

SITES AND SERVICES IN ALGERIA

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Note

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I. CURRENT STATUS

The sites and services concept, taken in the strict sense of large-scale production of serviced plots with or without core houses, sold for individual construction or completion, and specifically designed to be affordable for below-median income groups, so far has not been part of Algeria's official housing policy. Official policies since 1981 have concentrated on creating a state-controlled and heavily subsidized housing delivery system producing large numbers of rental units in the form of standardized walk-up apartments. Single-family units, apartments and building plots for sale have also been produced, but in much smaller numbers, and are affordable only for those at the upper end of the income scale.

Housing schemes approaching the sites and services concept have been considered incidentally, but only for specific or exceptional situations, and on the whole are playing no more than a marginal role. Some examples are given below.

The OPGI in Blida has made plans for four small pilot relocation schemes of about 50 plots each under a program for rehabilitation of spontaneous settlements that is to be financed under the National Plan. The 176 sqm (11x16m) plots are equipped with 45 sqm core houses. The cost per plot, including land and servicing, was estimated at DA 120,000 in 1989/90, but has now risen to more than DA 200,000.

Similarly, the APC of Blida is considering a small urban renewal scheme on a piece of land in Belkasssem-El Ouzri partially occupied by degraded constructions that would be demolished. About 50 building plots of 180 sqm (10x18m) each would be laid out, serviced and sold, the present occupants being given first choice. The plots would be sold for about DA 350/sqm, which includes land at the former official rate of DA 171/sqm and the cost of servicing, presently estimated at DA 180/sqm. The plan specifies row housing, to be built by the owners themselves.

In the rural areas, a rural housing program is underway since 1967 where households are given a plot, building materials and a standard plan, and are supposed to build a house themselves.

There are some examples of resettlement schemes undertaken in the late 1950s by the French, where households were provided with small plots and corehouses that have progressively been expanded by their owners or occupants and now are fully integrated in the urban fabric (e.g. the "Cité Musulmane" in Blida).

The state is now extricating itself from the self-imposed obligation of providing "housing for all". A large part of the public rental housing stock has been divested in recent years. Efforts are being made to cut down on the multiple forms of direct and indirect housing subsidies, and to transfer responsibility for

housing production to the private sector. The various public agencies involved in land and housing development have been made autonomous and are free to engage in commercial operations. At the same time, practically all legal and regulatory obstacles that prevented the emergence of a private housing sector have been removed.

However, the emphasis remains on turn-key housing development in the form of either high-cost single family units, or various types of apartments, and the potential of individual housing development, as encouraged by the sites and services concept, has received little attention so far.

II. FUTURE SCOPE FOR SITES AND SERVICES

Yet the tradition of individual housing development has always remained alive and strong in Algeria. During the last decades, against all odds, has consistently produced more housing than the public sector (an estimated 60 against 40 percent). It can be roughly divided into two categories, with many intermediate situations being possible.

Authorized development has occurred individually on private plots, as well as on subdivisions laid out by the local authorities and generally passed on to housing cooperatives at official land prices that were far below the rates of the (illegal) private land market. House construction is partly financed with private resources, and partly with loans from the CNEP. This type of individual private housing development has been constrained by the lack of infrastructure financing mechanisms, which has caused many of the subdivisions to remain unserviced, by the shortage of building materials, and by the lack of clear titles. Because of these constraints, the high standards, and the limited availability, it has benefitted mostly middle and high income groups. Tenure regularization and servicing are being undertaken on a piecemeal basis, and progressing slowly.

Unauthorized individual development has been taking place on private land, generally located outside the official urban perimeters. The occupants do not have clear title to their plots. Services are brought in progressively, generally at the initiative of the plot owners, and financed by them, with some help from the local authorities. A wide range of social categories are housed in these spontaneous settlements. Some have become adequately serviced middle-income neighborhoods with substantial two or three-storied single-family houses. Others are more precarious in character, with unpaved streets, no or only partial services, and poorly built houses. Finally, about half a million households are reportedly housed in shanty towns (bidonvilles), the poorest type of spontaneous settlement, built with non-durable materials. A common characteristic of all spontaneous settlements is that the densities are much higher than in the public housing estates.

One relatively large spontaneous settlement was visited in Blida. Situated on a steep hillside, it was initiated by a private land owner who illegally subdivided his land and sold the plots that range in size from about 100 to 500 sqm. Housing types vary, from temporary shacks, through basic houses in cement blocks (parpaings) to small villas, and are entirely financed from private sources. Many constructions are built without side set-backs. According to some passers-by, partial water supply and sewer systems had been installed at the initiative of the inhabitants, and financed from their contributions (DA 2,000 and 1,000 respectively per household). Power supply is also available, but most of the streets remain unpaved.

