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**LOCAL DEVELOPMENT II
URBAN PROJECT**

Submitted to
USAID / CAIRO

Submitted by
WILBUR SMITH ASSOCIATES

in association with

**PUBLIC ADMINISTRATION SERVICE
DEVELOPMENT CONSULTING OFFICE**

**DELOITTE AND TOUCHE
ENGINEERING AND GEOLOGICAL
CONSULTING OFFICE**

Translation

**LAND MANAGEMENT
PROJECT RESOURCE MOBILIZATION
OPPORTUNITIES AND STRATEGIES**

**Prepared for the
United States Agency for International Development (USAID),
And The
Government of Egypt (GOE)**

April, 1992

Handwritten mark

LOCAL DEVELOPMENT II URBAN PROJECT

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April 30, 1992

LD-II Contract No. 263-0182-C-00-8017

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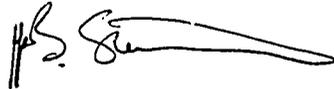
Dear Jack,

We are pleased to submit this report entitled, "Land Management Project Resource Mobilization Opportunities and Strategies". This report updated training material of the Orientation Workshop originally conducted in 1990 and repeated in 1991. Available research documentation and experience was reviewed and supplemented with original research to present current understandings of project resource mobilization opportunities and strategies using governorate owned property or land as an asset.

Our specialist participated in a repetition of the Orientation Workshop training late in 1991 with (GOE) Land Management Unit (LMU) Directors and their governorate Legal and Financial Directors to help develop and confirm findings in this report.

Should you have any questions or desire clarification of this report please do not hesitate to contact me.

Respectfully submitted,



Richard E. Miller
Chief Of Party

CC: Richard Heald/Miche! Fouad - Land Management

17-1g.973

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CONSULTING OFFICE

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EXECUTIVE SUMMARY

The purpose of this report is to address land development project resource mobilization opportunities and strategies. Report objectives are as follows;

- Review local Egyptian and international land development project experience and recent existing Egyptian legal framework developments to confirm procedures regarding current Land Management Unit (LMU) pilot project activity;
- Confirm ability to achieve cross-subsidies within the existing Egyptian legal framework to ameliorate affordability issues for urban poor targeted populations;
- Confirm project account procedures at the governorate level including dedication of revenues generated within and between projects to future project operating and capital costs to sustain operations and more efficiently complete projects;
- Explore the potential for different types of LMU projects other than for residential land uses and the associated opportunities for revenue generation;
- Recommend strategies to achieve future legislative enhancements or institutional improvements to more effectively implement local resource mobilization opportunities through LMU organizations.

Findings From Review of Egyptian Institutional and Legal Frameworks

Recent laws affecting local administration provide the basis for project implementation organizations such as the LMU's to properly function and execute their organizational objectives within the governorates. These objectives include properly defining, financing, implementing and monitoring the provision of infrastructure services to deficient urban settlement areas or implementation of sites and services new lands development projects within urban areas. Such projects would be implemented consistent with established state master plans, structural plans, etc. developed either through the General Organization for Physical Planning (GOPP) or as delegated to physical planning departments set up in the governorates through the assistance of GOPP. The GOPP may review project development proposals as prepared by governorate LMU staff. This has been accomplished with regards to pilot LMU projects under the LD-II Urban Program.

Recent laws affecting mobilization of local resources to implement pilot upgrading or new lands development projects state that it is the right of the governorate to administer project accounts through competent organizations such as the LMU's. The following concepts are therefore confirmed in this report:

- Cost-recovery of infrastructure services and utilities to upgrade deficient urban settlements or to prepare sites and services for new lands development projects;
- Revenue generation from the administration and management of selling or leasing governorate property or lands in project study areas;
- Cross-subsidies both within and between projects to assist in ameliorating affordability terms and conditions for transferring land title to residents of informal settlement areas in exchange for cost recovery of providing infrastructure services.

- Establishment of a revolving fund projects account to retain and dedicate project revenues obtained either between or within projects to meet future project improvement needs such as for services to prepare new lands development sites or upgrade deficient existing informal urban settlements.
- Economic housing as a conceptual definition, includes upgrading or provision of needed infrastructure services to existing informal urban settlements consistent with established plans, in addition to provision of new economic housing to meet basic physical, social and economical human needs.
- Initial project financial resource mobilization is permitted in which informal settlement area residents or squatters request legal status or title to public encroached upon land and provide fees to local public authorities to begin construction and cost recovery of infrastructure and utility improvements to service such land. (Legal title to encroached upon land areas in exchange for payment of public services and land must be consistent with established plans approved by Local Popular Councils).

Short Term Opportunities and Strategies

Based on current LMU pilot upgrading land development project experience and other Egyptian project experience, the following lessons learned should be encouraged as future project opportunities and strategies on a continuous basis:

- Project activities should be self-contained not depending on off-site facilities to obtain any benefits.
- Massive high standard capital intensive improvements in infrastructure and community facilities should not be attempted in poor urban settlements but relate to affordability and standards required of targeted groups in such areas.
- Charging below market interest rates on loans for home improvement or enterprise development should be minimized if the financial intermediary cannot sustain the loan program and cover costs of servicing funds, etc.
- Land tenure should be implemented in various forms and clearly marketed or reviewed with targeted beneficiaries early as a concept to achieve success. Readjustment of plot parcels to get more efficient lot sizes and more effective cost recovery should be considered early and on a continuous basis to respond to changing conditions or standards.
- Land price should be fixed early to effectively calculate cost recovery potential for infrastructure services along with prioritizing improvements according to affordability and willingness to pay with targeted beneficiaries.
- Financial independence for LMU organizations should be encouraged to sustain operations and effectively implement projects through a project revolving fund account and budgeting system;
- Cross subsidies between and within projects administered by the LMU should be encouraged to effectively balance local resource mobilization strategies for informal settlement areas.
- Cost-recovery should be encouraged on projects through strategic cost-reduction and revenue generation strategies;
- Concepts of the Beneficiary Core Group (BCG) and Developer Core Group (DCG) to improve future project participation opportunities between informal and private sector participants should be considered;

- Project "start-up" funding to mobilize LMU project construction should be through available local resources to the extent possible as a first priority. Outside donors such as the Social Fund For Development or other international sponsored programs should be pursued as a last resort, if such actions will likely result in timely access to "start up" financing to mobilize project implementation activities.
- More explicit provisions should be added to existing local authority laws clarifying governorate rights of using self-financing through local resource mobilization methods sited in this report to supply infrastructure services and recover costs from beneficiaries.
- Land release conditions and land tenure pricing resource mobilization procedures addressing land release and tenure based on the Ismailia and Nassiriya example upgrading project experiences should be used as models for developing procedures in regards to LMU upgrading projects. Value of plots should vary according to use, location, size, and period of occupancy including other factors such as transfer of ownership considerations to prevent or limit land speculation.
- Field offices are necessary, as LMU pilot upgrading projects advance in the implementation process, to begin the revenue generation components of the land title process and should be encouraged. Most community participation procedures concerning land sale affordability issues and processing should be executed in these field offices.
- Cost overruns can be prevented by keeping the scale of development sized according to available funds (incremental approach);
- A step by step approach to institutional building as a continual process working within existing governorate institutional structures should be encouraged;
- Maximum use of current administrative practices including sharing understanding of "what can be done" through such practices consistent within existing laws should be encouraged to promote more effective implementation of LMU project activities. More central government leadership and support is required to reinforce the legal understandings outlined in this report with local legal/financial authorities;
- Institutionalization of LMU's should be based on the scope, and quantity of successful projects achieving cost-recovery objectives while meeting socio-economic needs including the need for additional staff. In the short-term, formal institutionalization can be achieved through governor decrees or executive orders.

Long Term Opportunities and Strategies

This report addresses the following long term opportunities and strategies as recommendations to consolidate and sustain future LMU activities:

- Strategies Regarding the Need for Information Sharing - The need to receive and share information with the Egyptian Survey Authority; General Organization for Physical Planning (GOPP); and the Central Agency for Public Mobilization and Statistics (CAPMAS) is important for LMU's to define, monitor, and implement projects. The forum for discussion of information sharing strategies and roles, etc, is suggested through information sharing conferences to be held on a continuous basis.
- Specialized Workshops On Paying For Growth Including Consideration of Enabling Legislation - These workshops are needed so that key decisionmakers and knowledgeable government technical staff can learn from historical experience in developed countries regarding "pay for growth" techniques to recommend appropriate enabling legislation unique to Egypt.

- **The Need for Enhancement of Current LMU Organizational Structures in Relation to "Ideal Model"** - "Ideal Model" internal and external relationships in this report are recommended to enhance and consolidate LMU activities.
- **Considerations in Resolving Common Problem Issues/Constraints** - Based on international project experience issues/cons.raints, which parallel the Egypt experience, strategies for promoting public/private sector partnerships and land market efficiencies include the following:
 - Gaining knowledge of markets by setting up and maintaining land management information systems for project activity in relation to governorate wide activity;
 - Streamlining bureaucratic procedures;
 - Improving land acquisition techniques;
 - Revising standards and regulations;
 - Seeking to guide rather than control development;
 - Revising pricing policies; therefore avoiding sales below market value;
 - Seeking to facilitate rather than execute projects;
 - Providing access to basic infrastructure services and credit;
 - Recognizing and servicing informal development as an alternative;
 - Introducing trunk infrastructure in strategic locations;
 - Exerting control in sensitive areas;
 - Promoting enabling legislation to enhance private sector participation; and
 - Designing and implementing better financial mechanisms and systems.
- **Potential Future LMU Project Opportunities** - Employment oriented land development opportunities for industrial and small business or micro-business enterprises can be implemented in the future as possible LMU projects based on established local experience. Potential for commercial, touristic, and public service developments projects as possible LMU activities is realistic provided land or property is controlled by the governorate. The "Usufruct Concept" implemented for the El Bustan Car Park Garage project in Cairo should be encouraged and could be replicated with the other governorates. Such organizations as the Arab Foundation for Enterprise Development (AFED) and other organizations such as the Social Fund For Development could assist LMU's in mobilizing resources to implement such projects.

Section I

INTRODUCTION AND BACKGROUND

1.1 Purpose of the Local Development II Urban Land Management Program

The primary purpose of the LD II Urban Land Management Program, is to improve capacity of the six urban governorates to define, finance, implement and monitor land development and upgrading projects using governorate controlled land as an asset. Establishing a Land Management Unit (LMU) with staff and furnishings/equipment to develop, administer, and monitor project activities was an initial first step of the program. The program was designed not to interfere with, or reorganize, existing physical planning or land control organizations within the six urban governorates. It was designed to complement such organizations where they existed. This capacity building process included training of "core" LMU staff to identify viable projects and to handle the technical analysis, implementation and monitoring of projects.

Prior to the LD II Urban Land Management Program, land was often sold without conditions of land release related to a comprehensive project development strategy administered by a project implementation organization. None of the six urban governorates had Land Management Units to implement land development projects prior to the LD II Urban Program.

1.2 Report Purpose

The report seeks to address the following issues:

- Review and update existing Technical Assistance Contractor (TAC) training resource material from the Orientation Workshop and other completed training courses and provide supplemental research to confirm insights into recent opportunities and strategies under existing Egyptian legal frameworks that support current project cost recovery and revenue generating techniques on pilot upgrading and new lands development projects;
- Confirm ability to achieve cross-subsidies between projects within the existing Egyptian legal framework to ameliorate affordability issues for urban poor targeted populations;
- Confirm project account procedures including dedication of revenues generated from within and between projects to future project operating and capital costs to sustain operations and more effectively complete projects;

- Explore the potential for different types of LMU projects other than for residential land uses and the associated opportunities for revenue generation;
- Recommend strategies to achieve future legislative enhancements or institutional improvements to more effectively implement local resource mobilization opportunities through LMU organizations.

Findings in this report are based on discussions between participants on the above issues during a repetition of the original Orientation Workshop completed in 1990, and repeated again late in 1991 as a prerequisite to the 1991 overseas training program. In addition, the consultant worked with existing Technical Assistance Contractor (TAC) staff to review findings of the Organization/Administrative Workshop conducted earlier to present recommendations on organization relationships as possible future long term considerations consolidating LMU powers and authority to implement projects and mobilize project funding resources at the local level. The consultant also reviewed documentation provided from the Turkey Study Tour completed late in 1991, and included relevant findings for consideration in this report.

An agenda for the Orientation Workshop course is included in the Appendix A. Involvement of legal and financial directors along with the LMU directors helped to determine "what could be" accomplished under current legal frameworks and what future long-term legislation may be needed to clarify existing action or permit other more effective local resource mobilization opportunities. Though understandings varied considerably by governorate, this report emphasizes observations on "what can be done" based on "positive" understandings of the existing legal framework from local government officials in the LD-II urban governorates.

This report is divided into the following sections addressing the above objectives;

- Section I; Introduction and Background;
- Section II; Review of Local and International Project Resource Mobilization Experience;
- Section III; Review of Egyptian Institutional and Legal Frameworks; and,
- Section IV; Urban Development Policy, Institutional Improvements, and Recommendations.

This report serves as a companion document to the following land management guideline training resource documents developed under the LD-II Urban Program:

- Land Management Planning Information System Guidelines;
- Land Management Project Development Guidelines;
- Land Management Office Operating Guidelines;

- Land Management Background Report On The Helwan and Ismailia Land Development and Community Upgrading Project Experiences; and,
- Land Management Project Development and Local Resource Mobilization Using Land As An asset.
- Orientation Workshop Training Resource Document (1990), by Environmental Quality International (EQI)

1.3 Related Project Experience and Status of the LD-II Urban Program

Projects have been implemented in Egypt over the past two decades with varying results concerning the scope or extent of cost-recovery and revenue generation. Among these were the Helwan New Community and Upgrading Projects, Manshiat Nasser Community Upgrading Project (Cairo); the Hai El Salam and Abu Atwa Upgrading Projects (Ismailia) and the Nassiriya Community Upgrading Project (Aswan). Project development activity considering cost-recovery and revenue generation through the participation of targeted beneficiaries is therefore not entirely new to Egypt.

The land management program has met or exceeded a majority of its objectives to:

- Establish operating LMU offices;
- Provide training to "core" staff;
- Install initial project development information systems in project governorates; and,
- Encourage and assist LMU's in identifying viable projects including implementation and approval of such project activities.

In summary the following have been achieved:

- LMU organization with "core" staff resources have been established in all six governorates. Appropriate Governor's orders and decrees establishing an organization and appointing staff have been issued. Office equipment and furnishings have been provided in five of the six governorates and will be completed for Cairo in 1992.
- In-country and overseas training of "core" LMU staff was completed for all six governorates in 1990, 1991 and 1992. Highlights of the overseas training included the program at Michigan State University in 1990 and the overseas Turkey Study Tour in 1991.

- Installation of automated information systems to reinforce current project and develop future project activities has been completed for four of the six governorates, (Port Said, Giza, Qaliubia, and Alexandria), exceeding original expectations. Such systems include project financial planning and office budget systems; a custom built and arabized Land Management Information System (LMIS); and project scheduling applications. Desktop mapping hardware/software has been installed in the pilot governorate of Port said. (The remaining two governorates of Cairo and Suez have requested that computer hardware/software systems be installed during 1992).
- LMU pilot projects have been identified; approved; and are well into the implementation process in half of the governorates, (Port Said, Suez, and Giza). Cairo and Qaliubia have identified projects and are pursuing alternative financing opportunities to mobilize these projects since funding under the second tranche of the LD-II Program in 1991 remains uncertain.

The program was structured around the realistic and pragmatic observation that on-the-ground activity for projects and effective implementation of projects, including in most cases initial revenue generation, would be contingent on timely availability of start-up funds to begin such activity. It assumed success in project activity implementation to this point in time would vary between governorates dependent on an ability to either initiate revenue generation; receive mobilization "start-up" funds; or locate other project opportunities through outside investor interests.

Under the LD-II Urban Program, five of the urban governorates identified pilot land management projects for implementation, scoped out these projects, and presented them to senior management for approval. These include Port Said, Giza, Suez, Qaliubia, and Cairo. Most of these projects focus on upgrading of deficient urban areas; and one in Cairo, is a sites and services new lands development project. Cairo is now exploring another project involving relocation of industrial uses. Qaliubia is exploring other project financing options and awaiting the opportunity to present their previously approved project to a new governor. Details of pilot project status as well as other types of projects as their current resource mobilization characteristics are discussed in later sections of this report.

Section II

REVIEW OF LOCAL AND INTERNATIONAL PROJECT RESOURCE MOBILIZATION EXPERIENCE

2.1 Introduction

Experience gained through various projects indicate a number of current workable options and strategies for project local resource mobilization and income generation. Sources of funds explored for LMU projects included government allocated funds, donations from bilateral and international organizations, loans, proceeds of various land release mechanisms, user service fees, and administration fees from illegal squatters to formalize ownership of public land by paying for services to upgrade deficient urban areas.

This section summarizes current resource mobilization opportunities based on this experience. In addition other project experience relevant and similar to current LMU pilot projects identified are reviewed. International project experience including similar problem issues and insights affecting project resource mobilization activity are also reviewed.

2.2 Land Tenure and Title Experience in Egypt

Land tenure pertains to the rights and title in which land is held. This can range from individual to communal or public ownership. Perhaps most reflective of a range of land tenure types in the Egyptian experience at the local governorate level applies to provision of services to upgrade deficient informal settlements. Under this experience, five types of land tenure have been realized including:¹

1. Leased Land: This is land owned by the state and leased on a long-term basis to occupants of the land. Squatters may be granted this status, if they make a request to the Governorate. Land which remains permanently under a leasing status and cannot be sold is known as hekr land. Other leased land may be converted from public to private ownership after a lease period is terminated.
2. Trust (Wakf): This is property set aside for charitable or religious purposes and usually administered by the Ministry of Wakf. Patriarchate property is considered wakf, but is independent of the Wakf Ministry.

(1) From Regularization of Land Title for Informal Communities In Cairo: An Analysis and Proposed Approach, August 1989, page 2, by Dr. Sawsan El Messiri of Cooperative Housing Foundation (CHF).

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 it is occupied 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 which serves a public purpose. This land includes governorate Amlak land, land reform, antiquity, and military properties.

Individual ownership of land is the most secure form of tenure and therefore most likely to encourage households to invest. Land title which is official recognition of ownership, offers security. It is very important to lower income or urban poor occupants in informal settlement areas, since it involves a significant transition from being an illegal squatter dweller to a respectable secure home owner.

In most projects focusing on upgrading of informal settlements, the provision of legal land tenure were early program objectives. Accordingly land title was earmarked as initial objectives in the implementation plans based on experience in the 1980's, as evidenced in Helwan for Cairo and upgrading projects in Ismailia governorate, as well for projects under the LD-II Urban program.

Therefore, legalization of tenure has historically been a popular instrument to secure the recovery of costs associated with the upgrading of informal communities from residents, as it provided security for them. Legalization of tenure is often complex and a controversial. 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 relevant planning and municipal authorities. Especially in the latter case, government authorities are often reluctant to legalize tenure as they might be pressed and obliged to introduce costly infrastructure services and community facilities.

Complicating this experience, has been a long history of not having accurate maps and land information on current land ownership status. The Egyptian Survey Authority through a recent USAID sponsored program, is attempting to computerize a national land information and cadastral system which should clearly benefit the urban governorates. LMU's urgently need updated maps to monitor current project activities or properly define future project activities. Government policy is however emphasizing development of maps for rural areas on a priority basis.

2.3 LMU Project Activity Under the LD-II Urban Program

Pilot projects including other projects have been identified for most of the governorates. Their current status and other characteristics are shown in Table 1 by governorate. Four governorate pilot projects emphasize upgrading of deficient services to urban area "informal" settlements. One governorate, Cairo identified a sites and services new lands development project and is considering another industrial relocation project.

Details regarding the extent of estimated pilot project costs, including gross and net revenue generation are highlighted in Table 2 by governorate. At the present time, expected net revenues after cost-recovery for all identified pilot land management projects in five participating governorates is anticipated to total over 26,500,000 LE by the end of all project implementation periods. This is based on total revenues estimated at 59,824,000 L.E. and costs at 33,240,700 LE by the end of project implementation periods.

2.4 Project Local Resource Mobilization Concepts Under LD-II Urban Program

Under the land management component of the LD-II Urban Program, the following funding concepts are currently being used or evaluated as local resource mobilization (LRM) mechanisms to implement project activities.

- Funds used as "seed" or "start-up" resources to provide basic services to sites and begin construction activity which will allow land sales or auctions to occur and therefore begin revenue generation on projects;
- Resources generated through participation in construction or management of governorate controlled land or property in project study areas over specified periods of time.

