

PN-ACS-586

Ministry of Agriculture & Land Reclamation
US Agency For Intl. Development
Agriculture Policy Reform Program
Reform Design and Implementation

وزارة الزراعة واستصلاح الأراضي
الوكالة الأمريكية للتنمية الدولية
مشروع إصلاح السياسات الزراعية
وحدة تصميم وتنفيذ السياسات

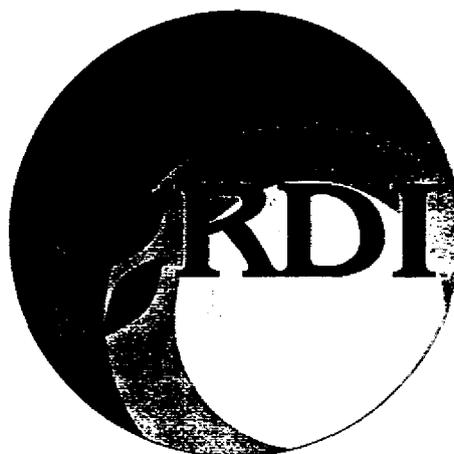
Ministry of Agriculture and Land Reclamation

AGRICULTURE POLICY REFORM PROGRAM

Reform Design and Implementation Unit (RDI)

USAID CONTRACT NO. 263-C-00-97-00005-00

RDI REPORTS



APRP

Reform Design and Implementation Unit

Development Alternatives Inc. Group: Office for Studies & Finance, National Consulting Firm Development Associates, Cargill Technical Services, The Services Group, Training Resources Group, Purdue Universities, University of Maryland

Report No. 65

***STUDY OF NEW LAND
ALLOCATION POLICY
IN EGYPT***

Prepared by:

Dr. Sayed Hussein (RDI/APRP)

Dr. Jane Gleason (RDI/APRP)

Dr. Elham El-Kholy (GARPAD/MALR)

Eng. Nadia El-Sayed (GARPAD/MALR)

February 1999

Table of Content

	Page
List of Acronyms.....	i
Executive Summary.....	ii
1. Introduction and Overview.....	1
2. Objective of this Report.....	2
3. Methodology and Approach.....	3
4. Review of Land Development Policies and Reclamation Achievements.....	3
4.1. Land Reclamation in the Context of the Development Plans.....	4
4.2. Projected Land Reclamation Programs for Current Plan (1998-2002).....	7
4.3. Strategy for Horizontal Expansion up to Year 2017.....	8
5. Legal Framework for the Distribution of the Reclaimed Land.....	9
5.1. Legislation To Date.....	10
5.2. Comments on the Current Legal Framework.....	11
5.3. Rules, Procedures and Consequences under the Graduate Program.....	13
6. Disposal Policy of Reclaimed Lands.....	14
6.1. Land Disposal Patterns and Procedures.....	14
6.2. Terms of Selling New Reclaimed Lands in East Owainet.....	16
6.3. Procedures for Selling Agricultural Project Lands.....	16
6.4. Incentives and Facilities Offered by the Government.....	18
6.5. Amount of Land Allocated to Various Groups During the Period 1952 through 1997.....	20
7. Beneficiaries' Observations on Allocation Policy of the Reclaimed Lands.....	25

	Page
7.1. Land Allocation Procedures for Investors: Deficiencies and New Trends.....	25
7.2. Land Allocation to Graduates: Appeal for Changing the Current Policy.....	27
8. Recommendations.....	28
9. References.....	32
Annex 1 - Tables	
Table (1) Reclaimed Land in Egypt over the Last Five Decades (in thousand feddans).....	33
Table (2) Projected and Actual Reclamation Programs and Invest- ment Costs in the Five-Year Plan (1988-1992).....	33
Table (3) Land Reclamation Program of 1993-1997 Plan Distributed among Public & Private Sectors.....	34
Table (4) Areas Reclaimed with Completed Basic Infrastructure and On-Farm Reclamation Works (1993-97).....	36
Table (5) Land Reclamation Program Proposed for Fourth Five-Year Plan (1997-2002).....	36
Table (6) Strategy for Horizontal Expansion in Land Reclamation for Long-Term Plan (1998-2017).....	37
Table (7) Disposal of Reclaimed Land During the Period 1952-1981.....	37
Table (8) Land Disposed During the Five-Year Development Plan (1998-1992).....	38
Table (9) Land Disposal Program for the Five-Year Development Plan (1993-1997).....	39
Table (10) Total Areas and Number of Graduates Who Obtained New Land under Mubarak Project (1988-92).....	39
Table (11) Number of Graduates Who Received and Cultivated New Reclaimed Land through 1991/1992.....	40
Table (12) Reclaimed Land Allocated to Graduates and Actual Distributed Areas (June 30, 1996).....	41

**Table (13) Reclaimed Land Allocated For Graduates and Investment
Sector through Reclamation Companies According to
Ministerial Decree 1138/1995.....42**

Annex 2 – List of Sites Visited and Persons Interviewed.....43

Glossary of Acronyms

APRP	Agricultural Policy Reform Program
CAAE	Central Administration of Agricultural Economics
CRGC	Credit Risk Guarantees Company
DDA	Desert Development Authority (replaced GADD)
EAORIS	Egyptian American Organization for Rural Improvement Services
EAUDRL	Egyptian Authority for the Utilization and Development for Reclaimed Land
GADD	General Authority for Desert Development (replaced by DDA in 1950s)
GANC	General Authority for New Communities
GARPAD	General Authority for Reclamation Projects and Agricultural Development
GOE	Government of Egypt
LRA	Land Reclamation Authority
MARLR	Ministry of Agrarian Reform & Land Reclamation
MALR	Ministry of Agriculture and Land Reclamation
MARLR	Ministry of Agrarian Reform and Land Reclamation [replaced by MALR
MPRG	Mubarak Project for Graduates
MPMW	Ministry of Petroleum and Mineral Wealth
MRWWR	Ministry of Public Works and Water Resources
POLR	Permanent Organization for Land
PRA	Participatory Rapid Appraisal
RDI	Reform Design and Implementation
SCINLT	Social Consultants International NL Technologies Ltd.
SFD	Social Fund for Development

Executive Summary

The Government of Egypt has invested large sums in the development of new lands. For the past four decades, the program of land reclamation has opened up more than 2.5 million feddans of desert lands for agricultural purposes. Spearheaded by GARPAD, the GOE's ambitious efforts have provided the base for creating self-sufficient communities to help solve the problem of overpopulation in the Delta and the Nile Valley, as well as increase agricultural production and create new job opportunities. Land has been distributed to landless farmers and graduate families, as well as small, medium and large scale investors. At the present time, land reclamation continues to be an important component of overall development plans in Egypt. By the year 2017, GOE planners estimate that an additional 3.4 million feddans will be brought into production. Most of these new lands will be reclaimed in the large national projects, Toshki, North Sinai, and East Owainet.

This report focuses on the legal and policy framework within which reclaimed land is distributed to or purchased by farmers and investors. Through field work and an extensive literature review, the study team for this report concluded that land and water productivity are compromised by the ambiguity of a multitude of laws that apply to land distribution and titling. The body of legislation regarding land distribution and titling is huge, with no less than six formal laws and literally hundreds of decrees and regulations. In addition, a large number of public agencies and authorities have law-enforcement authority, and ownership rules and procedures for distributing land vary from one law or decree to another.

Investors are permitted to buy lands through multi-year payment schemes or through auction. Title is granted after the investors provide evidence of their seriousness to develop the land. The selling price is contingent on the location of the land with respect to roads, and the amount of infrastructure provided by the project. In more recent years, investors have been asked to bear a larger percentage of infrastructure costs. Many large investors purchase and develop land for the purpose of resale. This is permitted under Egyptian law, and it is a means of developing land using private funds that is highly encouraged by the GOE.

Land distribution and titling with regard to the Graduate Ownership Scheme is particularly prolonged and complicated. Ownership is granted to graduates only after payment of a nominal sum of money over a period of 30 years, with no provision for early settlement. Without title to the land, many graduates mentioned to the study team that they are not free to sell or lease the land, and they are unable to obtain loans for investing in additional infrastructure or land improvements. The billions of pounds of assets frozen due to lack of title indeed has a depressive effect on the economy as a whole, representing a large loss of investment funds. The study team thus recommends that the GOE reconsider its current policy towards title in the graduate program by providing them either the opportunity to purchase the land immediately upon occupying it, or through a fast-tracked mortgage scheme.

The study team provides other recommendations in addition to fast-track titling for graduates. It recommends that the GOE conduct a comprehensive review of all the laws and regulations governing land reclamation with a view to removing the ambiguities within which the MALR and those wanting to acquire new lands operate. In addition, the study team recommends that the GOE standardize and make transparent the treatment of all who receive land.

Finally, the study team recommends that the privatized land reclamation companies hold auctions to sell newly reclaimed lands. The GOE could assign, through a bidding process or management contracts, certain tracts of land to the companies to reclaim and then distribute. This is currently done in Toshki and could be applied to other areas as well. This is a straightforward, effective and equitable means of disposing of land for investors and of ensuring that title to land is granted at the time of sale.

Study of New Lands Allocation Policy In Egypt

1. Introduction and Overview

For more than four decades, the Government of Egypt (GOE) has been engaged in a long-term program to provide irrigation water to desert areas. This program has three main purposes: 1) to expand the country's agricultural production; 2) to provide land to the landless; and 3) to generate employment and income. Land reclamation began just prior to 1950 and will continue well into the early decades of the next century.

GOE's efforts at land reclamation were uneven during the second half of the twentieth century. The GOE started modestly reclaiming an average of about 6,000 feddans per year, and focused on providing land and livelihood to landless people. Then beginning in the 1950s, reclamation efforts expanded to an average of about 11,500 feddans per year. A much larger increase in land reclamation projects occurred during 1960-1965, when average annual increases in land were about 107,200 feddans per year. This fell to 55,200 feddans per year during 1966-1970, but during this time the GOE first introduced large-scale projects while continuing to serve smallholders. Egypt made its first efforts to exploit groundwater in New Valley during this time. The Open Door Policy, adopted in 1974, was a policy that allowed trade contact with western countries (European countries and USA), for the first time in nearly two decades. During this period, 1974 to the early 1980s, the reclamation program was de-emphasized, averaging only 15,000 feddans per year, as the GOE concentrated on improving efficiency and on finishing reclamation work from previous years. In the 1980s and 90s, land reclamation became a national imperative as the agricultural sector was liberalized, and the reclamation focus turned from the northern Delta to Upper Egypt and the Sinai. An average of about 100,000 feddans per year were reclaimed during these two decades.

The total area reclaimed between 1952 and 1990 is estimated to be about 2.6 million feddans. However, a review of previous studies indicated a considerable difference between the area reclaimed and net area cropped. Some estimates show that about 60% of the reclaimed area has been cultivated (i.e. 1.6 million feddans). Total agricultural land is 7.8 million feddans, of which 20.5% was added from the new reclaimed lands.

Until 1981, most reclaimed land was on heavy soils in the Northern Delta, mainly in South Tahrir and North Tahrir. Known now as Nubareya, these areas are generally referred to as the old new lands. From 1982 onwards, reclamation efforts focused on light sandy and desert soils. The Land Master Plan noted that of all land suitable for future reclamation, 75% was of sandy and coarse soils. With a combination of Nile River water, groundwater, and drainage water, sizable areas of land with good agricultural potential outside of the Nile Valley have been brought into cultivation. These lands are west of the Delta, in the Sinai, and in Upper Egypt, running parallel to the Nile Valley.

The GOE has invested large sums to reclaim land. Investments in new lands were made for several purposes. First, the GOE keenly felt the need to expand cultivation to increase agricultural production, farmers' incomes, and exports. High portions of new lands are cultivated to such high-value crops as citrus and vegetables, much of which is exported or processed. Second, the new lands contribute to the food security of the country. Third, investments in new lands assist the GOE with a portion of its social agenda: to give small tracts of land to landless and unemployed people. Finally, land reclamation is designed to ease the population burden in the Nile Valley and the Delta.

Cultivation will soon begin in North Sinai, in the Salam Canal Project, the result of a large-scale investment to supply water to several hundred thousand feddans. More land will be brought into cultivation in Sinai over the next few years. In Upper Egypt, the GOE is investing even greater sums in Toshki, East Owainet, and the New Valley. The Toshki Project will pump water directly from Lake Nasser; East Owainet will depend mainly on underground water; and the New Valley will depend on artesian wells and groundwater pumping. Total national cultivable area will increase by as much as 44% by the year 2017, due to investments in Toshki, East Owainet, and other areas in the New Valley.

All land reclamation projects are planned by the General Authority for Reclamation Projects and Agricultural Development (GARPAD), an agency of the Ministry of Agriculture and Land Reclamation. The Ministry of Public Works and Water Resources is also involved in the planning of these projects, as this ministry is charged with designing the primary levels of the irrigation system, and once the land is reclaimed, is responsible for delivering the water.