The authorities, both at the central and at the local level, have only recently begun to acknowledge the existence of the spontaneous settlements, and it is not sure to what extent these settlements, especially the more precarious ones among them, are represented in official statistics. They are symptomatic of the failure of the official housing policies. But at the same time they show that the population at large is ready to invest considerable initiative, energy and financial resources in individual housing. Future housing strategies should therefore favor private housing delivery systems able to satisfy this aspiration and to mobilize the private resources available for that purpose.

In previous analyses¹ it was shown that the small number of public and private developers, whose field of action was considerably enlarged by recent policy changes, are at present addressing only the upper end of the housing market, representing the upper 25 percent of the income scale (monthly incomes of DA 4,500² or more). Since the construction of public rental apartments has considerably slowed down, and in many cases been stopped, it can be concluded in broad terms that 75 percent of the population are presently left to their own devices where additional housing needs are concerned. Sites and services and regularization/servicing of spontaneous settlements, that mobilize the potential for largely individual housing development, are two ways of addressing this need. In this paper, only sites and services will be further discussed.

¹ see "Housing Finance and the Shelter Sector in Algeria" by Abt Associates Inc., November 1990, and "Assessment of the Impediments to the Private Provision of Shelter in Algeria" by Technical Support Services, March 1991, both prepared for the Office of Housing and Urban Programs of USAID.

² Given the lack of reliable and up to date income distribution data, the income limits used, which are based on official salary scales, give only an approximate indication of the financial capacity of different population groups. This is all the more so because many households have other resources than salary income at their disposal for investment in housing.

III. ELEMENTS OF A SITES AND SERVICES STRATEGY

1. Land

Sweeping new land and town planning legislation¹, recently enacted, is likely to have considerable effects on the supply of land for housing development. Among others, it has abolished the monopoly of the local authorities on the management and sale of public and private land, lined up the prices of public land with private market rates, opened up the private land market, and abolished the rigid "urban perimeter" concept that has led to much illegal development. However, at the local level, the instruments through which these changes will be implemented, such as the Local Land Agencies (Agences Foncières Locales) to be in charge of the management of public land, or new urban development plans that will regulate the use of public and private land, are not available yet. A transitory situation is likely to prevail during several years, during which much will need to be clarified.

It is expected that the new urban planning instruments -- Master Plans and subdivision plans --, once prepared and approved, will allow urban extensions beyond the former urban perimeters, and thus open up new reserves of public and private land for housing development. At the same time, there is a growing realization that in the past, much of the virtually free public land within the urban perimeters has been wasted in overly generous reservations for public amenities and low-density public housing estates². Revisions of existing urban land use plans, undertaken in this perspective, may free up new land for housing development within the existing built-up areas.

Future master plans and especially subdivision plans should be based on a detailed inventory of available public and private land. The new Land Law specifies that such inventories are to be established by the local authorities, but to our knowledge, no systematic efforts have been made³. In the plans, large sections of up to 50 percent of the urban extension areas should be zoned for high-density individual plot development, with densities of at least 50 dwellings/ha, and floor/area ratios of 1 or more.

¹ See summary of new legislation, in annex I.

² Examples of this new move towards higher urban densities are: a recent circular issued by the Ministry of Equipment and Housing recommending plots sizes ranging from 100sqm to a maximum of 200sqm in new subdivisions for individual housing; the densification of an existing housing estate by the EPLF in Blida; articles 26-32 of the new town planning regulations and building code that encourage subdivision of already built-up individual plots.

³ An exception is the wilaya of Blida, where an inventory of all vacant public and private land in ten agglomerations has been made by the Agence Foncière Locale. Out of a total of 1230 ha surveyed, 48 percent overall were public lands and 52 percent private. The proportion of public to private vacant land varied widely from one agglomeration to another.

Until the commercial viability of large-scale, low-cost plot development is demonstrated, or unless land owners can be persuaded with pressure from urban development plans or even the threat of expropriation, it is unlikely that much private land will be available for sites and services.

For these reasons, experimentation and demonstration of the sites and services concept, as well as the first full-scale operations in the immediate future, would have to take place on public land. Partial conversion of the 263 uncompleted ZHUNs (new urban housing zones) for this purpose could be considered¹.

2. Design

The sites and services concept aims at recovering the larger part, if not all of the land and site development costs directly from the purchasers of the plots. Since the target group is constituted by low or middle income households with a limited housing budget, that must support the cost of building or completing a house in addition to the purchase of the plot, the designer works within very tight constraints in order to keep the costs, and concomitantly the development standards, within affordable limits. Typical sites and services design aims at densities of 60 dwellings/ha or more, and at producing at least 65 percent of marketable land within a given project site, by reducing the length and width of vehicular roads and footpaths, and the areas reserved for open space and public facilities such as schools and dispensaries. Standards for water supply, sewerage, street lighting and street pavements are often lower than usual. Plots typically range in size between 50 and 150sqm with narrow frontages and are designed for construction of attached houses in rows.