Start up fund resources to begin project on the ground construction activity were considered from the following options:

1. Borrowing funds from existing governorate accounts, (i.e; Services Fund; Economic Housing Fund; Reclamation Fund, etc);
2. Grants or outside donations (i.e. domestic and international, donors, such as through the United States Agency For International Development, etc);
3. Funds from central government through the 5 year Capital Investment Planning and Budgeting Process;

| | Establish LMU Office | | Project Identification | | | | | Project Governor Approval | Approval Land Allocation | Process Governorate | Funding Status | | Revenue Source | Project Construction | | | | | |
|----------------------------|----------------------|-------------------|------------------------|-------------|--------------------|--------------|------------------|---------------------------|--------------------------|---------------------|---------------------|-------------------|----------------|----------------------|--------|----------------|---------------|----------------|---------------------|
| | Staff Appointed | Space & Equipment | Project Identified | Feas. Study | Board of Directors | City Council | District Council | | | | Governorate Council | Executive Council | | LDII | Other | Revolving Fund | Contract Docs | Contract Award | Site Work Initiated |
| PORT SAID | | | | | | | | | | | | | | | | | | | |
| El Arab | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Oct-91 | Jul-91 | 1995 | |
| El Kabouti | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Oct-91 | Jul-91 | 1995 | |
| El Amal (Tourist Ctr.) | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Oct-91 | Jul-91 | 1995 | |
| Southern Villages | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Oct-91 | Jul-91 | 1995 | |
| SUEZ | | | | | | | | | | | | | | | | | | | |
| Kafr Arab El Naamal | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Apr-92 | Feb-91 | Feb-91 | 1995 |
| El Komiat | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Apr-92 | Feb-91 | Feb-91 | 1995 |
| El Khour & Wisha | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Apr-92 | Feb-91 | Feb-91 | 1995 |
| El Naghraby | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Apr-92 | Feb-91 | Feb-91 | 1995 |
| Slaughter House Relocation | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Apr-92 | Feb-91 | Feb-91 | 1995 |
| Central Police Relocation | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Apr-92 | Feb-91 | Feb-91 | 1995 |
| South National Garden | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Apr-92 | Feb-91 | Feb-91 | 1995 |
| Land Sale Auction | C | C | C | C | C | N/A | C | C | C | Y | Y | Auction | C | C | Apr-92 | Apr-92 | Feb-91 | Feb-91 | 1995 |
| GIZA | | | | | | | | | | | | | | | | | | | |
| Manshiat El Bakary | C | C | C | C | C | N/A | C | C | C | Y | Y | Land Sale | U | U | U | Jul-91 | Nov-92 | 1997 | |
| Sakiet Mekky | C | C | C | C | C | N/A | C | C | C | Y | Y | Land Sale | U | U | U | Jul-91 | Nov-92 | 1997 | |
| Daver El Mahia | C | C | C | C | C | N/A | C | C | C | Y | Y | Land Sale | U | U | U | Jul-91 | Nov-92 | 1997 | |
| CAIRO | | | | | | | | | | | | | | | | | | | |
| Kattamia | C | U | C | C | C | N/A | N/A | N/A | N/A | C | U | Jul-92 | Y | Auction | P | C | P | P | P |
| Zawia El Naama Reloc. | C | U | U | U | U | U | U | U | U | U | U | Jul-92 | Y | Auction | P | C | P | P | P |
| El Maadi Land Development | C | U | U | U | U | U | U | U | U | U | U | Jul-92 | Y | Auction | P | C | P | P | P |
| GALUBIA | | | | | | | | | | | | | | | | | | | |
| Sharkawia | C | C | C | C | C | N/A | C | C | C | Y | Y | Land Sale | P | P | P | P | P | P | |
| Manshiat El Horreya | C | C | C | C | C | N/A | C | C | C | Y | Y | Land Sale | P | P | P | P | P | P | |
| El Nagazie | C | C | C | C | C | N/A | C | C | C | Y | Y | Land Sale | P | P | P | P | P | P | |
| ALEXANDRIA | | | | | | | | | | | | | | | | | | | |
| Manshiat El Giddida | C | C | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P |

Table 1 (Continued)
LMU PROJECTS

Comments

PORT SAID
El Arab Site preparation underway. Site services construction by mid 1992 using LDII Urban funds.
El Kabouti 1st phase complete, 2nd phase underway

SUEZ
Kafr Arab El Naamal Water tap facilities repaired. Site access adjustments underway.
Revenue generation begun 700,000 L.E. Sewerage pump station construction mid - 1992.

GIZA
Manshiat El Bakary Pilot project builds on main sewerage and water lines under construction.
Does not rely on these to begin initial revenue generation.

CAIRO
Kattamia Other project financing options being explored with investment banks (privatization).
Zawia El Naama Reloc. Project economic physical studies under way.
El Maadi Land Development Pending studies under consideration

GALUBIA
Sharkawia Former Governor approved pilot project. Presentation to new governor pending.
Manshiat El Horreya No project financing available at present time.
El Nagazie No project financing available at present time.

ALEXANDRIA
Manshiat El Giddida District handling project.

| | | |
|---------|----------------------|--------------------|
| Y - Yes | N/A - Not Applicable | P - Pending Action |
| N - No | U - Underway | C - Complete |

TABLE 1
LMU PROJECT ACTIVITIES

As of March 1992

Table 2

LAND MANAGEMENT DEMONSTRATION PROJECT CHARACTERISTICS

(As of End of March, 1992)

| ITEM DESCRIPTION | GOVERNORATE | | | | | |
|--|---|--------------------------|--------------------------------------|--------------------------|------------------|------------------|
| | GIZA | PORT SAID | SUEZ | QALIUBIA (o) | CAIRO (o) | ALEXANDRIA |
| • Project Name | Manshiat El Bakary | El Arab District | Kafr El Arab | El Sharkawia | Kattamia | Under Discussion |
| • District Location | Al Haram | El Arab | Ataka | Shoubra El Kheima | El Maadi | Pending |
| • Total Project Area (Feddans) | 115.0 | 112.5 | 141.0 | 6.3 | 750 (6) | Pending |
| • Type of Project and Initial Impact Area (Feddans) | Upgrading 34 (1) | Upgrading 9.23 | Upgrading 69.0 | Upgrading 6.3 | New Lds.Dev 35.0 | Pending |
| • Targeted Beneficiaries (Low to Middle Income Residents) | 36,428 | 2,500 | (3) 22,000 | 2,000 | 12,000 | Pending |
| • (A) Total Project Costs (LE) (*) | 6,508,700 | 12,900,000 | (3) 9,765,000 | (4) 1,000,000 | 3,067,000 | Pending |
| • Implementation Period | 6 Years(1) | 4 Years | 6 Years | 3 Years | 5 Years | Pending |
| • Method of Cost Recovery | Change Tit. Lnd.Sales Upg. Fees Mkr.Revn. | Lnd.Sales Upgrading Fees | Change Tit. Lnd.Sales Upgrading Fees | Lnd.Sales Upgrading Fees | Lnd.Sales | Pending |
| • LD-II Urban Contrib.(LE) Form#1 | 153,300 | 238,700(2) | Not Req. | 254,000 | 1,500,000(6) | Pending |
| • Other Contributions (LE) | Under Review | 105,000(2) | 700,000(3) | None (5) | None (5) | Pending |
| • (B) Expected net revenues by Dec. 1992 resulting from expenditure of LD-II Urban funds | Under Review | 4,019,400 | 1,907,000 | 1,150,000 | 4,750,000 | Pending |
| • (C) Expected gross revenues (*) generation (LE) at end of proj. implementation period | 12,677,600 | 18,700,603 | (3) 17,321,000 | 3,000,000 | 8,125,000 | Pending |
| • (D) Total Proj. Costs as a % of gross revenues (A/C) = D | 51% | 69% | 56% | 33% | 38% | Pending |
| • Target Date for On-The-Ground Activity | Already(1) Initiated | Already Initiated | Already Initiated | (5) | (5) | Pending |

demon5/gh

- (1) Form #1's adjusted for reduced allocation to L.E. 153,300 (reduced from L.E. 240,000). The expected implementation period for the whole project (the three study areas) is six years. It is expected that the construction first phase project improvements will be finished within 12 months of December, 1991 or December, 1992. Previous construction of subprojects serving the study area underway.
- (2) LE 238,700 represents 181,385 less 35,000 for a car or = 216,385 or 217,000 rounded with 10% for contingency for project improvements.
- (3) Existing population is estimated at 15,000. Projected population on site is estimated at 22,000 by year 2010. The total revenue will be about LE 17,321,000 after 12 years based on specific land release terms, L.E. 700,000 collected from the inhabitants already.
- (4) The costs revenues mentioned above represent the recommended alternative (There are three alternatives for the project). The costs and revenues represent the latest financial analysis.
- (5) Other funding resources are under study to start implementation activities.
- (6) Total gross area of the project is 1600 feddans. 750 feddans represents a net area balance after the uses and unsuitable development topography is subtracted from 1600 feddans. The project will start with a neighborhood for infrastructure with costs at LE 3,067,000. (The 1st phase represents 50,000 m² of area for land sales. Refer to the update project feasibility study)
- (o) Qaliubia and Cairo will not be funded from the first tranche of the LD-II Urban investment plan but have elected to be funded through the second tranche. Timing regarding second tranche allocation is uncertain at this time. Other options being considered including investment plan for July, 1992.
- (*) Total project costs and revenues are subject to modification during implementation periods because of changes in market conditions, etc. Expected net revenue (Item B) by December, 1992 equals expected gross project revenues less total project costs expended by that time. Expected gross revenues at end of total project implementation period (Item C) minus total projected project costs (Item A) equals net revenue balance. For all five projects in participating governorates, this is now anticipated over 26,500,000 LE at end of project implementation periods.

4. Buyer or user downpayments;
5. Borrowing from commercial banks at often higher interest rates than from internal governorate sources;
6. Net revenue proceeds generated from organized and properly structured land release programs inherited from other projects under LMU control; and
7. Initial land tenure administrative fees or charges to illegal squatters on governorate controlled land to help mobilize construction of services in deficient urban areas in exchange for land title or tenure to be set later at reasonable "affordable" terms.

Revenues and other local resource mobilization techniques for specified periods of time from individual investment organizations, targeted beneficiaries, or private owner investor participants include the following:

1. Sale of land such as encroached upon governorate land or other land resources that have been provided with adequate infrastructure services, (i.e.; land tenure and/or legal title);
2. Leasing or rental of governorate controlled land or property resources to private or public sector participants.
3. LMU administrative fees charged and collected for services rendered in obtaining plan endorsements, or improvement to governorate land resources pursuant to project development strategies;
4. Contract management fees generated from revenue proceeds in developing, implementing, monitoring, and managing land development projects over time.
5. Construction or occupancy permit fees linked to timely construction completion of buildings, infrastructure services, on projects, etc;
6. Sharing in revenues obtained from user fees subject to appropriate governorate approvals, linked to levels of consumption or use of public infrastructure services to maintain such services, (i.e., water, electricity, parking, etc);
7. Fees generated to recover interest and administrative costs of borrowing investment fund resources to initiate and/or maintain project construction;

8. Administrative fees generated from any net project revenue balances to provide access to finance such as for targeted beneficiary home improvements; loans for commercial small business enterprises; and other loans; etc;
9. Labor periodically contributed by targeted beneficiaries in the construction of simple public works, under supervision of qualified authorities. Such participation lessens the impact of costs and thereby results in the sale of more affordable real estate property.

Potential land release methods and likely participants for each method are highlighted Table 3. The application of these methods are unique to various projects and will result in mobilization of local resource funds based on terms agreed between the parties involved.

2.5 Observations Regarding Current LMU Project Funding Mobilization Experience

As anticipated in the Diagnostic Report, establishing LMU's in each governorate would ultimately be based on the political and administrative realities which exist in each governorate. Project accounting procedures under the program would rely on understanding of the existing legal framework to account for project revenues, costs, on operating expenses and the extent of retaining project generated revenues for financing future project needs. LMU organizations have been established both within and outside existing related land planning and control organizations. Each governorate elected different approaches to ideal LMU organization concepts suggested early during the technical assistance effort. Different understandings of a project revolving fund account were also implemented. The program is multi-disciplinary in nature involving project engineering, planning, design, financial and administrative systems; land management information systems; and finally, project implementation and monitoring skills. It also involves implementation of component and integrated upgrading subprojects in a development strategy for specific study areas.

The General Organization of Physical Planning (GOPP) was instrumental in encouraging governorates to establish physical planning offices. This was implemented with varying results. In some governorates, namely Giza and Qaliubia, planning activities have been conducted at city and village levels with only nominal central participation, (under the Housing Directorate in Giza, and under the Diwan in Qaliubia). Alexandria and Suez had unique land protection capabilities represented by independent agencies directly reporting to the planning/land development departments. None of the governorates had a specific Land Management Unit (LMU) organization, to implement projects using governorate land as an asset to achieve cost-recovery and revenue generation as a project financing local resource mobilization objective. This was a new concept in Egypt not easily understood or appreciated. Unlike other engineering/planning LD-II Urban program components, the land management program is relatively new. It does not have a long history of LD-II Urban financial investment plan participation to mobilize project construction activity.

Table 3

POTENTIAL LAND RELEASE METHODS

| POSSIBLE LAND RELEASE MECHANISM (1) | POTENTIAL PARTICIPANTS |
|---|--|
| - Outright freehold sale of plots to highest bidder, with only regulatory codes applying; | o + |
| - Sale of freehold plots to highest bidders with special conditions (e.g. build within a certain time; | o + |
| - Sale at fixed prices and easy repayment to eligible "target" beneficiaries, with or without various build-out facilities, such as construction loans; | o + |
| - Lease of land for different periods and under varying conditions; | o + |
| - Outright sale of parcels or tracts to highest bidders, with only statutory land use and building codes applying where appropriate or available; | + o |
| - Outright sale of tracts to highest bidders, with special conditions applying, such as performance specifications regulating the price or resale to end users, development deadlines, compatibility with Master Plan; etc. | + o |
| - Various leasehold arrangements offered to developers; | + |
| - Various joint-venture arrangements with developers; | + |
| - Transfer of a portion of a site to a developer to market as he wishes, with the stipulation that he supply infrastructure to the whole site, with the state releasing the remaining land under various programs; | + * |
| - Sale of tracts to housing or industrial cooperatives at set prices with or without special conditions; | * |
| - Sale or lease of land at nominal prices to local governments; | * |
| <p>KEY TO POTENTIAL PARTICIPANTS DESCRIPTION</p> <p>o = site occupant "end users"</p> <p>+ = intermediate users or developers</p> <p>* = special groups or government agencies</p> | <p>(1)Source: "Tools Available to Government For Managing Land Development: Common Constraints to Successful Application" by David Sims, May 1988.</p> |

diagnost/gh

Source: Diagnostic Report, December 1988 by Wilbur Smith Associates.

Certain recent or untimely conditions which have temporarily delayed effective LMU project implementation include the following:

- Confusion and uncertainty regarding the second tranche of LD-II investment plan financial resources in 1991 to begin project construction activity;
- Continuity in staff and senior management (i.e., changes in governors and key staff);
- Achieving consistent understanding on project revolving fund account procedures to improve anticipated project net revenue balances to help finance future project needs; and,
- A continued need for clarification particularly with new governorate senior management over the role of a land management unit (LMU) to implement site specific development action plans, and monitor project implementation with the need and role of a comprehensive urban planning organization to assemble day to day planning information for governorate wide structural and regional plans.

Because of expediency, most governorates pursued project financing through the LD-II Urban Program. The following project financial resource mobilization options were explored or are currently under consideration to begin construction and initiate sustainable revenue generation on projects;

1. Project investment block grants through the USAID sponsored LD-II Urban Program; (Port Said and Giza governorate have pursued this option for the El Arab and Manshiat El Bakary projects respectively);
2. Collections from informal or illegal targeted beneficiaries through a land title process which can be used to begin providing infrastructure services; (Suez Governorate used this option for the Kafr Arab El Maamal upgrading project);
3. Borrowing funds from the Economic Housing or Services Fund depending on availability; (Qaliubia is considering this as an option for the El Sharkawia Canal upgrading project; and,
4. Exploring project financial participation with outside private sector investor interests, (i.e.; investment bankers) such as for the Kattamia sites and services new lands development project for Cairo governorate)

Other projects or alternative project financing options including all of the above are being considered by Cairo and Qaliubia governorates as alternatives, due to the uncertainty surrounding the second tranche of LD-II Urban Program investment block grant funds (33 million LE) in 1991 to mobilize initial project activity. Both governorates may elect to prioritize their LMU projects by requesting start-up funds through the investment plan procedures now being transitioned from the LD-II Urban program to the Ministry of Local Administration.

2.6 Review of Other Egyptian Project Experience

This section reviews and summarizes experience regarding the Helwan New Community and Upgrading projects in Cairo Governorate and the Hai El Salaam and Abu Atwa upgrading projects in Ismailia Governorate. Both these experiences are popular case studies to understand important lessons learned. More details regarding the project experiences in Helwan and Ismailia are outlined in the LD-II Urban report titled "Background Report on The Helwan and Ismailia Land Development and Community Upgrading Project Experiences in Egypt".

Other project experience includes the Nassiriya Upgrading Project experience in Aswan. Opportunities for local development of industrial parks; and commercial development through the lease\hold concept; (El Bustan Car Park Garage) as possible other project experience opportunities was based on documents provided through USAID².

2.6.1 Helwan Experience

- Background - The Helwan experience consisted of planning, design, and construction implementation of basically two projects. Program objectives included enabling government to extend services to deprived areas and to provide housing to low-to-moderate income households which would not have been available in the housing stock. One project consisted of a new community (new lands development) project, while another program consisted of providing upgrading improvements to seven existing informal settlements lacking basic urban services.

The informal settlement communities included seven areas or, Ezbet Zein; Arab Rashed Ezbet Arab Ghoneim; Ghoneim El Baharia; Ka'r El Elw; Ezbet El Bagour; and Ezbet Sidki in the Helwan District of Cairo. A land title program was a major objective of these community upgrading projects to recover development costs.

² LD-II Urban Land Management Project Options prepared by USAID by Mohamed Wassimi Saleh, September 23, 1991.

Key organizations or entities involved in the implementation of these projects consisted of the Executive Agency for Joint Projects (EAJP) affiliated with the Ministry of Housing and Utilities; Cairo Governorate; and the Credit Foncier Egyptien. The United States Agency for International Development (USAID), and the Government of Egypt (GOE) provided most of the funding for the projects.

- **Acceptable Development Concepts and Affordability Issues** - The Helwan new community land development project presented the construction by owner program as an alternative to the government approach of turnkey multi story buildings as an ideal housing concept for low income groups. The development of the "core house" design and applicability required substantial "controversial" investment expenditure on the part of targeted beneficiaries. Initial cost estimates indicated that the unit cost under the new concept would be higher than comparable government flat by 12-18% - not including the owner's participation in the construction process. The difference was due in part to the price of land and cost of infrastructure which is allocated fully to unit where as in the government approach this was divided between many flats.

Such discrepancies among other things resulted in many studies discussion affordability issues estimated costs for a unit on a 84 m2 plot was L.E. 13063. If a loan downpayment is fixed as L.E. 2000, the monthly payment will be about L.E. 74. Even with an average per capita income of US\$ 600 per annum, this represents 45% of such income. The affordability issue becomes more problematic if the project target group is within the lower income population groups and the interest rate for calculation of the monthly payment is set at a subsidized rate of 7%. The question of acceptability was another major issue of the new community project. It was suggested that core housing approach would maximize involvement of individuals, reduce subsidies by lowering standards and allow availability of credit so that families could afford to pay subsequent costs. The Egyptian government did not fully accept this as a concept for the new community land development project.

In the more successful upgrading projects, the concept of a block captain approach to community participation was used to reconcile individual needs to community needs.

- **Lessons Learned** - The following considerations have been suggested as lessons learned from this experience:

1. Project activities either in upgrading of deficient urban settlements or new lands development should be a self-contained not depending on off-site facilities to obtain any benefits.
2. **Massive high standard capital intensive improvements of infrastructure and community**

facilities should not be attempted in low-income upgrading areas. Such improvements should instead relate to affordability and standards required by low-income target groups in such areas.

3. Minimize charging below market interest rates on loans for home improvement or enterprise development if the financial intermediary (in this case of the CFE), can not sustain the loan program and cover costs of servicing funds, etc.
4. Land Tenure should be implemented in various forms and clearly marketed or reviewed with targeted beneficiaries early as a concept to achieve success. Readjustment of plot parcels to get more efficient lot sizes and more effective cost recovery should be considered early and on a continuous basis to respond to changing market conditions.
5. Land Price should be fixed early to effectively calculate cost recovery potential for infrastructure services along prioritizing improvements according to affordability and willingness to pay with targeted beneficiaries.
6. Working within existing institutions which have authority to implement projects is far more effective. (Cairo Governorate had the institutional authority to generate revenues from land sales and the Governor can direct retaining such revenues within projects by orders or decree. The EAJP did not have this authority in the early stages of the project).
7. Insure that a step by step project development process is realized or the implementation of smaller projects will allow the revenue generating components of projects to balance the cost components over time. This assumes community participation in affordability and willingness to pay regarding new cost recovery concepts are workable.

2.6.2 Ismailia Experience

- Background - Ismailia authorities designed the Hail El Salaam and Abut Atwa Upgrading projects to be self-financing from the beginning. These development programs came about originally as a part of the involvement of the British Overseas Development Administration which provided Technical Assistance (TAC) on-site and direct aid to implement these projects. Clifford Culpin Associates were the TA Contractors over the period from 1978 to 1985. They were the consultants who developed the Master Plan for Ismailia in 1974. It should be noted that other project development programs were initiated in Ismailia over the period from 1980 to 1990.

- **Ismailia Planning and Development Agency** - Most projects including the Hai El Salaam (El-Hekr) and Abu Atwa projects were eventually coordinated through the Ismailia Planning and Development Agency (IPADA). This Agency became self-sustaining after the British involvement in Ismailia. Its functions included providing reviews and updates of the Master Plan, and was to be a funding source to projects by providing financial resource cross-subsidies from the sale of higher valued land uses. The master plan review and update function of the agency came about from frustration of Ismailia officials to work with the General Organization of Physical Planning (GOPP), to update in a timely fashion, the Ismailia Master Plan. The Governorate wanted also to exert more control over management of governorate lands.