The projects in Toshki and elsewhere are big, expensive, and enormously important to Egypt. The land is valuable and the infrastructures, from irrigation facilities to the building of homes, schools, hospitals and roads for those who settle the land are expensive. These large expenditures lead to the following question: What is the best method to distribute this land so that the government and the people of Egypt benefit fully from these enormous investments? At present, policies regarding new lands distribution are ambiguous and easily by-passed. Each classification of recipient of land—graduate, landless farmer, small scale investor, or large scale investor—has a different set of rules governing acquisition, land use rights, title, incentives for investment, infrastructure, and level of matching investment they are required to make. Graduates, for example, are given land that is fully developed. Sometimes, but not often, they can acquire title, and rules regarding the acquisition of title are not clear or evenly applied. Large-scale investors, on the other hand, are required to invest in farm development and on-farm irrigation systems. In Toshki, investors may be required to invest in the secondary portions of the irrigation system, in addition to the tertiary and on-farm portions.

2. Objective of This Report

The objective of this report, which was written in close cooperation with GARPAD, is to develop a set of recommendations on the regulations regarding the allocation of newly reclaimed land. Another aim of this report is to draw attention to some of the issues of titling reclaimed land deemed important to achieve progress towards establishing a liberalized agricultural economy and a land market.

For land to be used optimally, owners (or users) of land must have unambiguous property rights. Full property rights over land permit owners to sell it, to use it as collateral for investment in the land's improvement or other activities, or to purchase additional land to expand their productive capacity. Systematic and clear regulations regarding land reclamation are fundamental to investors' decision-making, and the lack of such regulations increases risks and transactions costs and disregards recipients' ability to develop the land for productive use. Further, hazy regulations may allow financially, socially, or technically weak investors access to land at the expense of more serious investors, decreasing the likelihood that Egypt maximizes the economic benefit of its investments.

In this report, we review all current policies on distribution of new lands with a view to proposing a set of regulations to distribute land which will be consistent with a liberal and private sector-led economy, while retaining the GOE's social agenda through land reclamation programs.

3. Methodology and Approach

The methodology for this investigation is based on the techniques of Participatory Rapid Appraisal (PRA). A team was formulated from GARPAD/MALR and the Reform Design and Implementation Unit (RDI) of the Agricultural Policy Reform Program (APRP). Team members interviewed and talked with stockholders (beneficiaries, small farmers, graduates, and investors). They conducted field visits to most reclaimed areas, including major sites of the Mubarak Project for the Graduates. They also visited private reclaimed farms, including graduate's farms, and opened dialogue with local authorities and government officials in MALR, MPWWR, and land reclamation cooperatives.

Teams using the PRA approach do not conduct surveys, but rather depend on collecting and analyzing existing data, documents, reports, and studies related to the investigation. Previous reports are considered the key to the success of PRA and to reliable conclusions and recommendations. Thus this report reviews in some detail from GARPAD planning documents and other reports that address the issues of land reclamation and allocation of the new reclaimed lands. Annex 2 contains a list of sites visited and persons interviewed for this study.

4. Review of Land Development Policies and Reclamation Achievements

Land reclamation programs represent one of the most significant achievements of the agricultural sector in Egypt during the present century. Spearheaded by GARPAD, the GOE's ambitious policies of land reclamation have brought into cultivation approximately 2.6 million feddans, as shown in Table 1 of Annex 1, and provide the base for creating self-sufficient communities to help solve the problem of overpopulation in the Delta and Nile Valley, as well as increase agricultural production and create new job opportunities.

Reclamation programs began outside Fayoum Governorate with the Kota and Kom Oshem Land Development Project and the Abis Land Development Project near Alexandria. Egyptian scientists, working with American experts under the Egyptian American Organization for Rural Improvement Services (EAORIS), brought about 31,000 feddans of land into cultivation. About 21,000 feddans were actually reclaimed and cultivated by smallholder settlers under both cooperative and private production modes. Lessons learned in these early stages were incorporated into later efforts. Initial productivity and marketing difficulties indicated the need for extension services and marketing cooperatives. After their initial success, unreliable water supplies, poorly maintained infrastructure, and lack of institutional support prevented long-term development in the Fayoum villages. By contrast, the availability of water and proximity to Alexandria permitted Abis to develop a more vigorous and diversified economy.

Following implementation of projects in Fayoum, a large-scale project was launched in Tahrir Governorate to establish 132 villages on 1.2 million feddans of new reclaimed land. Cooperatives were the principal mode of production in the new settlements. This project included allocation of large tracts of land to investors so that scale economies could be achieved from mechanization. In addition to the large project in Tahrir, the 1950s saw reclamation activity which can be characterized as extensions of existing cultivated areas in the Eastern Delta. Most of these projects were the responsibility of the Permanent Organization for Land Reclamation (POLR), a forerunner organization of GARPAD. Most of the land reclaimed for the POLR was allocated to the landless.

The rationale for reclamation was radically different in the 1960s and 1970s than in the earlier decade. The objective of reclamation changed from exclusive settling of landless families to include the production of marketable surpluses. In addition to programs for the landless and unemployed, reclaimed land was rationed under public sector ownership with state farms employing large numbers of agricultural workers. It was perceived that such farms could exploit scale economies better suited to mechanization and could earn foreign exchange by producing agricultural products for export. Egypt during this era started to implement its first Five-year Plan for Economic and Social Development that considered land reclamation a principal means to achieve economic and social goals.

During the 1980s the reclamation policies focused on optimal and efficient use of available land and water resources. This implied achieving two main objectives: 1) maximizing the net national product (which requires optimum allocation of available resources); and 2) optimizing the pattern of income distribution. With an emphasis on the private sector, it was during the 1980s that state farms were distributed to employees and others and land development companies were formed. The Mubarak Project for Developing and Serving the Land Allocated to Youth Graduates (hereafter referred to as the Mubarak Project) began in 1987 and gave access, though perhaps not title, to land to high school and university graduates to help them become employed and productive.

Agricultural strategies formulated in the 1980s and 1990s were expected to increase agricultural productivity with a view to reducing the country's reliance on imported food, particularly wheat. This strategy was and is supposed to be consistent with the policy of reducing population density in the Nile Valley and Delta. The work of GARPAD is devoted to this end. Superseding all former agencies involved in land reclamation, GARPAD is the coordinating agency for all reclamation projects (Presidential Decree 269/1975). GARPAD works closely with other ministries and agencies involved in the welfare of those receiving reclaimed lands, such as the Ministry of Social Affairs, Ministry of Housing, and Ministry of Trade and Supply. In addition, GARPAD works especially closely with MPWWR on the larger and more recent national projects such as Toshki, East Owainat, and the North Sinai Development Project.

Following are summaries of land reclamation projects executed during each of the five year plans beginning in 1960.

4.1. Land Reclamation in the Context of the Development Plans

First Five-Year Plan (1960–1965)

During the first Five-Year Plan, the Land Reclamation Authority (another forerunner of GARPAD) and the Desert Development Authority planned to reclaim 521,000 feddans using existing Nile water supplies, and 300,000 feddans using underground water. This ambitious plan was not fully implemented. By 1965, about 452,800 feddans, with a net agricultural area of 391,000 feddans, were reclaimed using Nile River Water, and only 83,500 feddans of the 300,000 planned for reclamation using ground water were actually reclaimed. Most land reclaimed during this period was in Tahrir, on both sides of the Delta, and parallel to the Nile Valley in Upper and Middle Egypt. By the end of the plan period only 47% of the total land reclaimed was under cultivation.

Second Five-Year Plan (1966–1970)

In this plan the Ministry of Agrarian Reform and Land Reclamation was divided into two ministries: the Ministry of Agriculture and the Ministry of Land Reclamation. Within the latter, an Egyptian Authority for the Utilization and Development of Reclaimed Land (EAUDRL), yet another forerunner of GARPAD, was given responsibility for reclamation. The GOE intended during this period to reclaim one million feddans, about 50% by foreign firms (Italian companies) and 50% by local firms.

Unfortunately, the 1967 war resulted in a dramatic reduction of reclamation work, as the GOE's budget priorities were focused elsewhere. Between 1965 and 1967 about 169,000 feddans were reclaimed of which 11,800 were not cultivated. In the Tahrir Governorate 90,200 feddans were reclaimed, and the DDA developed 61,400 feddans. The area brought under cultivation was less than that reclaimed because water requirements were underestimated in the plan, and the land reclaimed around each well exceeded the well capacity.

As mentioned above, the land distribution policy during the 1960s was significantly different from the earlier period. Land was distributed primarily on the basis of productivity, and not to achieve the social goal of providing the landless with land. This policy change applied to projects in both the first and second five-year plans. For example, only about 8,000 of the 164,000 feddans reclaimed in the Tahrir Project were distributed to smallholders. The other major project of the 1960s, the Nubareya Canal Project, was characterized by a high degree of mechanization. Large farms were allocated to investors to achieve scale economies, and because labor in the area was not available or was very costly.

Land Reclamation Programs between 1971–1982

The reclamation process slowed even more during this period. Between 1971 and 1978 budgetary resources were diverted from land reclamation to other activities in the economy. GARPAD, which became officially responsible for all land reclamation activities in 1972, concentrated on improving production efficiency on reclaimed lands. Between 1970 and 1975 only about 21,000 feddans were reclaimed. Between 1975 and 1978 very little land was reclaimed, and between 1978 and 1980 only some 27,000 feddans were reclaimed.

In the early 80s, just before the implementation of the third Five-Year Plan, land reclamation once again became a national priority. In 1981/82 the rate of reclamation increased significantly due to a presidential order for the reclamation of about 56,500 feddans in the Salhiya Project (about 23,000 feddans) and El Shaba Project (about 33,500 feddans). This was the beginning of a trend that would last through the next two decades in which land reclamation was and is considered a national imperative and projects have been planned and implemented to bring larger and larger areas into cultivation.

Third Five-Year Plan (1983–1987)

In 1983, the GOE returned to a five-year development strategy. The third Five-Year Plan had the following aims:

- optimizing utilization of available agricultural resources and using modern agricultural techniques, including developing and rationing water resources.

- giving priority to the development of new communities through the reclamation of at least 100,000 feddans annually.
- providing employment opportunities for Egyptian labor. This was a major social as well as economic goal of the plan.
- providing the major part of food requirements and increasing the exports of traditional export crops.
- encouraging use of private sector capital, as well as government funds, in the land reclamation process.
- reclaiming about 2.8 million feddans by the year 2000. This was considered feasible with existing water resources.

During this five-year plan, about 189,800 feddans were reclaimed and brought under cultivation with a budgetary expenditure of about LE one billion. The West Delta continued to be the region where reclamation was concentrated, accounting for about 50% of the total area. The private sector reclaimed about 58,038 feddans. The annual implementation target was about 150,000 feddans, but the actual annual reclamation rate (i.e., reclamation and cultivation of the reclaimed lands) was about 38,000 feddans only.

Fourth Five-Year Plan (1988–1992)

The fourth Five-Year Plan targeted reclamation of 750,000 feddans with an annual implementation target of about 150,000 feddans. GARPAD and its cooperating agencies realized a high proportion of its goal. The actual reclaimed areas were about 656,000 feddans, as shown in Table 2 in Annex 1. This was over 85 percent of the target.

The government pursued an ambitious reclamation program that it financed from domestic resources if external assistance was unavailable. In fact, investment in land reclamation became, during the fourth Five-Year Plan, a controversial issue, particularly among external donor agencies. External donors claimed that the productivity of reclaimed land was too low to warrant the large investment. Still, over 650,000 feddans were reclaimed during this period; GARPAD was responsible for reclaiming about 220,000 feddans from a budget allocation of LE 1.4 billion; and the private sector reclaimed about 430,000 feddans from expenditures of about LE 2 billion.¹

During the late 1980s and 1990s the GOE, to make up for shortfalls in the government budget and from donor agencies, encouraged the private sector to contribute to land reclamation programs by providing basic infrastructure. For example, the infrastructures were built for 381,000 feddans in 1987–1989, of which 71% is publicly owned and 29% is privately owned. As will be seen below, this trend continued in later reclamation projects, to the point where a large percentage of investment resources are provided by the private sector.

The Mubarak Project: A New Trend in Land Reclamation Projects:

Since the time of President Gamal Abdel Nasser, the GOE was committed to providing all secondary and college-educated persons in Egypt with employment. As

¹ An article published in Al-Ahram Daily newspaper on August 10, 1990, indicated that the total reclaimed area since 1982 and up to 1990/1991 is about 1.211 million feddans. The total investment cost for reclaiming these areas was about LE 3 billion, and the investment put into completed projects during the same period was about LE 1.6 billion.

education became widespread, and as a higher and higher percentage of young people went to school, it became impossible for the government to guarantee employment. Open unemployment in Egypt is concentrated among young people (75%), and 90% of them have a high school or university diploma.

One element of the solution to unemployment of educated youth was the Mubarak Project. GARPAD initiated the Mubarak Project in 1987 to provide graduates with five feddans of land, basic infrastructure, and on-farm modern irrigation systems (tertiary and drainage). Graduates also received free from GARPAD a first leaching of the soil, a house, and a monthly salary of LE 50 for the first four years. Some graduates received world food program rations during the first four years of installation. The criteria for receiving the land are:

- The graduates must be from the surrounding reclaimed area,
- They must have university degrees or high school diplomas,
- They must not have had a government job,
- They must be under 30 years old, and
- They must pass an exam about agricultural production.

