage households to invest. Title is official recognition of ownership which offers security. It is very important to the occupants since it marks a significant transition from being an illegal squatter dweller to a respectable secure home owner.

Therefore, legalization of tenure appears to be the most effective instrument to secure the recovery of costs associated with the upgrading of informal communities from the residents, as it provides security for them. However, the legalization of tenure is a complex and often a controversial issue. In many cases, the residents of the settlement may have illegally invaded and occupied public land. In others, the land is legally owned, but may have been illegally subdivided, sold and partially developed without the permission of the planning and municipal authorities. Especially in the latter case, the authorities are often reluctant to legalize tenure as they might be pressed and obliged to introduce costly infrastructure services and community facilities.

The provision of legal land tenure was a basic program objective of the Helwan upgrading program¹. Accordingly land title was earmarked as the first program in the implementation plan of 1980. At the initial phase of implementation, however, it became clear that EAJP's role would be limited to testing procedures necessary to carry out the sale of government owned land to upgrading community residents, as it is not authorized to provide title. The Cairo Governorate, which is the authorized grantor of title, at that time had no set policy for a large-scale legalization of tenure.

It was only four years after the inception of Helwan upgrading program that the Government of Egypt started to address the issue of selling government land to squatters throughout all of Egypt. However, regulations and operating procedures were left to the discretion of local government.

The process of providing land title, therefore, has proved to be complicated and time consuming due to the absence of the following factors:

- 1 - Legislative framework and processes.
- 2 - Institutional framework and processes
- 3 - Value and valuation

II. THE LEGAL FRAMEWORK AND PROCESSES

A. General Background

Since the implementation of the project to upgrade seven informal settlements in Helwan began in 1980, significant changes have occurred in the legal framework within which the project operated. In 1978, when the project paper for the first upgrading projects was being finalized, there was no official policy regarding the proliferating informal settlements except for the ambiguous framework of Law 29/66 which grants discretionary powers to municipal authorities to service these areas. There was little understanding of the principles of upgrading at the local level and periodic questioning of the underlying concepts at the central level.

Since 1980, the government has been striving to control the chaotic patterns of settlement expansion. Law 135/81 mandated the regularization of informal settlements. With the enactment of this law, upgrading was recognized as a national shelter policy. Following the enactment of Law 135/81, governors turned to the legislature for new rules to govern the transfer of state land to settlers. Existing rules set by Presidential Decree 549/76 authorized such transfer only by charging occupants the full market value at the time of the sale.

¹The two most common types of land tenure in the Helwan upgrading project are Hekr and encroachment. Of the seven communities included in the project, the only private land is found in Izbet El-Bagour. There is also a sector of Arab Ghoniem which, as reform land, was sold to the inhabitants and parts of Sidequi and Zien in which encroachment is on antiquity and waqf property land.

B. Laws and Decrees

This section summarizes the key provisions of the major laws and decrees which together constitute the legal framework within which any program for regularizing title has to be considered. The main guidelines of a land tenure program are derived from the following laws and decrees:

- Law 31/1984
- Law 34/1984
- Ministerial Decree 857/1985
- Governor's Decree 225/1986
- Local people's council 183/1986
- Governor's Decree 261/1988

A chronological analysis of these laws and decrees, together with the regulations governing their implementation follows below:

1. Summary Overview

Law 31/84 empowered Governorates to dispose of the land through negotiated sales, conditional upon recipients obligation to utilize and develop the land in accordance with the purpose specified in the sale agreement. Violation of this clause would lead to the cancellation of the sale and loss of title. Also item five of Law 31 exempted those who legalize their land title according to the law, from the penalty of imprisonment.

On the 27th of March 1984, **Law 34/84** emphasized the penalty for encroachment by considering it a crime. This law amended the penal code by adding a paragraph which stipulates that anyone who encroaches on agricultural or vacant land would be sanctioned by imprisonment or fined not more than LE 2,000 or both penalties. The property illegally appropriated would be required to be returned.

Executive regulations for Law 31/84 were finally issued on June 24, 1985 by **Ministerial Decree 857/85**. The decree spelled out the conditions under which vacant government land could be transferred to occupants who had brought these waste lands into use prior to March 1984 when the law was passed.

The decree did not define the modalities of land transfers, however, beyond reiterating that they were to occur through sales agreements negotiated directly between the occupants and the authority having administrative jurisdiction over the land. Local government units have thereby been given wide discretionary powers to define their own operational procedures.

In the Cairo Governorate, the operational procedures were set by different committees composed from both the executive body and local council of the Cairo Governorate. A discussion of these follows below:

- After reviewing the previous decrees and laws, the Account and Financing Committee of the Economic Housing Project, proposed that the sale of government land would authorized only those cases where there are buildings which do not conflict with previously approved planning. In cases of encroachment which conflicts with the planning it is possible to lease the land temporarily to occupants. These recommendations were transferred to Cairo Governorate Local Peoples Council for its approval.
- On August 9, 1986, the local council approved Decree 4 of 1986 of the Economic Housing Account and Financing Committee. The decree covers detailed conditions and terms for the disposition of government properties in accordance with the previous laws and decrees. Based on these detailed conditions, the Cairo Governor issued Decree No. 225 of 1986 which covers regulations for settling cases of those taking hold of state land in the Cairo Governorate.
- A committee headed by the General Secretary of the Governorate was formed to supervise procedures settling cases of those taking hold of state land. An office at the Governorate Properties Administration was established for executive procedures.
- Thus, not until 1986, did the Cairo Governorate have a set policy for legalizing land title. Only in October 1986 did the Governor take the first step in implementing the land sale program by issuing an announcement in the newspaper. It was announced that occupants could obtain for LE 5, a form on which to submit a request to purchase their plots and to provide preliminary site survey information in support of that request. In addition, the occupants were to be charged a fixed fee related to the size of the plot a kind of "pre-payment" before the value of the land has been estimated. This fee is currently set at LE 10 per square meter. In addition, administrative fees of LE 1 per square meter are levied to enable the government to undertake a field survey of the settlements.

The Governorate set up offices for selling the application forms starting from 18 October 1986 to 17 November 1986. Applications were accepted from only 12 districts in Cairo according to a set schedule. Helwan district was one of the identified 12 districts.

In 1987, one year after starting the first procedure for selling government land, however, only 27,432 had purchased application forms. Out of this number only 720 occupants had paid the pre-payment of LE 10 per square meter. Moreover, none of the 720 occupants who have paid, have yet been granted their land title, due mainly to these constraints: the lack of capacity within the Governorate; the antiquated survey; and the title allocation system and procedures.

This unsatisfactory result has forced the Cairo Governorate to reassess its regulations and procedures. Consequently, a committee was formed by Cairo Governorate Local People's Council Decree No. 1 of July 1987 to review the regulations for disposition of state properties, in order for them to better comply with citizens' conditions and their means of payment.

The specialized committee had its first meeting on December 16, 1987 and submitted its report in March 1988. In this report, the specialized committee proposed a set of procedures for implementation. The committee recommended that Item 3 of the Governor's Decree (No. 225) which stated that occupants are charged a fixed fee of LE 10 per square meter as a kind of "pre-payment," should be eliminated.