Whether core houses should be provided or not is a matter for debate. Although the provision of only a bare plot reduces the initial outlay for the purchaser, in many projects it has been found that the owners are unable to start construction. Particularly in Algeria, where builders and building materials are in short supply, the provision of a basic core house with one, two or three rooms may be necessary. This will allow the owners to move in immediately, and to gradually complete and expand the house. Core houses should be designed keeping in mind the possible later addition of at least one upper floor. Typical construction plans, based among others on observation of buildings in spontaneous settlements, should be made available, together with quantity surveys, to facilitate applications for building permits and contracting.

¹ These ZHUNs are located on state land allocated to the local authorities, but not titled in their name. According to the new Land Law, further development cannot be undertaken by the local authorities themselves, but must be delegated to one of the specialized public entities (APL, OPGI, or EPL?). The ZHUNs have a total area of 23,000ha and were planned to accommodate 676,000 dwelling units at an average density of about 30 dwellings/ha. Only 306,000 units have been completed, covering about 10,000ha. No figures are available on the amount of undeveloped land already sold or allocated. Assuming that 60 percent of the remaining 13,000ha can still be reconverted, and that half of it would be zoned for sites and services at an average density of 50 dwellings/ha, 195,000 plots for sites and services could be laid out at relatively short notice.

The standards outlined above are entirely consistent with the new town planning and building regulations enacted earlier this year, and not basically different from those observed in recent spontaneous settlements or in the traditional urban neighborhoods and kasbahs. However, for reasons of social equity and esthetics, their introduction is likely to meet with resistance on the part of some authorities, designers and sections of the public. Indeed, the sites and services concept promotes a housing delivery system based on minimal state support and maximum mobilization of private resources and initiative. In Algeria, for more than twenty years, this system subsisted in parallel with, but was ignored by an official housing policy that was founded on exactly the contrary principles, and now has become unsustainable. The replacement of one housing delivery system by another will inevitably lead to less equal access to housing, though even under the previous system, equality was more an ideal than real. It will also lead to a different type of residential architecture, more varied and individualistic than that of the uniform apartment blocks mushrooming under previous housing policies. These changes, though necessary, are likely to counter accepted norms of social equity and architectural esthetics. But as a colleague in Algiers aptly put it, "c'est ça ou le bidonville".

3. Financing

Land purchase. As discussed above, it is unlikely that private land will be available for sites and services development. Public land until recently was sold at fixed prices (DA 171/sqm at the most) that were far below free market rates (upwards from DA 1000/sqm), or even made available free of charge for projects undertaken by public entities. Under the new regulations, however, public land is to be sold at intermediate rates. If any kind of subsidy is to be given to low-income housing development through sites and services, it would probably be best to do it through the pricing of land. This should be part of an overall policy for management of the rapidly dwindling public land reserves, whereby low rates would be charged for land developed for "social" uses, such as sites and services, and full market rates for all other uses, such as high-income housing development.

Construction finance. At present, it is common practice for public and private developers to sell in advance (sur plan) and to finance at least part of the construction works with downpayments from purchasers. In a sites and services project, there is limited scope for this type of financing, because households in the target group will not be able to make significant downpayments. Therefore, construction loans for site development and construction of core houses (if any) are required. The public housing agencies and most private developers report no difficulty in obtaining such loans from the banks.

Credits for plot purchase and house construction/completion. Sites and services projects usually are accompanied by credit schemes to help beneficiaries in financing the purchase of the plot (and core house, if provided), and the construction or completion of the house, through monthly, quarterly or yearly installments. In Algeria, though many households will be able to make significant downpayments for the plot and to finance part of the construction from their own capital resources, credit schemes will nevertheless be necessary to make sites and services plots affordable for middle and lower-middle income groups.

As to the sources of credit and the management of credit schemes for sites and services, a large amount of uncertainty remains, and the issue was not investigated in detail. Most of the new commercial banks are still hesitant to engage in housing finance and are unlikely candidates. The only institutions with significant experience in managing credit schemes at a large scale appear to be the OPGIs and the CNEP. The OPGIs, however, are not lending institutions. In May of this year, The CNEP was restructured, the role of the OPGIs redefined and a "Caisse Nationale de Logement" (CNL) created to provide housing aid to middle and low-income households through heavily subsidized housing credits, funded by the CNEP¹. This is in line with the new housing policy, whereby state-controlled housing supply is abandoned in favor of private sector housing supply, and housing credit mechanisms become the main channel for subsidies. At this stage, however, the CNL has not become operational, and it is not sure whether the system will function in practice. The lack of an adequate credit mechanism may be a serious constraint on sites and services projects.