The graduates are required to cultivate their allocated lands. After the first four years, they are supposed to pay the government a nominal cost, LE18,000, for the land and house. They are supposed to pay LE 50 per month (i.e., LE 600 per year) for 30 years. The graduates in return are prevented from selling or leasing the land, until the repayment is complete. Land can be inherited from parents to children but if the beneficiary (i.e., the graduate) leaves the land the government takes it back. Theoretically, after 30 years the graduate receives title, but this has yet to happen as problems related to repayments continually arise. Low productivity of the land and low returns from cultivating traditional crops prevent some graduates from paying off their land and houses installments.

Fifth Five-Year Plan (1993–1997)

The fifth Five-Year Plan proposed the reclamation of 572,700 feddans, of which about 469,900 feddans were actually reclaimed. The geographic distribution of this program included approximately 249,100 feddans in East Delta, 21,000 feddans in Middle Egypt, 30,300 feddans in Upper Egypt, 4,500 feddans in Sinai, 4,000 feddans in the New Valley, and 23,000 feddans in Middle Delta (Annex 1, Table 3). Private sector involvement greatly increased during this period, with its contribution to infrastructure investment increasing from one-third of total reclaimed areas in 1987-1992, to more than two-thirds of the total reclaimed areas in 1993-1997. Some 33,800 beneficiaries via the Mubarak Project were expected to receive about 196,242 feddans during the period, as shown in Table 4 of Annex 1.

4.2. Projected Land Reclamation Programs for the Current Plan (1998–2002)

The aims for the land reclamation program projected in the sixth Five-year Plan for 1998–2002 are as follows:

- Complete the basic infrastructure works for 428,000 feddans, of which 265,000 feddans in North Sinai and 163,000 feddans in locations identified in previous plans.
- Execute basic infrastructure works for 333,500 feddans in proposed reclamation areas. This will include 40,000 feddans in Sinai (other than North Sinai), 47,000 feddans in

West Delta, 45,000 feddans in Middle Delta, 91,500 feddans in Upper Egypt, 100,000 feddans in Western Desert, and 10,000 feddans in Halaib and Shalateen.

- Execute basic infrastructure works for 886,500 feddans to be allocated to investors or cooperatives (under Law 100/1964 discussed on page 13). This includes about 500,000 feddans allocated to investors in Toshki and an additional area of about 139,500 scattered feddans allocated to individuals and organizations. (The remaining feddans are not yet allocated.)
- Reclaim and cultivate 250,000 feddans to be distributed to 50,000 graduates (10,000 graduates every year) and establish agro-industrial communities. These areas are located in Sinai (43,600 feddans), East Delta (26,000 feddans), Middle Delta (8,000 feddans), West Delta (22,300 feddans), Middle Egypt (39,600 feddans), and Upper Egypt (110,500 feddans).
- Cultivate about 994,000 feddans—175,000 feddans in Sinai, 212,000 feddans in East Delta, 90,000 feddans in Middle Delta, 145,000 feddans in West Delta, 29,000 feddans in Middle Egypt, 100,000 feddans in Upper Egypt, 238,000 feddans in Western Desert and New Valley, and 5,000 feddans in Halaib and Shalateen.
- Complete the first stage (87 km west of Suez Canal) of the Salam Canal to provide 2.3 bcm of irrigation water for cultivating about 212,000 feddans, by mixing agricultural drainage water with Nile water (1:1) from the Damiatta branch.
- Complete the second stage (length 155 km) of the Salam Canal to irrigate about 400,000 feddans in Sinai. The proposed cultivated land is to be allocated as follows: 132,500 feddans to large investors; 39,750 feddans to middle-level investors; and 92,750 feddans to small beneficiaries and graduates. (The remaining feddans are not yet allocated.)
- Build the Sheikh Zied Canal (Toshki). The canal's first stage will have a total length of 310 km and a pumping station with capacity 25 mcm/day. This will allow cultivation of 500,000 feddans at the first stage of the project.

This ambitious program is part of a long-term development plan, which proposes to reclaim about 3.4 million feddans by the year 2017. The objectives of this Five-Year Plan are similar to previous plans, with an emphasis on creating new communities to meet the increasing population growth, and ensuring food security. Planners are trying to determine if food security—bridging the gap between national food requirements and production—is best accomplished through improved productivity on existing land and by reclaiming additional lands.²

4.3. Strategy for Horizontal Expansion up to Year 2017

In 1996, the GOE created a 20-year strategy for horizontal expansion in land reclamation to cope with increasing population and food security. The strategy is in principle the same as earlier plans, though it is much more ambitious and intensive. The strategy focuses on increasing agriculture development and creating new integrated communities, by adding almost five times the current populated area. If achieved, Egypt will utilize 25%, rather than the current 5.5%, of its total land area. Specific objectives for horizontal expansion are as follows:

² Table 5 of Annex 1 lists all land reclamation projects proposed for the Fourth Five Year Plan (1997 - 2002). This includes investment in new and existing projects.

Social: Relieve part of the socioeconomic and political problems created by rapid overpopulation of the Delta and Nile Valley by redistributing population to new communities such as the South of the Valley Development Projects (Toshki and East Owinat), the Salam Canal Project in Sinai, and the Sugar Beet Project west of Nubareya.

Economic: Add more productive lands and increase the productivity of the new reclaimed lands. Create new job opportunities, increase income of farmers and farm workers, and raise their standard of living. Increase exports of agricultural products (fresh or processed).

Political: Land provides beneficiaries with settlement and security. The government provides the cost of basic infrastructure, other facilities, and services and utilities necessary for a decent living; payment for land is in installments. Provide new employment opportunities to graduates seeking jobs. One of the main features of the last two Development Plans was implementation of the Mubarak Project involving more than 35,000 male and female graduates and 175,000 feddans of land in the period 1988-1992. The current Plan (1998-2002) aims to allocate 250,000 feddans of land to 50,000 graduates.

Scope of Possible Reclamation Programs in the Future

According to MALR and MPWWR, land available for reclamation and cultivation in the future is about 8.5 million feddans. The land is distributed in million feddans as follows:

• Toshki, East Owinat, New Valley	3.2
• Areas surrounding Lake Nasser and areas adjacent to the Nile located between Bani Suef and Fayoum	1.5
• Scattered areas in Delta, Salehaya region and east Suez	0.8
• North Coast region	0.7
• Sinai region	2.3

The current plan (1998-2002) calls for reclamation of about 1.5 million feddans, and 3.4 million by 2017. Distribution of land among different regions is to be based on possible exploitation of available water resources, including water from the Nile, underground water, reuse of drainage and treated sewage water. The MPWWR and MALR will also promote programs for water rationing and the application of advanced methods of irrigation. Table 6 of Annex 1 shows the areas by region to be reclaimed.

5. Legal Framework for the Distribution of the Reclaimed Land

Most studies of new land projects conclude that new lands generate very low rates of return. This was due not only to low productivity and failure to implement modern cropping patterns, but also to the relatively high pumping costs in many of these areas. However, by the mid-1980s more efficient production patterns were introduced — nontraditional irrigation techniques (e.g., drip, sprinkler, pivot); new farming technologies (e.g., plastic tunnels, green houses), and new higher yielding cropping patterns, which include such high value crops as hybrid tomatoes, melons, and fruits. Government policy also shifted in the 1980s to stimulate individuals and private firms to invest in modern farming. Private sector investors were allowed to develop wells and establish farms in areas not served by canals.³

³

A study on New Lands Development conducted in 1994 by MALR, USAID, and SCINLT, indicated that mean productivity per feddan for wheat, maize, barley, sorghum, and sesame on reclaimed land was half the national productivity, while

Two important factors that will have a continuing effect on private-sector participation in increasing productivity are the methods of distributing land and the granting of title to all who receive the land. Distributing land to those who can use it to achieve highest returns, and permitting those who receive the land to possess title and full and unambiguous ownership will contribute to improved rates of return. Titling of land contributes to improved economic performance in the following ways:

- Possession of title permits an owner to use the land as collateral for loans. Financial resources would be for investment in improved irrigation or other infrastructure, higher yielding technologies, and higher value crops such as fruit trees or grapes, which require more than one season before the first harvest.
- Possession of title increases the security of the individual who occupies the land.
- Possession of title permits the operation of a land market which is essential if land is to be used optimally. For example, if a beneficiary, say a graduate, loses interest in farming or for some reason is unable to continue farming, having title permits him or her to sell the land to someone who will benefit from it, and to use the money from the sale for other investment or consumption.
- Possession of title allows for the freeing up of billions of pounds of investment resources which are currently frozen because title is not given to farmers. It should be pointed out that the graduates and smallholders who have reclaimed land are amongst the poorest of Egypt. Yet they are not given the opportunity to fully exploit the land resources they farm.

The purpose of this section of the study is to review law, decrees and regulations regarding distribution and titling of reclaimed land. This section will show that the multiple laws in Egypt regarding the distribution and titling of land are extremely complex, and this underlines the difficulties encountered by investors in the new lands. Particular reference is made in this section to the acquisition of ownership title by graduates, which requires more than, theoretically, a 30-year period during which graduates are required to repay fully the cost of the land to the Government. Such a situation has a negative impact on the land settlement and access to credit.

5.1. The Legislation To Date

The laws and regulations listed below constitute the regulatory framework governing reclamation and ownership of new lands. Despite significant reforms under the liberalization and privatization of the Egyptian economy, all the laws listed below still apply (entirely or partly):

- **Law 100/1964** and related by-laws regulate the lease of state-owned lands and real estate, including the transfer of title.
- **Law 59/1979** and its by-laws concern the New Communities (developed through land reclamation programs), and allow land allocation and sale according to rules defined by the General Authority for the New Communities (GANC).

productivity per feddan for tomatoes and potatoes was higher by about 25% to 50%. The study also revealed that farm revenues varied from an average of LE 1,243/feddan for graduate farms in Bustan and West Delta, to a high of LE 3,626/feddan for smallholders in Ismailia where vegetable and fruit farming prevails. Net farm incomes, on the other hand, ranged from a loss of LE 352/feddan for small investors in Bustan to a profit of LE 1,533/feddan for smallholders in Ismailia.

- **Law 143/1981** and related by-laws regulate desert land allocation (lease and transfer of title), and include provisions concerning privileges and incentives granted to investors (i.e., investment guarantees, tax exemptions).
- **Law 7/1991** sets special provisions related to state properties.
- **Law 5/1996** regulates the sale of state-owned desert lands or lands owned by public corporate bodies, and their lease at nominal value for establishment, expansion or investment projects.
- **Law 8/1997** and its by-laws deal with investment guarantees and incentives granted to investors in reclaimed lands (i.e., tax exemptions).
- A series of by-laws promulgated August 21, 1992, deal with the free sale of government-owned lands.
- A plethora of other Presidential, Cabinet and Ministerial Directives and Decrees, as well as decisions taken by public authorities boards in these areas, are also a part of this legal framework.

5.2. Comments on the Current Legal Framework

The study team conducted a thorough analysis of the legal framework relating to the distribution and titling of land and concluded the following:

Too large a corpus of legislation. This makes it difficult to assimilate and track all the regulations. The first rules regarding land distribution and the free sale of government lands were enacted in 1903. Since then, literally hundreds of decrees, regulations and laws pertaining to land distribution and sale have been enacted.

Many public agencies and authorities have law-enforcement capability. This includes the Council of Ministers, MALR, MPWWR, GARPAD, GANC, General Authority for Investment and Free Zones, municipalities, and others. In this context, the supervision of a distinct domain of activity has been assigned to one particular authority or agency, and national project management is assigned to specific administrative bodies. For instance:

- The General Authority for Agrarian Reform and Municipalities is authorized to sell and lease lands subject to Law 100/1964.
- The GARPAD can dispose of lands falling under the provisions of Law 143/1981.
- The GANC disposes of lands situated within the New Community belts, in accordance with Law 59/1979.
- The Cabinet of Ministers manages East Port Said and similar projects.
- Two distinct subdivisions at the MALR manage the East Owainet and the South Valley projects.
- A special subdivision at the MPWWR manages lands located on both sides of the Salam Canal project.

- Land Reclamation Companies dispose of the land allocated to investors by GARPAD and purchased by auction.

Ownership rules and procedures vary from one legislation to another. The differences and discrepancies existing between the provisions of Law 100/1964, Law 59/1979 and Law 143/1981 concerning the disposition of desert lands (lease, sale, transfer of title), are a good example of this situation.