The Ismailia Planning and Development Agency was established later as a project along with other projects under Governor's Decree 425/1986. Projects under this Decree included the Abu Atwa Upgrading Project; the Hail El Salaam Upgrading Project; the Upgrading Project for Manshiet El Shouhada; the Kantara Shark Urban Planning Agency; the Fayed City Upgrading Agency; Abu Swer Upgrading Project; the Safa/Zanzam/Marwa Upgrading project; and the Ismailia Industrial Project. The Ismailia Planning and Development Agency was considered one of several projects including the above under the Housing Fund established by Decree of the Governor. Each project was organized with an account under the Housing Fund and is authorized to retain revenues by the Governor who is chairman of the Housing Fund. In Ismailia, more adherence to the beneficiaries needs and willingness to pay was one of the main aspects behind the relative success of the upgrading projects. Beneficiaries were involved in setting priorities for service improvements in deficient urban areas as well as in the "estimation" of land sale prices or title transfer payments. Governor support, the nature and size of Ismailia Governorate as well as the degree of coherence between population within each community and the governorate in general played an important part in facilitating the community participation process.

- **Land Tenure and Pricing Procedures** - Both the Hai El Salaam and Abu Atwa Upgrading projects had existing populations living in traditional (formal) and informal squatter settlements. The price of land was deliberately set at low levels (1.76 LE per sq.meter) with repayment over 30 years to ensure affordability by low income potential buyers. 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 Hai El Salaam project, the original pricing proposals were modified. The Agency Board of Directors 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. Land prices have increased overtime. The lowest prices have been changed from LE 2 to LE 4 to LE 6 and in 1988 reached LE 10 per square meter without the cost of infrastructure. The price increased according to the location and use of the subdivided plot.

The procedure for determining land price in the upgrading areas was as follows³:

- a. The Project Policy Committee with authorization from the governor executes all 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. Prices are also determined on the basis of the price of land and actual cost of infrastructure plus 10% 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 planning alternatives, the price of land and the cost of infrastructure are discussed with residents.
- d. The decision is then reviewed by the Board of Directors or Project Policy Committee and presented to the governor for approval.
- e. The governor receives 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 usually 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 Directors or Policy Committee of the project. The Board applies different rates to the original sales price, as follows:
 - 50% of the original sales price for the nuclear (primary) family.

3 Opict., "Regularization of Land Title ..." by Sawsan El Messeri, CHF - Pages 25 and 26

- 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 and Project Board of Directors or Policy Committee. Hence, the implementation procedures are decentralized and simplified because authority is delegated from the governor to the project directors. Although the Ismailia experience did not have a set of regulations to prevent speculation they succeeded in controlling transfer of ownership by imposing extra fees on these transfers. These extra fees amounted to about LE 1/2 million in the year 1988.

- **Lessons Learned** - The Ismailia project development experience and lessons learned essentially reinforces lessons learned from the Helwan experience for the following:

1. Working within existing structures at the governorate level;
2. Preventing cost overruns by keeping the scale of development sized according to available funds (incremental approach);
3. Using to the maximum extent possible existing administrative practices; and,
4. A need for financial independence of the local implementing governorate organization to insure sustainability and continuity of project development and upgrading program objectives.

It was also recommended that building institutional capacity to implement upgrading projects would take time. Such time was estimated to take anywhere from a minimum of three years to up to ten years from establishment of an implementing project organization including identification and approval of a project. This was needed to continue training activities for other staff; consolidate operations; and replicate experience elsewhere for other governorate projects.

2.63 Nassiriya Upgrading Project Experience (Aswan)

- **Background** - Begun in 1986, the upgrading of Nassiriya in Aswan was conceived as an integrated project to improve living conditions and provide for expected population growth. Nassiriya, which is the largest unplanned settlement in Aswan, comprised approximately 100 hectares and 50,000 residents. It was target of the German Agency for Technical Cooperation

(GTZ) as an upgrading project technical assistance program to Aswan governorate. All of Nassiriya is owned by the governorate which has leased plots (Hekr) on an annual basis to present lease-holders. Due to extensive subdivision and occupation of most open spaces and empty plots, residential density increased substantially. Labor provided through local residents helped to reduce costs for providing certain infrastructure services.

- Land Tenure and Pricing Experience - Acquisition of plots was among major priorities of leaseholders in Nassiriya. This was encouraged through governorate policy of selling rather than leasing land to recover investment costs of infrastructure services.

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 was to attempt to recover 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 was also recommended that land sale policy under the Nassiriya upgrading project should involve the following principal regulations:⁴

- 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 meters 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 could remain public property and would not be sold to the leaseholder.

4 Ibid, "Regularization of Land Title ..." p. 21 and 22

- 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 would apply.
 - A tenant who has no adult sons would have the right to acquire the plot which they occupy only. Any additional plots, optionally would be offered to the renters interested in purchasing 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 would be offered to renters interested in purchasing the house and plot."

In the case of Nassiriya upgrading area the land value was proposed by the upgrading project committee which was negotiated with the residents in a meeting with the governor. Residents proposed a decrease in land value which was approved by the governor. Apparently the land value eventually set for Nassiriya was not much lower than the estimate of the pricing committees for other similar areas.

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 of Nassiriya was comprised of 5 surveyors, an accountant and a Head of Properties Administration, as well as a member from the Community Council who was responsible for filling and verifying applications. 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 remaining amount. These conditions apply for the remaining 2 years of the project. Afterwards, a market rate value of LE 30-40 per square meter would be charged.

Sale price of land in Nassiriya was also determined based on altitude of land. Under this concept, the higher the land plot the more difficult to provide access to lower

altitude transportation and public facilities, therefore land was cheaper at higher elevations.

The selling conditions were determined based on providing 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 was offered to those paying 100 percent of the stated value upon signing purchase agreement. It was clear that variation in price was influenced by the altitude variable and size of the plot. No consideration was given to location or use of the plot.

2.6.4 Employment Oriented Development Opportunities

- **Background** - Local development of sites and services or renovation of existing buildings/facilities for small scale manufacturing enterprises, research development companies, or other business enterprises of a similar nature can be undertaken at the local level. Such opportunities could be located on governorate controlled land or with the rehabilitation or renovation of under-utilized government property such as factory or storage sites. Most enterprises which would locate to these sites would be accomplished in accordance with policies to provide optimal operating environments for small manufacturing or business enterprises that can no longer operate efficiently in crowded urban areas nor afford relocation to remote areas.
- **Participants** could include private investors; investment banks; local government (governorates); and the Ministry of Industry. In general, employment oriented local development could take several forms:
 - Relocation of existing non compatible small scale manufacturing industries to new locations and development of new industrial parks; and,
 - Rehabilitation or renovation existing government buildings or new construction within large scale new developments for small business enterprises;

Beneficiaries for manufacturing enterprises include new and relocating small manufacturing enterprises with a range of between 5 and 15 employees. Such enterprises may have strong linkages to production supply facilities. Examples include:

- Aluminium smelting, pressing, and working, mostly for the production of kitchen ware but also for aluminium frame construction components;
- Various plastic products manufacturers;
- Furniture producers and other carpentry wood works;

Shoe parts producers and assemblers, along with leather goods producers;
Ready made clothes producers and their component suppliers.

Beneficiaries regarding "cleaner" non-manufacturing enterprises such as research and consultancy services markets, small food development or similar enterprises could take the form of what is commonly known in the United States as "economic incubators" by using renovated old government buildings or sharing space in newly constructed buildings that are part of large new land development schemes. The concept here is that similar small scale business enterprises just beginning would share supporting services such as typists; fax machines; photocopy facilities, etc until their growth and expansion to larger business enterprises requires them relocating to larger locations through their own self-financing. Such business enterprises may range from 2 to 5 employees under this concept. These offices could be private consultant engineers; architects; planners; financial analysts, etc, all with similar overhead needs, for example.

LMU's working with the Arab Foundation For Enterprise Development (AFED) could develop small business "incubator" resource mobilization strategies. AFED has not only operated along side foreign aid agencies but private voluntary organizations (PVOs) encouraging small-scale and micro-scale business and is actually an Egyptian small business enterprise. AFED's founder, Ahmed Abu El Yazid located in Cairo⁵ refers to vegetable stands or small workshop as micro-enterprises and bigger business, up to the size of small factories, as small business. He further indicates that though big agencies usually define small enterprises as having capital up to LE 2.5 million, he usually works with individuals whose business projects start from LE 20,000 to a maximum of LE 100,000 in Cairo. In rural areas, the scale can be from LE 200 to LE 1,500. AFED developed a series of workshops regarding specific industrial development opportunities in different governorates.

- **Implementation** - Several scenarios can be considered regarding implementation options. One is for a company to be formed to carry out and manage the implementation of the Small Industrial Park Program. The company would have a Board of Directors made up of members from the Ministry of Industry, mortgage banks, and private investors. A second suggestion can be for the Governorates to identify sites and use local contractors to develop the land. The Governorates could also cooperate with the Ministry of Industry in selecting land owned by public sector companies for the same purpose. Various combined forms of participation could be envisioned.

Employment centers of activity should be ideally located close to housing; labor supply; and clientele to be effective. Positive advantages of industrial parks would be efficient operating

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Middle East Times, "Business of Helping Small Business" April 14-20, 1992, Vol X No. 16. p.5

conditions; proximity to suppliers; removal of obnoxious activities. Other advantages for collecting business centers and industrial parks at common locations are in regards to administrative services; on site training centers; and cost-recovery. Cost recovery can be accommodated through contract management with a competent agency or company that can handle delivery of services through a strong operation and maintenance program for the infrastructure, financed from user's charges and fees paid on a regular basis. The company would generate further income from the administrative services or training facilities it can provide to business occupants. Again, using such organizations as the Arab Foundation For Enterprise Development (AFED) may be able to assist in mobilizing opportunities between local government and small business enterprises in Egypt.

2.6.5 Other Commercial and Public Service Development Opportunities

Several other opportunities for LMU activity have recently been implemented in Cairo Governorate. This experience pertains to projects regarding commercial development (El Bustan Car Park Garage) and public service projects in Nasr City. It is important to note that in both cases, control of property or land was at the local governorate level and used as an asset in developing revenues to sustain project activities.

- El Bustan Car Park Garage - To resolve parking problems in the Central Business District of Cairo, the governorate offered through construction and the lease/hold (usufruct) concept, governorate land to an investment company partnership to build, operate, maintain, and manage. The company would manage revenue generation through development and exploitation of a multi-story car park including commercial shops, while providing the governorate with annual payments over a leasing period. Payments would be based on a basic amount per year of 500,000 LE plus 5 percent of the company's net profits before taxes. Commercial shops including a shopping area as a part of these facilities were located on the ground floor.

The governorate invited bidders to submit investment proposals to build the multi-story car park facility on governorate land on El Bustan street. The Gulf Arab Investment Company, the eventual bid winner, formed an agreement to incorporate an investment group in the form of a joint stock company under Law 159 of 1981 with the Arab Investment Bank, Suez Canal Bank, and Misr Insurance Company.

The investment company provided funding of L.E. 20 million Egyptian Pounds. Contractors were Constain International Limited, and CRC Hassan Dora Associates. Marketing studies were completed by consultants for the investment partnership and included an estimation of parking demand in Cairo's Central Business District.

Cairo Governorate was responsible for tender document preparation, investment proposal selection and negotiations with the successful bidder. The primary task of the governorate's legal department was to negotiate lease terms with investment company and commercial office area users.

- **Public Service Projects** - Recently it was announced that Cairo Governorate would implement major touristic public service projects in Nasr City⁶.

Other public service projects are implemented in Cairo governorate by selling governorate land to public sector companies and cooperative societies. It was recently announced that the interest rate on governorate owned land sold this way would be increased to 7 percent. These "public sector buyers" are required to make a downpayment of twenty five (25) percent of the total development value with the remaining balance paid over 10 years. Adherence to building heights, compatibility with surrounding land uses, and other land release conditions specified in the building laws were required by the governorate.

2.7 **International Project Experience Constraints and Opportunities**

As a result of the LD-II Urban sponsored Land Management training program, an overseas study tour to Turkey was completed late in 1991. The purpose of this study tour was to allow the opportunity of key governorate LMU staff to review international project experience unique to the cities of Ankara and Istanbul, Turkey. They also had the opportunity to review other international experience as provided through presentation documentation provided by INTA, (International Association For The Development And Management of Existing and New Towns), the subcontractors employed to implement the program. This section highlights findings from the Overseas Study Tour documentation as provided through INTA regarding common land development problems and issues including likely tools which can be employed to promote more effective public/private partnerships and land market efficiency.

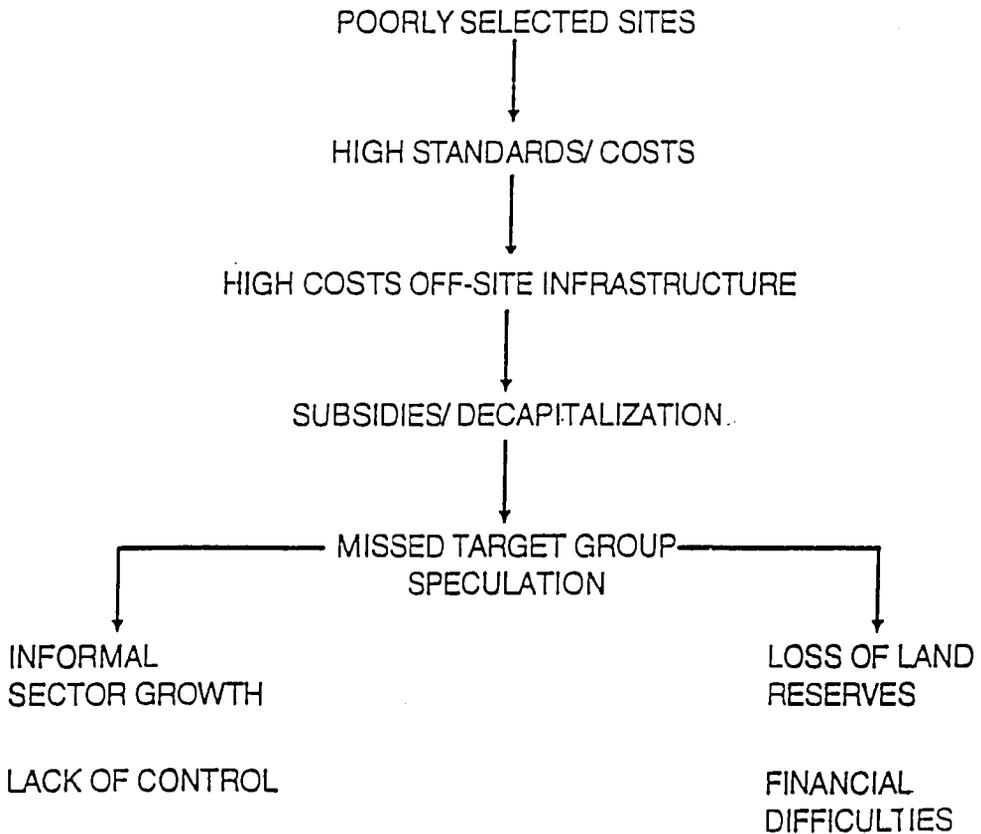
2.7.1 **Problem Issue Examples**

The following problem issue examples were provided by INTA for other international land development and management project experience. A diagram explaining the typical public sector land delivery problem cycle is shown in Figure 1.

⁶ Egyptian Gazette, March 20, 1992

Figure 1

PUBLIC SECTOR LAND DELIVERY
TYPICAL PROBLEM CYCLE



Source: Land Management Turkey Study Tour, 1991 INTA

- **Need For Continuous Policy Dialogue on Public/Private Roles** - A dialogue between state and local levels and central government supporting greater private initiative policies in shelter, is needed continuously to more effectively clarify public/private opportunities and roles;

In Uttar Pradesh, India⁷; revisions in 1982 to the Planning Development Act of 1973 permitted lower standards for publicly developed rather than privately developed housing, resulting in;

- Public plots being affordable to the 22nd income percentile;
- Private plots being affordable only to the 87th income percentile.

- **Administrative Framework** - In Malaysia, there were more than 200 steps in a complex regulatory environment for land acquisition, development and housing construction. This served as a major impediment to private sector investment and remains a common problem for most developing countries a flexible and efficient permitting process is needed for land subdivision, ownership, and development.

- **Planning Framework/Standards and Affordability** - In Amman, Jordan, zoning and standards were such that low and moderate income groups were confined to comparatively small residential areas in the city resulting in high land prices and densification in those low-income residential areas.

- **Land Management and Infrastructure** - In Thailand, a robust private sector was largely constrained by a lack of access to trunk and secondary infrastructure. As a result, rapid but inefficient development along existing trunk infrastructure facilities occurred, leaving large pockets of undeveloped land within built-up areas.

In Karachi, Pakistan, the public sector sold off large tracts of public land to finance its development and to maintain operations of the Karachi Development Authority. However, due to high development standards and a lack of tertiary and secondary infrastructure, there existed about 300,000 vacant plots within the metropolitan area.

- **Legal and Fiscal Framework** - In India and Nepal, urban land ceiling acts restricted the area of land which could be acquired for development. As a result, private developers were unable to acquire suitably sized land parcels for development.

⁷ "Research Model For Urban Land and Infrastructure, Pricing, Costing, and Design - A Case Study of Uttar Pradesh, India, "B.N. Singh, October 1983 (INTA Turkey Study Tour Handout Material, 1991).

- **Private Sector Initiatives** - In Tunisia, the public sector enjoyed comparative advantages over the private sector; access to large public land reserves, subsidized credit, land expropriation rights, and a streamlined permitting process. This however inhibited private sector involvement in these areas. On the other hand, in Thailand, the private sector took full advantage of a supporting government policy framework, access to a large pool of capital for construction lending, and a flexible and efficient permitting process.

- **Land Information Systems** - In Tunisia, land ownership and information systems were so out of date that large tracts of land were "frozen" for development purposes. In Cote d'Ivoire, western and tribal models for land holding co-existed or were often at odds with one another.

- **Financial Framework/Affordability** - Most public land development agencies, in Latin America and elsewhere, have been enjoying special privileges including access to expropriation and subsidized credit. Yet, informal and quasi-informal private development has undertaken the vast majority of housing construction over the past several decades without such privileges, (e.g. Santa Cruz; Bolivia; and San Pedro Sula, Honduras). Informal development has accounted for most of the growth in Egypt.

- **Environmental Impacts** - Throughout the developing world, rapid growth informal development has been accompanied by serious environmental problems and disaster prone areas. Examples include, occupation of steep slopes in Tegucigalpa, Honduras, and river banks in Kathmandu, Nepal and Karachi, Pakistan. Vast publicly dominated housing construction in places like Santiago, Chile led to urban sprawl, related air pollution, and poorly maintained infrastructure.

- **Infrastructure Finance Limitations** - For most countries experiencing rapid urban growth, the following observations are noted regarding limitations or problem issues which arise in financing needed infrastructure improvements:
 - Provision of infrastructure has increasingly been delegated to local authorities, burdening these institutions to attain financial resource mobilization opportunities at the local level.
 - Cost recovery has been deficient for most sectors and usually nonexistent for roads and drainage.
 - Cost recovery has largely not been tied to land and housing market prices despite obvious relationships.

Possibilities for cost recovery through betterment levies and other means exist, but they have not been effectively implemented.

Common constraints in public/private collaboration for serviced land development which builds on the case study examples outlined above are summarized in Table 4. Problem issues are highlighted below;

- Unorganized urban extensions;
- Inefficient land uses because of each of services;
- Rapid growth of informal sector;
- Poor access to basic services;
- Poor use of public land reserves;
- Lack of land policy;
- Public & private violations;
- Unrealized resource potential;
- Unrealized social equity objectives;
- Difficulties in land titling and tenure;
- Inappropriate standards and regulations; and
- Financial difficulties within public agencies.

2.7.2 Considerations in Resolving Common Problem Issues/Constraints

Several considerations to resolve common constraints and problem issues were presented during the Turkey Study Tour. These included a need to design and implement better financial mechanisms, and removal of impediments to efficient land and housing markets. Case study examples of mechanisms for promoting public/private sector partnerships and land market efficiencies are summarized below.