4. Costs and affordability

Detailed analysis is not possible with the limited data available, and a purely indicative "back of the envelope" calculation must suffice. It is based on recent price indications collected in Algeria, and on a 100sqm plot equipped with a 30sqm core house (2 rooms and a wet core (noyau sanitaire)), to be expanded by the owner to 60sqm. State land is currently being sold for about DA 350/sqm in Blida. If 65 percent of the project site is marketable, this translates into a land price of DA 540/sqm to be passed on to the purchasers. Site development costs of DA 180 per sqm of marketable land have been quoted for recent projects, also in Blida. Current construction costs are said to be around DA 4,500/sqm for normal standard houses and apartments. For the construction by a contractor of a basic core house with minimal finish, a cost of DA 3,500/sqm is assumed, and for the completion of the house by the owner, a cost of DA 3,000/sqm. Titling, design, management and

¹ For details, see "Journée d'Etude sur la Politique de l'Habitat dans le Cadre des Réformes (Textes Relatifs au Nouveau Dispositif d'Aide au Logement)", 12 Mai 1991. Most of the draft decrees contained in this document were enacted earlier this year. Different credit terms would apply for three income groups, as follows:

Income (DA/month)	% of cost financed	Interest rate (%)	Term (yrs)	Non-reimbursible part of loan
4,000 & less	90	2.5	40	25% (max. DA 100,000)
4,000-6,000	90	3.0	40	none
6,000-8,000	80	4.0	25	none

Although no reliable income distribution data are available, it would seem that incomes of DA 6,000-8,000 can hardly be considered middle-incomes. Previous approximations indicate that less than 10 percent of the households have incomes above DA 6,000. Since the loan conditions are far more advantageous than anything else on the market, the risk exists that whatever funds are available will be rapidly exhausted by high-income borrowers.

supervision costs incurred by the developing agency (maître d'oeuvre), and passed on to the purchasers, are estimated at 10 percent of the cost of the plot and core house.

Land: 100 sqm à DA 540	DA 54,000
site development including infrastructure: 100 sqm à DA 180	18,000
core house: 30 sqm à DA 3,500	105,000

Total	177,000
Design, management and supervision: 10%	17,700
Completion of house: 30sqm à DA 3,000	90,000

Grand total	284,700

If this house is financed with a CNL loan (10% owner-financed, 25% of the loan non-reimbursible, 2.5% interest and 40-year term) the monthly payment would be around DA 640. Assuming that 25% of income is spent on housing, this would be affordable for households with incomes around DA 2,600 per month, i.e, at minimum salary (SNMG, salaire minimum garanti) level. However, if the current CNEP conditions were to apply (20% owner-financed, 6.5% interest and 25-year term), the monthly payment would be DA 1540, affordable only to households with incomes above DA 6,000 per month. This summary calculation shows that with the current high construction costs, and in the absence of subsidies, it will be difficult to make sites and services affordable for low-income groups. And even if only the middle incomes, approximately situated between DA 3,500 and DA 4,500 per month, are to be the target group, designers and implementing agencies will still be working within very tight constraints, that may force them to thoroughly revise the commonly accepted minimal standards for site and housing design.

5. Implementing agencies

The design, implementation and management of sites and services schemes require specific skills. As shown above, design and cost analysis should go hand in hand, and are subject to tight constraints. Good construction management is key in sites and services, especially in Algeria, where the shortage of building materials easily causes implementation delays, and hence the costs, to go out of control. The successful implementation of such schemes also requires expertise in marketing, selection and screening of candidates, collection of downpayments and installments, community development and technical assistance to owner-builders. These skills are not widespread in Algeria.

Private agencies

For the time being, private developers (officially called "agents immobiliers" or real estate agents) cannot be expected to engage in sites and services operations. They are relatively inexperienced, small in size, limited in number, and concentrating on the upper end of the market. Efforts should nevertheless be made to draw the attention of private developers to the sites and services concept.

Housing societies, called Sociétés Civiles Immobilières (SCI) are the only other type of private agency that could be involved. They have been in existence for a long time in the form of housing cooperatives, and were constituted mainly to gain access to state land at subsidized prices, unavailable to individuals. Once land is acquired and serviced and houses are built, often by collective contracting with designers and builders, they tend to fall apart. Though these societies so far have existed only among middle and high income groups, the concept is being officially encouraged to channel CNL credits to lower income groups. Knowing that thousands of associations of all kinds have sprang up since the freedom of association was reinstated in 1989, housing societies may be an excellent way of organizing groups of candidates for sites and services.

Public agencies

Various public agencies have long been involved in land and housing development, but their roles and mode of operation have been considerably modified by recent legislation. Each of the local OPGIs, EPLFs and AFLs have been made autonomous, meaning that they operate on a commercial basis and are supposed to support themselves. In addition, their fields of action, formerly limited to specific mandates and territories, has been enlarged to the point where they can enter in competition with each other, and on each others' former territories. As a result, some of the local agencies are thriving, while others are moribund, and their respective performance can only be evaluated individually.