- Law 100/1964 allows the leasing and direct sale of lands, including the transfer of title deeds, provided that reclamation of the land is completed within a period not exceeding 7 years. Failing to comply with this condition gives the administrative agency or authority the right to annul the contract according to the provisions of the law.
- Law 143/1981 allows the lease of the land for a three-year period. Within these three years, if the lessee proves he is serious about reclaiming the land, the title of the land is transferred at its original value before reclamation. The amounts paid in rent are then deducted from the original value. If the lessee's seriousness is not proven within these three years, the contract shall be cancelled ipso facto, and the land restored to the competent government authority. Serious commitment is considered to be proven in the following instances:
 - Initiation of reclamation by drilling the needed water wells;
 - Installation of modern irrigation systems;
 - Initiation of farming activities.
- Law 59/1979 allows the allocation and sale of lands situated in the New Communities according to the rules defined specifically by the GANC.
- Conversely, within national reclamation programs, the competent administration concerned defines special contracts for large-scale investors, as is the case with Toshki and East Owainet projects.

The legal continuity of privileges granted to investors in desert lands by Law 143/1981 is not guaranteed. The ambiguous situation in this area results from discrepancies between the following legislative provisions:

- Article (8) of Law 143/1981 concerning desert lands, refers to Article (24) of Law 59/1979 dealing with the New Communities, as far as investors' privileges are concerned. This first article stipulates that "reclamation and cultivation projects established on lands subject to this Law, shall enjoy the same privileges stipulated in Law 59/1979, regardless of the implementing corporate body or natural person...".
- Article (24) of Law 59/1979 originally provided tax exemptions to projects located in the New Communities, but has been abrogated by Law 8/1997 regulating privileges and incentives for land reclamation projects in general.

As a result, the provision of Article (8) of Law 143/1981 has become non-applicable, unless the investor establishes a land reclamation company under Law 8/1997.

Numerous approvals are needed to finalize land disposal and allocation (Armed Forces, Monuments Authority, etc.). The State is required to prepare and finalize land maps in order to simplify procedures and prevent any possible dispute among government agencies about the competent jurisdiction.

Linking the disposal of desert lands subject to law 143/1981 to the **construction of infrastructure** constitutes a heavy burden on the state's budget and delays land reclamation operations.

5.3. Rules, Procedures and Consequences under the Graduate Program

In the context of the policy for allocating new lands to unemployed young graduates, the Graduate Ownership Scheme sets prolonged and complicated ownership procedures. These procedures have been established out of fear that the beneficiaries will dispose of the land if they hold title. Ownership title is transferred only after full repayment of the land (over 30 years theoretically) and *no possible accelerated settlement of final payment is provided*. The lack of title has a discouraging effect on production and investment. The present policy for land allocation and title within the framework of the Graduate Program can be summarized as follows:

- The GOE (numerous agencies coordinated by GARPD) designs projects, and GARPAD and MPWWR construct infrastructures, including houses, irrigation systems and market areas.
- GARPAD selects Graduates on the basis of criteria established in each project, which are usually: a certain education level (high school or university degree); a maximum age (under 30 or 31 years old); and not having had a government job.
- Graduates families receive five feddans of land, a house, on-farm irrigation system (drip, sprinkler, or furrow), inputs for the first cultivation season or year, a monthly stipend (usually LE 50) for four years, and in some projects an additional stipend in kind.
- Graduates theoretically pay the government LE 18,000 over 30 years (LE 50/month), with a four-year grace period.
- Graduates must cultivate the land or the government will repossess it.
- Graduates are not allowed to lease or sell the land because they do not have the title.

After 30 years, theoretically, and repayment of the LE 18,000, graduates receive the land title. This has yet to happen.

In practice, it is not clear if graduates will ever be given title of the land. Because of the nominal repayment sums and the lack of freedom they have to lease, sell or otherwise use their land, many Graduates show intense dissatisfaction with the rules and an unwillingness to pay. Actually, the current ownership policy leads to the following:

- The use of the land is restricted because Graduates are not given title, but it takes at least three decades to obtain it. They are bound to cultivate the land, and are not allowed any other option.
- Without title, the land has zero asset value, and a production value only equal to the net revenue from cultivation.
- The lack of title prevents farmers, in general, from using the land as collateral to receive loans (i.e. loans guaranteed by property) for production or investment purposes. Farmers are also reluctant to make any improvement, including investing in permanent

crops. This situation has a depressing impact not only on the agricultural economy and the country's economy in general, but also on the return the government will get from its immense investments in infrastructure.

- If, for any reason, a graduate must leave the land, he will forgo any added value to the land through cultivation or improvement.

A clear title through purchase of the land would:

- Provide low-income people with a real asset that they can use for their own economic benefit;
- Provide the basis for investments in the project areas. This could include small- and medium-scale agribusiness activities, land improvement, investment in permanent tree crops, and investment in other income producing business;
- Provide the basis for the development of a land market, a necessary condition for an operating liberal economy. Farmers should be able to buy and sell or lease land. They should not be shackled to five feddans of land for years. They should be able to realize in land value that which results from a land market. Good farmers will be able to expand their holdings and generate productive employment for others.

6. Disposal Policy of The Reclaimed Lands

Various patterns for distributing and using reclaimed lands have been adopted during the past four decades. The distribution policies in the past were suitable for the economic and social objectives prevailing at that time. For example, in the 1950s, social policy emphasized poverty alleviation and income equity, and thus land policy focussed on providing land to landless farmers. In the 1960s and 1970s, allocation policy was expanded to include unemployed high school and college graduates. Initially, these beneficiaries were given 20 or 30 feddans of land, which was later reduced to five feddans.

In the 1980s and 90s, land allocation expanded even further. Over 45,000 university graduates through the Mubarak Project obtained by 1991/1992 about 225,430 feddans. Not only were larger and larger tracts of land distributed, but land was also distributed to new types of recipients. Empowered under Law 143/1981, GARPAD, during the fifth Five-year Plan (1993-1997), intended to distribute about 572,700 feddans of new reclaimed lands, of which about 18.2% were to be allocated to graduates, 35.5% to the investment sector, about 41.1% to the private sector (firms, individuals) and 4.2% to social categories (landless farmers, early retirees from public companies and government, etc.).

Many people and companies have benefited directly from the distribution of new lands, and the country as a whole has increased its productive capacity enormously as a result of the program. However, the time has come to review these policies and adjust them to facilitate the government's trend towards a free market economy, and to increase private sector participation in land reclamation programs.

6.1. Land Disposal Patterns and Procedures

Over the years, depending on the GOE's objectives, different methods for allocating and utilizing the new reclaimed lands have been applied, which include the following:

- Distribution among small farmers on lease basis for an eventual transfer of ownership;
- Distribution to companies for commercial use on a lease basis for eventual transfer of ownership;
- Allocation of lands to new graduates of colleges and institutes on a lease basis for eventual transfer of ownership;
- Management of the land by state-owned reclamation or agricultural companies (affiliated with MALR);
- Management of the land by state-owned companies producing sugar, dairy or meat;
- Disposal of the land by auction sales.

In land disposal carried out by GARPAD under Law 143/1981, arable lands may be rented for three years, but reclaimed lands may be sold by auction or allocated permanently to the following social categories:

- Smallholders;
- University graduates;
- Retired government employees;
- Army veterans and families of those who were injured or died during the war.

The Law includes the following incentives:

- Tax exemptions, for both Egyptian and foreign investors, on agricultural production (commercial/income tax), land (agricultural land taxes) and buildings for 10 years starting from the date of completion of any building during the reclamation work;
- Exemption, for foreign and joint venture companies, from tariffs and licensing fees on imports of machinery, equipment, vehicles and materials authorized by MALR;
- Facilities to foreign companies concerning the transfer of salaries and capital abroad.

The same Law defines the main procedures to dispose of reclaimed lands. It also established a much higher ceiling for desert land ownership than previously, consistent with the requirement of modern agricultural practices and irrigation systems. The Law allows the following maxima of land area:

- 200 feddans for an individual, and 300 feddans per family;
- 10,000 feddans for cooperatives with a maximum ownership of 30 feddans for each member;
- 10,000 feddans for private companies, with a maximum limit of 150 feddans for each company member;
- 50,000 feddans for public sector companies.

According to officials at GARPAD, in case of surface irrigation system, these limits are halved in general, but public sector companies are not subject to any maximum, and joint venture enterprises must have 51% Egyptian majority ownership. Also, upon dissolution of any cooperative or company, shares can be disposed of to foreign nationals.

The new owners must follow a series of reclamation and cultivation requirements agreed on at the time of sale.

Under Law 143/1981, all concerned government agencies shall give priority, provide facilities and offer all possible assistance, support and credit to cooperatives, joint ventures, individuals and agencies working in land reclamation and cultivation. The agencies offering loans shall have call on all financial resources of the debtor before any other claimant, with the exception of judicial expenditures, taxes, fees and amounts to be paid to the concerned authorities.

6.2. Terms of Selling New Reclaimed Lands in East Owainet

Law 143/1981; GARPAD's Decision 198/1982; Ministerial Directive 573/1983; Law 55/1988 regarding land ownership to Arab nationals; Investment Law 230/1989; and Ministerial Decree 255/1992 establish the rules of land disposal in the East Owainet Project. These rules state the following:

- Foreign companies cooperating with an Egyptian or Arab partner (Egyptian or Arab shares should not be less than 51% of the capital) can purchase land for LE 50/feddan. Payment should be made in full before contracting or conceding the land, according to Law 230/1989 regarding dispositions on investment of foreign and Arab capital. The foreign shares should be allotted to the Egyptian or Arab partner in case the associated company is dissolved.
- Foreign companies can rent the land, for reclamation and cultivation purposes, for a period of 50 years. The annual rent should not be less than 20% of the actual price of the land (LE 50/feddan), according to disposition of Law 230/1989 regarding foreign capital and considering the purpose of renting;
- If GARPAD determines that a company is not serious about reclaiming and cultivating the land (see definition of serious commitment in section 5.2.), or that it did not intend to establish agricultural projects within three years (period renewable by GARPAD) starting from the contracting date, GARPAD has the right to break the contract without repaying any amount paid by the company.
- The areas offered for investment should be at least 10,000 feddans or multiples of 10,000.

6.3. Procedures for Selling Agricultural Project Lands

These procedures include, without being exhaustive, the following principles and requirements regarding applicants for buying new land for agricultural production:

- Applicants can obtain the terms of reference for the project they are interested in, and are required to read them carefully as they are applicable without exception.
- An official session shall be held to examine applicants' files to obtain the highest possible advance payment. The remaining payment shall be divided into equal installments according to the following scheme:
 - ⇒ 30% of the total price with the remaining amount payable over 5 years.
 - ⇒ 40% as advance payment and the rest payable over 6 years.
 - ⇒ 50% in advance and the rest over 7 years.
 - ⇒ 60% in advance and the rest over 8 years.

- ⇒ 70% in advance and the rest over 9 years.
- ⇒ 80% in advance and the rest over 10 years.
- ⇒ Full payment (in one installment) will entitle the buyer to a concession of 10% of the total price.

- Applicants are selected based on the amount they are willing to pay as an advance.
- The applicant, whether in his individual capacity or on behalf of other partners, must fill out an application form which contains all needed data. This form also spells out clearly the terms of sale in order to prevent misunderstanding after the transaction is completed.
- The project site shall be handed over to the buyer within, at the most, one month from the date of payment of the advance and administrative fees (two percent of the advance).
- The first annual installment is payable one year after the notification date of approval of the deal. Subsequent installments are due on the same date each year, with an annual interest rate of 5%.
- If a project is sold to individuals forming a company, the latter shall be collectively and legally bound to the financial conditions, regardless of their individual shares. They shall be considered as one party and must have only one correspondence address.
- Any partner can quit the company, and bestow his shares to another stockholder, with the consent of the original seller.
- If the buyer (or his heirs) fails to pay two consecutive installments, the seller retains the right to notify him (or them) by registered mail that the payments and arrears (interest and default fines) must be made within a specific period. If payments are not made, the seller has the right to annul the contract and notify the buyer by registered mail, without need for any legal action. The project components shall be considered as leased during the holding period, and the seller shall appraise and deduct the amount due without the buyer (or heirs) being present. The seller's assessment of the rental value shall be final and irrevocable. The buyer is not entitled to any claim for compensation for any installation established on the project site.
- The buyer of a project with perennial fruit trees, or other types of trees, is not entitled to dispose of them without previous and written approval from the seller. The buyer is bound to maintain the planted trees until final settlement of the price. The buyer will incur paying the cost of repair by the seller in case of non-respect of this condition.
- The land sold shall be used for agricultural activities, unless otherwise stated in the contract. Any land used for purposes other than specified shall render the contract null and void. There is no need to notify the buyer or take legal action against him. In addition, the contravening buyer shall bear damages.
- If the buyer wants to make any installations in addition to the original ones, he must secure the necessary approvals according to the Law.
- As of the date of approval of the contract, the buyer shall be bound to pay all types of taxes and other charges.

- If the deal has not been concluded, the buyer shall be entitled to reimbursement for the amounts paid without interest.
- Metals, minerals, mines, monuments or any other source of natural wealth that may be found on the project side shall remain the state's property.
- Without prior consent and license from the concerned authority, the buyer is not entitled to build on the agricultural land which is not convertible to other uses.
- The land shall include the allocation of a relative portion for first- and second-grade utilities. Each feddan of land shall be provided with its own requirements concerning these utilities after the final survey by the Egyptian Survey Authority.
- The land shall be irrigated from a major canal with branch mesqas. The buyer is responsible for the maintenance of these mesqas. Irrigation water is MPWWR's responsibility, whereas canals and drains are common utilities which may not be changed if the changes are harmful to the project. The buyer is not allowed to establish any private business that may be damaging to other buyers.
- The buyer shall be given an Initial Contract of Agreement when he has paid at least 50% of the total price and all the due installments in a timely manner.