The report was discussed by the main committee and they agreed on all the proposed items except for the major proposal of delaying the advance payment until deciding on the price. The committee also urged the Governorate to speed up the procedures for the 720 people who had already applied. The proposed items in the final report of the committee were incorporated in the Governor's Decree 261/1988 which supplemented the previous decree of 225/1986. Following the issuing of the Governor's decree a second press statement was announced by the Cairo Governorate. The announcement specified a period of two months for applying to purchase government land. After this period, those who have not applied will lose their right to buy the land and measures will be taken against them according to the law.

In summary, it has taken the Cairo Governorate four years to finalize its regulations and operational procedures for disposing government land.

2. Key Provisions

A. By-Laws of Law No. 31 for 1984

1. The concerned Administrative Organization has the right to dispose of the state's lands to people who have laid their hands on it before the execution of this law, i.e. before the beginning of April 1984.
2. The disposition of the land will be done through public selling with the possibility of paying the price by installments.
3. The one taking hold of the land applies personally to purchase the land during six months from the date this law is put in effect.
4. The aforementioned would be in accordance with rules and restrictions decided by the Ministry's Council for political or economic or social considerations.
5. The buyer is obliged to use the land for the same purpose it was sold for, as stated in the sale contract. In case of breaching this condition, the contract would be automatically dissolved and a compensation paid by the purchaser if necessary.

6. Exemption of cases settled by this law from assigned punishment or penalties for encroachment on state properties.
7. The rules established by this law should not conflict with other laws enacted for the disposition of the state's properties.

B. Ministerial Decree 857 of 1985

In order to dispose of state owned property one of the following conditions should be fulfilled:

1. Permanent structures have been erected on the occupied parcel, the demolition of which would inflict a severe hardship on the occupant.
2. Parcels kept vacant are part of a project owned by the occupant and considered an integral element or a necessary complement to its operation.
3. Plots vacant or occupied do lie within the boundaries of a permanent residential settlement.
4. Parcels used for productive, tourist or other commercial services project, which the authorities deem beneficial to the community.

C. Decree 183/1986 of the Local People's Council

The council in this decree approved the following recommendations made by the committee composed of the Balance and Urban Planning Committee:

1. A time limit of six months, which starts from date of issuing local people's council decree, is set for the Governorate to put this decree in effect. A report for the implementation is to be presented to the council at the end of the six months.
2. A study is to be carried explaining how to deal with those who capture the state owned land and abstain from applying to the Governorate.
3. The council is to be provided with a detailed statistical statement about that land which will be dealt with through sale and that which will be dealt with through lease.
4. Encroachment on the state owned land had continued after the date of the issuance of the Presidential decree 31/1984. These cases lately increased due to the belief that as previous illegalities has been legalized a similar thing would happen in the future.

5. The Governorate should check these lands through responsible districts and investigate the measures which had been taken to protect them from being encroached upon.

D. By-Laws of Cairo Governor Decree No. 225 of 1986, after the approval of Account and Financing Committee of the Economic Housing Project and Cairo Governorate Local People's Council.

1. Disposition of state's lands to people who have laid their hands on it before the execution of Law No. 31, 1984 according to the rules and restrictions of that law and Ministerial Decree 857 of 1985. The disposition of the government land will be done through sale by tendering it to occupants.
2. Disposition of State's Properties will be as follows:
 - a. Real estate development and encroachments which doesn't conflict with the approved area plan would be settled through sale according to Ministerial Decree 857 of 1985.
 - b. Encroachments which conflict with the area plan are to be dealt with through leasing it, provided that the contract should clarify that the area is a state property and that it conflicts with the general area plan and that leasing is only temporary for a specific time limit which the Governorate considers necessary for putting the decree into effect.
3. Disposition of state's land is to follow the following steps:
 - a. The one taking hold of the land would be given a specified purchase form for LE 5,100.
 - b. An amount of LE 10 (ten pounds) would be collected for every square meter purchase (as mentioned in the purchase contract) until a specialized committee ends its survey of area confinement and size and estimate of land price in addition to cost of infrastructure, which would be decided later.
 - c. From each applicant, one pound would be paid per each meter purchased for administrative expenses. This sum would be used for incentives for workers, buying stationary, maps, . . etc.

E. By-Laws of Governors' Decree 251/1988

This decree supplemented the previous Governor's Decree 225/1986 by adding the following items:

1. Applications are to be reviewed carefully to make sure that encroachment took place before 1984.
2. Pricing of each plot is to vary according to its: size, location street width, kind of use and its share in the cost of infrastructure.
3. Tendering the price with the occupant is to take place as soon as the pricing committee makes its estimate.
4. It is possible that the purchaser would repay up to 75% of the value over a period of ten years with an interest of 7 percent. The Governorate has the right to mortgage the property until all installments are paid.
5. Registration fees are to be paid by the occupant.
6. If occupants of government land do not apply during the specified period, they will lose their right to buy the land and they will be punished according to the law. Encroachment on government land is a crime according to Law 34/1984. Its penalty is imprisonment or a fine or both penalties.

It is clear from the preceding legal review that the sale of government land and collections of proceeds is now not only an initiative within the Cairo Governorate but also a national priority for Egypt. Therefore, the issue of the land tenure for the Helwan communities which were upgraded is now a small part of a very large process. Yet Helwan upgrading communities could be used as a model for testing the methods and procedures for legalizing land title in Cairo.

III. INSTITUTIONAL FRAMEWORK AND PROCESSES

A. Institutional Framework for Land Tenure in Upgrading Areas

Significant changes have occurred in the institutional framework since the beginning of the Helwan upgrading project. The most important institutional reform relates to the decentralization of legislative and executive responsibilities which strengthened the role of local government. This restructuring led to a progressive transfer of executive authority from the central ministries to the units of local government; the Governorates now hold considerable powers in the spheres of planning, housing and land development.

In the process of shifting responsibilities from central ministries to local government units, the changes have led to a paradoxical situation for the upgrading projects. Mandate, (i.e. the responsibility of implementation according to the Grant agreement) and capability remained vested in the EAJP under MOHU, while legal jurisdiction was transferred to various Governorates and district authorities.

In implementing the Helwan upgrading project, this paradoxical relation has constrained EAJP in carrying out the upgrading activities in general and the land tenure program in particular, EAJP's ability to recover costs became dependent on providing security of land tenure as a reward for payment; although EAJP had the primary responsibility for securing land title for residents, the Governorate still maintained the legislative authority over land tenure.

This attenuated division in roles and responsibilities between EAJP and the Governorate made it necessary for EAJP to legitimize its role with the Governorate as well as to find a way to combine cost recovery with the granting of land title. To accomplish this goal, negotiation started between the Cairo Governorate and EAJP in November 1986. Several meetings have been held since that time, which have produced the following results:

- 1 - The principle of cost recovery through legalizing land title was fully accepted by the Cairo Governorate, as documented in the minutes of meeting and the correspondence between EAJP and Cairo Governorate.
- 2 - EAJP started to be represented in the meetings of the Cairo Governorate which discuss the issue of selling government land.
- 3 - The Executive Council of the Cairo Governorate has endorsed upgrading as an implementation policy for the informal settlements and prepared urban plans for six new communities. In response to an EAJP request, Decree 61/88 was issued to designate these communities for a new upgrading project in Helwan; the decree also delineates vacant land in these new areas for public facilities.

It should be noted that the involvement of the Cairo Governorate in planning and implementation for a new project led to a marked improvement in speeding the implementation procedures; while it took EAJP two years to get the approval of Cairo Governorate for the urban plan of the old project; it took the Governorate six months to carry the same task for the new project.