APCs. (Assemblée Populaire Communale -- Municipal Council). Their former monopoly on land management and development has been abolished and, in accordance with the new Land Law, these activities must be carried out by Local Land Agencies (AFLs) on their behalf. APCs are therefore held to either set up new AFLs or affiliate themselves to existing ones. Because the new law leaves some room for interpretation, many APCs intend to continue their land development activities and consequently refuse to involve AFLs. With regard to their possible involvement in sites and services schemes, APCs have the advantage that, mainly for electoral reasons, they are more likely than other agencies to respond to demands from the population and to ensure that the target group indeed benefits from the schemes. However, with the exception of the larger cities, APCs have little technical capability of their own and would have to rely on outside agencies for design, implementation and management.

AFLs. (Agence Foncière Locale -- Local Land Agency). Among the twenty AFLs that have been created since 1986, only a few are active, largely because they were by-passed by the APCs. The AFL of Blida is one of them. Ten towns are affiliated to it, and the city of Blida itself has joined recently. It has a technical staff of 20 persons, including 10 architects and engineers. In addition to its statutory mandate in land development and land use control, it has undertaken land regularization operations and acted as a housing developer and designer. Well-managed and experienced AFLs like this one would be an excellent candidate for managing sites and services projects. Unfortunately, there are very few of them.

OPGIs. (Agence de Promotion et de Gestion Immobilière -- Real Estate Development and Management Agency). Formerly the construction and management of public rental housing, and now its management and divestiture, have been the main task of the 53 OPGIs. Collection of rents is their only source of revenues, unless they engage in housing development, which some OPGIs have done with varying success. Many OPGIs are poorly managed and barely able to manage the public housing stock in their charge. Therefore, they do not appear as prime candidates for the implementation of sites and services projects. On the other hand, they are well-represented, well-aware of the housing problems in the middle and lower income groups, and used to handle large numbers of individual accounts. This may be the reason for the proposal, which is still under debate, to use the OPGIs as agencies for the Caisse Nationale de Logement and its subsidized housing credit system, as long as the Caisse has not opened its own agencies.

EPLFs. (Entreprise de Promotion du Logement Familial -- Family Home Development Enterprise). These agencies were originally set up to develop subsidized or "social" housing for sale and since 1986 have produced about 100,000 units. At present they are active in up-market housing development, largely on a commercial base, and are the main channel for CNEP loans. Among the 23 EPLFs in existence, some have acquired considerable skill in commercial and housing development.

AADL. (Agence Nationale de l'Amélioration et du Développement du Logement - National Housing Improvement and Development Agency). The mandate of this national level agency, created in May of this year under the wings (tutelle) of the Ministry of Equipment and Housing, is:

to promote and develop land and housing markets;

to support urban and housing rehabilitation, renovation or restauration, as well as the creation of new cities;

to develop and disseminate innovative building methods;
to disseminate information to all agents in the urban and housing sectors.

Although this new agency would not involve itself directly in sites and services projects, it could play a key role in introducing and developing the concept, and in training, research and information.

Conclusion.

No single type of agency can be identified at this point for the implementation of sites and services projects. In each town, the set-up will vary depending on the strengths and interests of the agencies that are locally active, and it may require a combination of several agencies, as well as specialized assistance from the central level.

V. CONCLUSION, AND RECOMMENDATIONS FOR USAID/RHUDO ASSISTANCE

Though the legislation and regulations enacted in recent months clearly indicate its broad orientation, the practical modalities of the new housing policies are still being worked out. The new institutions are not operational yet and the different existing agencies are still finding their new roles. The concept of sites and services, though supported by a small group of professionals, is not widely known or accepted, and neither the authorities nor the public are ready for it. In addition, the shortage of building materials and of specialized skills, as well as the possible lack of appropriate credit mechanisms would be heavy constraints on sites and services projects at this stage. Therefore, it is recommended that USAID/RHUDO, instead of engaging directly in sites and services projects, further assists in introducing the concept and the skills required for its implementation. Much can be done in this respect.

However, assistance by USAID/RHUDO should by no means be limited to sites and services alone. A need for information, exchange, training and research is felt across the urban and housing fields, in order to break the relative isolation of the last decades and catch up with new approaches and techniques that have been tried elsewhere. USAID/RHUDO can respond to this. The National Housing Improvement and Development Agency (AADL), that is being created under the Ministry of Equipement and Housing, would be an appropriate channel for this assistance, if and when it is requested. Other possible recipients could be professional organizations, such as the Union of Architects, the Order of Architects, associations of public and private developers, associations of contractors. If a way of reaching them is found, Housing Societies and other citizens associations active in this field could also be given assistance. Some suggestions are made below.

Information on urban and housing affairs

Information still circulates with some difficulty, especially between the central and local levels. A widely distributed newsletter could help professionals at all levels in staying in touch with new developments, both in Algeria and abroad. This newsletter could be published by the AADL, with technical and material assistance from USAID/RHUDO.

Access to foreign periodicals and newsletters is limited, and USAID/RHUDO could facilitate the distribution, among selected agencies, of relevant publications in English or French from the USA.