● Designing and Implementing Better Financial Mechanisms - Considerations in designing and implementing better financial mechanisms for project funding resource mobilization include the following:

- * Determining local resource capacity potential and actual generation, recovery;
- * Achieving better pricing and allocation;
- * Improving off-site and trunk infrastructure recovery;
- * Investigating surcharges, tariff review, improvement districts, cost sharing, betterment levies;

Table 4

**COMMON CONSTRAINTS IN PUBLIC/PRIVATE
COLLABORATION FOR SERVICED LAND DEVELOPMENT**

| Subject Area | Constraints |
|--|---|
| 1.0 Policy Dialogue on Public/Private Roles | 1.1 Resistance to greater private sector involvement in serviced land delivery. |
| 2.0 Administrative Framework | 2.1 Administrative delays in the review of development applications. 2.2 Lack of skills and manpower restricts government planning, control, and development efforts. 2.3 Inconsistent application of standards causes confusion in the private sector. 2.4 Lack of inter-agency coordination. |
| 3.0 Planning Framework Standards & Affordability | 3.1 Static, outdated master plans. 3.2 Generous, inefficient land use standards resulting in higher plot costs per square meter. 3.3 Lack of flexibility in land use standards. 3.4 Overemphasis on house building and construction standards. |
| 4.0 Land Management and Infrastructure | 4.1 Need for better information about how land markets operate. 4.2 Lack of available urban land for development. 4.3 No systematic mechanism exists to bring prime, under-utilized tracts of urban public land into more productive use. 4.4 Sites and services experience is often perceived as negative. 4.5 Only large Development Authorities and real estate development companies are able to finance trunk infrastructure. 4.6 The limited serviced land that is provided is often not affordable to low and moderate income groups. |
| 5.0 Legal and Fiscal Framework | 5.1 Existing laws for land acquisition result in long delays and litigation. 5.2 Land ceiling laws have resulted in low levels of proposed compensation, subsequent litigation, and widespread evasion. 5.3 Infrequent property tax assessments result in low government revenues. Agricultural land is not valued at appropriate levels when converted to urban use. |

Source: Land Management Turkey Study Tour, INTA

Table 4

**COMMON CONSTRAINTS IN PUBLIC/PRIVATE
COLLABORATION FOR SERVICED LAND DEVELOPMENT (Cont'd)**

| | |
|---|--|
| <p>6.0 Private Sector Initiative</p> | <p>6.1 Lack of pre-approval procedures and options to purchase land during the review of development plans serve as a disincentive to private developers.</p> <p>6.2 Rents controlled at below-market rates reduce private incentives to invest in rental housing.</p> <p>6.3 Land ceiling acts serve as disincentives for private land development and low-income housing.</p> <p>6.4 The informal housing process is dynamic and provides the majority of shelter needs, yet this process is not being capitalized on.</p> |
| <p>7.0 Land Information Systems</p> | <p>7.1 Cadastral surveys are not uniform or updated regularly.</p> <p>7.2 The lack of current and complete land records, coupled with a concern for legality rather than use, render these records deficient. Informal settlements go unrecorded. Cumbersome procedures and high stamp duties provide strong disincentives to registering private land sales.</p> <p>7.3 No authorized, decentralized government agency exists to manage an urban Land Information System (LIS) and respond to user needs.</p> <p>7.4 Lack of land title registration system hinders ability to assemble land and structure user fees for cost recovery.</p> |
| <p>8.0 Financial Framework/Affordability</p> | <p>Financial constraints exist for:</p> <p>8.1 Private sector (and quasi-formal) developers land acquisition and construction financing.</p> <p>8.2 Low-income households for plot acquisition and housing construction.</p> <p>8.3 Transparent and inappropriately targeted subsidies.</p> |
| <p>9.0 Environmental Framework</p> | <p>9.1 Irregular settlements increase service delivery and maintenance costs .</p> <p>9.2 Few incentives exist to guide private land development away from environmentally sensitive areas.</p> <p>9.3 There are insufficient environmental standards or controls applied to urban development at either the national or state level.</p> |

Source: Land Management Turkey Study Tour, INTA

- Augmenting tax rates, boundaries; and,
 - Raising revenues, and improving delivery of services.
- **Removing Impediments To Efficient Land And Housing Markets** - Considerations to promote better land and housing market efficiency by removing likely impediments include:
 - Gaining knowledge of markets by setting up and maintaining land information systems;
 - Streamlining bureaucratic procedures;
 - Improving land acquisition techniques;
 - Revising standards and regulations;
 - Seeking to guide rather than control development;
 - Revising pricing policies, avoid sales below market value;
 - Seeking to facilitate rather than execute development projects;
 - Providing access to basic infrastructure and credit;
 - Recognizing and servicing informal development as an alternative;
 - Introducing trunk infrastructure in strategic locations; and,
 - Exerting control in most sensitive areas.
 - **Tools Promoting Land Market Efficiencies and Public/Private Partnerships; Example Case Studies;** - An itemized listing of tools for promoting public private partnerships and land market efficiency and a brief summary of international case study experience follows:
 1. **Market Enabling Strategies** - In San Pedro Sula, Honduras, a market enabling strategy was developed to bring about more desirable development patterns. This included elimination of impediments to private development, integrated physical and investment planning for infrastructure, and public/private collaboration in land development.
 2. **Land Market Assessments** - Land market assessments through adequate information systems have been carried out in cities including Karachi, Pakistan; Jakarta, Indonesia; Bangkok, Thailand; and Tetouan, Morocco. The assessments enabled both public and private participants to better tailor products and initiatives to changing market conditions.
 3. **Strategic Land Development** - Public sector infrastructure initiatives in San Pedro Sula, Honduras; Kathmandu, Nepal; and Bangkok, Thailand were designed to use infrastructure and other tools to channel growth into desirable development areas while protecting environmentally and economically sensitive areas.

4. **Land Readjustment (Pooling and Sharing), Guided Land Development** - Guided land development programs had notable success in Indonesia and Nepal. Land readjustment schemes have been under consideration in Morocco, Honduras, and Thailand. Land readjustment has been a common practice in West Africa, such as Cote d'Ivoire.
5. **Increasing Infrastructure Availability** - Innovative techniques to mobilize and recover infrastructure investment have been explored in Tunisia, Morocco, and Thailand. In Tunisia, the national land development agency was engaged in wholesale rather than retail sale of land opening up land for development by the private sector. Betterment levies and special districts are the techniques commonly deployed to recover investments in trunk and secondary infrastructure.
6. **Redevelopment Programs** - Kingston, Jamaica has been the subject of a downtown redevelopment project. While largely funded by grants and matching funds, the project did initiate a number of innovative techniques to upgrade both building and infrastructure in the central city.
7. **Promotion of Private Sector Initiatives** - Numerous countries have been increasingly involving the private sector through liberalization of regulation, improved access to credit, assistance in clearing land title, streamlined administrative procedures, and enabling policies. Thailand is one of the most advanced countries in this regard.
8. **Land Taxation and Anti-Speculation Taxes** - Though vacant land taxation and capital gains taxes have generally worked well in encouraging development and avoiding speculation, they have had an important, yet largely negative, impact on land markets where rigorously applied (e.g. Korea and Japan). Flexible and streamlined public policy and regulation is needed to encourage and facilitate efficient land markets.

2.8 **Summary Conclusions**

Based on the project experience highlighted in this section, it is apparent that upgrading of deficient urban settlement projects have been the focus of most successful project activity regarding the Egyptian experience to date. This is largely due to the fact that at the governorate level, a land delivery and control system managed through entities such as Land Management Units (LMU's) have been effective as project implementation organizations. The governorate level institutional framework is recommended therefore as more manageable and responsive to local public project needs particularly in regards to informal urban poor populations on encroached upon land under governorate control.

As existing upgrading projects expand, LMU offices should encourage the location of field offices in upgrading study areas to begin the revenue generation components of the land title process. All community participation procedures concerning land sale affordability issues and processing could be executed in these field offices. Continuous meetings should be encouraged in the community to determine and update affordable terms and estimated price in the land title and registration process. An implementation plan regarding the land title and revenue generation process should be phased incrementally over time to ensure sustainability of the needed infrastructure service construction improvements and cost-recovery.

There are however numerous issues constraining effective land development particularly on desert land and in resolving illegal encroachment on agricultural lands. Those problem issues follow similar project development patterns at the international level as presented under this section. Adequate tools such as land market information systems; enabling legislation to promote more effective servicing and cost-recovery of public land developments and private ownership of public lands; land readjustment strategies; promotion of private sector initiatives; and vacant land or anti-speculation taxes are strategies and options that need consideration in the Egyptian context. Land release conditions and land tenure pricing procedures used in the upgrading project examples for Ismailia and Nassiriya in Aswan should be encouraged. Value of subdivided plots should vary according to use, location, size, period of occupancy, and other factors including transfer of ownership considerations.

Other project opportunities involving different land uses such as for commercial, and industrial uses can be implemented provided control of property or land remains with the governorate. Opportunities regarding development and management of other types of projects involving commercial/industrial higher valued land uses under possible LMU control should consider the use of private investment groups or entities to plan, develop, construct, and operate certain public properties and/or development of leased or/sold governorate land. Concepts such as under the "Usufruct" concept of the El Bustan Garage should be encouraged as future opportunities, particularly where the governorate shares in any net revenue proceeds from such projects over a period of time. The involvement of private sector participants in contract management and operations; equity feasibility investigations regarding cost recovery (revenue generation) and other aspects of land development and management should also be encouraged.

Section III

REVIEW OF EGYPTIAN INSTITUTIONAL AND LEGAL FRAMEWORKS

3.1 Introduction

This section highlights legislation affecting national, regional, and local institutional structures regarding responsibility for project mobilization and development. In this context, review of Law 59/1979 establishing a New Urban Communities Authority (NUCA) and other laws establishing the Central Authority For Development (CAD) are reviewed. Also reviewed is the role of the General Organization For Physical Planning (GOPP), and the General Organization For Reclamation Development and Agricultural Projects. These are all central government organizations which affect local development project planning and development opportunities. Other existing laws are described which highlight the legal framework directly supporting project resource mobilization opportunities including the legal basis for development, use, and subdivision of desert land, physical planning, and procedures influencing cost-recovery of public services through project accounts.

3.2 Central Government Urban Development Authorities and Legal/Institutional Frameworks

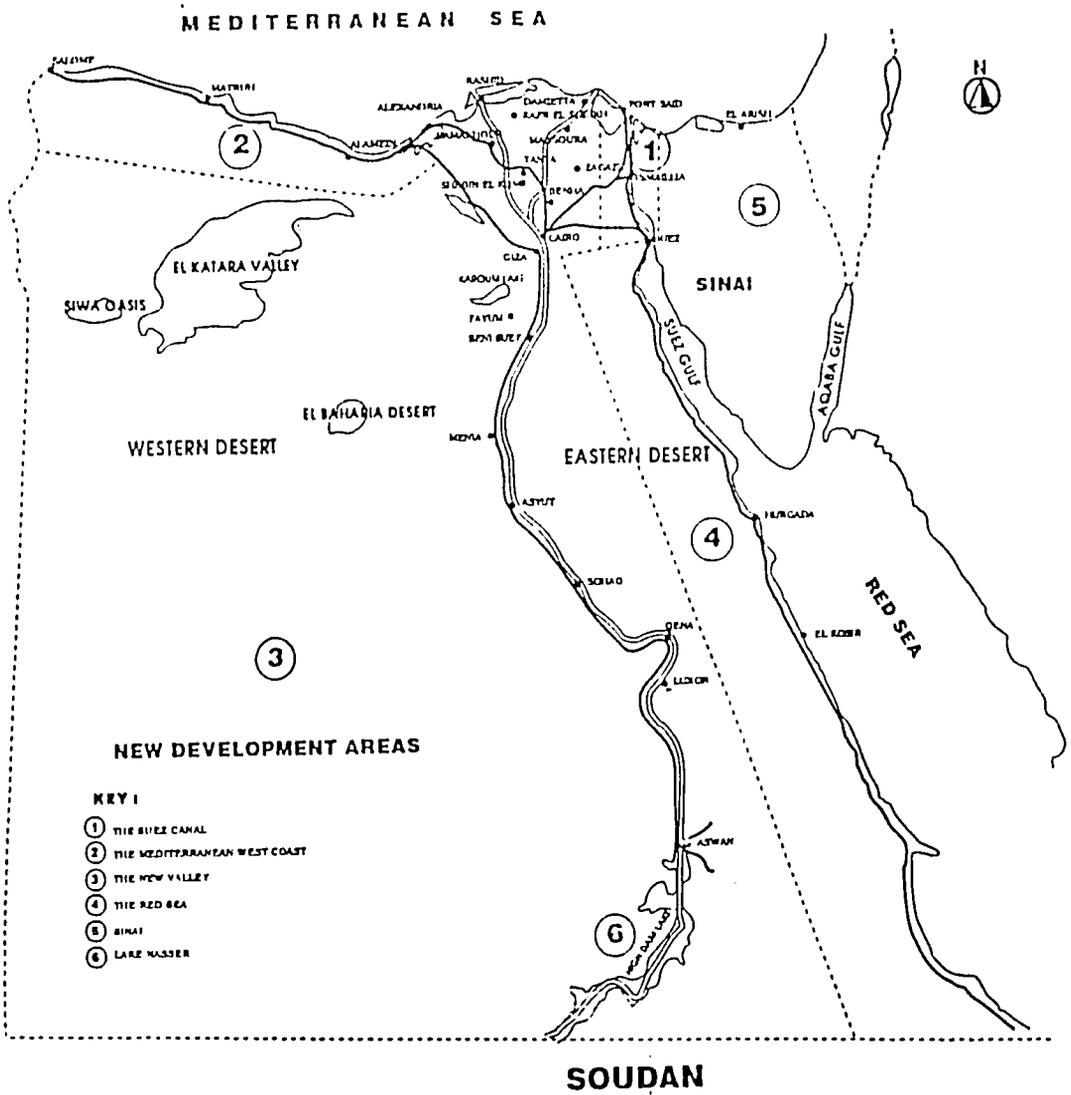
There are several national urban development organizations affecting the project development and indirectly influencing the scope of project development opportunities available at the local governorate level. A review of institutional structures, roles and possible support to LMU project implementation organizations at the local level follows. The Central Authority for Development (CAD), New Urban Communities Authority (NUCA), and the General Organization For Physical Planning (GOPP), all come under the Ministry of Housing, Reconstruction, and New Communities.

3.2.1 The Central Authority For Development (CAD)

The Central Authority for Development is responsible for implementing development plans in 6 development areas, within general framework of the national economic and social development plan. These six new development areas are shown in Figure 2. The tasks of the CAD include identifying locations for industrial, commercial, touristic, community service uses and promoting infrastructure services for these uses. In order that CAD function effectively, Law No. 62 Year 1974 amended by Law No. 113 Year 1975 facilitated administrative implementation procedures to begin projects under the Suez Canal Reconstruction Program.

For each one of the regional development areas, there is a development agency responsible for implementing the projects. CAD is supervising and coordinating the work of these agencies.

LIBYA



- NEW DEVELOPMENT AREAS**
- KEY I**
- ① THE SUZ CANAL
 - ② THE MEDITERRANEAN WEST COAST
 - ③ THE NEW VALLEY
 - ④ THE RED SEA
 - ⑤ SINAI
 - ⑥ LAKE NASSER

Figure 2

LOCATION OF NEW DEVELOPMENT AREAS AND ZONES UNDER THE CENTRAL AUTHORITY FOR DEVELOPMENT

Local Units such as the LMU's could work with the Central Authority for Development to implement projects on land not controlled by the governorate or for other projects not specifically related to upgrading of deficient urban settlements.

3.2.2 The New Urban Communities Authority (NUCA)

Law 59/1979 was the legal basis establishing a New Urban Communities Authority. Urban communities under this law were defined as new settlements located on desert land outside the boundaries of existing cities and villages. Per Article 1, these settlements would be designed to relieve pressures on existing population centers. The general functions of NUCA are summarized as follows:

- Outline policy and draw up plans and programmes of urban development for the creation of new urban communities;
- Carry out studies regarding the selection of the most suitable sites for new urban communities;
- Organize, coordinate, and exchange consultations with the ministries, authorities and agencies regarding construction activity;
- Follow up on the execution of the development plans for new urban communities;
- Seek loans or obtain grants in addition to credits so as to secure adequate financing for projects; and,
- Promote the sale, lease or utilization of the lands of the new urban communities for Egyptian and foreign investors.

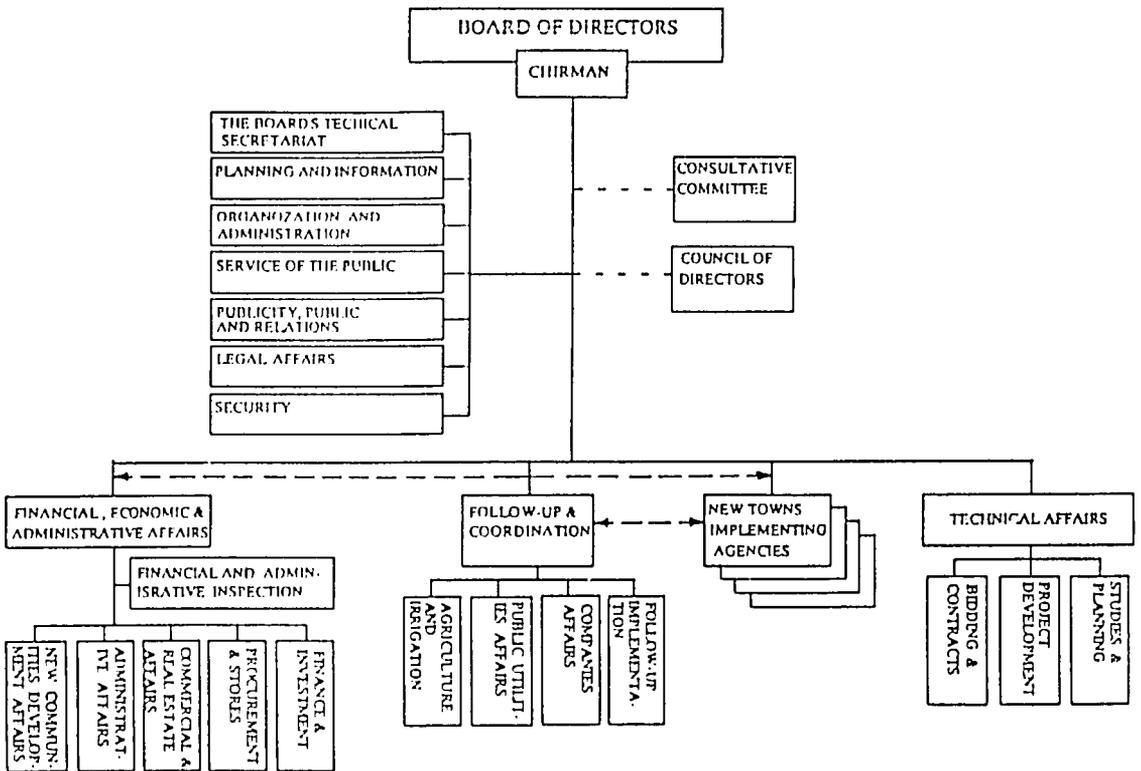
The organizational structure of the New Urban Communities Authority is shown in Figure 3. Figure 4 shows the location of New Communities in Egypt.

Law No. 59/1979 bans the establishment of new urban communities on agricultural land; (Article 3). The Authority has the power to select sites under Article 7 of the law. A maximum of five kilometers of land around the new urban community boundary remains the property of the Authority and may not be built upon without the permission of the Authority. The same regulation applies to a strip of land 100 meters on both sides of the public roads leading to new communities.

The Authority has all the competencies referred to in the law on local administration until which time the new urban community is successfully transitioned to the administration and management of local government. Under Article 13, the Authority approves and grants licenses for all construction works. No agency of public administration may develop desert land areas, arid or fertile, outside or within the existing cities stipulated under Authority control for the

Figure 3

ORGANIZATION STRUCTURE
OF
NEW URBAN COMMUNITIES AUTHORITY



purpose of subdivision or construction without the permission of the Authority. The same applies to private landowners per Article 46. Legal transactions in contravention of these provisions are invalid.

The government can provide tax benefits and incentives to the Authority and to all those entering into agreements with the Authority. Local authorities at the urban governorates may use Authority services in establishing new communities, demolishing, or replanning and upgrading existing communities as per Article 4.

Per Article 32, the local resource funding sources of the authority includes proceeds from selling, and leasing of land including concession fees on real estate property owned by the Authority in addition to administrative fees for activities and services to others.

The law requires the Board Directors of the Authority to pursue physical planning policy until this is assigned to a local community unit, per Article 36. After establishing a new community with the necessary infrastructure components, the settlement can be transitioned to a local authority unit similar to LMU's currently established. A Prime Minister decree would have to be issued accordingly per Article 50.

3.2.3 The General Organization For Physical Planning (GOPP)

The General Organization for Physical Planning (GOPP), is the main body responsible for physical planning at the national level. Main tasks of the GOPP are to assist in;

- Initiation of project planning and development opportunities;
- Provide guidance, and coordination to local and regional development authorities in development of projects; and,
- Provide urban research and training to local and regional authorities to assist in project implementation procedures.

In order to fulfill these tasks the GOPP is responsible for:

- Developing the general policy for urban physical planning within the framework of national plans including nationwide preparation of plans and programmes for the provision of services to upgrade deficient urban areas;
- Proposing new and extending existing legislation;
- Reviewing existing legislation;

- Coordinating plans and programmes for public services to meet current needs;
- Preparing directives and standards for urban planning;
- Developing methods for regional planning; (i.e.; GOPP offers advice, whenever required, to local authorities on all questions of urban planning);
- Researching and advising on urban housing problems;
- Undertaking technical planning studies on request including the development of guidelines for detailed planning of towns and villages; and
- Providing special services such as aerial photographic investigations.

3.3 Legal Framework Affecting Desert Land Development and Private Ownership

This section highlights the legal basis for planning and development of desert land including other laws affecting land subdivision and ownership.

3.3.1 Other Central Institutions and Laws Related to Development of Desert Land (Law 143/1981)

Law 143/1981 addressed desert land claims, or reclamation, and ways of developing such land to productive uses. Article 3 of the law stipulated that the General Authority for Reclamation Development and Agriculture Projects under the Ministry of Agriculture and Land Reclamation was the government organization responsible for the disposition, development and management of desert lands for agricultural uses. This law applies to land owned by government or classified under private ownership which is located two kilometers outside existing urban city boundaries. Private lands are specified in detail as registered and are subject to land taxes.

This law specified under Article 2, that management, development, and disposal of the desert land is subject to the rule of competence promulgated by Law 7/1991, Article 2. In summary, a competent authority would have to issue a decree specifying different zones of the desert land for development for review of the President after approval of the Cabinet according studies made by a competent Ministerial level authority.

Zones were defined as follows:

- Strategic zones that have military importance which are prohibited from land sales;

- Zones included in land reclamation and agriculture plans. The General Authority for Development and Agriculture Projects would manage such lands and dispose of these lands. A competent local authority may use the services of this authority to complete reclamation and agriculture projects on desert land; (Article 5 law 143/1981)
- Zones for new development projects and new urban communities managed and developed by the New Urban Communities Authority (NUCA);
- Zones included in touristic development which are managed and developed by a new Touristic Planning Development Authority.