6.4. Incentives and Facilities Offered by the Government

The incentives and facilities offered by the government to encourage investment in land reclamation activities are divided into three types: low prices for land based entirely on location with respect to highways and liberal payment schedules; subsidized prices of energy (though the regulations permitting low energy prices are complicated and may not apply to all companies or individuals who own reclaimed land); and free infrastructure. These incentives are outlined below.

Prices of fallow or desert land and mode of payment:

- 1) Prices of fallow desert lands without any infrastructure planned are determined as follows:
 - ⇒ Lands adjacent to highways, extending up to 1 km into the desert: LE 200/feddan;
 - ⇒ Lands adjacent to highways, extending to more than 1 km and up to 5 km into the desert: LE 100/feddan.
 - ⇒ Lands adjacent to highways, extending to more than 5 km into the desert: LE 50/feddan.

These lands are identified after perusal of the map on private sector horizontal expansion projects. A financial lease scheme is applied for a three-year period, to eventually transfer the land title to the lessee. If the lessee's serious commitment is proven within this period, the initial contract validity is extended to seven years. After that the final contract will be concluded.

- 2) Exemption from all types of real estate taxes for 10 years starting from the date of the first utilization of water.
- 3) Exemption from duties and customs tariffs on importation of modern irrigation technologies.

- 4) Possibility to pay in full the total price of the land by annual installments at 5% interest rate, for a period of five years.
- 5) Possibility of using the credit line (LE 50-100m) made accessible at the Principal Bank for Development and Agricultural Credit (PBDAC) to farmers willing to reclaim desert lands.

Prices of Energy

Preferential energy prices for agricultural investment projects were introduced according to the following ministerial decrees:

- Ministerial Decree 42/1981, issued by the Ministry of Petroleum and Mineral Wealth (MPMW), stipulates that international prices of petroleum products (for the production of electricity) shall apply to investment projects subject to Law 43/1972, gradually over a five-year period. The calculation of the price is based on the subsidized domestic price plus a gradual increase of 20% per year (over five years), to cover the difference between the subsidized and the international prices. This Decree thus grants preferential treatment in the start-up phase of projects, following which domestic prices are moved towards international ones within the framework of the state's policy. Investment companies targeted by the Decree are those assuming activities such as land reclamation and cultivation, food security, construction materials and ceramics.
- However, the Ministerial Decree 66/1990 (Article (4)), also issued by the MPMW, stipulates that subsidized domestic prices of petroleum products apply to public and private brick, cement, gypsum and pottery production units, as well as food security enterprises subject to Law 230/1989.
- Companies coming within the provisions of Company Law 159/1981, and commercially registered, shall pay the international prices of petroleum products. Companies subject to the General Investment Law (Law 43/1972 which was replaced by Law 230/1979) and supervised by the Investment Authority, shall benefit from the domestic subsidized prices applied by electricity distribution companies at governorate level for four years at the beginning of the activity. Companies moved from the jurisdiction of the General Investment Law to the jurisdiction of Company Law 159/1981 shall pay domestic prices for energy.
- Law 73/1989 stipulates in its Article (9) that "No overheads or financial obligations shall be imposed on these enterprises (investment companies) in a manner contradicting the principle of equality with the private enterprises conducting similar activities". However, equality is achieved gradually according to Implementing by-Laws of this Law. Abiding by this principle of equality is also stated in Article (6) of by-Law 1531/1989 in regard to setting new prices or changing prices for services, raw materials, petroleum products and electricity.
- Land reclamation and cultivation companies shall benefit from reductions on energy tariffs proportional to the volume of their exports, when energy costs reach at least 10% of the total production costs. However, tariffs for certain energy consumption levels shall be equated for the public, private and investment sectors, in the light of the decision to increase energy prices as of May 5, 1990. The value of the fuel subsidy difference (with the international price) for each kilowatt/hour (kWh), becomes almost negligible for these consumption levels due to later electricity price increases.

Basic Infrastructures

The GOE provides the basic infrastructures, free of charge, for all new reclaimed areas. These include main water canals, main and access roads, electrical power stations and networks, and administrative buildings such as schools, social buildings, and police stations.

6.5. Amount of Land Allocated to Various Groups during the Period 1952-1997

General government policy regarding land allocation is intended to promote the best possible use of the reclaimed lands as follows:

- Set policies and procedures of land use for each particular project based on technical, socio-economic, and political assessments to ensure the achievement of horizontal expansion goals.
- Confine the State's role to necessary infrastructure work and land pre-cultivation activities, without entering into agricultural production.
- Require the use of modern irrigation systems, efficient farming techniques and intensive agriculture. This includes growing non-traditional cash crops, livestock production and agro-industries.
- Monitor and enhance the performance of low-income categories.
- Encourage the creation of specialized cooperatives that may help consolidate smaller units into bigger ones that are capable of using modern agriculture and irrigation technologies.
- Provide incentives (i.e. tax exemptions) to encourage private Egyptian and foreign investors to establish production units and create new communities in the new developed areas (as discussed above).

Land Disposal during the Period 1952-1981

Law 100/1964 states that only a small portion of new lands farmed by smallholders was to be either rented or owned in the form of five-feddan farms (the rest of the new lands staying state-owned and managed). This was a significant change from the previous period, during which uncultivated land given to public or private organizations for reclamation was to be passed to the General Authority for Agrarian Reform after full development, for distribution to smallholders on a lease-holding basis.

However, in 1975, land leasing to smallholders was abolished, and the cooperatives and public companies allocated reclaimed lands to their tenancy with payment being accredited to land purchase. Selection of small farmers was based on a social questionnaire. Plots of land from two to six feddans (depending on the household size) were allotted to small-scale farmers for at least three years as a preliminary step towards the transfer of land title. All the beneficiaries of this phase are now holders of land title by virtue of Ministerial Decree 389/1995: some 48,614 households are in possession of 213,030 feddans. The purposes of this scheme were to turn agricultural laborers into landholders, reduce population pressure in overpopulated governorates, and create new agricultural communities.

Table 7 in Annex 1 shows that during this period, 35.46% of the total reclaimed lands was allocated to serve social objectives: 31.46% to smallholders, 2.97% to graduates and 1.31% to cooperatives. More than half of the reclaimed lands went to the public sector, 24.97% of which went to public agricultural companies. The private sector (individual investors or firms) received only 5.88% of the total reclaimed areas.

Land Disposal during the Period 1982-1987

Under Law 143/1981, the main method for disposing of reclaimed lands was auctioning. The Law also allows the selling or leasing of reclaimed lands through direct contracting, and includes provisions for allocating lands to disadvantaged social classes.

It was anticipated that 60 percent of reclaimed lands would be allocated to private investors (companies or individuals) through auctioning. However, this percentage is not fixed and can fluctuate depending on policy changes. The remaining land is to be allocated to special social classes identified by the Law as veterans of the armed forces, small farmers, and unemployed graduates. In practice, these provisions and objectives constitute only guidelines and can be changed according to the prevailing conditions.

The GOE enables owners of new lands to expand their reclamation and cultivation activities to new areas, free of charge, if they prove their commitment to cultivating the land. Investors from other Arab countries are also allowed to own and cultivate reclaimed lands, provided they are sincerely devoted to the economic utilization of the land. For instance, certain reclaimed areas may be more suitable for the development of state farming, while there may be strong social reasons for allocating other areas to smallholders or development cooperatives.

During the third Five-Year Plan (1983-1987), about 22% of the total reclaimed lands for this period was allocated to social categories. The private sector share was about 38%, while graduates received 5.5% of these lands.

Land Disposal during the Period 1988-1992

During this period, about 29.5% of the total reclaimed areas was distributed to graduates. The reason for this increase in the graduates' category share was the implementation of the Mubarak Project designed to help solve the problem of unemployment of university graduates (for more details about this project, see section 6.8). The fourth reclamation plan was designed to fulfill the following targets:

- Allocate 40% of reclaimed and cultivation lands to smallholders, young graduates and other social categories (retired government employees, pensioners, etc.). The ownership schemes consist of long-term payment in installments.
- Allocate 30% of the total land (with infrastructure) for sale to the private sector at preset prices. Transparent rules had to be publicly announced.
- Allocate the remaining 30% to financially capable prospective buyers through public auction.

Table 8 in Annex 1 shows that 607,400 feddans of reclaimed lands have been distributed among various types of beneficiaries: about 29.5% to graduates, 3.8% to social categories, 29.2% to the investment sector, and 9.1% to the private sector. The land allocated to cooperatives accounted for 15%, while squatters were given about 12.5% and smallholders only 0.49%. The GOE tried to give squatters legal status.

With land allocated to the investment sector, the price of the land included partial costs of the basic infrastructure. This is a departure from past policy which provided most of the basic infrastructure, especially main and branch canals, free of charge. Investors also had to cover investment costs required for on-farm activities, while smallholders were given free on-farm infrastructure.

Land Disposal during the Period 1993-1997

The lands disposal trend during this period was a continuation of that implemented under the fourth reclamation plan, as shown in Table 9 in Annex 1. About 872,000 feddans were distributed to different categories of beneficiaries, representing an increase of about 43.5% compared to the amount of reclaimed lands allocated under the preceding Plan.

Graduates were allocated 18.2% of the total new lands, versus 29.5% during the former Plan period. As a consequence of government emphasis on privatization and promoting private sector investment, its share of reclaimed land during the period increased to 41.2% (the land did not include any infrastructure), compared to only 9.1% for the period 1988-1992 and 5.8% between 1952 -1981 (percentages also include investment companies). About 36% of the total reclaimed land was earmarked for the investment sector, while social categories were only allocated 4.8% (versus about 32.7% during the period 1952-1981).

Land Disposal during the Current Plan (1998-2002)

The current reclamation development Plan, covering the period 1998-2002, calls for land to be allocated as follows:

- 10% of the new lands to social categories.
- 25% to smallholders and graduates.
- 65% to investors, the land being sold by auction (through bidding on the price for large investors, and bidding on the down payment for small investors), as applied in El-Tina project in North Sinai.

Recently, the GOE decided to sell land to large investors and big companies in **Toshki and East Owainet Projects**. The GOE made this decision to sell all land in these projects to large investors and companies to ensure that those who are allocated the land have sufficient resources: 1) to develop the land optimally with modern irrigation technologies; 2) to introduce modern large-scale farming practices; and 3) to establish new communities and create new job opportunities. Examples of this policy include the following:

- GARPAD/MALR signed, in September 1998, an agreement to allocate 100,000 feddans south of the Toshki Depression to an Arab investor, who purchased the land and intends to invest LE 3.5 billion on reclamation, cultivation and agribusiness projects. The first stage will include reclaiming 10,000 feddans of land by 2001.
- Another agreement was signed allocating 120,000 feddans to the Association of Egyptian Land Reclamation Companies. This Association will reclaim this area within three years, after which it will offer the land for sale to all types of beneficiaries. It will also be involved in infrastructure work and the construction of the Sheikh Zied canal (second branch).

- A third allocation of 100,000 feddans was made to a large private reclamation company operating in the Toshki Depression.
- MALR decided to allocate 25,000 feddans to any Egyptian investor capable of mobilizing the capital to cultivate the land, in the East Owainet Project.

As for the North Sinai Development Project, the land allocation policy specifically states that:

- 50% of the total reclaimed lands will be allocated to large investors through auction (bidding based on the total purchase price or higher down payment). The asking price is LE 10,000 per feddan.
- 15% of the land will be allocated to middle- and small-scale investors. The price of the land is fixed at LE 10,000/feddan, with contractual terms to be agreed upon.
- 25% is allocated to social categories (small beneficiaries, landless farmers, and graduates). The proposed price is LE 3,000/feddan paid in equal installments over 15 years, with a four-year grace period and no down payment.
- 10% is to be allocated to government employees (early retirees, pensioners, etc.), under the same terms as for the social categories.
- Bedouins who live in the area are offered land for LE 1,500/feddan, to be paid in installments over 15 years with no down payment.

At the first stage of the El-Tina Plan reclaimed area, within the North Sinai Project, the GOE decided to allocate an amount of 125,000 feddans as follows:

- Large-scale investors: 52,319 feddans;
- Middle investors: 16,407 feddans;
- Small beneficiaries: 28,186 feddans;
- Government employees: 10,800 feddans;
- Governorates (Dakahlia, Minofya and Gharbyia): 7,288 feddans;
- Army: 10,000 feddans.

In practice, the government has already distributed 3,000 feddans to large investors through the auction process under the following terms: 1) asking price of LE 10,000/feddan; 2) bidding on the total price or higher down payment. Investors have started on-farm reclamation activities, and the government has provided them with water.