- 4 - The Governor sent a letter on 11 May 1986 to USAID expressing his interest in sponsoring new upgrading projects similar to those of Helwan and Manshiet Nasser in partnership with EAJP.
- 5 - A study of the cost of upgrading was presented to the Cairo Governorate and the cost per square meter was estimated at LE 20. EAJP emphasized that the aim of cost recovery is to replicate similar projects; nonetheless affordability is constrained by the incomes of inhabitants, and affordability should be the major factor in determining the percentage of cost recovery in regard to land and infrastructure cost. It was agreed that infrastructure costs will be added to the sale price of the land.
- 6 - The Cairo Governorate delegated the authority to EAJP to design the implementation program for legalizing land title in the existing upgrading areas in partnership with the Governorate. This program had to be within the established legal framework for selling government land. This was a major step by Cairo

Governorate to recognize that EAJP had the knowledge and skilled staff, the procedures, and the lines of communication with Helwan upgrading communities to play a key role in a program of land title and regularization.

Recognizing the need to establish a legitimate role for itself in the land tenure process, EAJP started the first step in implementing a land tenure program. It requested the General Organization for Surveying (GOS) to provide a quotation for land surveys of the Helwan upgrading communities. GOS gave a cost estimate of LE 157,000 and a time frame of 36 months to complete the survey work for six communities. GOS began work in October 1986 and has now completed most of the work.

During the course of implementation, the Cairo Governorate has recognized the effort needed to implement such complex projects. It also has perceived the value of having EAJP as a central management unit which adopts upgrading as a legitimate shelter program for low-income Egyptians. On the other hand, EAJP has recognized that to institutionalize future upgrading projects, the existing distribution of responsibility between the central and local government has to be in accordance with statutory authority and jurisdiction.

In addition to establishing them on a clear legal footing, the institutionalization of upgrading programs, in this way with the Governorates and the district authorities included in all phases of implementation, can have a far reaching impact.

B. Recommended Organizational Structure of New Upgrading Areas

The successful implementation of the upgrading project in South Helwan resulted in a more cooperative and smooth relation between EAJP and Cairo Governorate. To institutionalize the role of EAJP and the Governorate in a proposed future upgrading project, a partnership agreement was reached on 11 March 1987. This agreement identified the roles and responsibilities of each party. While the Governorate would assume responsibility for implementation, EAJP's roles would include funding, planning, coordination, overall management and technical support.

1. The Role of EAJP

EAJP is a central agency already vested with the mandate for undertaking "community upgrading project," and possessing competence and experience in planning and implementing such projects. As an Executive Agency of the MOHU, EAJP will be called upon to formulate "community upgrading" policy. At one point in 1986, it was expected that EAJP would become a general organization specialized in urban "community upgrading" projects. (There is already a

proposal in a presidential decree concerning this issue.²⁾ Until this decree is issued, EAJP could be restructured to meet its new role of institutionalizing "community upgrading." As an executive agency of MOHU, EAJP would establish a high level policy committee, grouping officials in the name of under-secretary and above. As a General Organization, EAJP would have representatives of the Governorates and utilities on its board. The board would perform this high-level policy formulation function. Its decrees would be endorsed by the Minister of Housing and have the force of administrative law.

The purpose of the General Organization or EAJP as a central agency is to set the overall policy at the national level and to coordinate the various participating line ministries, as well as developing the Governorates' capabilities in upgrading.

EAJP's roles in the future projects will include:

- a) Training local units to implement integrated upgrading programs that would enhance the Governorates abilities and capabilities in planning, budgeting and implementation functions.
- b) Setting upgrading policy and planning guidelines.
- c) Strengthening the planning, programming, monitoring and budgeting capabilities.
- d) Instituting unobstructed channels of communication with the Governorates and other autonomous central agencies involved in upgrading activities.
- e) Assisting Governorate and District implementation units in selecting sites for upgrading, promoting community organization and public participation, introducing cost recovery and credit programs, carrying out urban planning and engineering design, preparing tender documents and supervising public works construction.

²A proposal was drafted by EAJP to the High Committee of Politics headed by the Prime Minister in 1986. The Minister of Housing (Mohamed Mohsen) presented the proposal but it was refused. EAJP was trying to push the proposal for another time by other means but till now they have not succeeded. Recently, the new Chairman Abd El-Wahab El Sabeaa believes that there is no need for EAJP to become a general organization because they can get their independent identity by having a "private box." This box will allow them to keep their own funds and have their independent budget. The new Chairman is very active in this direction and he might achieve this financial independence very soon. If this new direction succeeds then EAJP will remain as a central agency under the MOHU. The previous by proposed role (in any future projects) for EAJP as a General Organization would also apply as a Central Agency.

2. Executive Committee

A key feature in the management of new projects is to be the presence of an executive committee for "community upgrading" in each Governorate, the Executive Committee is to act as a project steering committee and a channel for interagency communication, so as to ensure the implementation of projects in the Governorate and manage their execution. This committee will be chaired by the governor or his representative. Relevant senior members at the Governorate level and district level as well as the chairman of EAJP or his representative will be members in this committee.

Functions of the committee will specifically include:

- a) Endorsing plans and proposals regarding the design and implementation of projects.
- b) Coordinating agency involvement in implementation.
- c) Evaluating the adequacy of existing executive regulations and recommending supplementary or alternative procedures.
- d) Assessing the capabilities of district agencies, delegating responsibilities to them and securing for them the support they need to undertake the tasks assigned to them.

3. The Role of Local Government in Upgrading

A series of laws enacted between 1979 and 1982 have had the following impact:

- A twin hierarchy of elected local popular councils and executive councils has decentralized the decision-making processes and promoted active local participation in the administration of local affairs, and
- Urban districts and Governorates have each been granted a legal personality to become a unit of local government.

The organizational structure now recognizes the legal authority of the local units to implement "community upgrading" programs. The organizational structure of the new projects has a solid link with the three levels of the local government:

- First, at the local government level, a senior member from the Amana (Technical Secretary) will be represented in the board of the General Organization;
- Second, at the Governorate level, an "executive committee" with members from EAJP and the Governorate will manage the project; and
- Third, at the district level, an implementation unit will be formulated to execute the programs with the technical assistance of EAJP.

a) Popular Council Role in New Upgrading Projects

The decision making mechanism in the new projects will follow the existing legal channels in the local government. Lower level units make recommendations to higher levels on matters of joint interest, and refer to them the decisions or matters of local interest for approval and adoption. Proposals from districts and other local units, and requests from central ministries are submitted for final review and action at the Governorate level. Matters are reviewed by officials in charge, the executive council, and the governor, who refers them to the popular council with his recommendation. The council's action is communicated to the governor, who then issues the appropriate executive decrees. On the other hand, some issues will be initiated at the policy level and then go down through the previous channels. Therefore, it is a two-way process.

b) Project Implementation Units

At the district level, there will be a Project Implementation Unit (PIU). This unit will be responsible for implementing the project according to the designed plan. There will be a general manager responsible for the execution of the program. He will be a member of the executive committee at the Governorate level to coordinate execution with work plans and policies. PIU's at the district level will be composed of members from the district and EAJP and they will be managed by the Governorates, but they will depend on EAJP for technical assistance. On the other hand, EAJP will monitor and assess the progress and work plans of the PIU's at the district level.

c) Field Team

At the community level, a field team from both PIU's will be formulated. The purpose of this team is to establish the principle of a "bottom-up" approach and to mobilize local participation. They will have a permanent office in the community. Processing of the implementation plan will be carried out from this office.