With regard to sites and services, there were frequent requests for detailed documentation on specific projects carried out elsewhere.

Exchanges

Algerian professionals are curious about developments in neighboring countries such as Morocco and Tunisia, especially with regard to sites and services, low-cost land and housing development by private agencies, credit systems, etc., and facilitation of exchanges and visits by USAID/RHUDO would certainly be welcomed. Exchanges with Central European countries, that are in a comparable situation, might provide fertile ground for reflexion and discussion.

Training

There is wide scope for training in specific fields related to land, infrastructure and housing development, sites and services, financial management, urban planning, construction management, construction technology, etc. This activity, to be initiated through three seminars scheduled for late this year and early next year, should be continued and if requested, intensified. Detailed training needs, and the way they can best be addressed, should be determined through these seminars and through regular contacts with the Ministry of Equipment and Housing and other agencies. USAID/RHUDO should be prepared to respond to requests for training, when they come up.

Research

The lack of reliable and up to date data and statistics on housing and land markets is a major constraint, and one of the tasks of the AADL is to fill this gap. USAID/RHUDO can make expertise available to assist in setting up a research facility, and in identifying and carrying out research projects.

Technical assistance for sites and services

Once sites and services projects are initiated in Algeria, USAID/RHUDO should be prepared to respond to requests for technical expertise.

ANNEX ISUMMARY OF NEW LEGISLATION AND REGULATIONS

This summary provides an approximate designation of the act or by-law in English, its official French designation, the date and page of its publication in the "Journal Officiel" (J.O.) and a description of its main features.

National Domain Act

(Loi No. 90-30 du 1er Décembre 1990 portant Loi Domaniale -- J.O. 2 Dec 1990, p. 1416).

This law, replacing law No. 84-16 of 1984, defines the national domain, including public land and other property belonging to the state or to the local authorities, and determines the way it is to be managed. While important in clarifying ownership and management of public land, it is less directly relevant to urban land management than the new Lands Act.

Lands Act

(Loi No. 90-25 du 18 Novembre 1990 portant orientation foncière -- J.O. 18 Nov 1990, p. 1332)

The new law reverses earlier legislation enacted in 1974. It abolishes the total control the local authorities had over all vacant urban land, whether public or private, that was situated within the urban perimeter defined by the town's master plan, and constituted the so-called municipal land reserve.

Responsibility for land management is withdrawn from the local authorities and transferred to autonomous local land agencies (agences foncières), either existing or new ones. Ownership of all vacant land nationalized under the 1974 act is transferred from the local authorities to these agencies. Similarly, unfinished housing and industrial estates initiated by the local authorities and approved before November 1990, though remaining part of the municipal land reserves, are to be completed by the local land agencies. All other vacant land is at the disposal of its owners and can be freely sold, though the law maintains a right of preemption for the local authorities.

Though the local authorities' powers in direct land management and development are curtailed, at the same time they are given new responsibilities for land registration and land use control. To accelerate the national land registration and regularization campaign that has been progressing slowly since 1975, the new law requires the local authorities to establish an exhaustive land register, and all owners, holders or occupants of land to declare their holdings. It also institutes an occupation certificate (certificat de possession) to be delivered by the local authorities for land holdings without legal title. This certificate can be mortgaged.

Both the local land registers and the occupation certificates would presumably be legalized once the area is covered by the new cadastre.

In terms of town planning, the local authorities are given increased responsibility for drawing up master plans and subdivision plans, for land use control and for the delivery of land development and building permits.

The new law removes many of the former rigid constraints and opens up a much wider scope for private initiative. However, it is too early to fully measure its impact. The law is no more than a framework and many of its provisions remain to be made effective through by-laws and regulations. Its effectiveness will also depend to a large extent on concomitant changes in related fields such as urban planning or municipal administration.

Inter-ministerial Land Committee

(Décret exécutif No. 91-117 du 27 Avril 1991 portant création d'un comité interministériel foncier -- J.O. 1 Mai 1991, p. 558)

The committee is chaired by the deputy minister of local bodies, and brings together representatives of the ministries of defence, agriculture, equipment and housing, justice, economy and interior. Its mandate is to assist in preparing further legislation and regulations pertaining to land management, to propose measures for regulating the land market, and to ensure coordination of government action with regard to land management. The committee is assisted by a technical support group composed of specialists from the different ministries.

Local Urban Land Management and Regulation Agencies

(Décret exécutif No. 90-405 du 22 Décembre 1990 fixant les règles de création et d'organisation des Agences Locales de Gestion et de Régulation Foncières Urbaines (ALGRFUs) -- J.O. 26 Dec 1990, p. 1534)

The local and wilaya (district) councils are required, singly or jointly, to either create ALGRFUs, or to affiliate with Local land agencies (Agences Foncières Locales, or AFLs) set up under the 1986 decree, that are to be transformed into ALGRFUs. The tasks of these new agencies are to buy and sell real property on behalf of the local authorities, to carry out land regularization, and to assist in the preparation and implementation of urban development plans. In addition, they are competent to undertake land development either themselves or through third persons, and to acquire or sell property on their own behalf.