The GOE trend with respect to land allocation policy for national projects is best illustrated by recent Ministerial statements. With respect to the Toshki and East Owainet Projects, the Ministerial Committee for the Great National Projects, led by the Prime Minister, announced in its meeting of February 1, 1999 that about 540,000 feddans will be allocated in the Toshki region. The Committee agreed to allocate land to four different groups as follows:

- Big investors, who will take 100,000 feddans or more, and who have the financial capability to establish commercial farms, processing factories, livestock projects, and production of non-traditional crops for exports.

- Moderate investors, who will take less than 100,000 feddans, and who are Egyptians living abroad—either individuals, associations or federations. Negotiations with this group will be through the Holding Company for Agricultural Development (HCAD), which is reclaiming 100,000 feddans on the second branch of El-Shahk Zaied Canal. HCAD has begun negotiating with those investors who are willing to purchase land, in order to identify the methods of land disposal – either by selling or by management and operation contracts on their behalf.
- Small investors, who will take less than 10,000 feddans.
- Small and big investors for reclaimed land using groundwater. These areas will be allocated mainly to the labor force working on the project.

The Committee also agreed to cultivate 300,000 feddans using groundwater in Toshki. The Committee is investigating the requests submitted from Arab investors from Qatar and United Arab Emirates to allocate 100,000 feddans on the third branch of the Canal (which is financed by the Abu Dabi Fund for \$100 million).

Land Disposal under Mubarak Project (1987-1992)

The Mubarak Project, initiated in 1987 and mostly implemented within the fourth Five-Year Development Plan (1988-1992), led to the allocation of 225,430 feddans of land to 45,086 graduates, as shown in Table 10 in Annex 1. The estimated investment costs amounted to more than LE 1.7 billion, including reclamation work, rehabilitation and housing infrastructure. These areas were reclaimed through 23 separate development projects which are located in the following seven geographical zones:

- **West Delta:** Four projects (El-Hammam, Zawyet Sidi El-Aati, Dhay'ah El-Amein, and El-Bustan Extension) covering a total land area of about 54,000 feddans, and representing a capital investment of LE 366 million;
- **Middle Delta:** One project situated north of Motobus with an area of about 13,000 feddans and a total cost of LE 366 million.
- **East Delta:** Five projects (North Sahl El-Husseiniyah, Sahl Southern Port Said, East Suez and West Suez) with a total area of about 35,500 feddans and total investment cost reaching LE 227 million.
- **North Sinai:** One project representing an estimated area of 90,000 feddans and investment cost of LE 671 million.
- **Middle Egypt:** Five projects (North Bahr Wahbi, Qibli Qaroun and Kota in Fayoum, Wadi El-Rayan and Sidmant West of Beni Suef) with an area of about 14,000 feddans and an estimated investment cost of LE 89 million.
- **Upper Egypt:** Five projects (Arab Gerga, Swlad Touque, El-Marashdah, Wadi El-Sa'ayda and Wadi El-Nugrah) representing an estimated area of 15,930 feddans and investment cost of LE 275 million.
- **New Valley:** Two projects (El-Farafra and Abu Manqar) with a total area of about 3,000 feddans and investment cost of LE 22 million.

The detailed geographical distribution of the new lands allocated to the graduates, as well as the number of beneficiaries by location over the five stages of the Project, are shown in Table 11 in Annex 1.

7. Beneficiaries' Observations on Allocation Policy of the Reclaimed Lands

From the preceding discussion it is clear that land reclamation policy has, over the years, evolved and changed and evolved again, adapting to the social or political conditions of each period. Laws and regulations governing land allocation overlap or are contradictory, decrees permit exceptions to laws; and there is little consistency in the application of the laws to the many projects around the country. What applies to Toshki for example, may not apply to North Sinai, and each project focuses on one or another type of beneficiary. Thus, what is applicable in East Owainet, with its heavy emphasis on large-scale investments, does not apply in Nubareya, where graduates predominate.

How does it work? Are those who receive land really benefiting, or are they players in government schemes with ambiguous and broad social, economic and political objectives? To learn the views of the people working the land, the study team for this report visited various land reclamation sites and locations in different regions of the country: Sinai/East Delta (Salam Canal project); West Delta (graduate project in Nubarya region); Middle Egypt (El Saaf and Gamare regions; Beni Suef project; North Salalout project); Upper Egypt and New Valley (East Owainet and Toshki projects). The purpose was to conduct interviews with different categories of beneficiaries including investors, graduates, land reclamation societies, and small farmers, as well as with officials in charge of the reclamation areas and development projects.

Most of the persons interviewed were talkative. The study team found them more than willing to express their opinions on issues and problems related to land allocation policies and regulations, including land title acquisition and land utilization rights. The major conclusions drawn from the discussions and interviews are summarized below. (Detailed meeting notes are available from the APRP/RDI Unit.)

7.1. Land Allocation Procedures for Investors: Deficiencies and New Trends

Several points and concerns were emphasized by investors, members of land development societies, and reclamation and agricultural company representatives.

Acquiring the land. In general, investors must apply to GARPAD to receive land, as GARPAD is empowered by the GOE with the right to dispose of it. For the most part this procedure is respected. However in the case of the East Owainet Project, the GOE invited about 30 of the largest businesses in the country to invest in this area because initially, when the GOE posted notices in newspapers that this land was available for sale, investors had little interest in it. Fifteen of them chose to participate, with each one receiving a plot of land with 24,000 feddans, 10,000 of which can be cultivated.

Land utilization and development. Investors are expected to present to GARPAD a feasibility study which clearly identifies their intentions regarding the development of the allocated area. However, GARPAD has not issued guidelines to investors in either the East Owainet project or the Toshki project, regarding government expectations for the development of these regions, including regulations to ensure that the benefits from these investments accrue to the nation.

Additionally, members of land reclamation and development cooperative societies in El-Saaf, El Gamaz and Attfeen areas (Middle Egypt) complained that the land distribution policy did not consider the prevailing economic conditions of the region, but focused only on social aspects. The water provided to the reclaimed land (through a constructed canal) is not treated sewage water as originally planned, but polluted non-treated water, the quality of which is not appropriate for food crops or vegetable cultivation. The land should be allocated to cultivate trees, ornamentals or fiber crops.

The example of the reclamation project at Wadi Raian (near Fayoum) is noteworthy in that GARPAD modified its intentions regarding agricultural production after recognizing that the water available (agricultural drainage water from Fayoum) was not suitable for certain types of agriculture. Thus, instead of being allocated to graduates as originally planned, the land will probably be sold to investors through auction.

Investment costs—The two projects of East Owainet and Toshki are a significant departure from the past land reclamation projects in that investors are being asked to bear a far greater share of the investment costs.

In Toshki, investors will be responsible for construction of branch canals, with the MPWWR (in cooperation with GARPAD) responsible only for the main canal and the pump facility on the shore of Lake Nasser. GARPAD is also to be responsible for construction of main roads, diesel at Cairo prices until the area is integrated into the national grid, water and other supporting facilities.

Investors are expected to deal with the costs of on-farm infrastructure, digging wells, and those associated with the construction of buildings and roads on farm. One investor noted that he will have to bear the additional cost of conducting research on which crops should be grown, the timing for planting and harvesting crops, and what sort of industries can be profitably created in East Owainet.

Constraints. The major practical constraints mentioned by investors included transportation and issues related to pumping water. For instance, investors involved in the development of East Owainet emphasized the problems of transporting commodities to Cairo and beyond, and the high cost of pumping groundwater for cultivation.

Members of investing societies in the El-Saaf and Gamaza region (South of Cairo) expressed their discontent with the pumping stations (which are not yet operating) for mixing the Nile water with sewage water. Some of them must use underground water by digging wells. Investors also raised the problem of the high cost of power supply, as the price of electricity increased from LE 0.07/kw (as stated in the original contract) to LE 0.12/kw.

Ownership title acquisition. The uncertainty, prerequisites and length of time required to obtain title to the land has been criticized by investors (small and large). In the case of the East Owainet project, investors purchasing the land will first receive a lease for three years subject to ownership at the end of the leasing period. Once ownership is acquired, they are allowed to sell the land.

Investors such as reclamation and agricultural companies generally do not purchase reclaimed lands with the intention of developing them for their own use, but in order to sell plots of land to smaller investors or stock companies. Nevertheless, according to these investors, the three-year leasing requirement constrains their ability to obtain bank loans.

Members of the El-Saaf Society for Land Reclamation noted difficulty in obtaining title even once the land was fully paid for. The Society includes 800 members (mainly medium and small investors) and was established in 1978. The reclamation of the 5,535 feddans allocated to the Society started in 1980, with repayment of the land over 20 years up to 1998. By 1997, only 47 members received title from MALR even though they fully paid for the land. Investors admitted they were reluctant to make investments partly because of the uncertainty regarding the land title.

On the contrary, in the North Samalout reclamation project (Middle Egypt), an individual investor indicated that he received title for his land, with an ownership contract, from the date he purchased the land in 1987 (He paid 25% of the total price, and the rest over five years with a two-year grace period). From the beginning, he had the right to borrow money from any bank and to offer his land for sale at any time. The investor specified also that, at the time of the purchase, reclamation companies were selling these lands by auction to anyone who could afford it.

In the case of the recent Wadi Raian project, re-directed from graduates to investors, GARPAD officials said that potential buyers will be able to sell the land as soon as payment is completed. Mortgages will be made available, or investors will be able to make immediate payments.

7.2. Land Allocation to Graduates: Appeal for Changing the Current Policy

The majority of the graduate beneficiaries interviewed in the Nubaraya region (West Delta), North Salalout and Beni Suef projects (Middle Egypt) displayed intense dissatisfaction with the current policy regarding the land allocation system. Two key issues were emphasized by the interviewees on these locations:

Ownership title acquisition. In general, graduate farmers declared their desire to purchase the land allocated to them immediately. They indicated repeatedly that obtaining title was important, particularly because having title would permit them to gain easier access to credit.

Presently, the only credit source available under the current graduate land distribution system is the PBDAC, as beneficiaries are prevented from getting loans from the private banking system. However, the PBDAC applies such high interest on its loans that they are in practice prohibitive.

Land utilization and development. Graduates also complain that without direct ownership, they are not free to develop their land through private investment or to make financial and marketing decisions. They also are prevented from selling or leasing the land until full repayment is complete (from LE 15,000 to 18,000 for five feddans of developed land and a house, payable over 30 years). Some of them noted that they feel like they are government employees. They lack the confidence to invest on their farms without land title.

Consequently, the majority of the graduate beneficiaries would prefer that the rules and conditions of allocating land be adjusted and modified to obtain ownership of the land. To the contrary, some government officials seem to believe that graduates would take the opportunity to become absentee landlords if they have title to the land.

8. Recommendations

This report describes the many different ways the GOE has disposed of new reclaimed lands since the program began. Each category of beneficiary is dealt with differently, according to specific laws and regulations. The issue of ownership (i.e., land title) is still not clear for these categories except for investors who purchase the land through auctions or through direct purchase. Following are five specific recommendations for improving land distribution policy and streamlining distribution procedures. These recommendations are consistent with a liberalized and private sector led agricultural economy.

Review and streamline distribution laws: A large part of this report concentrates on the plethora of laws, regulations and policies on new lands allocation which have been issued over the past four or five decades. Reviewing those laws highlights the ambiguities within which the MALR and those wishing to obtain new lands operate. The laws cover the Graduate Program, settlement of the landless to new lands, as well as the laws and policies to provide incentives to domestic and foreign investors, and the conditions regarding payment of infrastructure in large-scale projects.

We recommend that the GOE, and especially MALR/GARPAD, conduct a complete independent review of the laws pertaining to new lands. In particular, we recommend that this review be done with a view to establishing an unambiguous set of laws, policies and regulations which reflects the GOE privatization and liberalization policy, especially the participation of the private sector investors in land reclamation programs.

Additionally, we recommend that the GOE standardize and make transparent the treatment of all beneficiaries and provide title to the land allocated to each category. Giving land title or clarifying ownership ensures security and confidence among beneficiaries. Ownership leads to increased on-farm investment and production.

Land auctions through privatized land reclamation companies: A major step in the privatization of the agricultural sector was the privatization of the public sector land reclamation companies. We recommend that those companies be responsible for holding auctions to sell newly reclaimed lands to investors. Auctions sponsored by land reclamation companies occurred in the 1970s. These proved to be a straightforward and effective means of disposing of land and of ensuring that title to land was granted at the time of the sale.

We recommend, for example, that the land reclamation companies conduct auctions for the disposition of land in Toshki, East Owainet, and North Sinai. This will ensure that the disposal process is clear and transparent. Disposal of land in these areas is currently done through an application process which is not well known to many people.

Improved coordination between agencies in the land projects: A large percentage of new lands cultivated by small investors or graduates have lower than average productivity. Some productivity problems are related to the absence of coordination between agencies in government who are charged with providing technical assistance. This includes local authorities, extension units, and water delivery authorities. To increase productivity and realize returns to the GOE investment in new lands, we recommend that a local coordinating body be established to ensure that technical services are delivered to farmers of new lands. This is especially important in the first years of settlement. The IFAD-funded New Lands Agricultural Services Project in Nouberiya is a good example of a program providing comprehensive integrated support to farmers in new lands. This project, which has components in extension, water

management, credit provision, and adaptive research, addresses the chronic problems facing settlers of new lands.