After setting the legal framework and organizational structure for the new upgrading project, both EAJP and the Cairo Governorate were in a strong position to start implementation. Unfortunately, however, the Governorate lacked the necessary funds. These developments took place after USAID approved a project identification document (PID) for a new upgrading project. USAID has been hesitant to finalize a project until the land title and cost recovery procedures were in place. To speed up the implementation of a land title regularization program in the upgrading area of Helwan, however, EAJP proposed to assist the Cairo Governorate in designing this program. In response to this proposal, a Joint Committee from Cairo Governorate (7 members) and EAJP (4 members) was established by a Governor's Decree (No. 1988). According to the organizational chart in the agreement, the joint committee is headed by the deputy governor.

3. The Role and Structure of the Joint Committee

a) Structure

A joint committee was established in Cairo Governorate from EAJP and the Governorate. The committee is headed by the deputy governor and includes the following members:

Deputy Governor	Chairman
Director of the Housing Directorate in the Governorate	Member
Technical Consultant in the Governorate	Member
Director of Physical Planning in the Governorate	Member
Director of Legal Affairs in the Governorate	Member
Director of Properties Administration in the Governorate	Member
Chief of Helwan District	Member
Four members representing EAJP and its consultants	

EAJP issued a decree identifying its members as follows:

- General Manager of PIU
- Director of Planning and Monitoring Department
- Director of the Chairman's Office
- The CHF Social Development Consultant³

b) Function

The Joint Committee is mandated to consider policy decisions concerning new upgrading projects. The committee is currently giving priority attention to the land title program due to its important implications for the future of upgrading.

³This member was changed after the end of the CHF contract, under which advisory services in the area of upgrading, inter alia, were provided to EAJP.

The Joint Committee has the following responsibilities:

- a) Organizing and monitoring a land title and cost recovery program in the ongoing upgrading project implemented by EAJP. This program will be run in accordance with the organizational structure set in the agreement between EAJP and Cairo Governorate. Both EAJP and the Cairo Governorate will establish a field team to start processing the land title program.
- b) Reviewing proposals for new upgrading areas and setting the criteria for the selection of new upgrading projects.
- c) Identifying the sources of funds for new projects.
- d) Issuing the necessary approvals for new projects and identifying the means of cooperation between the local government and EAJP.
- e) Issuing the necessary decrees for establishing the implementing units in each project. It also establishes the structure and its relationship with the different units in the new organizational structure according to the guidelines set in the Organizational Charts appended.
- f) Formulating rules and regulations of work and specifying the tasks and responsibilities of various implementing units. It also supervises the system of responsibility delegation.
- g) Approving the main implementation plans and carrying out periodic evaluation and reviewing progress reports.
- h) Instituting effective mechanisms to promote coordination and cooperation between EAJP, the Cairo Governorate and other autonomous organizations involved in upgrading activities in order to enhance the steady progress of project implementation.
- i) Setting the policy for self-financing of upgrading projects by encouraging local participation and supplying cost recovery principles.

The organizational charts for new projects and the land title regularization program are shown in the Appendix to this report. These charts were reviewed and approved by both the EAJP and Cairo Governorate. The approved organizational structure is not yet in action, however, except for the joint committee which started its activities six months ago by designing the land title program.

IV. THE ISSUE OF VALUE AND VALUATION

The value of land on a given site depends on the context of the city-wide land market and the likely trends in land development and speculation. Usually the prices of land are influenced by the balance of supply and demand, land tenure, location and service provision. For land outside the "free" land market, a value will also exist, though it will be less likely to fluctuate with the market forces. Conversion of squatted land into the freehold market can take place only through the regularization of informal settlement to freehold. For government owned land, a value must be determined according to the law and the established terms and conditions set by each Governorate. Value is a major issue in the regularization of land title because if the value is higher than what people can afford, they will not be able to pay to regularize their title, and if it is too low it encourages squatting and decreases the percentage of cost recovery.

A. Perception of Cairo Governorate

The main guidelines for the Cairo Governorate in setting the value of government land is derived from the laws and decrees described earlier in this paper. These include the following:

- The land value is established through a two committee process. A primary committee recommends and a higher committee approves. Should the purchaser disagree with the final price, an appeals process through committee will be established.
- Existing rules set by Law 30/84 and its subsequent decrees authorized transfers of state lands to settlers only by charging them the full market value at the time of the sale, a policy which seemed politically unfeasible and socially inequitable.
- Price differential variables relate only to standard factors of: Plot size - length of the street, location and use of the plot. There is no consideration for the duration of encroachment (one year or 20 years) nor the type of tenure, i.e., hekr or encroachment. Also there is no consideration for people's ability to pay.
- Before the committees start the procedure of valuation of the plot, occupants are charged a fixed fee related to the size of the plot as a kind of "pre-payment" and currently set at LE 10 per square meter. However, there has been major objection to this clause by the specialized committee and in their report they proposed its elimination. However, this recommendation was refused on the grounds that the pre-approval payment may be the only collectable one.

To the Governorate administrators, the legalization of land title is potentially a major source of revenue which the Governorate will use to build economic housing for the low-income. It is also a means of protecting the vacant land. Legalizing encroachment by providing land title implies that these settlements would be incorporated within the urban institutional framework which is governed by codes and regulations in force.

The main problem in realizing these objectives, however, is that the Governorate doesn't have the capacity to implement a land title program all over Cairo. Also they don't have capability to enforce their decrees. Hence the proposal of EAJP to assist in implementing the land title program in Helwan upgrading project, was welcomed by the Governorate.

The joint committee started its implementation procedures by valuing the land in one of the upgrading areas (Rashed) as a trial to assess its procedures. The pricing committee proposed to the joint committee its estimate, which ranges from LE 100 to 120 per square meter. The rationale of the pricing committee for such a price, which is neither affordable nor acceptable to the occupants, is as follows:

- Members of the two pricing committees see that the law is clear in stating that pricing of government land would be according to the market rate at the time of charging the price. Accordingly, they cannot deviate from the market rate except in a very limited way. They proposed a reduction of about twenty pounds per square meter from the original price.
- The committees pointed to the fact that they are executive bodies and their role is limited to the execution of the law. Any changes in the regulations should come from an authorized body.

Setting a value for land that is acceptable for the occupants and the Governorate is the most crucial issue in the process of legalization of land tenure. It is clear that the Governorate did not succeed with its existing laws and regulations to attract occupants to apply and, further, even those who did apply have not received title, thus providing little further incentive to others. The Governorate Committee established in July 1987, urged that the processing for the 720 people should be accelerated; however nothing has happened. It seems that the Governorate does not have the capability to speed its procedures of granting land title. On the other hand, the prospect of increasing the government revenues by selling the land to existing occupants is very attractive.

Some decision makers in the Cairo Governorate look at the issue of land tenure not only as a source of revenue for the Governorate but also as a means of security and stability of squatter settlement. Thus, they are willing to accept a symbolic value that is affordable to the occupants and would cover the cost of developing these settlements. Yet the jurisdiction which specifies setting the value according to full market rate constrains the executive body from becoming more flexible. The resolution of this issue seems to lie in the interpretation of the item which specifies that the sale price will be negotiated with the occupant. Certain procedures for negotiation should be set to account for the occupants' input in the pricing process. There is also the possibility of appealing to top decision makers to exempt the upgrading areas from the market rate value of land. This clearly has proven an uncomfortable step for Cairo Governorate to take, since exempting one area could imply that title will be granted in all informal areas with a low price. To the Governorate this will lead to the loss of a lot of government revenues.