Article 5 of Law 143/1981 stipulates that the government, according to a certified plan, can provide public utilities, buildings and general services necessary to facilitate desert land reclamation and agriculture projects inside and outside stated zonal boundaries along with the necessary utilities for the new planning development authority. Article 15 and 25 of the law specified some of the sources of finance. Article 15 stipulated that the balances of net proceeds derived from disposing and managing lands allocated for reclamation and agriculture are to be deposited under special funds with all sources and credits given to these lands according to the rules of this law. Article 25 also stipulated that all fines and amounts collected under this law shall be allocated to both the new authorities above for managing specific zone areas and the General Authority for Development and Agriculture Reclamation Projects according to its share in financing of public utilities and community service buildings.

3.3.2 Physical Planning Laws Affecting Community Upgrading Projects, Land Use, and Land Subdivision

The following laws were reviewed because they affect the upgrading of existing urban settlements, land use, and subdivision of land.

- Physical Planning Law No. 3/1982 - This law established the legal framework for development of existing towns and villages and the need for a competent physical planning authority responsible for making general policy on physical planning, preparing programs of physical planning and assuring the execution of the mentioned programs. This competent planning authority would preferably be through the GOPP or delegated to a local planning departments in the governorates with the assistance of the GOPP. It amended Law 52/1940 regarding subdivision of land and preparation of sites for building by cancelling this provision under Part I, Chapter 3.

Article 21 of this law stipulated that the land subdivider is responsible for execution and completion of public utilities necessary for subdivided land and for payment of costs for utility services to the local authority. Article 22 prohibited the announcement of subdivision plans until a certified copy of the division decree with all its appendices and supporting documents demonstrating proof of provision of public utility services is given until payment of these service costs is guaranteed by a bank letter. Article 25 prohibited the construction of any buildings or given any licenses for subdivided land until all legal conditions are fulfilled or until the land subdivider has executed the public utilities and paid the costs for such services to the administrative authority competent with the planning and in implementation for these services locally.

Article 57 of the executive regulations of the law, stipulated that the divider will execute and complete provision of the public utilities works under the supervision of a competent local authority. The local authority may with agreement of the subdivider or according to a Decision from the local public council, execute this work itself or through the competent agent or with the cooperation of other public organizations. In this case, the subdivider has to pay the cost of the utility public works to the local authority administrating the project before the issuance of the decree certifying and recognizing officially the subdivision of land.

- Law 135/1981 - This law issued July 26, 1981 and valid through July 26, 1986, contradicted provisions of Law 52/1940 pertaining to subdivision of land and provision of infrastructure services. This law essentially mandated the regularization of informal settlement areas. With the enactment of this law, upgrading was recognized as a national shelter policy. Following the enactment of Law 135/1981, governors turned to the legislature for new rules governing the transfer of state land to informal residents. Existing rules set by Presidential Decree 549/1976 authorized such transfer only by charging occupants the full market value at the time of sale. Law 135/1981 essentially put on hold any decisions regarding the demolition, destruction, or adjustments to buildings erected prior to 1981 for a period of 5 years. Penalties under the law where as a consequence also put on hold.

Article 2 of the law stipulated that each governorate, with agreement of the General Organization of Physical Planning was responsible for upgrading deficient urban areas to improve living standards. During a five year period prior to July 26, 1986, demolition of any buildings in contradiction with the new planning would not be permitted until the procedures of new construction imposed by new planning and upgrading initiatives were taken into consideration. Article 4 of this law gave the competent planning authority the right to construct public utilities to the subdivided areas in contradiction with law 52/1940 or any part of it. The cost would be paid by the owner through set administrative procedures developed by competent authorities within the governorate.

- Law 31/1984 - This law addressed procedures for allocation and disposal of state land to private owners. The law was issued to improve the processing of state land in areas other than desert land. This law gave the administrative authority the right to dispose of the land owned by the state privately by selling land through bids provided an application for its purchase is filled six months from the law's validity date of 1/4/1984 consistent with rules made by the Ministers Council. The buyer would be responsible to use the land based on agreed land use objectives and specifications. The law would also permit payment of state land in installments. The executive regulations of this law issued by the Prime Minister Decree No. 857/1985 stipulated procedures of disposing lands through the appropriate administrative authorities in local government.

- Law 34/1984 - This law amended provision of penalties for violation or illegal encroachment of agriculture land, vacant land, buildings, or other real estate property owned by the state, public utility, wakf, public sector company, or any established organization where funds are generated for the public benefit.

- Law 9/1981 - Under Articles 108 through 120, this law outlined procedures for contract tendering and land sale auctions. Contracting procedures for consultants; contractors and other land development and construction services were outlined. In addition procedures were outlined regarding auction of state property or land.

- Law 7/1991 - This very recent law consolidated powers and authorities at the local level for the administration and disposal of public lands controlled by local authorities. Article 4 of this law stipulates that through the competency and authority of local administrative units, management, development, and allocation of:
 1. Land prepared for construction of buildings owned by these units or the state can be accomplished, and,
 2. Land holding potential for agricultural uses inside existing governorate boundaries can be reserved and programmed for such uses.

The governor sets rules of allocating these lands after approval of governorate Local Popular Councils and according to the general rules set by the Ministers Council, (President's Cabinet). Priority is to be given to the working governorate citizens in this land allocation process.

These regulations apply to the disposal and allocation of governorate lands within governorate boundaries with the objective of implementing reconstruction, housing, agriculture uses, and any other uses as approved by the Ministers Council or Cabinet.

As for the land adjacent to the governorate boundaries but outside the boundaries within two kilometers, reclamation is to be made according to a national plan made by the Ministry of Agriculture and Land Reclamation. The Ministers Council (Cabinet) decides the share of each governorate in the net revenue proceeds from the management, development, and allocation of land deposited in the account of Economical Housing projects. Net revenue proceeds from management of land reclamation are to be deposited in the account of land reclamation according to Article 36 of Local Administration Law 43/1979.

Under Law 7/1991, a new general authority called the "General Authority for Tourism" was created to manage, develop, and dispose of desert land specified for touristic uses. This obviously limits opportunities for governorate organizations such as LMU's to develop touristic projects on desert land, except through joint programs with central government and/or the private sector.

3.3.3 Laws Affecting Project Account Procedures

This section highlights the existing legal and institutional framework affecting mobilization and accounting of project financial resources. Such procedures allow the implementation of cost-recovery, revenue generation, and dedication of any net revenue proceeds after cost-recovery to paying for costs of future project improvement needs. Cross subsidies as a concept both within and between projects are reviewed. Law 43/1979 is the primary legal basis supporting local administrative systems for managing land and pursuing development projects. This law has been subjected to several amendments through Law 50/1981; Law 26/1982; Law 145/1988; and Law 9/1981. Law 107/1976 first established a fund to finance economic housing projects.

- Law 107/1976 - This law established the legal basis to set up a project account for financing Economic Housing Projects. This fund was established under the responsibility of the Ministry of Housing, Reconstruction, and New Communities to finance economical housing and providing necessary utilities. Its revenue sources are the following:

- 1) Consistent with provisions of local authority law, the proceeds of selling, renting and concession fees of real estate owned by the state in the cities and villages would be under this account;
- 2) Sharing in any proceeds realized from development bonds on administrative and higher valued housing; and,

- 3) Proceeds derived from vacant land taxes ...etc

Penalties or fines for contraventions of law 106/1976 goes to the governorate, according to Law 30/1983.

There are differences between the fund of financing the economical housing projects and the account of financing the economical housing project according to the following considerations;

- 1) The geographic scope of the fund is limited to each governorate area;
- 2) Sources of revenues such as from the proceeds from selling, leasing and concession fees of real estate owned by the state within cities and villages are part of the resources of the fund set up under individual project accounts.

There are procedural differences between the fund at the national level, which includes cities and villages; and at the local governorate level regarding specific project development opportunities. This section describes procedures at the local level.

- Law 43/1979 - Articles 36 and 37 of this law addressed various project development accounting frameworks permitted in every governorate and the revenue sources of each account. There are basically three different accounts related to the provision of services; development of housing; and land reclamation. Sources of revenues under the Land Reclamation and Economic Housing Accounts are considered opportunities for local resource mobilization or project self-financing in the governorates, since any net revenue balance after cost-recovery for each account can be credited to the budget of the following year for additional project improvements.

Land Reclamation Account - This account is set up with the objective of accounting for revenues and costs associated with land reclamation in the governorate. Its revenue sources are the proceeds gained from disposing of public land according to the provisions issued by the governor after approval of the Local Popular Councils and in accordance with the general rules made by the Ministers Council. There are three basic accounts under this law as follows:

Economical Housing Projects Account - This account was set up to finance economic housing projects in the governorates. Its revenue sources include:

- a) Proceeds from sale or leasing of lands prepared for building construction which is owned by the state and its local administration units. The Governor is responsible for executing rules regarding the allocation and disposition of funds

under this account. Upgrading projects have often been set up under this account, since the upgrading of lower income housing as a concept is consistent with the concept of providing new housing. Usually successful upgrading projects contain both vacant lands and illegal scatter lands in study areas to allow a choice for illegal squatters to locate in new public housing or pay for upgrading services to their illegal homes in exchange for land tenure or title.

- b. Proceeds from investment in higher standard housing ber.ds per Article 4, Law 30/1983 as amended under Law 107/1976.
- c. Exemption fees for highly restricted development areas;
- d. Proceeds from vacant land taxes;
- e. Amounts allocated to the Economic Housing Fund account per agreements made by government;
- f. Rentals and installment payments for residential property owned by the government;
- g. Loans, grants, donations, gifts and wills;
- h. Proceeds from fines paid violating of Law 106/1976 as amended by Law 30/1983; and,
- i. Proceeds from invest. g money of this account in banks or other means which generate interest, etc.

Services and Development Account - This account is set up through the Popular Council of each governorate. Its revenue sources are dues established by the Council such as profits of projects financed through this account; half the increase the revenue sources of the governorate as predicted in budgets; donations; gifts and wills approved by the Council. The establishment of this account is through governor's decree.

Law 43/1979 restricted the commitment to financing projects unless the project is developed in accordance with the general plan of the state and other official government plans. As for the joint investment projects with Arab or foreign capital, approval of local planning authorities and the investment authority are requested per Article 115.

3.4 Findings Regarding the Provision of Infrastructure Services to Informal Areas, Site Preparation, and Legal Subdivision Procedures

As a result of Law 135/1981, and the stipulated grace period up to July 26, 1986 in which the enforcement of penalties and fines for any informal housing violations of this law were on hold, upgrading of informal deficient urban settlement areas with necessary infrastructure and utility services could be accomplished by local government authority such as the LMU. Such actions must be consistent however with established upgrading planning proposals approved by appropriate governorate authorities, and Popular Councils. Public housing should be prepared as an alternative for illegal squatters if they reject the land title option. Demolition of illegal squatter settlements would be a last resort if the previous options were not accepted.

As for the new subdivided areas, provisions of Planning Law No. 3/1983 requires that the subdivider execute the necessary public utilities and services under the supervision of the local authority. The law has given local authorities the right to implement public utilities works itself or through a competent authority acting as an agent of the subdivider. Payment of the utilities costs and submission of a bank letter of guarantee is a precondition to making any announcement of the subdivision publicly. Accordingly, in both cases, local authorities may supply new land areas with public utilities at cost to the concerned organizations or individuals benefiting from such services including the increased value of land resulting from provision of such services.

The mechanism accounting for any net proceeds from the management, development, disposal of public lands within or between projects or the cost of the utilities supplied by the local authority is to be deposited under a project revolving fund account.

For sites and services new lands development projects, Article 36 of the Local Administrative Law 43/1979 stipulates that the net revenue proceeds from land tenure or sale are to be deposited in a financial account under the Economic Housing Fund. Separate accounts for upgrading of informal deficient urban settlements and preparation of sites and services new lands development projects should be encouraged under the Economic Housing Fund to avoid any interference in the operation of each account.

3.5 Findings Regarding the Legal Framework Supporting Current Project Resource Mobilization Concepts

Article 36 of the Local Administration Law 43/1979 and Article 4 of Law 7/1991 stipulates that the governorate through competent organizations has the right to manage, develop, and dispose of public lands located and owned by the governorate. The net revenue proceeds are to be deposited in a financial account under the Economical Housing projects. These proceeds are local resource

mobilization opportunities using governorate controlled land as an asset according to the law. As for the possibility of using the proceeds generated from disposal of public land such as from land sales based on cost-recovery of provision of infrastructure services and utilities, the last paragraph of Article 36 of Local administrative Law stipulated that a decree from the cabinet defines general rules managing this account. Accordingly, the cabinet has stated in general rules, the right of the governorate to administer project accounts allowing the following concepts:

- **Cost-recovery** of infrastructure services and utilities to upgrade deficient urban communities or to prepare sites for new lands development projects;
- **Revenue generation** from the administration and management of selling or leasing governorate property or lands in project study areas;
- **Cross-subsidies** both within and between projects to assist in ameliorating affordability terms and conditions for transferring land title to residents of informal settlement areas in exchange for cost recovery of infrastructure services.
- **Establishment of a revolving fund project account** to retain and dedicate project revenues obtained either between or within projects to meet future project improvement needs such as for services to prepare new lands development sites or upgrade deficient existing informal urban settlements.
- **Economic housing** as a conceptual definition, includes upgrading or provision of needed infrastructure services to existing informal urban settlements consistent with established plans, in addition to provision of new economic housing to meet basic physical, social, and economical human needs.
- **Initial project financial resource mobilization** is permitted in which informal settlement area residents or squatters request legal status or title to public encroached upon land by providing fees to local public authorities to begin construction and cost recovery of infrastructure and utility improvements to service such land. (Legal title to encroached upon land areas in exchange for payment of public services and land must be consistent with establish plans and approved by Local Popular Councils).

3.6 **Conclusions**

In conclusion, Law 43/1979 addressing local administration including procedures at the governorate level and more recently Law 7/1991 regarding procedures for allocation, management, and disposal of public

lands provides broad administrative authority to competent governorate level authorities for selling or leasing public land or property to informal or private sector participants and organizations. These laws also provide the basis for local project implementation organizations such as the LMU's to properly function and execute their organizational objectives within the governorates. These objectives include properly defining, financing, implementing, and monitoring the provision of infrastructure services to deficient urban settlement areas or implementation of sites and services new lands development projects within urban areas. These projects would be implemented consistent with established state master plans, structural plans, etc. developed either through the GOPP or as delegated to physical planning departments set up in the governorates through the assistance of GOPP. The GOPP can review project development proposals as prepared by governorate LMU staff. This has been accomplished with regards to pilot LMU projects under the LD-II Urban Program.

Findings from the previously described laws, essentially support the ability of LMU's to set up project accounts working with their respective Financial Departments to facilitate the mobilization of local financial resources. Such resources help obviously in recovery of costs for project needs. The retention of revenues generated within projects or between projects to be put towards future project improvements is permitted under the existing Egyptian legal framework. Cross-subsidies between projects are also permitted to help facilitate affordability of targeted informal urban poor populations to achieve land tenure or land title of public encroached upon lands. Such actions must be consistent with established policies and plans approved by Local Popular Councils and have the support of the Governor.

Section IV

URBAN DEVELOPMENT POLICY INSTITUTIONAL IMPROVEMENTS, AND RECOMMENDATIONS

4.1 Introduction

This section summarizes urban development policy experience in Egypt. Also included is an overview of the capacity of urban governorates to implement projects using governorate controlled land as an asset prior to the LD-II Urban Land Management Program and current status of existing LMU organizations in the governorates. Suggested institutional improvements regarding organizational relationships and functions building on current achievements through an "ideal organization model" are presented considering a need for coordinated development policy at national, regional, and local levels. Recommendations to clarify or enhance project account and office operating budget procedures including a need for necessary enabling legislation and clarification of existing legislation.

4.2 Towards An Urban Development Policy

The purpose of the National Urban Policy Study (NUPS) initiated in 1980 for Egypt, was to prepare recommendations regarding a comprehensive national urban policy that would guide and manage Egypt's future urban growth and development opportunities.

- Growth Policy Alternatives - Several growth policy alternatives and a preferred strategy were identified. Growth policy alternatives included;
 - a) Concentration on achieving economical growth by minimizing costs including more concentration of population in major existing urban centers such as Cairo and Alexandria.
 - b) Implementation of decentralized regions considering distribution and allocation of urban population through a third major urban axis (in addition to Cairo and Alex); in the Suez Canal area with more concentration in Suez City; and,
 - c) Maximum decentralization of the urban population through the establishment of additional growth centers and more concentration of development in remote areas.

Based on analysis of the implementation costs for the above alternatives, the first alternative was found to be the least costly and the third the most expensive. The study later recommended a preferred strategy as a mixture of the first three alternatives stipulating the following policy initiatives:

1. Pursue development opportunities that reinforce the strong economic advantages of the Cairo and Alexandria metropolitan regions to absorb a major portion of the expected growth in urban population while deconcentrating the core areas of these cities through development of fringe areas, close-in satellites and New Towns on desert or land having little potential for agricultural uses. (Plans for Cairo region year 2000 population estimated at 16 to 16.5 million, included 10th of Ramadan, 6th of October, 15th of May and Sadat City. The Alexandria region year 2000 population, estimated at 5 to 5.5 million included New Ameriyah).
2. Pursue efforts to support growth possibilities of the Suez Canal Zone with a focus on Suez City.
3. Introduce a strategy for managing the expected spontaneous growth in Delta cities with the aim to hold growth substantially below trend rates to limit unnecessary intrusions on arable land while providing additional urban employment.
4. Pursue efforts to induce additional growth in an initially limited number of Upper Egypt cities to develop the economic base and improve more decentralization opportunities.
5. Implement an approach to settlement problems of remote areas to find innovative ways to utilize emerging technologies and establish implementing institutions to increase the attraction of these areas for human settlement.
6. Develop a program to maintain infrastructure and services in other urban places.
7. Develop standards for housing and infrastructure service levels that are affordable to more of the population including mechanisms that will increase the proportion of public cost recovery.
8. Increase emphasis on the industrial sector in economic planning to encourage private investment resulting in conservation of public funds to support small scale industry. Support industrial spatial and sectoral planning through selective use of direct investments, tax and non-tax location instruments.

- **Review of NUPS Results** - Six official reports in addition to 25 working papers were produced under NUPS. Also included was information and analysis of the geographic, economical, social and administrative issues affecting execution of a national policy.

In summary, the results of the NUPS were mainly concerned with the possibilities of policy implementation considering limited available resources sensitive to growth trends occurring in existing urban centers. The NUPS recommended slowing down development of the new communities program, until a transition period could be realized considering that the natural pattern of urban growth was occurring more rapidly than the ability of government to provide new settlements or new housing programs. A committee formed by the Ministry of Housing, Reconstruction, and New communities to review the study recommended not approving this policy, however.

4.3 Need For Coordination Between Local, Regional and National Development Authorities In Execution of Future Urban Growth Policies

As a result of the NUPS study, much research and thought was devoted to short and long range alternate urban development strategies. Long-term strategies emphasized opening of new development initiatives to relieve pressures on existing urban centers in the Suez canal area; Sinai; North Western Coast; the New Valley; the Red Sea; and the High Dam Lake Area. Emphasis in these studies was placed on the private sector development of Touristic villages on the North Western Coast. The continuation of new community settlements would be a part of this strategy including locations around the Greater Cairo Ring Road. Many investigations were undertaken to support development through the homogeneous characteristics of different regions. (A 1977 Decree divided Egypt in eight (8) planning regions; Cairo; Alexandria; Suez Canal; Sinai; the Delta; Matrouh; North Upper Egypt; and South Upper Egypt).

In the short term future however, most policy initiatives would focus on the upgrading of existing urban areas. This effort is being accomplished with the participation of local authorities, public participation, and the assistance of the General Organization of Physical Planning to local government project units such as the LMU's.

There is currently difficulty in coordinating project implementation activity at various local, regional or national government levels. There is a need for such coordination to effectively implement projects yet allow governorates to develop, finance, and implement their upgrading and new lands development projects relying on mobilization of local resources unique to their project study areas without outside interference.

Comprehensive national planning approaches call for more studies to be done to implement capable and competent agencies at national, regional, and local levels. A summary of basic objectives for planning authorities at each level follows:

- **National Level:** A comprehensive planning authority associated with the national political leadership and consisting of experts in different fields is needed to draw up general policies for developing and managing scarce land resources for agriculture uses, land reclamation, population distribution, other development opportunities and provide sufficient coordination with regional and local authorities.
- **Regional Level:** Planning authorities could be formed in each region, headed by a designated Governor of the region and include top officials responsible for main economic activities with the participation of selected experts. These authorities would have the task of drawing up general policies at the regional level within an approved comprehensive national plan. The regional planning centers affiliated with the GOPP is a promising start in this direction but this needs support and strengthening from both local and central government administrations.
- **Local Level:** Local physical planning and development agencies in major centers or governorates within the region would be responsible for development planning and land use guidance to local government project implementation units or developers, in accordance with regional policies. Some of the planning functions at the local level in the governorates exist already but it should be supported by the necessary professional staff and equipment resources to perform effectively. This policy reinforces and supports establishment of local Land Management Units (LMU's) in the governorates to implement upgrading and new lands development projects. It would permit transitioning of some selective information gathering functions currently established in the urban governorate LMU's to physical planning organizations and allows focusing of LMU staff for project implementation and monitoring activities.