Fast-track titling for graduates: Thousands of feddans of land are held by graduates. They have no title and most are not optimistic about receiving title. The program of bestowing title after 30 years means that the billions of pounds in assets embodied in this land are frozen, representing investment funds that are lost. This undoubtedly has a depressive effect on the overall growth rate of the economy, and constrains individual farmers from realizing financial gain.

We strongly recommend that the GOE consider alternative methods for granting title to graduates. The following few paragraphs outline possible new procedures to fulfill this recommendation.

To review, the present policy for land allocation and titling in the Graduate Program is as follows:

- GOE plans the project and GARPAD and MPWWR construct the infrastructure, including homes and market areas.
- GARPAD selects graduates on the basis of criteria established for that particular project—usually a certain education level, maximum age, and not employed by government.
- Graduate family receives five feddans of land, a house, on-farm irrigation system (drip, sprinkler, or furrow), inputs for the first season or year of cultivation, a monthly stipend (usually LE 50) for four years (additional stipends in kind are available on some projects).
- Graduates theoretically pay the government LE 18,000 over 30 years (LE 600/year) with a four-year grace period.
- Graduates must cultivate the land or the government will repossess it.
- Graduates are not allowed to lease or sell the land because they do not have title.
- After 30 years, the graduate receives title to the land.

In practice it is not clear if title will ever be given to graduates. Because of the nominal sums and their lack of freedom to sell, mortgage, lease, or otherwise use their land, many graduates indicated to us an unwillingness to pay. The current policy with respect to land titling results in the following:

- Graduates displayed intense dissatisfaction with the current policy. Use of the land is restricted because they are not given title, and it takes three decades to obtain title. Some graduates told us that they felt they were in jail; others said that they felt like government employees. They are bound to cultivate the land, and are not permitted other options.
- Without title, the land has zero asset value and a production value only equal to the net revenue from the cultivation.

- Lack of title prevents farmers from using land as collateral for production loans or other potential investments. This policy has a depressing effect on the agricultural economy and the general economy in Egypt.
- Farmers are reluctant to make any improvements because they do not have title. This includes investing in permanent crops. This means that government policy depresses the return to its enormous investments in infrastructure because the land is not being put to its highest valued use.

If, for any reason, a graduate family must leave the land, they forgo any value that has been added to the land through cultivation or simple improvements.

Clear title through purchase of the land will:

- Provide low-income people with a real asset they can use for their own economic benefit.
- Provide the basis for investments in the project areas. This could include small-scale agro-enterprises, investment in land, or investments in other income producing business. For example, one graduate said he would purchase trucks to haul produce if he could get a loan.
- Provide the basis for development of a land market, a necessary condition for the proper operation of a liberal economy. Farmers should be able to buy and sell land, or lease land. They should not be shackled to five feddans for years. They should be able to realize increases in land value that result from a land market.

We believe it is important that both the social and economic agendas of the government be accomplished in the graduate program. We support the idea that young poor people (i.e. the graduates) be given the opportunity to obtain their own land to cultivate. We have no problem with the subsidies and stipends given to the graduates to support them in the first years of settlement. But we also believe that the land titling policy is not conducive to achieving the social agenda because the only benefits accruing to the graduates are those derived from cultivation. They are unable to achieve real economic gain because they do not have direct ownership of their resources. They are only slightly better off than farm laborers, and in one sense they are worse off because their mobility is highly restricted. Other opportunities are denied them. In general, employment gains in the project, except for those derived from cultivation, are minimized because land cannot be used to obtain investments loans.

- To address this, we propose a new method of payment and titling using the following existing practice: the government requires a payment of LE 18,000 over 30 years with a four-year grace period for the land and the house. At a discount rate of 12%, this is a **net present value of LE 3,330**. This is a very important point. We recommend that the government provide graduates with a series of options:
 - **Option 1:** Allow graduates to purchase the land outright for LE 3,330 when they take possession of the land. Title is bestowed immediately.
 - **Option 2:** Establish a program through a commercial bank to provide mortgages for graduates to purchase the land. The bank pays the government nominal prices for the land, and the farmers make monthly or weekly payment to the bank. Provision of a mortgage through a bank accomplishes several important things: it forces the

government to bestow title; immediately the land is attributed as an asset value; and it allows a land market to develop.

If we assume that the government considers a fair price of the land to be LE 3,500, then a farmer can receive full ownership of the land after five years with mortgage payments of LE 971/year. This assumes no down payment and a 12% interest rate. The government should not determine the terms of the mortgage. Terms should be fixed through negotiations between the bank and the graduate.

Farmers will be able to receive other loans (a second mortgage) at least equal to the equity value of the land based on the portion of the loan they have paid, or equal to the asset value based on real estate valuations. As the land market develops, the asset value will overshadow the nominal value established by the government.

- **Option 3:** The government can offer to graduates the modified terms for payment and receiving title as indicated above, but these terms include some restrictions so that certain GOE objectives are realized. These restrictions may be the following:
1. While farmers will be allowed to sell or lease their lands, they may not break up the parcels in pieces smaller than 2.5 feddans. This will prevent fragmentation and avoid many of the disadvantages derived from small pieces of land in irrigated agriculture.
 2. The land must only be used for agriculture. Construction of buildings will not be permitted.
 3. The land is an endowment given to graduates at very low prices. Their first years in the project areas are heavily subsidized. For that reason, law must commit the graduates to making the land productive by continuous cultivation for at least five years after they receive the land. They will not be allowed to sell or lease for the first five years, even though they may receive title. Though this restriction is not in complete compliance with the fundamentals of a liberal and private sector-led economy, it is needed in order to achieve the government's employment objective and to prevent the selling of the endowment immediately after receipt.

9. References

1. MALR, NARP, AID, SCINLT, New Lands Development Study, April 1994.
2. Laws and By-laws issued between 1964 and 1997.
3. GARPAD, Follow-up reports and Studies.
4. MALR, PBDAC/APCP, USAID, Land Resources and Reclamation, By Dr. Osman El Kholy, Agricultural Policy Conference, Cairo, March 1995.
5. RDI/APRP Water and Land Resources management plan in Egypt, Dec.1997.
6. MALR, Abu Dhabi Fund For Arab Economic Development, HALCROW-ULG, CADSAC, Land Reclamation in West of Delta and North West Coast: Economic Feasibility Study, Cairo, Sept. 1989.
7. Technical and Economical Feasibility Study for East Oweinat Area (60,000 feddans), GARPAD, MALR, October 1995, Executive Summary, Feb. 1996.
8. Feasibility Study of North Sinai Agricultural Development Project (400,000 feddans), PPU/GARPAD, MALR, April 1991.
9. The Five Year Plan For Land Reclamation (1992-1997), GARPAD, MALR, 1991.
10. Al-Ahram Economic Book, Land Reclamation Index, Issue No. 34, Dec. 1990.
11. Nehal Shokry, Investor Index for Land Reclamation, April 1992.
12. The Study of Integrated Regional Development Plan of the High Dam Lake Area in Egypt. Progress Report, JICA, July 1979.

ANNEX 1

Table (1)

Reclaimed Land in Egypt over the Last Five Decades (in thousand feddans)

Regions	Ca. 1950 to 1971	1972 to 1981	1982 to 1986	1987 to 1991	1992 to 1997	Total
Senia & East S. Canal	12.40	7.00	11.05	234.80	67.40	332.65
East Delta	101.76	60.01	27.72	158.56	238.78	589.81
Middle Delta	172.96	1.60	12.78	50.68	27.50	265.55
West Delta	410.54	46.92	105.50	342.42	153.87	1059.76
Middle Egypt	89.46		4.90	22.55	38.75	155.66
Upper Egypt	78.94	3.85	4.85	17.15	32.45	137.24
New Valley	45.90	3.90	4.67	24.10	13.95	92.52
Other Locations			18.34			18.34
Total	911.96	123.28	189.81	850.30	572.70	2,651.53

Source: MALR, GARPAD 1998.

Table (2)

Projected and Actual Reclamation Programs, and Investment Costs in the Five-Year Plan (1988-1992)

Regions	Projected Area (in feddans)	Reclaimed Area (in feddans)	Investment Cost (in LE million)
Sinai & Suez Canal	234,800	90,000	225
East Delta	158,590	200,000	485
Middle Delta	50,685	50,000	120
West Delta	212,425	196,000	470
Middle Egypt	22,550	45,000	100
Northwest Coast	130,000		
New Valley	41,250		
Other areas		55,000	138
Total	850,300	636,000	1,538

Sources: a) MALR, CAAE/Economic affair, June 1998.

b) Index for Land Reclamation, Al-Ahram Booklet no. 34, 1990.

Table (3)
Land Reclamation Program of (1993-1997) Plan Distributed among Public & Private Sectors

Region	Area / Project	Plan Projects		Extension Projects		Private Sector Projects	
		Area in feddans	Proposed investment (in LE 1,000)	Area in feddans	Proposed investment (in LE 1,000)	Area in feddans	Proposed investment (in LE 1,000)
West Delta	El Faregh Valley	10,000	40,000			10,000	48,000
	Zone around El Nasser Canal	2,000	6,000	2,000	6,000		
	Right of Nasser Canal	5,000	11,000	5,000	11,000		
	El Hammam	7,000	18,200	7,000	18,200		
	Zawet sidi Abdel Aali	22,000	49,200	22,000	49,200		
	El Dabaa & El-Amein	30,000	72,000	30,000	72,000		
	Northwestern Coast	148,000	444,000			148,000	444,000
	El Boseily & Hod Abdel Al	18,500	74,000			18,500	74,000
	Total	242,500	714,400	66,000	156,400	176,500	566,000
Central Delta Projects	El Kom El Akhdar	15,500	62,000			15,500	62,000
	Kom Dosheemi	14,000	56,000			14,000	56,000
	North Motobus	13,000	34,710	13,000	34,710		
	Abou Madi & Klabshu	20,000	80,000			20,000	80,000
		Total	62,500	232,710	13,000	34,710	49,500
East Delta Projects	South Port Said Ext.	5,700	18,300	5,700	18,300		
	North Husseiniah Plain Ext.	10,000	40,000	10,000	40,000		
	South Port Said Plain (Baket Om El Reech Ext.)	9,000	27,000	9,000	27,000	50,000	200,000
	Salheya Desert	50,000	200,000			13,000	52,000
	Cairo/ Ismailia Road	13,000	52,000			4,000	16,000
	El Mulak Road	4,000	16,000			15,000	60,000
	El Manayelt Societies	15,000	60,000				
	East Suez	40,000	134,600	40,000	134,000		
	East of the Bitter Lakes Ext.	5,000	15,000	5,000	15,000		
		Total	151,700	562,900	69,700	234,900	82,000
Central Egypt Projects	North of Bahr Wahbee	9,000	25,000	9,000	25,000	5,000	20,000
	Intervention of Bahr Wahbee	5,000	20,000			10,000	40,000
	Intervention on Bahr Wassel	10,000	40,000				

	Kibaly Qaroun Ext.	1,800	5,400	1,800	5,400		
	Kota in Fayoum	9,400	45,000	9,400	45,000		
	El-Rayan Valley, Fayoum	12,100	57,800	12,100	57,800		
	Total	47,300	193,200	32,300	133,200	15,000	60,000
Upper Egypt Proj.	Qena Valley	5,000	20,000			5,000	20,000
	El-Lakita Valley	5,000	20,000			5,000	20,000
	Total	10,000	40,000			10,000	40,000
New Valley Projects	El Wahat El Baharyia	1,000	29,000			1,000	4,000
	El Karaween Plain	25,000	150,000			25,000	100,000
	East Owainet	12,000	57,550	12,000	57,550		
	Total	38,000	236,550	12,000	57,550	26,000	104,000
	Grand Total ..	552,000	1,979,760	193,000	616,760	359,000	1,296,000

Source: MALR, GARPAD, 1998.

Table (4)
Areas Reclaimed with Completed Basic Infrastructure and On-farm Reclamation Works
(per feddan) 1993–1997

Region	Areas w/ basic infra- structure	Areas w/ on-farm reclamation works	Source of irrigation water	Areas allocated for the graduates
Senia	69,000	67,400	Suez Canal, Underground	3,400
East Delta	326,400	238,700	Salam & Ismailia Canals	40.350
Middle Delta	23,500	27,500	Bahr El-Seidi, Nubil Canal, and Gharbeya drainage	10.550
West Delta	296,500	153,900	Nasser & Bustan Canals, and Underground	74.842
Middle Egypt	61,200	38,800	Bahr Karun, Yousif, El-Saff canal, and Underground	8.200
Upper Egypt	44,000	32,100	El-Saida and El-Marashda Canals	23.450
New Valley	37,800	14,300	Underground	8,450
Total	858,400	572,700		169.242

Source: Ministry of Planning, sixth Five-year Plan (1998–2002), April 1997.