B. Perception of EAJP

Land tenure in the Helwan upgrading communities is identified as an issue of primary concern to the residents. It is clear to EAJP that the key to infrastructure cost recovery is the ability to offer the reward of land tenure. Where owners pay cash for land and infrastructure improvement, title would be granted immediately. Where land and improvements are repaid over time, title would be granted when final payment is made.

In numerous meetings held between EAJP and Cairo Governorate, EAJP informed Cairo Governorate that the total cost of upgrading amounted to about LE 30 million and the average cost is about LE 20 per square meter. It was agreed that the Governorate will take this into consideration when selling land in upgrading regions in Helwan to those taking hold of it and that price will be derived from EAJP's costs to upgrade these communities.

However, EAJP made it clear in its correspondence that the main factor which will determine the price per square meter including infrastructure costs will be beneficiaries ability to pay, taking in consideration social and human aspects of low income living in these areas. To EAJP, although the aim of cost recovery is to allow replication of new similar projects, nonetheless, the limitations on people's ability to pay should be the factor determining the percentage of cost recovery in regard to land and infrastructure.

EAJP is willing to charge only LE 10 per square meter to cover only the cost of on-site infrastructure and assist in making the price affordable to low-income residents. Being in close contact with residents of squatter communities, they believe that the price set by the committees will not be acceptable to the occupant, yet they sympathize with the committees' legal constraints.

C. The Perception of the Residents of Upgrading Areas

Residents of the upgrading areas in Helwan had reacted strongly to the Governorate's decrees and regulations. They expressed their view in the various meetings that were held with representatives from Cairo Governorate and EAJP. No one in these communities has applied to legalize his land tenure. In a memo signed by most of the leaders in these communities and presented to the Deputy Governor in February 1987, the following views were expressed:

1. Residents of these communities had been allocated government land by the government as in the case of Rashed and Arab Kafr El Elw. In the case of Rashed their original areas was flooded in 1946 and the government moved them to Arab Rashed. Residents of Kafr El Elw were in the location of the Iron and Steel factories and the government moved them to Arab Kafr El Elw. In the 1950s, the government surveyed occupants as Hekr. Hence, they feel that they are legal and have been paying regularly to the government like the "hekr."
2. A common objection among residents of these areas is the advance asked by the Governorate. They see that LE 10 per square meter (which is one of the terms of regularizing land title as announced by the government in the newspapers) is not

feasible or affordable. They also objected to an advance being required prior to identifying the price. Registration fees which is LE 1 per square meter should be considered as an advance.

3. They recommended that the price should be set according to the time of settlement and not according to the time of land sale. Several examples of prices in the 1950s and 1960s were quoted which ranged from 25 piasters to one pound. They also quoted the prices at which the public sector (such as cooperatives and agricultural reform) had sold its land and requested to be treated similarly.
4. They requested that there should be variation in the price according to the kind of tenure, i.e., Hekr or encroachment. Also, the amount of advance should vary from one community to another, i.e. Helwan is not like Heleopolis.
5. They referred to the fact that most residents in these communities had taken home improvement loans. Repayment of these loans will limit their affordability for land sale payments.
6. They requested that leadership of these communities should be represented in the committees of pricing and processing of land tenure program.

V. CONSTRAINTS AND ISSUES

Despite the existence of the legal and the institutional framework for the land tenure program in Cairo, the process of legalizing land title has proved to be more complicated and time consuming than the other Governorate's experiences, i.e. Ismailia and Aswan.

1. A major obstacle in executing a program of land tenure is estimating a price for government land that is acceptable to settlers and the government. To Cairo Governorate, the land tenure program is a national program with the major objective of legalizing land and increasing the revenues of the Governorate. The procedures of implementation are set by laws and decrees which would be enforced on settlers. The occupants' capacity to pay is not an issue for consideration in the Governorate's plan of action.

On the other hand, in the upgrading projects affordability is a major issue that needs to be resolved. The land value and cost of upgrading should not exceed the paying capacity of the occupants. Apparently if the price of land exceeds the paying capacity of the lowest income groups, those groups will be unable to pay the cost of land title and will default on their payment. To charge high rates for rich families and low rates for low-income families, is very difficult to administer. To verify the reported income of residents of all squatter areas in Cairo would be time consuming and very costly. It is almost an impossible task given the existing capabilities within government agencies.

Thus to resolve this issue, authorities in upgrading projects tend to establish a cost that the poorest families in the settlement can afford as in the case of Ismailia and Aswan. But this resolution has not been acceptable to Cairo Governorate because it would deprive the Governorate of a lot of potential income given the high volume of encroachment in Cairo Governorate.

2. Another major constraint in legalizing land title in the existing upgrading areas is that infrastructure and improvements have already been constructed. Hence, the motivation and incentive for paying for the cost of development through legalizing land title is weak. The existing upgrading areas should be treated differently than other new areas. In the new project areas, the method of processing land title and cost recovery should go together; negotiation of the recoverable cost of improvement and legalizing land title will be the first step in implementing the program.
3. Another obstacle which negatively effects the legalization of tenure in Cairo is the institutional incapacity to cope with the volume of encroachment in Cairo. It is clear that the government land record is incomplete and the exact volume of encroachment is unknown. To start processing legalizing land tenure would require surveying, and title allotment system which are lengthy and costly. Tying the legalization of land in the upgrading areas with the national program of government land sale in Cairo has a negative impact on the process of land tenure and cost recovery.

VI. DIFFERENT EXPERIENCES OF LAND TENURE

A. Nassiriya Upgrading Project (Aswan)

The Nassiriya upgrading project has been conducted by the Aswan Governorate in conjunction with the German Agency for Technical Cooperation (GTZ). Begun in 1986, the upgrading of Nassiriya has been conceived as an integrated project, aimed at gradually improving living conditions and providing also for the expected future population. Nassiriya, which is the largest unplanned settlement in Aswan is located at about 20 km east of the center of Aswan town. It comprises approximately 100 hectares and 50,000 residents.

1. Regulations of Land Tenure

The entire land on which Nassiriya is built is owned by the governorate which has leased plots (Hekr) on annual basis to the present lease - holders. Originally, 4,756 plots were granted probably to migrant workers who settled down at the project area, and some plots were occupied or constructed by governmental agencies. Due to extensive subdivision and occupation of most open spaces and empty plots, residential density has increased substantially during the last decade.

The acquisition of the plots is among the major priorities of the leaseholders in Nassiriya which corresponds to Governorates' policy of selling rather than leasing, also as a means to recuperate

investment in infrastructure. In accordance with prevailing procedures presented by the law, selling price is determined by land value and the costs of infrastructure per square meter of the net residential area. The common practice in Nassiriya is to attempt to recuperate investment and land value at costs affordable to the target group, setting land value below the market value in order to combat speculative trends. Market value per square meter of residential plot is estimated at LE 40 compared with an average of LE 10 charged by the Governorate.

To counteract any speculation, it was recommended (by the consultants) that plots be sold to resident - leaseholder on the condition that they would not be transferred and resold for a period of 10 years (conditional sale) and that the community council should approve each such transfer and sale. It is too early to judge if this recommendation will be enforced or not because the land title program is still in its first year of implementation.