4.4 **Status of Current LMU Organizations in The Urban Governorates**

The following describes status in each of the urban governorates of LMU's as project implementation organizations;

- **Port Said** - Prior to LD-II, Port Said was targeted for technical assistance over the period 1978-1983 by the British Overseas Development Administration (ODA), and United Nations Development Program, (UNDP), sponsored in-house technical assistance teams for urban development. The Governorate had a Physical Planning Department with a role to develop and update the governorate Master Plan prepared in 1976 including detail action plans for selected areas within the framework of the Master Plan. There was also in existence a land planning entity primarily responsible for resolving problems with military land. State property and control of land is under the Amlak Department of the governorate. Port Said had no organization units dedicated to implementing a specific project or projects with cost-recovery and revenue generation from the management of governorate controlled land as an asset prior to the LD-II Urban Program.

A Land Management Unit (LMU) was formed in 1989 through Decrees 46, 552, and 1426 to implement projects using governorate controlled land as an asset to achieve cost-recovery and revenue generation. The governorate elected to set up this unit as a Technical Amana function reporting to the General Secretary outside the existing structure of the above planning organizations. Seconded staff were appointed to this Amana.

- Suez - Prior to LD-II, Suez was targeted for technical assistance over the period 1978-1983 by the British ODA and UNDP sponsored in-house technical assistance teams for urban development. The governorate had a Planning and Urban Development Department and a Land Protection Agency. The Planning and Urban Development Department was responsible for processing land requests and architectural and structural design of Bab II! investment projects. No specific unit to implement urban upgrading or new lands development projects using governorate controlled land as an asset was in existence prior to the LD-II Urban program.

The Land Management Unit (LMU) was established by Decree No. 41 in June, 1989. A new Governor reorganized the LMU in May, 1991 and appointed a new Director and key staff under the General Department of Urban Development and Planning. This Department included the Suez Land Protection Agency (Amlak) organization and other planning entities under one organization umbrella. The Land Management Unit as a project implementation unit is now under urban planning

- Giza - Prior to LD-II, Giza was target of technical assistance efforts under the IBRD - sponsored Extension of Municipal Services (EMS) project which ran from 1984-1986. Detailed proposals were submitted to this governorate under this program, for a Land Management Unit organization. No concrete steps prior to the LD-II Urban program to implement a LMU organization were realized however. Giza had governorate plans through the Greater Cairo Master Scheme prepared by the General Organization for Physical Planning, (GOPP). This governorate had a Physical Planning Advisor and small physical planning offices serving Giza City and the village councils, including a strong Amlak organization. Neither the governorate or city had a specific organization responsible for implementing and monitoring projects using governorate land to achieve cost-recovery and revenue generation prior to the LD-II Urban Program.

Giza elected to establish two LMU organizations through Decree No. 711 in 1989. The Governorate level LMU under the Amlak Department would be responsible for developing project action, implementation, and financial plans using governorate controlled land as an asset. The City level LMU would be responsible for day to day execution of the plans and on-the-ground construction activity. The governorate LMU Director also serves as the Amlak Director. A special implementation committee was recently set up by the Giza City Mayor to expedite LMU pilot construction. New staff were appointed to this committee in 1992.

- Qaliubia - Prior to LD-II, Qaliubia had a governorate urban planning office with two urban planners created by Governor's decree in 1984 to advise the General Secretary on actions related to urban planning. Other urban planning offices and actual day to day planning activities were conducted in a decentralized fashion to advise the City and Village Councils-who reported directly to the Governor. No organization entity was responsible for implementation of cost-recovery concepts for projects using governorate controlled land as an asset. Qaliubia like Giza, had governorate wide structural plans through the Greater Cairo Master Scheme prepared by the General Organization of Physical Planning, (GOPP).

Through Decree 653, Qaliubia elected in 1989 to set up two LMU organizations. The LMU at the governorate level would be responsible for assisting in scoping out projects and compiling information for future projects. An LMU at Shoubra El Kheima City was established to specifically look at urban upgrading projects with the assistance of the governorate LMU. The City LMU would be responsible for actual project implementation using what limited governorate controlled urban land existed as an asset to achieve cost-recovery and revenue generation on a project. New staff to the City LMU and a new Governor were appointed in 1991.

- Cairo - Cairo was the target of technical assistance efforts under the IBRD sponsored Extension of Municipal Services (EMS) project over the period from 1984 - 1986 prior to the LD-II Urban Program. Though this program recommended establishing a LMU organization, no concrete steps to implement this organization were realized.

This governorate along with Giza and Qaliubia had governorate structural and master plans prepared by the General Organization for Physical Planning (GOPP) under the Greater Cairo Master Scheme. Prior to the LD-II Urban Program, Cairo had an Urban Planning Department under the Housing Directorate and an Amlak Department under the General Secretary. Other entities included the Economic Housing Fund Board of Directors; a Governor's Advisor for Legal Affairs and a Governor's Advisor for Technical Engineering Affairs.

Cairo experienced three governor changes during the LD-II Urban program. Under the administration of Governor Youssef Abou Taleb, Cairo was the first to recognize the need for a LMU organization to achieve cost-recovery and revenue generation on projects using governorate controlled land as an asset. Decree 238 issued in 1988 and executed by Governor Youssef Abu Taleb established a Land Development Agency (LDA) and functions, but did not specify staff and other requirements to fully achieve an operational office. Governor's Decree 413/1990 issued by Governor Mahmoud Sherif established the formation of an LMU but did not specify staff. Governor's decree 579/1990 issued in May by H.E. Mahmoud Sherif was a land allocation decree for the Kattamia project to be implemented through the LMU. Decree No. 924/1991 issued by H.E. Omar Abdel Akher appointed LMU staff. His

Decree 376 of December, 1991 established an LMU Policy Committee or Board of Directors. The LMU is currently finalizing office space improvements and considering other financing options for the Kattamia project since it was not able to receive funding priority under the LD-II Urban program during 1991.

- Alexandria - Prior to LD-II, Alexandria had an urban and physical planning organization under the Housing Directorate. Governorate wide structural plans and a master plan were developed primarily through assistance of Alexandria University. The governorate had a strong Land Protection Agency (Amlak) which was responsible for land allocation; land tenure settlements; encroachment resolution; pricing; legal affairs; archives and financial and administrative issues. Coordination with the planning organization was mixed in the development of projects to achieve cost-recovery using governorate controlled land as an asset. This was a new concept not easily understood or appreciated by some key governorate officials.

An LMU organization at the governorate level was established late November 1989 under the Land Protection Agency (Amlak) by Decree 254, with participation of a planner. As a unit under the Land Protection Agency, the LMU was specifically organized to develop a project using LD-II Urban investment plan or other funding resources for project activity. An industrial relocation project was identified but this has been transferred to a district for implementation.

4.5 Short Term Opportunities and Strategies

Based on recent and past experience cited under Section II of this report regarding other governorate project activities in Helwan and Ismailia, and the current project experience of established LMU's in the urban governorates, it is apparent that the following lessons learned should continue to be reinforced;

- A step by step approach to institutional building as a continual process working within existing governorate institutional structures should be encouraged;
- Maximum use of current administrative practices including sharing understandings of "what can be done" through such practices consistent within existing laws should be encouraged to promote more effective implementation of LMU project activities. More central government leadership and support is required to reinforce the legal understandings outlined in this report with local legal/financial authorities;
- Financial independence for LMU organizations should be encouraged to sustain operations, effectively implement projects and provide incentives to government employees based on successful project performance, and finally,

- Cross subsidies between projects and within projects administered by the LMU should be encouraged to help to effectively balance local resource mobilization strategies for informal settlement areas. It will also help to ameliorate affordability issues regarding transfer of land title to informal sector participants in exchange for costs or associated land value increases for property benefiting from such services. Opportunities regarding use of scarce governorate land resources could be balanced as a result, based on sale of higher valued public lands to subsidize improvements for lower income targeted settlement areas within or between project areas.

4.5.1 Recommendations Affecting LMU Organization Levels of Responsibility Between City and The Governorate

Based on past experience in Giza and Qaliubia, it has sometimes been difficult to allocate scarce staff resources and responsibility for controlling project net revenue proceeds, or generally confirming effective roles between the City and Governorate LMU's. Currently the Governorate LMU's are assisting the City LMU's to identify, plan, develop, and present their projects to senior decisionmaking authorities and Popular Councils. Until substantial revenue generation is realized for current pilot projects to sustain operations and allow ideal functions of an LMU to be replicated fully at both the City and Governorate level, it is recommended that the governorate take the lead in implementation of projects, by taking responsibility project for revenue generating components and the city staff would be responsible for cost component implementation. This should encourage both organizations to meet project development objectives more effectively. Office operating budgets and five year plans would be developed whereby both the City and Governorate are coordinating and sharing in any revenue proceeds from pilot projects to sustain operations.

Because of scarce staff and equipment resources at the governorates to implement upgrading and new lands development projects, it is recommended as an initial first step, governorates continue to pursue and consolidate powers/authority of their respective governorate level LMU's. The governorate LMU's could eventually assist in transferring and improving skills to city level staff.

The LMU at the governorate level has certain advantages as follows:

- Available project development data sources and access to budget financial systems through the Office of Management and Economic Development (OMED's);
- Implementation and coordination in dealing with other organizations in the governorate "Diwan".

- Control over projects through coordination with other organizations to assist city level expertise to more effectively implement project cost components.

LMU's at the governorate level could potentially minimize the impact of or opportunity for financial surplus situations being controlled by "others" since projects with potential surpluses would be integrated under one budget to help subsidize any projects with deficits. (Projects with deficits usually result from scarce land resource opportunities or targeted population affordability issues). This could further be secured through the preparation of a revolving five year plan with built in cross subsidy schemes. Effective dissemination of acquired experience on all governorate projects particularly in areas of cost reduction, affordability assessment, and local resource mobilization would also be maximized.

To enhance more effective LMU operations the following data collection activities should be considered to obtain information on the following:

- Local contractors or construction companies and their financial capabilities and performance record;
- Construction techniques and materials used in various localities;
- Labor availability, degree of skill and unemployment conditions;
- Sources of income and level of income of the informal sector through social surveys and community participation;

The LMU should also arrange for/or undertake basic construction skills and project management monitoring training on a continuous basis to improve project implementation and overcome political or financial obstacles through application of the concepts learned in this training to their projects.

Within the organizational structure of the LMU, a new section that handles community and public relations should be encouraged to promote project understanding and mutual trust in achieving project objectives.

The most apparent disadvantage of the above recommendations is the danger of over centralization of decision making at the governorate. This issue will be addressed later through the introduction of beneficiary core groups and developer groups.

4.5.2 LMU Organizational Enhancement Opportunities Between Informal and Private Sector Participants

Several opportunities to improve on the LMU project development and implementation process

and subsequent organizational structure to implement this process are described and recommended for consideration. These recommendations focus around the concepts of a project Beneficiaries Core Group (BCG) and the private Developer's Group (DG). Shown in Figure 5 are relationships of these groups to the governorate LMU and other levels.

- **Beneficiary Core Group (BCG) Concept** - One of the basic issues in providing viable low income housing, infrastructure services and community facilities for upgrading deficient urban areas is that the whole matter may end up as nothing more than a "concept seeking a project in some governorates" As the Helwan experience proved, all project development activities must be considered at an early stage to consider "affordability issues and desired standards" of residents or targeted populations benefiting from such improvements.

The communications gap between decision makers, project planners, and beneficiaries can be strengthened in the early stages of project development by formation of a formalized Beneficiary Core Group (BCG). LMU's could be instrumental in establishing such groups, supervising and monitoring their actions. The BCG can take the form of a cooperative, non profit organization, trustees or even a company. The Beneficiary Core Group Concept might also make use of Private Volunteer Organizations (PVO's). It should include local community leaders in addition to representatives of targeted beneficiaries or residents. Currently the LMU's have worked with the local Popular Councils and Executive Council to achieve approvals of their projects since these projects involved relatively small initial impact areas for project construction activity.

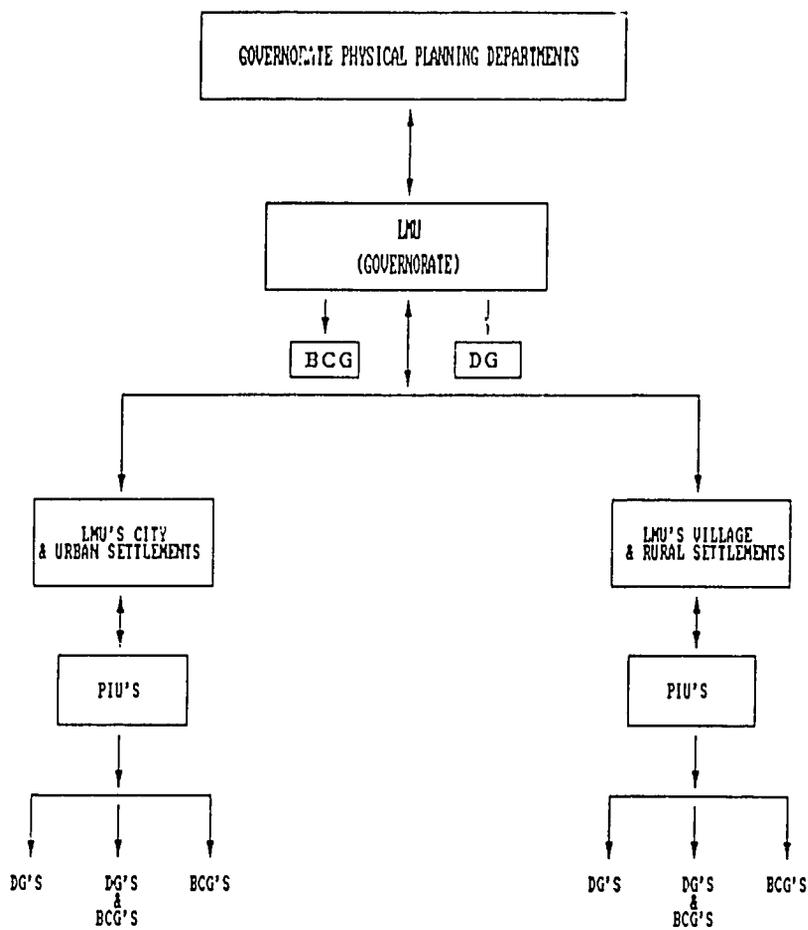
BCG's formed in the projects's conceptual design stage can assist in setting guidelines for service standards required, cost recovery methods and prioritize needs based on costs to be recovered, sensitive to affordability BCG's can therefore help to secure early administrative and financial commitment to action. The group if necessary can also assist in mobilizing local/labor resources as an approach to minimize service improvement costs where appropriate.

In summary advantages include of the Beneficiary Core Group (BCG) include:

- Increased possibilities for innovative cost reduction applications;
- Continued feedback on the acceptability of basic service delivery products and prioritization of service improvements;
- Participation in determining affordability for certain improvements by providing timely information on resident beneficiary incomes and willingness to pay for certain needs, including the potential for mobilization local labor resources to construct project improvements.

Figure 5

**BENEFICIARY CORE GROUP AND DEVELOPMENT GROUP
RELATIONSHIPS TO LMU'S**



- LMU'S: Land Management Units (LMU'S)
- PIU'S: Project Implementation Units (PIU'S)
- BCG'S: Beneficiary Core Groups
- DG'S : Private Developers Groups

Notes

Project Implementation Units (PIU'S) are necessary when LMU project activities expand to larger and more numerous activities requiring on-site day to day presence to work with Beneficiaries Core Groups to collect land title or tenure payments and monitor more closely on-site day to day construction progress.

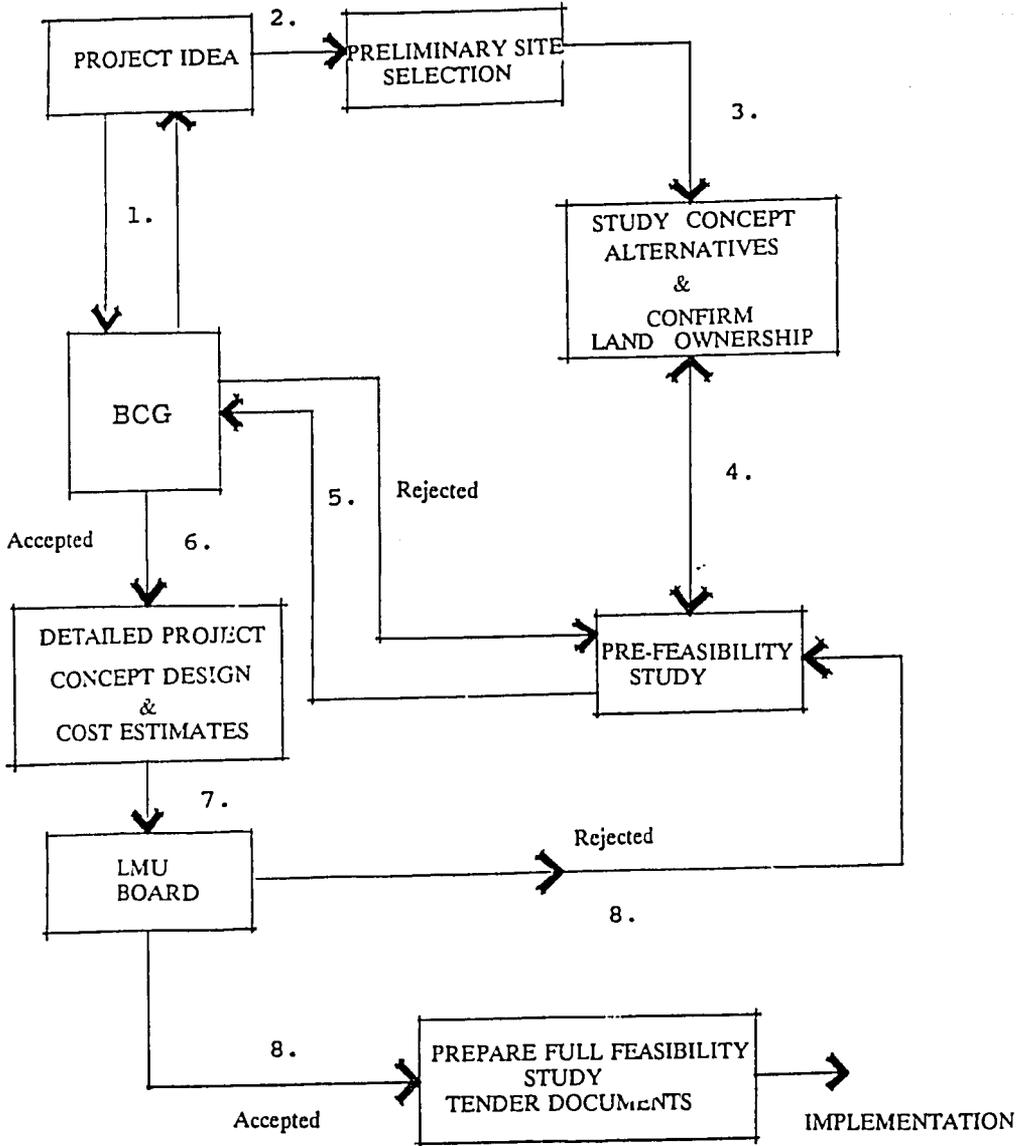
Some incentives should be provided to members of the BCG's if it does not take the form of a company. It is preferable for such incentives to take the form of discounts or accessibility to commercial or employment oriented components of the project, if any.

Limitations and disadvantages are outlined as follows:

- Long gestation periods, particularly in the initiation stage where decisions may take place thus postponing immediate on-the-ground activity. (Based on recent experience under the LD-II Urban Program, most upgrading project scoping report and feasibility study activities involving only limited surveys to ascertain affordability and local project needs have taken from 6 to 8 months to complete by LMU staff because often there is no local governorate planning organization to complete these functions). The project preparation cycle involving the BCG is shown in Figure 6.
- With an increased number of projects, control over BCG may be strained because of limited staff resources necessitating a need for on-site Project Implementation Units (PIU's) and additional field offices;
- Other interest groups may be formed widening participation which may divert attention from original project development objectives.
- Developer's Group (DG) Concept - The Land Management Section of the LD-II Urban Diagnostic Report (1988) outlined potentials for involving developers in LMU activities to participate in project development, management and monitoring activities. Potential land release methods were considered as discussed under earlier sections of this report. Those applying to developer participation included;
 - Various leasehold arrangements offered to developers;
 - Various joint venture arrangements with developers;
 - Transfer of a portion of a site to a developer to market as he wishes with the stipulation that he supplies infrastructure to the entire site with the state releasing the remaining land under various conditions or programs.

With the exception of one Governorate, such ideas have been considered but not implemented for currently identified governorate LMU projects. (Cairo governorate is currently pursuing project resource mobilization through a group of investment bankers for the Kattamia new lands development project). It should be noted however that the Ministry of Tourism has successfully

Figure 6
PROJECT CYCLE
PREPARATION



allocated large parcels of public land in the Sinai and near the Red Sea for private developers with the intention of utilizing any net revenue proceeds for infrastructure services to develop new areas.

It is recommended that the LMU's more aggressively pursue releasing of public land to developers through the formation of development groups. Outside Greater Cairo, the idea of Development Group may be more viable than a single developer. The LMU with available information on local contractors, banks, business community leaders...etc. should be well positioned to assist in the formation of such groups. Joint venture project management contracting arrangements with developers should be carefully considered and consistent with national privatization policy already implemented. Such arrangements should be evaluated in regards to allowing more project control by the LMU yet allow LMU's to have more of a monitoring role by relieving pressure on governorate LMU staff to manage day to day project construction and operations activities.