Table (5)
Land Reclamation Program Proposed for the Fourth Five-year Plan (1997–2002)

Region	Plan projection		Extension Projects		New Projects	
	Area (feddans)	Investment (LE 1,000)	Area (feddans)	Investment (LE 1,000)	Area (feddans)	Investment (LE 1,000)
West Delta	232,000	151,500	185,000	57,500	47,000	94,000
Central Delta	13,000	34,000	13,000	34,000		
East Delta	281,200	197,500	281,200	197,500		
Middle Egypt	88,200	110,500	88,200	110,500		
Upper Egypt	221,500	228,000	110,000	164,000	111,500	64,000
New Valley	135,000	148,000	135,000	148,000		
South of New Valley	500,000	10,000	500,000	10,000		
Red Sea— Halaiib&Shalateen	10,000	20,000	10,000	20,000		
Total Area	1,480,900	899,500	1,322,400	741,500	158,500	158,000

Source: GARPAD, Five-Year Plan (1997-2002). Oct. 1997.

Table (6)
Strategy for Horizontal Expansion in Land Reclamation
for Long-Term Plan (1998–2017)

Region	Area (feddans)
Sinai	413,300
East Delta	647,730
Central Delta	10,820
West Delta	105,900
Middle Egypt	99,150
Upper Egypt	947,900
Lake Nasser shores	50,000
Western Desert	948,500
Red Sea—Halaib & Shalateen	60,000
Total Area	3,283,300

Source: MALR, GARPAD, 1998.

Table (7)
Disposal of the Reclaimed Land During the Period 1952–1981)

Type of disposal	Area in 1,000 feddans	Percent of total
Social Disposal:		
Smallholders	327.30	31.46
Graduates	30.90	2.97
Cooperatives	13.60	1.31
Government Disposal:		
Joint Projects	73.40	7.06
Agriculture reform	72.20	6.94
Ministry of Agriculture Estates	64.70	6.22
Reconstruction agents	59.80	5.75
Governorate	25.30	2.43
Public agricultural companies	259.80	24.97
Private Sector:		
Private sector individuals	51.30	4.93
Investment companies	3.50	0.34
Reclamation companies	1.50	0.14
Others	1.90	0.18
Re-reclamation project	3.00	0.29
Un-disposed areas	52.10	5.01
Total	1,040.30	100.00

Source: GARPAD Department of Planning unpublished data

Table (8)
Land Disposed during the Five-Year Development Plan (1988-1992).

Region	Total Allocated Area (feddans)	Types of Disposal (in feddans)							
		Social Categories	Graduates	Private Sector	Small-holder	Cooperatives	Investment Sector	Governorate	Squatters
Sinai/East Delta	212,200	9,500	50,900	35,600		61,200	36,000	1,000	18,000
West Delta	181,000	5,000	118,500				57,500		
Middle Delta	5,000			5,000					
Middle Egypt	54,200	5,000	7,200			25,000	4,000		13,000
Upper Egypt	125,000			14,900		5,000	60,000		45,100
New Valley	30,000	4,000	3,000		3,000		20,000		
Total	607,400	23,500	179,600	55,500	3,000	91,200	177,500	1,000	76,100

Source: GARPAD Department of Property and Land Disposal

Table (9)
Land Disposal Program for the Five-year Development Plan (1993–1997)

Region	Total Allocated Area (feddans)	Graduates	Investment Sector	Private Sector	Social Categories
East Delta	168,700	20,000	66,700	82,000	
West Delta	242,500	24,000	42,000	176,500	
Middle Delta	62,500	13,000		49,500	
Sinai	280,000	90,000	153,000		37,000
Middle Egypt	47,300	12,000	15,000	15,000	5,300
Upper Egypt	10,000			10,000	
New Valley	61,000		35,000	26,000	
Total	872,000	159,000	311,700	359,000	42,300

Source: GARPAD, MALR.

Table (10)
Total Areas and Number of Graduates Who Obtained New Land under Mubarak Project (1988-1992)

Project Stages	Year	Number of Graduates	Total Area (in feddans)
First	1987/1988	2,181	10,905
Second	1988/1989	5,463	27,315
Third	1989/1990	10,384	51,920
Fourth	1990/1991	16,408	82,040
Fifth	1991/1992	10,650	53,250
Total		45,086	225,430

Source: MALR, Mubarak Project for Developing and Serving the Land Allocated to the Youth Graduates, June 1998.

Table (11)
 Number of Graduates Who Received and Cultivated
 the New Reclaimed Land through 1991/1992

Location/governorate	Stage 1 1987/1988 Graduates	Stage 2 1988/1989 Graduates	Stage 3 1989/1990 Graduates	Stage 4 1990/1991 Graduates	Stage 5 1991/1992 Graduates	Total Graduates by Location	Total Area Distributed by Location (in feddans)
Aiman (sugar beet)	1,331	2,473	934	442		5,180	25,900
El-Hammam			3,473	2,858		6,331	31,655
West Nubareya	657	100		4,880		5,637	28,185
Kafr El-Sheikh		317	2,018	429		2,764	13,820
El-Ismailia				444		444	2,220
El-Suez				314		314	1,570
El-Husseiniyah Plain			1,004	373	1,800	3,177	15,885
Port Said				3,600		3,600	18,000
Bustan	193	2,476	474	750	5,250	9,143	45,715
Asuot				270		270	1,350
Fayoum				640	880	1,520	7,600
Sohag				438		438	2,190
Kom Ombo					2,000	2,000	10,000
Upper Egypt			2,288	610	720	3,618	18,090
New Valley		97	193	360		650	3,250
Total Beneficiaries by Stage	2,181	5,463	10,384	16,408	10,650	45,086	—
Total Distribution by Stage (in feddans)	1,081	27,315	51,920	82,040	53,250	—	225,430

Source: MALR, Mubarak Project for Developing and Serving the Land Allocated to the Youth Graduates, June 1998.

Table (12)
 Reclaimed Land Allocated to the Graduates
 and Actual Distributed Areas
 (June 30, 1996)

Location	Project Name	Total Area Allocated (in feddans)	Total Area Distributed (in feddans)
Senia	East El-Morra Lakes	3,400	2,400
	West of Suez	8,760	5,670
Total		12,160	8,070
East Delta	South & North El-Husseiniyah	24,000	10,420
	Southern Port Said Plain	13,500	12,500
	North Husseiniah Extension	8,000	
	Southern Port Said Extension & Om El-Reech	12,200	4,000
	North Motoubus	8,000	
Total		65,700	26,920
West Delta	Boustan Extension	40,000	30,000
	El-Nasser Canal Belt	47,900	47,900
	Rewaysat (sugar beet)	45,270	40,200
	El-Hammam	3,000	
	El-Dabaa & El-Amein	12,000	
Total		148,170	118,100
Middle Egypt	Kabaly Qaroun	3,200	3,200
	Kota, Fayoum	3,000	3,000
	Rayan Valley	6,000	
	Kabaly Qaroum Extension	1,800	
	West Beni Suef	6,000	2,000
Total		20,000	8,200
Upper Egypt & New Valley	West Gerga	2,000	
	El-Marashda	7,500	2,750
	El-Saaida Valley	18,200	11,200
	El-Nakrra Valley	60,500	
	Farafra & Abu Menkar	10,500	7,430
	El-Owainet	1,200	
Total		99,900	21,380
Other	Other projects	54,160	54,160
Grand Total		400,090	236,830

Source: MALR, Ministerial Decree 1138 / 1995. GARPAD, BOD session on July 1995.

Table (13)
Reclaimed Land Allocated (in feddans) for Graduates and the Investment Sector
through Reclamation Companies According to Ministerial Decree 1138 / 1995

Project	El-Baherra Co.		El-Ekaraya Co.		El-Arabia Co.		General Co.		Kom Ombo Co.		Regwa Co.	
	Graduate	Investor	Graduate	Investor	Graduate	Investor	Graduate	Investor	Graduate	Investor	Graduate	Investor
E. Suez	5,000	6,500	2,000	6,000	2,500	4,000	1,500	4,000	4,500	2,000	2,000	
Ext. N. Husseiniah Plain					13,700	5,000	1,500	5,000				
North & South Port Said	14,000	16,000		4,500	2,850	15,300		16,000				
Ext. South Port Said			5,000	13,000		2,850	3,500	13,000		4,500		
Ext. Port Said Plain			2,000		4,500	3,000	2,000			7,500		
Port Said Plain	2,800	3,700			3,000	4,500	6,200	4,500	5,000			
East Bahr El-Bakar								5,000				
Hammam, Dabaa, El-Amein	4,000	5,400					3,000					
West Gerga								6,000			3,000	
Kouta, Fayoum											2,500	
North Bahr Wahba											12,500	
East Assuit	6,000	9,000							2,000	8,000		
Awlad Douk East	4,500	8,500	1,500	8,500		6,000	8,000	5,600	5,500	9,200	2,800	
El-Marashda							4,000	29,000	3,500			
Wadi El-Saiada						7,500			5,000			
Wadi El-Nakra									6,800			
East Owainet												29,000
New Valley												7,500
Total	36,300	49,100	10,500	32,000	26,550	48,150	29,700	88,100	32,300	49,200	4,800	36,500
Grand Total		85,400		42,500		74,700		117,800		81,500		41,300

Source: GARPAD / MALR, 1998.

Annex (2)

Places visited and People interviewed

Places Visited	People interviewed
<p>W. Bani Suaf & N. Samaluot:</p> <ul style="list-style-type: none"> • West of Bani Suaf Project, • North Salalout Project, • El- Fatah Society for Graduates in Samalout reclamation project, • El- Anssar Village for the Graduates in Bani Suaf Project. 	<ul style="list-style-type: none"> • Eng. Mostafa Kamal Taha, Director of Middle Egypt Sector / GARPAD, • Dr. Ilham El-Kholy, Economist PPU/ GARPAD, • Beneficiaries from these locations.
<p>Markaz EL- Saaf (Gamaza) , Markaz Atfeeh, Giza Governorat (28000 f. reclaimed land):</p> <ul style="list-style-type: none"> • The project area along a Canal of 52 Km in length, • El-Saaff Society for Land reclamation, • Society for Livestock Development, at Gamaza el-Kabra, • Co-operative society for Land Reclamation, at south el-saaf, 	<ul style="list-style-type: none"> • Eng. Mostafa K. Taha, Director of Upper Egypt Directorate / GARPAD • Eng. Nadia El-Sayed, PPU / GARPAD • Mr. Foaad A.Seror, and Eng. Hamed, Deputy Director and member of BD of El-Saaf Society for Land Reclamation & Development.
<p>Nubarya region:</p> <ul style="list-style-type: none"> • El-Takumul Villege • El-Boustan villege. • General cooperative society for new lands at Nubayia, • Beneficiaries (Graduates) at El-Takumul Villege and El-Boustan area 	<ul style="list-style-type: none"> • Elham El-Kholy (GARPAD), Eng. A. Samy, • Eng. H. El-Oraby (GCSNL), • Eng. Ahmed Said Chairman of the Nubarya society, Eng. Ahmed Samy, • Eng. Shawky Abo Shosha Chairman of inputs division at 10000 f. project, • Eng. Abdel Kader Aly, • Mr. Imam Labib Hagag who owned 5 feddan, • Mr. Abdel Alim B. Salah member of El-Takumul Society and owned 5 feddan .
<p>Abu Simbel, East Owainet, Toshki:</p> <ul style="list-style-type: none"> • The Toshki Project (construction of the Sheik Zeida Canal by Behera Engineering Project). • The East Owainet Project - currently operated by the Ministry of Agriculture; • Lake Nasser Authority. 	<ul style="list-style-type: none"> • Eng. A.Rahman A.Magid, Dr. Elham El-Kholy, Eng. Nadya El-Sayed, GARPAD, • Glenn Rogers USAID, • Officials from Lake Nasser Authority.

Places Visited	People interviewed
<p>North Senia Development Project (EANS DP):</p> <ul style="list-style-type: none"> • H.Q of the Executive Authority for North Senia Development Project (EANS DP) which located in East Kantara. • North section of Sahel El-Tena region (about 120 000 feddan) that considered the beginning of the project boundary from the passage of Suez Canal, • One of the location of " The General Co. for Land Reclamation" which is exciting agency for Sahel El-Tena region. 	<ul style="list-style-type: none"> • Eng. Samir Hasheesh the Director of the project. • Eng. Mohamoud El-Shaheed, G.Director for Execution, • Eng. Ashour Abdel-Aziz, • Eng. Helmy Mahmoud Ibrahim, Ex 1st. Under secr. MPWWR, • Eng. Mohamoud Nasr, Excutive director for the Sahel El-Tena Sector, General Co. for Land Reclamation.
<p>Wadi Raian Region, Fayoum Governorate:</p> <ul style="list-style-type: none"> • Wadi Raian Project (12,000 fedan), 	<ul style="list-style-type: none"> • Eng. Mostafa (GARPAD/MALR) • Eng. Nadia Elsayed (GARPAD/MALR)
<p>El-Shoura Company: The Company owns sites in :</p> <ul style="list-style-type: none"> • Farafra Oasis (10,000 fedan) • East Owainat (10,000 fedan) 	<ul style="list-style-type: none"> • Mr. Hamed Shiati, President of Shoura Co. and his staff. He is a private investor.