It was also recommended that land sale policy under the Nassiriya upgrading project should involve the following principal regulations:

- a) Chargeable costs and plot charges should be determined based on the cadastral survey and detailed implementation studies.
- b) Plots should be sold to residents but not to absentee leaseholders.
- c) All tenants who permanently reside in Nassiriya and who possess only one plot of 200 square meter or less may acquire the plots which they lease, unless located at roads designated for widening. In the latter case, the space along the road to the depth of 1.5 meter shall remain public property and shall not be sold to the leaseholder.
- d) Tenants who lease one plot of more than 200 square meters may acquire also the area exceeding 200 square meters at a price double the stipulated one, to be paid in one installment.
- e) Renters who have acquired the house which they occupy from the tenant, should be entitled to purchase the plot on which their house is constructed.
- f) In the case of tenants who possess more than one plot, the following criteria shall apply.
 - A tenant who has no adult sons should have the right to acquire the plot which they occupy only. The additional plots, optionally shall be offered to the renters interested in purchase the house.
 - A tenant who has adult sons may purchase no more than two additional plots of up to 200 square meters each on the name of his/her first two adult sons. Additional plots optionally shall be offered to renters interested in purchasing the house and plot.

2. Land Sale Procedures

The Nassiriya Model Upgrading Project is to be sponsored and monitored by the Governorate of Aswan during the construction phase of three years, by the end of which responsibility for the long-term socio-economic development and the initiation of an extended upgrading program elsewhere in Aswan, should be assumed by the Municipality.

The Governorate (Law No. 50 of 1981) is the coordinating executive authority headed by the Governor who is a presidential appointee with the rank and powers of a Minister, like other governors in Egypt. In addition to the executive tasks of approving planning, budget proposals, etc., by the local and regional authorities and councils, securing the implementation of annual plans and local coordination also with the people's councils, the Governor also has the right to lay down the rules for selling or leasing government land for selling or reclamation.

The rules for selling the Nassiriya land were based on the recommendation of the upgrading project team and the plan of sale presented to the governor in April 1988 by the community council.

Land sale started in Aswan by the governor's decree No. 60 for 1986 which establishes land sale committees to set the price for all land within Aswan city. These committees follow the law by setting the price according to the proposal of a primary committee and a higher committee. In the case of Nassiriya upgrading area the land value was proposed by the upgrading project which ranged from 5 to 15. The value was negotiated with the residents in a meeting with the governor and the people proposed a decrease in the value which was approved by the governor. Apparently the land value set for Nassiriya is not much lower than the estimate of the pricing committees for other similar areas. For example, the squatter area Haron which is in a better location than Nassiriya was estimated by LE 15 per square meter.

To speed up the process of legalizing land tenure in Aswan the governor established four land sale committees including the one for Nassiriya area which was formed by decree No. 306/1988. The decree identified the members of the land sale committee and emphasized the establishment of a land sale office in Nassiriya. The land sale office in the upgrading area Nassiriya is comprised of: 5 surveyors, an accountant and a head of Properties Administration, as well as a member from the Community Council who is responsible for filling and verifying applications. Applications began to be accepted by the Nassiriya land sale office starting in October 1988. Until now, out of the 7,000 tenants in Nassiriya about 1,000 applied and about 500 were processed; more than LE 200,000 has been collected from the tenants, with about half of the applicants paying full value in cash. Selling conditions involve a down-payment of no less than 25% and a repayment period of up to 10 years at 3% interest for the rest of the amount. These conditions apply for the remaining 2 years of the project. Afterwards, a market rate value of LE 30 - 40 per square meter will be charged. The Nassiriya project ends in the year 1990.

3. Sale Price and Conditions

The sale price was determined in accordance with the altitude of the land on which the house is located. The altitude of the land is identified as a major criteria of pricing in Nassiriya because the site is on a hill. Usually the higher up we go the more difficult we have access to transportation and public facilities, therefore, the land is cheaper on the top area of the hill. That is to say the following: land price per square meter at an altitude of up to 100 meter amounts to LE 10 per square meter.

- Land price per square meter at an altitude of 101 - 120 meter amounts to LE 7 per square meter.
- Land price per square meter at an altitude of 121 meter or more amount to LE 5 per square meter.

The selling conditions are determined by the project's objective to provide for the financing of infrastructure components out of land acquisition proceeds as well as by the payment capacity of the residents.

In order to provide an incentive to those interested and capable, a discount of 10 percent is offered to those paying 100 percent of the stated value upon signing purchase agreement.

It is clear that variation in price is limited to the altitude variable and size of the plot. No consideration is given to location or use of the plot.

B. Ismailia Experience in Land Tenure

The two demonstration projects in Ismailia combine upgrading and sites and services. They are called El-Hekr which has been renamed Hai El-Salam and Abu Atwa which is a more rural area. These projects had existing populations in the order of 75,000 living in traditional and squatter settlements. The project area of El-Hekr covers some 226 hectares, which is all owned by the government. The population of El-Hekr in 1977 was approximately 40,000 and consisted of low income government employees (51%), informal sector workers (30%) and small traders.

For upgrading areas, the proposal deliberately set the price of land at a low level (LE 1.76 per square meter) with repayment over 30 years to ensure that even those with very low incomes would be able to afford them. It was proposed that income from the sale of the land would be used to provide basic infrastructure and also pay for administration and services such as solid-waste collection and maintenance. This low level of price was based on the consultants' calculations of affordability (in 1979), which was higher than the price of government land (when sold at that time) of LE 0.5 per square meter. At the same time the market price with freehold tenure in these areas was LE 10.15 per square meter.

During implementation of El-Hekr project, the original pricing proposals were modified. The Agency Board increased the lowest price to LE 2.25 per square meter. The payback period was reduced from the original proposal of up to 30 years to ten and then to five. This price has

increased over time; the lowest prices have been changed from LE 2 to LE 4 to LE 6 and now in 1988 it has reached LE 10 per square meter without the cost of infrastructure. The price increases according to the location and use of the plot.

1. Institutional Framework of Land Tenure in Ismailia Upgrading Projects

The establishment of the urban planning and land management agency and upgrading projects in Ismailia is based on:

- a) Law No. 43/79 of local government which gives the right to each Governorate to initiate uses of the housing funds.
- b) Recommendations of the Technical Assistance Consulting Office "Clifford Cuplin and Partner" regarding Ismailia Demonstration Projects.
- c) The Agency was established according to Ismailia Governor's Decree No. 425/1986. Article One, Section C of this decree states that:

"The projects mentioned hereunder belong to the Economic Housing Fund:

1. Urban Planning and Land Management Agency,
2. Upgrading Hai El-Salam Project,
3. Upgrading Abu Atwa Project,
4. Upgrading Manshiet El Shouhada,
5. Kantara Shark Urban Planning Agency,
6. Fayed City Upgrading Agency,
7. Cooperative Housing Project, and
8. Industrial Zone Project.

A committee had to be formed for each project by Administrative Executive Order from the Governor. The project committee is charged with the responsibility for specific project areas under the control and supervision of the Governorate Secretary General. Each project has a separate budget and surpluses of each project are to go back to the Housing Fund at the end of every fiscal year. Every year each project has had a new plan to be executed and financed using the surplus over and above other sources of revenue.

2. Procedures for Land Price

Land price was determined in the upgrading areas according to the following procedures:

- a) The Project Committee has authorization from the governor in all the administrative and financial procedures of land title except for the final procedure of signing the final contract of land title which is the responsibility of the governor.