A recommended procedure for release of public land to the Developer Group (DG) is suggested as follows:

1. LMU lease land in commercially viable locations at nominal rates;
2. LMU prepares project related master action plan and coordinates land use policy approval from various government organizations and popular councils;
3. DG details project action plans and submits these for LMU approval;
4. DG provides the site infrastructure and services from their own financial resources;
5. Land sale through auctions would be based on a predetermined minimum price including administrative fees for services performed by the LMU and cost-recovery of improvements. Any profits would be divided equally between the development company and the LMU; or
6. Land sale revenues or net operating profits realized could be split between LMU and the DG according to an agreed and approved percentage and/or based fixed amount annually over time.
7. Title for land would be transferred to the developer, other private sector interests, or individual persons based on established land release conditions;

All designs; costs; building regulations and specifications; financial and implementation plans should be reviewed and coordinated through responsible LMU staff with the approval of the Governor, and Local Popular Councils as appropriate.

4.53 Future Project Start-Up Financing Through Available International Donor Programs

- **USAID Program Project Funding Continuity** - The demobilization of the LD-II Urban Development Program will not affect the continuation of USAID funding expected at around LE 200 million a year for both rural and urban governorates to implement their projects. It is unclear as to the specific roles and procedures to be followed regarding future project block grant financing but until otherwise changed, it is assumed LD-II urban procedures would remain in place through the function of the ULDC, Urban Local Development Councils. It is also unclear at this time, if the Ministry of Local Administration will adopt current investment plan procedures or be the responsible central government entity for administering allocation of such funds to local government. It is recommended that the Urban Local Development Committee (ULDC) push to resolve and clarify project funding procedures with the appropriate central government authorities. Governors with support of their LMU staff might advocate continuing procedures already in place for the LD-II Urban Program to receive project investment funds in mobilizing future projects.
- **Social Fund For Development Program** - A recent report by the Rural Development Institute, entitled "Egyptian Development and USAID A 25 Year Perspective" (By Prosterman and Hanstad, March 1992) states that the World Bank will use a major portion of its new \$ 500 million Social Fund for Development (SFD) to finance local infrastructure projects which have merit of "being both quick-disbursing and labor intensive". The Social Fund for Development established in January, 1991, is designed to create jobs through financing labor intensive public works projects establishing training programs and providing capital and technical assistance to small firms to enable them to expand and employ more workers. The SFD is placed directly under the auspices of the Prime Minister, who chairs the Board of Directors. Land Management Units in the urban governorates should consider the Social Fund For Development program as an option to mobilize their projects by investigating project funding procedures and criteria under this program then advise their governors of appropriate action needed. Dr. Hussain El Gamal, SFD Director, can be reached at phone 354-5035 or 354-8339 for further details.
- **International Executive Services Corps (IESC)** - Another local resource mobilization opportunity involves utilization of services provided through the International Executive Services Corps (IESC). This program initiated in Egypt in 1976, but established with a permanent staff in 1979, offers multiple business services to clients. The organization's main service is to provide volunteer executives to serve as counselors and advisors regarding projects. Such projects have historically been focused in the private

business community and budding private entrepreneurs. Expansion of activity could likely take the form of structuring necessary guidelines for the governorate LMU's to encourage more public/private partnerships such as equity participation on higher valued land development projects, involving governorate controlled land. Volunteers with appropriate community participation and private sector experience, might assist beneficiary core groups; PVO's; or developer groups in the preparation of land development project feasibility studies; community participation techniques to resolve affordability issues and prioritization of project improvements working through the LMU's as well as financial feasibility expertise including both project and credit loan programs for housing.

Recent estimates indicate approximately 1,800,000 vacant apartments in Egypt, according to estimates of the Ministry of Housing, Reconstruction and New Communities.⁸ Use of volunteers under the Executive Services Corps (IESC) could be utilized to work with Egyptian local and national legislative entities to develop needed enabling legislation regarding adjustments to the lessor-lessee laws and other laws to allow the realization of a much needed flexible mortgage loan system responding market focuses, to mature and expand in Egypt. This enabling legislation may in turn allow more families to afford to rent or buy new housing and occupy such housing quicker. Addition it could allow private sector investors to become more actively involved in more land development projects by activity participating in credit systems, regarding individual financing, and other equity position mechanisms that help in project financing and cost-recovery.

Financing of IESC programs comes from four key sources. A substantial amount is received in the form of grants from USAID, which participated in IESC's formation. Prominent U.S. corporations and foundations provide annual financial support, as well as Rotary International. Requests for assistance begin with Egyptian firms or organizations contacting IESC offices in Cairo and Alexandria. The IESC address in Cairo is the Nile Hilton Commercial Center, Room 22.

4.5.4 Institutionalization of Governorate LMU's

LMU's are currently structured to coordinate initial project development, implementation, and monitoring activities between other relevant governorate or outside organizations. Projects are

⁸ Middle East Times, Egypt's Housing Crisis - Building Is One Thing, Buying Is Another, April 14-20, 1992, p.1.

defined around the use of governorate controlled land as an local resource mobilization asset. The opinion expressed in this report is that LMU's at the Unit level in the Governorate Diwan are properly structured within each governorate bureaucracy. This structure varies however between governorate and may change over time as projects change. Later under this section, suggestions are made regarding "ideal models" to improve on LMU organizations in the long-term particularly in regards to other governorate organizations. Depending on type of project, it is recommended that effective coordination with other governorate organizations be pursued through the concept of established LMU Board of Directors or Policy Committees by adding members to this group on an as needed basis.

As stated previously LMU organizations with staff and supporting resources have been established in all governorates. The LMU's seem to be operating well as special implementation units either within existing governorate structures or as new organizations specifically decreed by their governors. Organizational decrees to enable LMU's to properly function and achieve their expected goals and objectives have been executed in all six urban governorates. Five of the six urban governorates, (with the exception of Alexandria), have identified projects and pursued land allocation decrees to effectively implement these projects. As a result, land allocation decrees have been executed in Giza, Port Said, Suez, and Cairo consolidating LMU authority to manage governorate lands within projects. Qaliubia received approval of its project from its former governor, but execution of a land allocation decree is subject to when their new governor is ready to review a presentation of the project by his (GOE) LMU staff. This is expected shortly.

In response to whether the Central Agency For Agency For Organization and Administration, (CAOA) should recognize LMU organizational structures to properly function, there is no need for CAO A involvement, at the present time, since Governors have executed decrees and orders regarding LMU functions, responsibility, and accountability.

The measure of institutionalization success should be based not on CAO A recognition at this time, but on the level of credibility and sustainability the LMU's reach as a measure of successful projects that address revenue generation and cost recovery in satisfying social and economic needs. As the LMU's prove themselves on current demonstration projects and expand to other projects, this may require the involvement of the CAO A.

Official CAO A involvement, for example, may be needed to elevate the function of the LMU as a Unit to that of a department level in the governorate. The need for a Department level LM function might be based on circumstances such as requiring extensive additional staff to function as an overview agency of several Project Implementation Units (PIU's) established at project sites to carry out more intensive on-site day to day activities. PIU's would be needed

because of the size and quantity of projects and a need to establish several unique Policy Committees or Boards of Directors with differing memberships at project sites.

This level of government administration is a long way off however. At present, most LMU's are working on small demonstration project initiatives handled by a "core" of professional and technical staff, since project "start-up" funds are very limited.

4.5.5 Project Mobilization, Cost-Recovery, and Cross Subsidy Concepts

- Project Mobilization Strategies - Anticipated costs of any project is a function of many factors including design, specifications and standards cost of labor and materials, implementation technology and other factors. For the types of projects currently considered by LMUs careful consideration of all these factors but also the way estimates and are prepared play a vital role in enhancing cost recovery possibilities through cost reduction initiatives. A description of various activities as strategies to be considered are as follows:
 - Project development and design should be done in consultation with BCG so all specifications are understood and any misunderstandings are avoided or minimized in selecting the most cost effective acceptable alternatives affordable for implementation;
 - Use of labor intensive techniques and local materials should be encouraged and maximized with the most cost effective and technically feasible among acceptable alternatives chosen;
 - Preparation of cost estimates on the basis of detailed bills of quantities should considered for:
 - Equipment, (By type and duration of use);
 - Material, (By type and specification);
 - Professional labor;
 - Skilled labor;
 - Unskilled labor.
 - Encourage contribution in kind by beneficiaries through use of their equipment or materials (if any); but more significantly their labor. This is a particularly valid opportunity in the light of existing unemployment conditions. Organization of these efforts will be facilitated by using data collected through the LMU, on-the-job training, as well as the involvement of informal and private sector participants.

- Incentives have to be provided to those beneficiaries rendering various inputs to the project. This can take the form of partial payments for services rendered (e.g. perhaps at half of the prevailing wage rate) while the balance due can be accounted for as a contribution towards the cost of unit, land, or services...etc

These measures help ensure targeted beneficiary commitment, reduction of costs as well as cash outlay, acceptability, and delivery of needed services and will enhance the cost recovery process.

- Cost Recovery - The concept of cost recovery of utility infrastructure services including selected community services has been somewhat alien to Egyptian culture. For decades, if not centuries, most people considered the availability and quality of these facilities as part of a government responsibility. Even where some fees were charged, it was looked at as a kind of regulatory payments not as a costs of services provided.

Recently, however, as government has become increasingly unable financially to provide such services in a timely fashion particularly to informal settlement areas, as a result of a rapidly expanding urban population, acceptance of cost-recovery as a concept is being realized more often. International lenders and donors often demand acceptance of the cost recovery concept to implement and sustain projects. Application of this concept will increase government's ability for providing these services to deprived areas.

Government authorities and beneficiaries in informal settlement areas often continuously debate the extent of recovery of costs including the cost of capital. It is the opinion of this report that the phasing of cash inflow from the beneficiaries to the implementing agency (LMU) should be based on:

- a. Beneficiaries affordability which is linked to family or household income. This payment need not be constant over time rather it should be increased consistent with increases in family income;
- b. Beneficiaries willingness to pay which depends on the priority for such services; acceptability of standards; conditions of supplying such services such as costs and terms, etc; and,
- c. Project financial needs of the local implementing unit (LMU);

These inflows may take the form of "down payment" or initial contribution towards costs under community self help programmes. (Such programs may be supplemented by cash outflow from the unit in the construction stage). Periodical payments; preferably integrated in service fees (users fees) could make up the balance. In cases whereby beneficiaries payments are projected to be insufficient for full

cost recovery surpluses, any shortfalls could be made up from other projects or other related project activities. In other words, beneficiary inability to cover costs in full should not be the reason for depriving a community from needed services. A well founded priority action plan should be developed at the governorate level for such requirements with participation of the Beneficiary Core Group (BCG) and Popular Councils as warranted to achieve a consistent project land management policy.

- Cross-Subsidy Concepts - Cross subsidy concepts are mechanisms through which the provision of products or services according to need and not strictly according to the ability to pay are implemented on projects. In case of servicing deficient urban settlement areas, the application of this concept can result in these areas to receive needed improvements.

Cross subsidies can take place between:

- Potential users of the same products or service within project study areas through price differentiation in favor of those with less earning ability;
- Potential buyers of Land based on values realized from potential use (activity) or according to location, size or other specifications;
- Different projects through the transfer of surpluses from one project to the other. The cost plus realized market values of property making up of a potential revenue surplus for projects would be based on the degree of need or the beneficiaries ability to pay sensitized to revenue generation within or between projects. This could be particularly true in the case of revenues generated through specific land release conditions involving sale of higher valued land areas to subsidize improvements to lower income area upgrading projects; and finally,
- Different cities with various projects within the governorate; and,
- Possibly different governorates with various projects that have the same regional development objectives based on similar population and demographic characteristics.

The existence of a commercially higher valued land use components in each project, is of great importance as a source of revenue surpluses as well as providing employment opportunities. The integration of projects under LMU control will substantially increase cross subsidy opportunities. It will also ensure the simultaneous channeling of any surplus into projects having a deficit. Preparation of project budgets, and continuous monitoring actual performance will ascertain changing market conditions and allow adjustments to be made to insure sustainable operations.

The cross-subsidy concept does not need special legislation as this falls within internal cost allocation decisionmaking authority of the implementing government organization.

● **Project Revolving Fund Account and Budgeting System** - The following project revolving fund account and budget system has been used by governorates to mobilize and monitor project derived financial resources. This system should be encouraged in the short term as it is within the established legal framework to implement project activities.

1. LMU's prepare project budget's that specify detail costs of proposed "expenditures" and sources of funds to cover these expenditures. Sources are listed under article 36 of Law 50 for 1981.
2. The LMU prepares a plan or budget spelling out the mechanism(s) for recovery of certain costs, their estimates, and annual cash flows including consideration of any cross-subsidies between projects.
3. At the end of each financial year, the LMU prepares a balance sheet which clearly states the financial position of each project.
4. The balance sheet should be accompanied by next year's budget specifying the financial recycling (revolving fund) process to be endorsed at the same time.
5. It is recommended that the price structure of the land sold is to be based on a detailed breakdown of various components, with basic land price kept to a minimum.

Although this law provides a reasonable working framework for LMU financial operations it is recommended, since this law is currently under review, that an amendment to Article 36 be considered to more fully support and clarify the functions of LMU's at the local level.

- Governors may after consultation with local Popular Councils, establish Land Management Units to undertake the various assignments of the Economic Housing Fund.
- Any surplus realized from LMU operations or projects in a specific financial year will be rechanneled to other projects, and not transferred to the central budget.
- Although LMU funds are part of the public domain, this organization may establish its own financial regulations and procedures which will be endorsed under those of other special funds under the supervision of Governor and General Secretary; and,

- The LMU may use available funds from all sources to establish new low income housing projects, upgrade existing communities, and develop income generating activities to enhance the affordability of the low income groups.

It is recommended when amending local authority law to add explicit provisions giving the governorate the right of using self finance through local resource mobilization methods sited in this report to supply public utilities to new development, or recover these costs from private or informal participants benefiting from the public provision of such services in existing urban settlement areas. This amendment would help to guarantee flexibility of the governorate to establish sustainable LMU organizations to administer and implement project and development activities through specific project accounts.

4.6 Long Term Opportunities and Strategies

This section highlights several longer-term opportunities and strategies recommended for consideration regarding information sharing and a need to develop enabling legislation; desirable long-term organizational relationships; project account procedures; tools for promoting public/private partnerships and land market efficiency; and opportunities involving other land uses and leasing of governorate property as options for LMU activities and operations in the future.

4.6.1 Strategies Regarding Need For Information Sharing

The need for timely information to assist in project land development identification, scoping, and feasibility activities is recommended between central, regional and local authorities. Information sharing conferences between both the urban and rural governorates to understand Land Management concepts as it applies to both projects and replication or sustainability of the LMU as a project implementation organization. More specifically the following activities possibly sponsored with training funds for seminars/workshops in the future should be continuously encouraged;

- Automated Project Development Information Systems - A recently completed "Symposium on Computers In Practice-Applications in Urban Planning and Architecture" sponsored by Ain Shams University in which selected governorate LMU staff participated indicated that several central government organizations were automating land information systems. Such systems should be accessible to local government particularly the governorate LMU's to more effectively define and implement their projects. What information is being developed and how this possibly applies to defining future land markets affecting project development needs to be discussed. Examples of central government activities are defined as follows:

The Central Agency for Public Mobilization and Statistics (CAPMAS) is currently automating demographic statistics and can provide specific small area demographic and socio-economic data useful to project study areas on request. (Through LD-II Urban TAC staff have assisted in collecting, this data for current pilot projects, it is recommended that LMU directors contact CAPMAS regarding details for future project activities including the possibility of networking such data with data with installed computer systems).

The Egyptian Survey Authority under the Ministry of Public Works and Water Resources through another USAID sponsored program and the Technical Assistance Contractor firm of GEONIX, is currently computerizing a national cadastral land registration system for Egypt. This work involves updating of maps for recording land ownership and other related data through a national land information system. Approximately 24,000 maps for both urban and rural areas are to be processed through this agency. Government policy mandates that rural areas be updated and processed first. It is recommended that the urban governorate LMU's contact appropriate Egyptian Survey Authority representatives to procure updated and current maps including associated cadastral and land information useful to their project implementation and monitoring activities. They should transfer such systems to their installed computer systems, and update or refine these maps based on current project activity or future anticipated project activity.

The General Organization for Physical Planning (GOPP) also presented GIS Geographic Information System technology at the symposium illustrating through AUTOCAD "how" physical plans for project sites, including specific project facilities and buildings could be automated to facilitate development and presentation of project designs and site plan proposals. It is recommended that governorate LMU's be in contact with appropriate GOPP authorities to receive training and support to procure appropriate computer hardware/software which can assist and complement their current project planning and development activities.

- Information Sharing Conferences - A series of workshop and information sharing conferences sponsored with training funds administered through the Ministry of Local Administration is recommended. Information sharing conferences will help determine (i) what role the Ministry of Local Administration (MLA) can play to sustain LMU operations regarding income generation; training; and land management information systems; (ii) what role the General Organization of Physical Planning (GOPP) can play in sustaining training of LMU staff and review of LMU action plans; (iii) confirm relationships between the LMUs and the governorate Amlak functions and other departments; (iv) determine how to replicate land management and development activities particularly with regard to reconciling the role of the LMU regarding project implementation to the need for the urban planning functions; (v)

share cost-recovery and revenue generation project development methods including project account procedures; and (vi) confirm the timing and the role of the CAOAs for institutionalization of LMUs in any expanded organization structures that include both Urban Planning and Amlak functions. All these relationships and roles should be evaluated in light of current changes in the law for local government administration. Consideration could also be given to techniques of community participation regarding project needs such as through the beneficiary core group concept or PVO's which can help in any initiatives to obtain needed policy reform in the democratization of the project decisionmaking and development process.

In summary, the following activities may be provided through information sharing conferences;

- Identify, confirm, and develop a step by step process to establish Land Management Units (LMU's) in the rural governorates based on LD-II urban experience.
 - Confirm cost-recovery (revenue generation) techniques including project account and budgeting procedures to more effectively define, implement and monitor projects based on experience employed in existing governorates;
 - Standardize project implementation procedures and organization structures to implement projects using land as an asset;
 - Relate the role of the LMU for project implementation to the need for other urban planning functions.
-
- **Specialized Workshop(s) on Paying For Growth Including Consideration of Enabling Legislation** - Egypt and the governorates in particular can learn and benefit from the advantages and disadvantages of historical experience in countries such as the United States and Europe which have addressed implementation and use of innovative techniques such as development fees; consumption user charges applied to infrastructure services; special assessments; specific benefit assessments; and special district financing as well as other "pay for growth" techniques influencing land development cost-recovery and revenue generation. It is recommended that the Ministry of Local Administration and USAID sponsor involvement of a series workshops with participation of well placed foreign and Egyptian experts to research and develop appropriate enabling legislation required to implement innovative concepts applicable to Egypt. Criteria based on ability to pay and benefit equity principals would be considered in evaluating and recommending concepts for enabling legislation. Experts from the United States with the Urban Land Institute; American Society of Planning Officials; and the International City

Managers Association in the United States could perhaps assist in this effort.

Perhaps through the local efforts of the International Executive Services Corps (IESC) Program, volunteers could be mobilized to assist in developing this enabling legislation.

4.6.2 Ideal Organization Models For LMU Internal and External Functions and Relationships

Figure 7 shows "ideal" internal LMU functions and organization relationships. The inclusion of project development information systems through computerization of such activities; a public relations function; a project implementation section and a financial/administrative affairs section are encouraged. Since some governorates do not have a physical planning department or others do not have a fully functional land planning function, most land market information developed through use of established computerized systems is handled through the LMU's in the governorates. Focus of this information development process emphasizes project study area activity first. It is recommended that the governorates establish physical planning information systems for the entire governorate under a physical planning function to assist LMU staff in defining future projects. Detailed land information developed through the LMU's for current projects as monitored or changed over time could be shared with "others" under the physical planning department. As a consequence, LMU staff could receive available governorate wide, land planning and shelter information to properly begin scoping out future projects. Coordination with Governorate Planning and Follow Up Departments and the Districts should be encouraged.

Figure 8 shows an "ideal model" the LMU functions in relation to three separate levels of a General Department of Physical Development proposed for the Governorates. LMU's at the governorate level for villages and rural areas, or for cities and urban areas are shown under level regarding implementation functions. Figure 9 shows LMU relationships to other governorate organizations.

4.6.3 Recommendations Promoting Public/Private Partnership and Land Market Efficiency

In the long-term, recommendations shown in Table 5 are suggested to encourage more effective LMU activities in relation to private/public partnerships and land market efficiency. Amendments to current local administration laws to encourage or clarify these basic ten concepts as to roles and responsibility particularly regarding LMU responsibilities and functions should help to consolidate LMU authority to more effectively implement projects.