The board of directors is composed of five members, including the president, to be designated by the municipal council; the directors of the concerned state services represented in the Wilaya (Lands Department, Town Planning, Agriculture); and two members representing associations for the protection of the environment, to be designated by the municipal executive. The resources of the new land agencies can be drawn from subsidies, income from the performance of services, profits, loans and gifts.

At the time of the mission, only a few of the twenty AFLs created since 1986 were effectively functioning and to our knowledge, no new ALGRFUs had been set up, or existing AFLs transformed. Many local authorities reportedly resist the new legislation, which strongly reduces their powers.

Land Expropriation Act

(Loi No. 91-11 du 27 Avril 1991 fixant les règles relatives à l'expropriation pour cause d'utilité publique -- J.O. 8 Mai 1991, p. 577)

This act abrogates all previous legislation related to expropriation. It starts by stating that expropriation is an exceptional procedure to be used only in cases where other means -- presumably negotiated settlement -- have achieved no result. It then lays out a procedure that appears to be straightforward and fair. Like much of the new legislation, this act denotes a pragmatic approach to urban development.

Town Planning Act and Regulations

(Loi No. 90-29 du 1er Décembre 1990 relative à l'Aménagement et l'Urbanisme -- J.O. 2 Dec 1990, p. 1408)

(Décret exécutif No. 91-177 du 28 Mai 1991 fixant les procédures d'élaboration et d'approbation du Plan Directeur d'Aménagement et d'Urbanisme (PDAU) et le contenu des documents y afférents -- J.O. 1 Juin 1991, p.808)

(Décret exécutif No. 91-178 du 28 Mai 1991 fixant les procédures d'élaboration et d'approbation des Plans d'Occupation des Sols (PCS) ainsi que le contenu des documents y afférents -- J.O. 1 Juin 1991, p.811)

Two new urban planning instruments, the Master Plan (Plan Directeur d'Aménagement et d'Urbanisme or PDAU) and the land use plan (Plan d'Occupation du Sol or POS), both legally enforceable, replace all former types of urban plans.

The PDAU covers the entire territory of a commune, or of several communes, and divides it into four types of zones: urbanized zones (whether legally developed or not), urbanization zones to be developed in the short term (ten years), future urbanization zones to be developed in the long term (20 years) and non-urban zones. It broadly determines land use within these zones, and details the limits and terms of reference for the more detailed subdivision plans. The law and the regulations ensure participation of special interest groups and citizens' organizations in the preparation of the plan, as well as adequate public consultation prior to its approval by the council. Depending on the size of the agglomeration, the master plan is enforced by a decree issued either by the Wali or by the Minister.

The land use plans covers the entire territory of a commune (or several communes), or part of it, and details land use, densities expressed by floor/area ratios and plot occupation ratios, urban design and permissible types of construction. The communal council approves it after receiving comments from the

public. Revisions of the land use plan are permissible in a number of cases, e.g. at the request of at least half of the owners, at least five years after its approval.

The main new elements are the introduction of two levels of planning, coverage by the master plan of the entire communal territory, and abolition of the rigid urban perimeters. On the whole, this allows for more realism and flexibility in urban planning. As the new law leaves considerable room for interpretation, its effects will mainly depend on the way its provisions are applied by planners and local councils; increased private sector participation in urban development and the introduction of market pricing for land will dictate a new perspective on urban planning and require an greater awareness of real estate mechanisms.

General Planning and Building Regulations

(Décret exécutif No. 91-175 du 28 Mai 1991 définissant les règles générales d'aménagement, d'urbanisme et de construction -- J.O. 1 Juin 1991, p. 788)

Both the planning and the building regulations are realistic and pragmatic, setting performance standards rather than prescribing specific solutions. Developers and builders are required to make adequate provision for access, water supply and sewage disposal, as well as for public facilities. The decree establishes the principle of cost sharing for trunk infrastructure, and the obligation for the developer to ensure maintenance of common facilities. Provided they are appropriately interpreted and applied by the controlling authorities, these regulations do not constitute an obstacle to private housing development, sites and services or innovation in this field.

Planning certificate, subdivision permit, building permit, certificate of conformity, demolition permit

(Décret exécutif No. 91-176 du 28 Mai 1991 fixant les modalités d'instruction et de délivrance du certificat d'urbanisme, du permis de lotir, du certificat de morcellement, de permis de construire, du certificat de conformité et du permis de démolir -- J.O. 1 Juin 1991, p.797)

This decree details the content, procedures and conditions of the various permits and certificates referred to in the Town Planning Act.

The planning certificate (certificat d'urbanisme) specifies the rights and obligations attached to any piece of land. It is optional and delivered on request, and can be considered as the preliminary agreement of the local authority to a project proposal, prior to the delivery of a subdivision or building permit. It is most likely to be used in situations where a master plan or land use plan is out of date or inexistent, or for large-scale operations.