- b) The financial committee, which is composed of a financial member, a legal member and the project director, decides the price of land according to market prices or comparable prices for similar areas and similar economic conditions. The prices are also determined on the basis of the actual cost of infrastructure plus 10% of (the price of land and actual cost of infrastructure) for administration expenses).
- c) A meeting is held between the occupants of upgrading areas, the governor and the administrators of the project. In this meeting the planning alternatives, the price of land and the cost of infrastructure are discussed with the residents.
- d) The decision is then reviewed by the Board of Directors and presented to the governor for approval.
- e) The governor gets the approval of the Executive Council, and in some cases the local council. In the case of upgrading projects there is no need to get the approval of the local council because the land is already designated for upgrading by the local council.
- f) If occupants sell their land or give it up, they have to do so through the Board of the project. The Board applies different rates to the original sales price, as follows:
 - 50% of the original sales price for the nuclear family.
 - 100% of the original sales price for Ismailia citizens or residents.
 - 150% of the original sales price for Governorate outsiders coming to Ismailia to reside.
 - 200% of the original sales price for multiple buyers not residing in Ismailia.

The pricing system has several advantages, but the most important is the fact that the pricing decision is mainly controlled by the upgrading team. Hence, the implementation procedures are decentralized and simplified because authority is delegated from the governor to the project directors.

C. Conclusion

It is obvious that the previous two experiences succeeded in achieving the objectives of legalizing land tenure by emphasizing the following principles:

1. Setting a price that is affordable and acceptable to the low-income residents.
2. Residents participate in the pricing decision. The participation of the people in the planning schemes facilitate the processing of the land tenure and the acceptance of the price.
3. Both upgrading experiences had a strong impact on the implementing team. Upgrading teams are more sensitive to the residents needs. Also, upgrading schemes require documentation of the socio-economic conditions of the settlers which enable the members of the team to propose an affordable and acceptable price.
4. Both governors were flexible in applying Law 30/1984 and delegated the responsibility of pricing to the board of the upgrading projects.
5. Although the Ismailia experience did not have a set of regulations to prevent speculation as in the case of Aswan, yet they succeeded in controlling the transfer of ownership by imposing extra fees on these transfers. These extra fees amounted to about LE 1/2 million in the year 1988. Whether the Aswan experience will succeed in preventing speculation and enforce its detailed regulations in processing land title is still too early to judge.

The Helwan upgrading project started at the same time of the Ismailia project, and yet Ismailia succeeded in implementing a land tenure program and Helwan has not yet done so. There are many lessons that the land tenure program in the existing upgrading areas could learn from both the Ismailia and Aswan experience. Once the land title program in Helwan is implemented, this program will set the model for the rest of Cairo.

VII. RECOMMENDATIONS AND GUIDELINES FOR PROCESSING LAND TENURE PROGRAM

Despite the delay and constraints in processing a land tenure program in Cairo, the lessons learned in the different upgrading projects have potential in the resolution of these issues. Yet we have to keep in mind that the scarcity of land in Cairo and its increasing value always make the land tenure program more complicated than elsewhere in Egypt.

A) Recommendations Related to the Issue of Value

It is recommended that the price set for land be affordable to the low income settlers in a specific community. As for increasing the revenues of the government, it is possible to charge different rates in relation to use, i.e., commercial versus residential. Also, cross subsidization could be achieved by limiting the low price to a certain number of square meters and any additional number of meters be charged more.

Based on the socio-economic studies carried in the existing upgrading areas as well as the calculations of the cost of developing these areas. EAJP proposed a value for land and infrastructure that ranges from LE 20 to 40 per square meter. To avoid speculation and to achieve cross-subsidization, the following restrictions were recommended:

- 1) The tenant should not buy more than one house, with an area of 200 square meters for all the family; it is possible to buy up to 400 square meter with a double price if he has children, any extra meters should be estimated according to the market rate.
- 2) The tenant could assign the plots to his sons, a house at a maximum of 200 square meter space to each one with the proposed price. More than 200 square meters and up to 400 square meters will be estimated by double price.
- 3) If the tenant is dead, his widow can buy the plot with the same conditions.
- 4) The tenant could assign the plots, on which the houses could assign the plots, on which the houses are established to the renters if he has no children. The price of the building should be decided upon between the tenant and the renter. Then, the renter "new tenant" can buy the plot with the previous conditions.
- 5) Any transfer of ownership should be carried through the project, on condition that:
 - If assignment is made to relatives of the first degree, the price should be estimated with the same conditions plus 50% more provided that the area does not exceed 200 square meters.
 - If the assigned area exceeds 200 square meters, the price should be doubled for each 50 square meters.
- 6) The value of the plot should vary according to the following elements:
 - Use of plot (residential - commercial)
 - Location of plot
 - Size of plot
 - Period of occupancy

B) Guidelines for an Operational Program for Processing Land Tenure

After resolving the issue of value, the trial program should start immediately. Izbet Rashed had been identified as a trial area. This area is part of the upgrading scheme that has had a number of socio-economic surveys conducted and maps made. Its title allotment maps are finalized by the Survey Department. Also, this is the first squatter area (after Manshiet Nasser) that was valued through the two pricing committees. The existing upgrading communities are ready to start implementation. These areas could be utilized as an experiment for testing the Governorates' policy and implementation procedures for future, wider application. However, to speed up implementation, the following factors have to be considered:

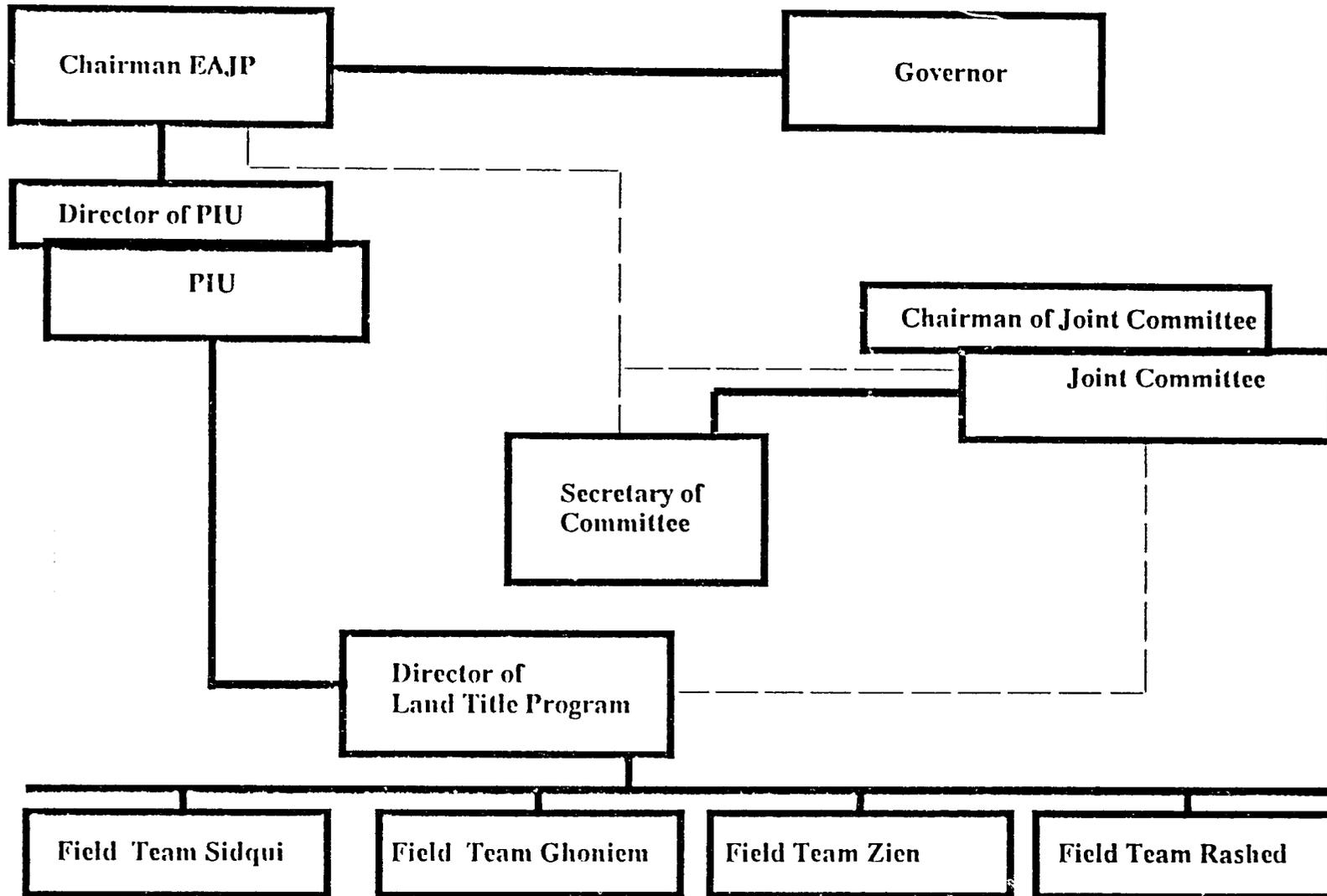
- 1) A field team should be identified to start planning for the implementation of the land tenure program. According to the institutional framework, the Cairo Governorate is the authority for implementation; yet the Governorate has agreed to delegate its authority to EAJP in executing a program of land tenure in the existing upgrading areas. Such a program, however, would be under their supervision and with the technical input of the Properties Administration in the Governorate.
- 2) The executive body from EAJP and Cairo Governorate should be located in Izbet Rashed. Thus a land sale office would be established in the Community Organization in Rashed where EAJP has its field office. All the procedures concerning land sale processing could be executed in the field office.
- 3) Community participation is an indispensable element in a program of land tenure. It is necessary to involve the residents in the process of land sale. Without the acceptance and the active cooperation of the occupants the legalization of land title cannot be implemented. To get the residents' cooperation in the land sale process, the following is recommended:
 - a) A meeting should be held in the community to discuss the estimated price. This meeting should be attended by members of the Joint Committee as well as leaders (formal and informal) of the community. To reach an acceptable price for both parties (residents and decision makers), it will be required to hold several meetings and negotiate the views.
 - b) Once an acceptable estimate is established, the residents should be involved in the implementation process. A number of leaders should be elected by the residents to assist the Governorate and EAJP field team. The exact role and tasks of each group should be identified in the operational program for processing land title.
- 4) The Joint Committee would have the responsibility of designing detailed operational program in which roles and responsibilities are identified. An implementation plan of work should be designed before actual implementation takes place.

APPENDIX

Organizational Chart of Land Title Program

Formal Lines Communication **—**

Informal Lines Communication **- - -**

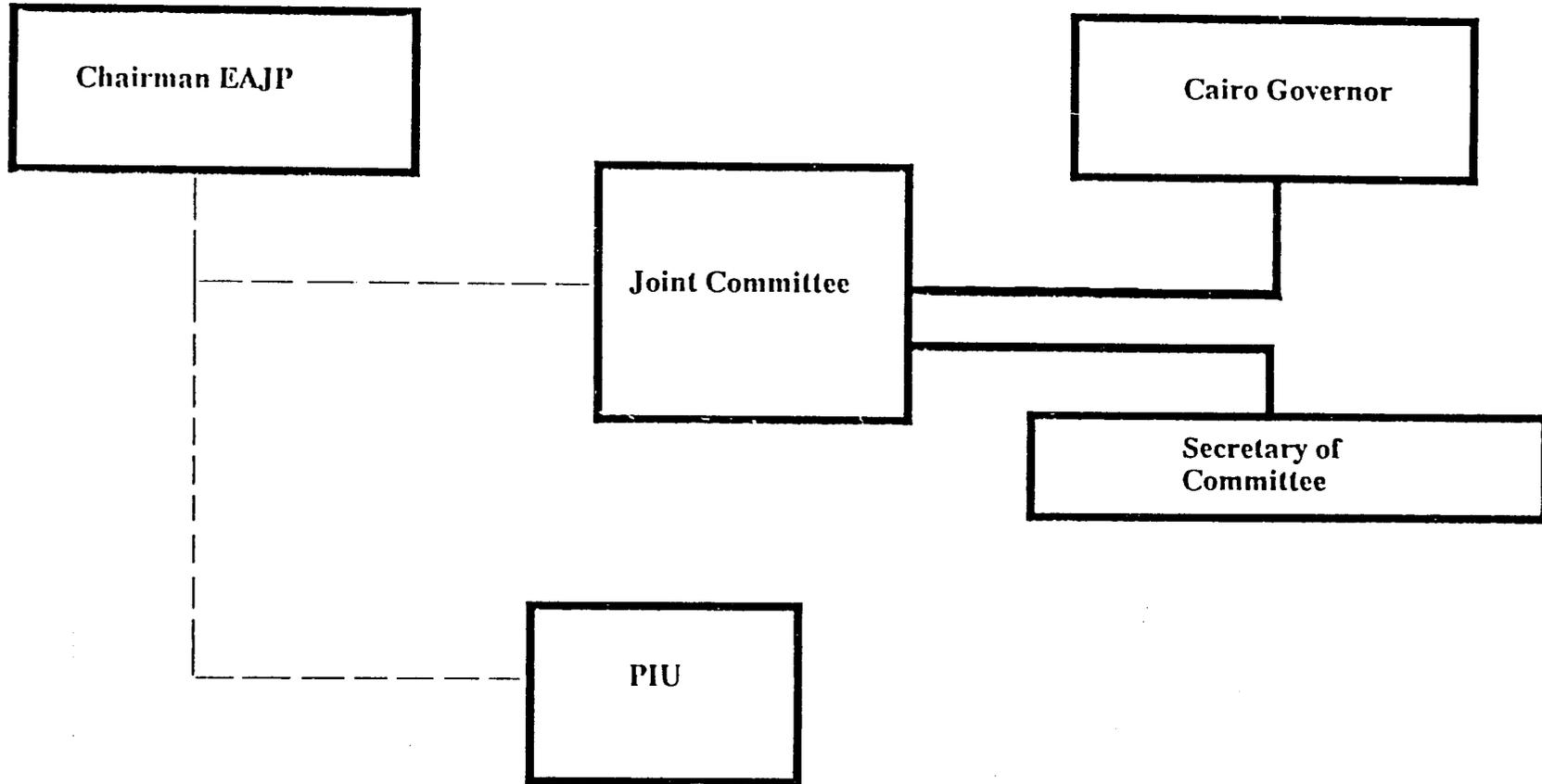


60

Organizational Chart of Upgrading Project

Formal Lines Communication **—**

Informal Lines Communication **- - -**



5/21