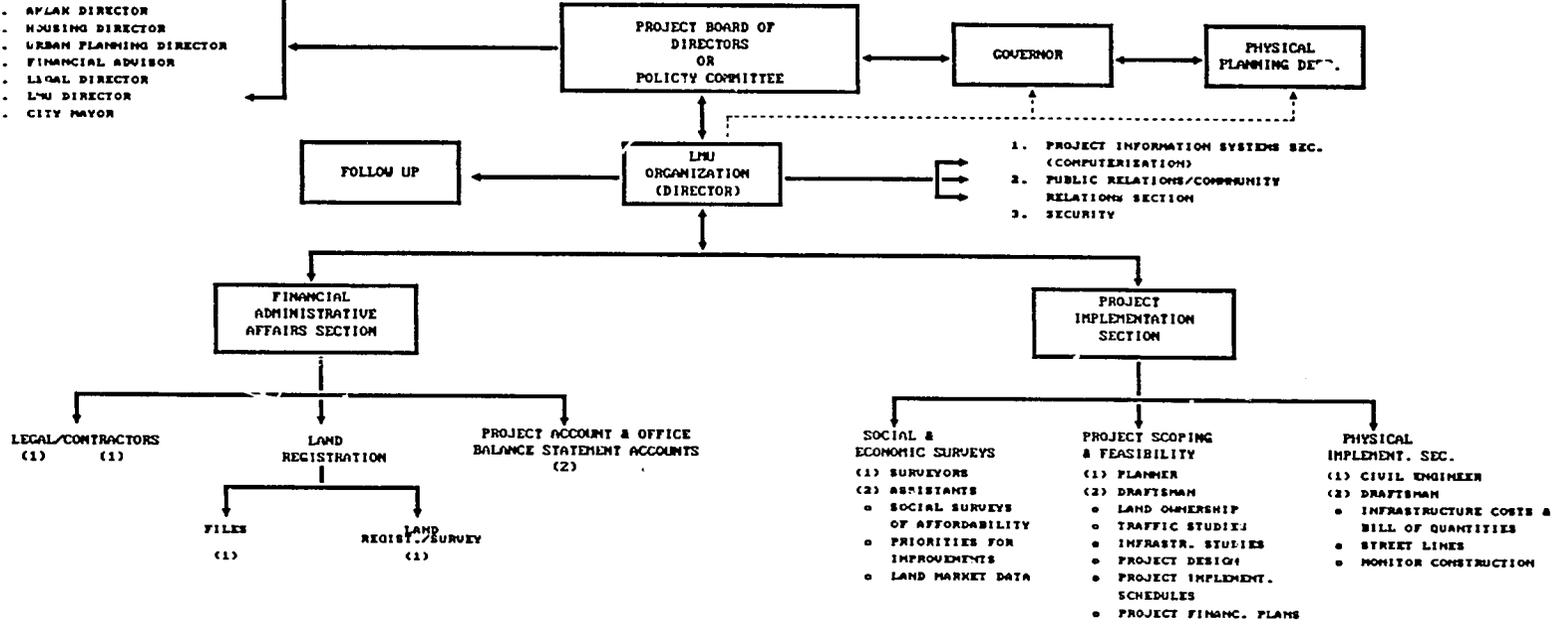
Given time constraints, LMU's with the appropriate authority should encourage through their respective Beneficiary Core Groups or Developer Groups unique to specific projects those activities holding most potential to;

Figure 7

IDEAL MODEL FOR INTERNAL LMU ORGANIZATION AND FUNCTIONS
(URBAN GOVERNORATES)

MEMBERS

1. GENERAL SECRETARY
2. SURVEY DIRECTOR
3. APLAK DIRECTOR
4. HOUSING DIRECTOR
5. URBAN PLANNING DIRECTOR
6. FINANCIAL ADVISOR
7. LEGAL DIRECTOR
8. LMU DIRECTOR
9. CITY MAYOR



• LEGAL CONSULTANT IS THE HEAD OF THE LEGAL/CONTRACTOR SECTION.
 • FINANCIAL ADVISOR LIAISON IS THE HEAD OF THE PROJECT AND OFFICE ACCOUNTS SECTION.
 () DESIRED NUMBER OF STAFF (MINIMUM STAFF FOR FOR ANY ONE PROJECT OF 10 FEDDANS OR MORE).

Figure 8

IDEAL MODEL
GENERAL DEPARTMENT FOR PHYSICAL DEVELOPMENT AND
GOVERNORATE LEVEL LMU RELATIONSHIPS

I.

LEVEL NO. 1

STRATEGY, POLICIES, DECISION
TAKERS, LEVEL.

II.

LEVEL NO. 2

PHYSICAL PLANNING LEVEL

III.

LEVEL NO. 3

IMPLEMENTATION LEVEL

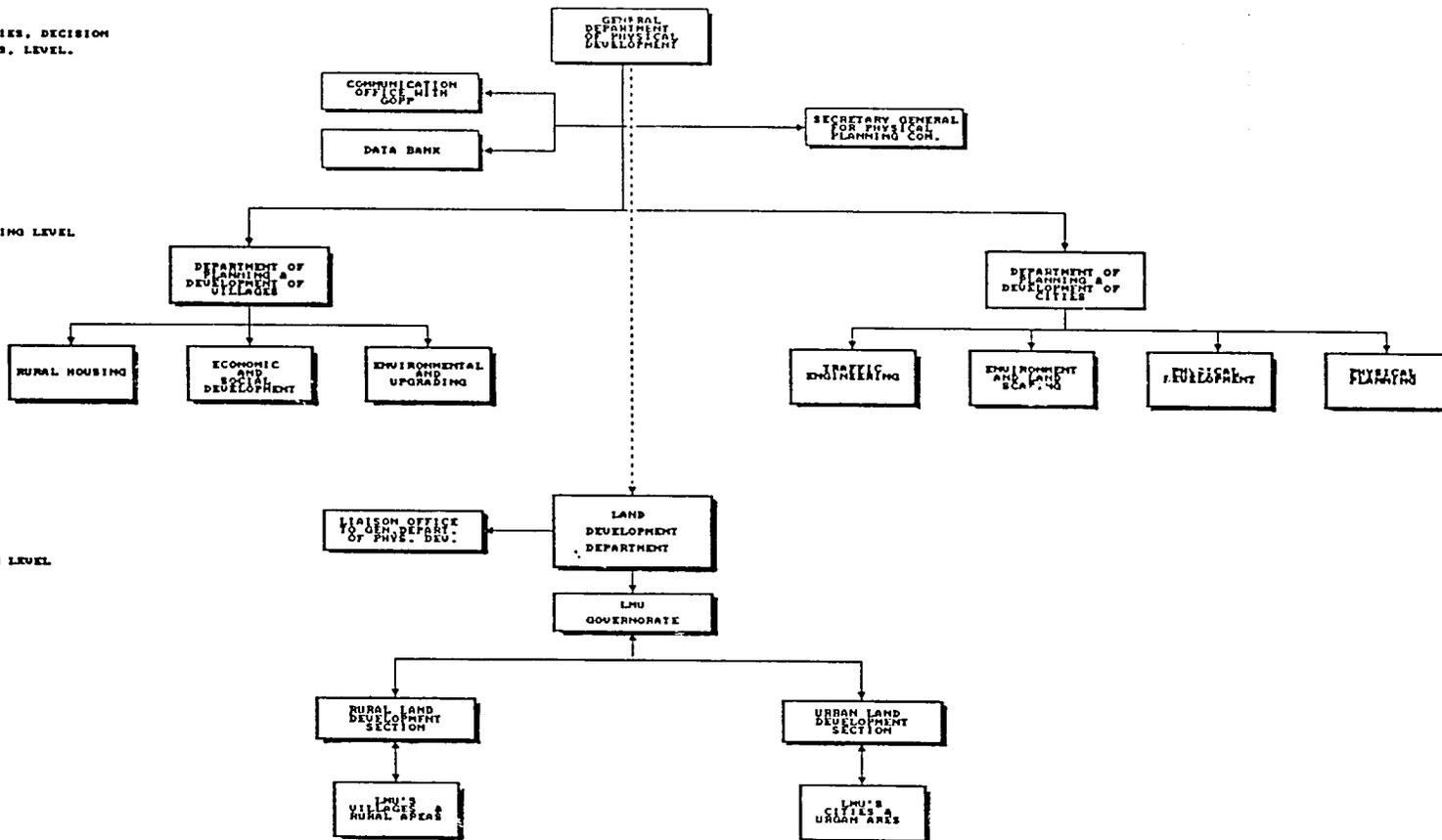


Figure 9

IDEAL MODEL
LMU FUNCTIONS AND RELATIONS WITHIN THE GOVERNORATE

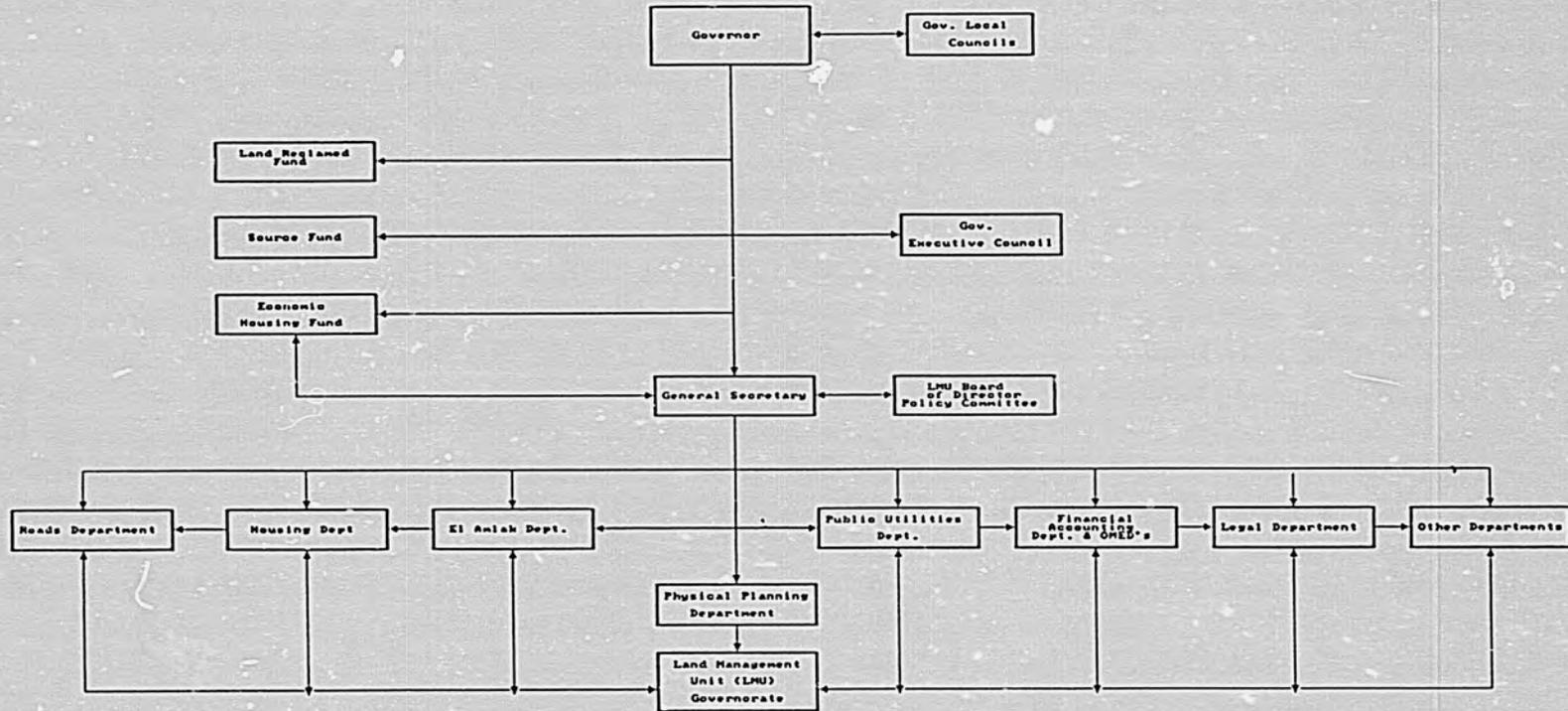


Table 5

TOOLS FOR PROMOTING PUBLIC/PRIVATE PARTNERSHIPS AND LAND MARKET EFFICIENCY

| Tools for Achieving Urban Land Market Efficiency | |
|--|---|
| (1) Market Enabling Strategies | Shift away from projects towards the identification and mitigation of bottlenecks to efficient serviced land delivery. |
| (2) Land Market Assessments | Undertake assessments of urban land markets. |
| (3) Land Market Information System | Create a database on land accessible to multiple users for assessing land market conditions and gauging the impacts of policies and investment decisions. |
| (4) Strategic Land Development | Devise land development strategies that support economic growth and the integration of low income households into housing/land markets. |
| (5) Land Readjustment (Pooling and Sharing), Guided Land Development | Pooling of land by participants in redevelopment schemes for replotting and urban service provision—with a portion of the land earmarked for roads and infrastructure. |
| (6) Increasing Infrastructure Availability | Develop integrated infrastructure programming procedures which include financing options, affordable development standards, cost recovery mechanisms, and programs for maintenance and gradual upgrading. |
| (7) Redevelopment Programs | Evaluate international experience in redevelopment programs for possible adaptation to the local context. |
| (8) Promotion of Private Sector Initiatives | Provide incentives: credit, access to land, tax relief, and creative techniques such as linkage to promote public/private collaboration. |
| (9) Land Taxation | Investigate mechanisms such as a vacant land tax to control land speculation and hoarding. |
| (10) Anti-Speculation Tax | Institute taxes on speculative gains from short-term land transactions to limit real estate demand. |

Source: Land Management Turkey Study Tour, 1991 INTA

- Promote private sector initiatives and,
- Increase the availability of infrastructure services.

Criteria recommended for evaluation and promotion of public/private partnerships in land development activities are shown in Table 6. This criteria focuses on factors effecting timeliness; extent of support promoting full cost recovery; mobilization of private resources; targeting of lower-income group beneficiaries; and replicability. Implementaon and execution of this criteria in identifying and developing future projects is a long term continuous process.

Table 6

CRITERIA FOR EVALUATION AND PROMOTION
OF PUBLIC/PRIVATE PARTNERSHIPS

Criteria for Ranking

- (1) **Timeliness:**
Can it help keep pace with urbanization?
- (2) **Allocation of the Full Costs of Project Inputs:**
How does the technique support cost recovery?
- (3) **Mobilization of Private Resources for Urban Land/Housing Development:**
Given limited public lands and resources, to what extent does the technique help mobilize funds from various private sources?
- (4) **Targeting of Lower-Income Groups:**
To what extent does the technique benefit disadvantaged urban households?
- (5) **Replicability:**
How replicable and acceptable are the techniques?

Source: Land Management Turkey Study Tour, 1991 INTA

APPENDIX A
AGENDA AND LIST OF PARTICIPANTS
LAND MANAGEMENT UNIT (LMU) TRAINING
ORIENTATION WORKSHOP

**LAND MANAGEMENT UNIT (LMU) TRAINING
ORIENTATION WORKSHOP**

(September 15-19, 1991)

Target Group/Participants

- Day I, & II : New members of LMU (See attached list).
- Day III & IV : LMU Directors and 2 key legal/ financial rep. of each Governorate.
- Day V : LMU Directors plus GOPP (General Organization For Physical Planning representative) + Governorate Urban Planning representatives.

Daily Workshop Hours : 9.00 AM to 2:30 PM

Site Location : TAC facilities on Days I & II Giza training facilities on Days II, IV & V.

WORKSHOP AGENDA

● **Day I: Sept. 15, 1991**

- 9:00 am - 10:00 am - Opening Remarks
- Objectives of Orientation Workshop (Emphasis on Project Experience Lessons Learned)
- 11:00 am - 12:30 pm - Review proceedings of:
 - Executive Seminar (Feb., 1991)
 - Organization/Administrative Procedures Workshop (June 30-July 8, 1991)
- 1:00 pm - 2:30 pm - Summary of Planning and Development Guidelines and LD-II Urban Program Objectives for remaining contract period.
- Cost Component Expenditures; (Realize on-the-ground construction activity by 1992 for projects using LD-II Urban funds)
- Realize initial revenue generation by 1992 on projects;
- Prerequisites to above;
 - Land Allocation Decree or Governor's Order
 - Project Account
- Evaluation of Program late 1991 or early 1992 regarding achievement of above objectives.

● **Day II: Sept. 16, 1991**

- 9:00 am - 10:00 am - Review of Helwan Project Experience
- Review of Ismailia project Experience
- 11:00 am - 12:30 pm - Review of Helwan and Ismailia Lessons Learned
- Review of Other Project Implementation Lessons Learned (LMU demonstration projects).
- 1:00 pm - 2:30 pm - Open Discussion

● Day III; Sept. 18, 1991

- 9:00 am - 9:30 am - Opening Remarks
- 9:30 am - 12:30 pm - Presentation of effective strategies and financial resource opportunities using land as an asset for cost recovery and revenue generation on projects.
- 1:00 pm - 2:30 pm - Discussion

● Day IV; Sept. 19, 1991

- 9:00 am - 12:30 pm - Presentation of legal financial framework opportunities and required decrees or governors orders for land management projects including project account frameworks. Format of land allocation decrees and purpose of such decrees.
- 1:00 pm - 2:30 pm - Discussion and Recommendations

● Day V; Sept. 19, 1991

- 9:00 am - 10:00 am - Opening Remarks
- 11:00 pm - 12:30 pm - Continued Presentation of LD-II Urban Pilot Projects by Governorate
- 1:00 pm - 2:30 pm - Coordination of Master Plan Activities
- Project Action Plan Proposals in the framework of Law No.3/1982. (Role of the LMU office in relation to existing governorate urban planning organizations)

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APPENDIX B

LIST OF RESOURCE DOCUMENTS, ARTICLES, AND REPORTS

APPENDIX B

LIST OF RESOURCE DOCUMENTS, ARTICLES, AND REPORTS

- Annual awards focus on Innovative Housing, The Urban Edge Vol. 13., No. 9., November, 1989, World Bank publication highlighting Ismailia experience.
- Audit of Helwan Housing and Community Upgrading in Egypt - Project No. 263-0066, United States Agency for International Development (USAID), Inspector General Audit Report No. 6-263-98-1, October 31, 1988.
- Egyptian Development and U.S.A.I.D.: A 25-Year Perspective by Roy L. Prosterman and Timothy Hanstad, March 1992 for Rural Development Institute; (RDI - Monographs on Foreign AID and Development # 9).
- Implementation Planning Guidelines For Upgrading of Informal Communities, (263-0199) prepared for USAID by Paul Gabele of CHF, August, 1985.
- Making Land Development Work: The Process and Critical Elements for Success, by David Dowall, working paper No. 494 Institute of Urban and Regional Development, University of California at Berkeley, February, 1989.
- Recovering Development Costs for Community Upgrading - An Analysis of the Experience in Egypt, prepared for USAID by Dr. Sawzan El Messiri of CHF, December, 1989.
- Regularization of Land Title For Informal Communities in Cairo: An Analysis and Proposed Approach, prepared for USAID by Dr. Sawzan El Messiri of CHF, August 1989.
- Report on Ismailia Governorate Land Management Unit Operations and Funding, prepared for USAID/Cairo by Wilbur Smith Associates, in association with Public Administration Service, Deloitte Haskins and Sells, Development Consulting Office and Engineering and Geological Consulting Office, October, 1988.
- The Helwan Housing and Community Upgrading Project for Low-Income Egyptians - The Lessons Learned, prepared by D. Gardner and A.P Van Huyck Consultants to PADCO, Inc. for USAID, February 1, 1990.
- LD-II Urban Land Management Project Options, work paper prepared by Mohamed Wassimi Saleh/USAID, September 23, 1991.
- Land Management Project Development Guidelines, prepared for USAID/Cairo by Wilbur Smith Associates in Association with Public Administration Service, Deloitte Haskins and Sells, Development Consulting Office and Engineering and Geological Consulting Office, May, 1990.
- Land Management Background Report on The Helwan; and Ismailia Land Development and Community Upgrading Project Experiences prepared for Wilbur Smith USAID/Cairo by Wilbur Smith Associates, in association with Public Administration Service, Deloitte Haskins and Sells, Development Consulting Office and Engineering and Geological Consulting Office, May, 1990.
- Land Management Office Operating Guidelines prepared for USAID/Cairo by Wilbur Smith Associates in Association with Public Administration Service, Deloitte Haskins and Sells, Development Consulting Office and Engineering and Geological Consulting Office.
- Land Management Planning Information System Guidelines, prepared for USAID/Cairo by Wilbur Smith Associates in Association with Public Administration Service, Deloitte Haskins and Sells, Development Consulting Office and Engineering and Geological Consulting Office, May, 1990.

- Land Management Project Development and Local Resource Mobilization Using Land As An Asset, June, 1990 prepared for USAID/Cairo by Wilbur Smith Associates in Association with Public Administration Service, Deloitte Haskins and Sells, Development Consulting Office and Engineering and Geological Consulting Office, May, 1990.
- Set of Public Ownership Laws and Applications, prepared by M: Rabie El Shafie, Supervised by Yehia M. El Saeid, Under secretary of State for Housing, Cairo Governorate. (Arabic only).
- Turkey Study Tour International Project Experience Handout Material, prepared for Wilbur Smith Associates by INTA, (International Association For the Development and Management of Existing and New Towns), November, 1991.
- Urban Projects Manual: A Guide to Preparing Upgrading and New Development Projects Accessible to Low-Income Groups, prepared for the Overseas Development Administration by Clifford Culpin and Partners, Ove Anep and Partners, Roger Tym and Partners. Published by Liverpool University Press in Association with Favestead Press, 1983.
- Trainee Document for Land Management Orientation Workshop, prepared for USAID by Environmental Quality International (EQI) for Technical Assistance Contractor, Wilbur Smith Associates, in Association with Public Administration Service, Deloitte Haskins and Sells, Development Consulting Office; and Engineering and Geological Consulting Office, May, 1990.

News Articles

- "Business of Helping Small Business", by Reuben Silvers, Middle East Times p.5 vol. X. No. 16 (EE), 14-20 April, 1992.
- "Egypt's Housing Crisis - Building Is One Thing Buying Is Another" by Heather Behn, Middle East Times, P1, Vol. X No. 16 (EE), 14-20 April, 1992.
- "Need An Expert? IESC Volunteers Give Private Sector a Boost" by Dale Gavlak, Middle East Times, P 1. Vol. X No. 16 (EE), 14-20 April, 1992.
- "Buying Into the Public Sector", by Raafat Soliman, Al-Ahram Weekly, April 23-29, 1992.