The subdivision permit (permis de lotir) is required for all residential or industrial developments producing more than one plot. The plan must make adequate provision for servicing, open space and public facilities and the developer may be required to share the cost of constructing public facilities and amenities. The permit is applied for through the local authorities and approved by the Wali

or the Minister of Equipment. In the normal case must be delivered within four months of application. It is valid for three years. No sales are permitted until completion is certified by the competent authority.

The permit for subdivision of built-up plots (permis de morcellement) is subject to a similar but slightly simpler procedure, and applies in particular to small-scale densification within the built-up areas.

The building permit is normally delivered within four months by the local authorities, after review of the application by the technical services of the Wilaya. Except for smaller constructions or modifications, the application must be signed by a qualified architect. Without a building permit, no utility connections can be given.

The certificate of conformity states that a construction, once completed, conforms with the conditions of the building permit, and authorizes its occupation. The certificate is normally delivered by the local authority, but larger-scale developments require a control of conformity by a special commission composed of representatives of the local authority and of the technical services of the Wilaya.

A demolition permit is required for demolition of any building located in a classified zone, or attached to another building.

The new planning and building controls rightly put up a number of safeguards against the kind of free-booting private development, which in the past has led to many unserviced subdivisions, and introduces the principle of cost sharing for infrastructures. Whether the mechanisms exist for the financing and construction of primary and secondary infrastructure is another matter, however. The local authorities are only in name responsible for implementing these controls, since permits and certificates for all but minor constructions must be referred to the Wilaya's technical services. One therefore wonders whether the administration of this fairly complex system of controls is not beyond their capacity. However, since even the previous system of controls was generally considered by private developers to be efficiently handled, the new and more liberal controls would presumably be administered expeditiously as well.

Restructuring of the CNEP and the OPGIs; creation of the CNL

(Décret exécutif No. 91-144 du 12 Mai 1991 portant restructuration de la Caisse Nationale d'Epargne et de Prévoyance (CNEP), distraction d'une part de son patrimoine et création de la Caisse Nationale du Logement (CNL) -- J.O. 29 Mai 1991, p. 728)

(Décret exécutif No. 91-145 du 12 Mai 1991 portant statuts de la Caisse Nationale du Logement -- J.O. 29 Mai 1991, p.728)

(Décret exécutif No. 91-146 du 12 Mai 1991 portant modalités d'intervention de la Caisse Nationale du Logement, en matière de soutien à l'accès à la propriété du logement -- J.O. 29 Mai 1991, p.731)

(Décret exécutif No. 91-147 du 12 Mai 1991 portant transformation de la

nature juridique des statuts des offices de promotion et de gestion immobilières et détermination des modalités de leur organisation et de leur fonctionnement -- J.O. 29 Mai 1991, p.732)

These decrees concern the new system of housing subsidies for middle and low income groups and related institutional changes, as summarily discussed in section III.4 (Financing) of the foregoing report.

Creation of the National Housing Agency (AADL)

(Décret exécutif No. 91-148 du 12 Mai 1991 portant création de l'agence nationale de l'amélioration et du développement du logement -- J.O. 29 Mai 1991, p.736)

The newly created National Housing Agency was referred to in section IV.5 (Implementing agencies) of the foregoing report. The word "aadl" connotes equity in Arabic.

Annex II

List of organizations and persons met

Ministry of Equipment and Housing

Mr. Mohamed Meglawi, Ministre-Délégué de l'Habitat
Mr. Nait Saada, Directeur de l'Aménagement du Territoire et de l'Urbanisme
Mr. Rabah, Directeur de l'Habitat

Ministry of the Interior

Mr. Ben Abdallah, Directeur du Développement Local
Mr. Chenoufi, Conseiller Technique
Mr. Chettah, Sous-Directeur de l'Aménagement Urbain
Mr. Bazizi, Directeur du Personnel et de la Formation
Mme. M. Kemmoun, Chef du Bureau de la Formation

Chambre Nationale de Commerce, Alger

Mr. Chabani, Président
Mr. Allal, Assistant du Président
Mr. Bettahar, Directeur-Général
Mr. Akouche, Président de la Section Papier et Carton

Direction de l'Urbanisme et de la Construction (DUC), Blida

Mr. Hajar, Director
Mr. Chenchen, Directeur de l'Urbanisme
Mr. Melfoud, Architecte-Urbanisme

URBAB (public town planning agency), Blida

Mr. Haicheur, Director (not met)
Mr. Touaibiya, Directeur des Etudes

Agence Foncière de Blida

Mr. A. Souab, Director
Mr. Bouaicha

OPGI, Blida

Mr. Salah, Directeur
Mr. Bazizi, Chargé de la Promotion Immobilière

EPLF, Blida

Mr. Hyahyaoui, Directeur