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Technical session 2: Private sector participation in land management:

Title of the Paper: Analysis of managing and transferring of ownership of land public assets in Egypt. ‘The Sovereign Fund of Egypt’

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1. Executive summary

Lands are largely immobile assets. The paper seeks to detect land-based investment tendencies in the cross-borders activities of sovereign wealth funds (SWFs) and identify the role of SWF in land asset management with reference to The Sovereign Fund of Egypt (TSFE). Inductive approach and qualitative methods will be used to identify the changes in the land market and land-based investment strategy upon the creation of TSFE. The paper will explore the dilemma of land assets management along with the role of public sector versus private sector in Egyptian land assets along the governance, regulations, ownerships and land use planning.

TSFE is designed to contribute to the state's sustainable development through the effective management of its assets according to the world's standards and rules for maximizing of their value for the nation-state's future generations.¹ According to legislation of creating SWF-Egypt, this fund presents a totalitarianism model of managing and transferring of ownership of land public assets in Egypt. The research emphasizes on the TSFE role in energetic unutilized land assets in Egyptian governorates.

The paper analyzes the up to date phenomena of the sovereign wealth funds investing in domestic assets of public land, with refer to (TSFE). Hence, a comparison with old sovereign funds raised in the 1970s in Singapore with the main objective of investing in domestic assets. TSFE is a new investment fund raised in 2018 with final law in 2019 aiming to attract and pilot investment toward various sectors that the state finds as vital to the national economy. Through TSFE direct investments, subsequent sub-funds and subsidiaries aim to generate income in a sustainable way and create value. The long-term strategy is significant aiming to create a more Egyptian multinationals expand out of the investments that TSFE makes (Soliman 2019)²

An analysis of regulatory framework and national strategic plans were reviewed in an attempt to find out what's the impact of TSFE on the land market and land-based investments in Egypt? As TSFE is different from state owned investment banks, it has authority and legislative power by law to acquire any of the unused or exploited state-owned assets and the ownership of this land will be granted by law. while also granting them the right to buy, sell, rent, lease, exploit and benefit from the assets in terms of commercial investment management. A lot of fears have arisen from the strategy TSFE will tackle when dealing with different types of public lands, on ground investigation were made on all the transactions related to lands TSFE made since its creation. - The research was made with limited access to data.- Different mandates of TSFE were analyzed to answer the above fears, will TSFE be a competitor or facilitator for the private sector?

¹ Saeed, Hala. Interview with minister of planning and economic development. 11th May. 2019. <https://www.al-monitor.com/pulse/originals/2019/03/egypt-announces-first-sovereign-wealth-fund-to-manage-assets.html> (last access 13 Dec 2020)

² Soliman, Ayman. Interview with TSFE CEO. 13 Nov 2019. <https://enterprise.press/stories/2019/11/13/our-exclusive-talk-with-ayman-soliman-ceo-of-tharaa-egypts-new-sovereign-wealth-fund-6236/> (last access 13 Dec 2020)

TSFE had access to redundant public lands collectively for the first time in Egypt. ‘heritage, military services companies, SOEs, national authorities, governances and awqaf. This model is unique and didn’t exist before with access to this superabundant lands. That’s why the research is vital to analyze this up-to-date phenomena. A previous model of real estate development company owned by state-owned enterprises arose in 2016 investing in real estate projects in new cities, ‘city edge’ called the national real estate developer. It has limited access to specific lands to develop as a real estate developer, but TSFE has the legislative power to be a speculator in the land market.

Furthermore, the public land assets ecosystem is analyzed in the paper making comparison before and after TSFE. Before TSFE; It’s static market with fragmentation of ownership between authorities, governances, SOEs, state owned banks, ministries. There weren’t comprehensive plan before 2030 and 2052³ (President decree 2018)

On the other hand, TSFE has the power to facilitate privatization of military organizations e.g. ‘National Service Products Organization’ to buy their assets to the private sector. A prominent question of what’s the impact of this model on land management of public lands in Egypt. From military assets to civilians through TSFE in addition to the philosophical debate of correlation between sovereignty and access to land.

2. Introduction:

2.1. Background of public lands:

After the monarchy in 1952, the economic state had been radically involved in the nationalization of key business and industries including lands. On the other hand, after 1973 Anwar Sadat made an economic reform program, ‘infatih’ or open-door policy. Subsequently, Muhammad Hosni Mubarak's era brought significant economic assistance, including first wave of privatization.⁴ Lands are largely immobile assets that had been dealt in different ways between 1952 and 2019. Changes in leadership shifted economic directions and policies dealing with land as an asset from public assets to private investment catalyst.

2.2. Public Land Management Evolution:

“The problem is compounded by the multitude of unclear and seemingly arbitrary procedures of these agencies that administer public land allocation, pricing, and development controls. Also, there is nothing anywhere near to a coherent public land information system or inventory, and such is the resulting confusion that investors and citizens alike can rarely figure out which institutions control what land, where it is available, and under what conditions. And as we also shall see, one result has been the wide-scale abuse and downright plunder of the state’s most important asset”⁵

2.3. An Emerging Management Role

³ Egypt's official gazette published President's decree 62. corresponding 11th Feb 2018

⁴ Ikram, K. (2018). The Political Economy of Reforms in Egypt: Issues and Policy making Since 1952. Oxford University Press.

⁵ David Sims (2014) . Egypt's Desert Dreams: Development or Disaster? Cairo: The American University in Cairo Press.

The sharp upswing in the scope and scale of acquisition of domestic assets awarded to TSFE after one year from its creation is promising as it listed all recorded transactions of arab investment bank, historical asset, Arab investment bank in addition to 7 state-owned assets transferred to it by presidential decree. This move meant that the buildings are no longer subject to public service rules.

2.4. TSFE Institutional Governance:

Who has the right to make the decision? based on sovereignty. TSFE establishment's law was marked by several debates, including giving the right to sell public assets of companies and real estate upon TSFE investment appetite, while immunising these sales decisions against being challenged by citizens. President has the sole power of decision-making related to this fund as its administrative levels consist of a board of directors appointed by the president and a general assembly appointed by the president also.

The fund's audit is carried out by two auditors, one from the Accountability State Authority and the other from the registered auditors at the Central Bank or the Financial Regulatory Authority. After a parliamentary oversight was called for, the Planning and Budget Committee proposed an amendment to the law whereby financial statements, the auditors' reports, and the detailed annual report of the fund's activity and plan are to be submitted to the House of the Representatives. Ali Abdel Aal, however, rejected this amendment during the final vote.⁶

3. Methodology:

The paper analyzes the investment development of land assets with respect to future use according to opportunity cost. In attempting to detect the SWF Egypt role in land markets, a set of empirical observations of land transactions for land assets owned by SOEs and legislation changing related to land assets with private ownership for the state 'amlaak khassa lel dawla' will be done by following the inductive approach.

The inductive approach begins with a set of empirical observations, seeking patterns in those observations, and then theorizing about those patterns.

The paper is mainly based on a review of literature and the analysis of secondary data. comparison between public and private sector land development along the past 20 years. Privatization of public lands.

3.1. Process:

- 1- Historical review for land management of public land assets in egypt
- 2- Making of TSFE background 'economic development why it's made ,SWF types of investment portfolio according to ISFW (three types of investment) and similar case study of SWF investing in domestic assets.

⁶ The Official Gazette Egypt, Article 9 corresponding 28th Feb 2019.

- 3- TSFE recorded transactions (arab investment bank, national investment bank, ministry of SOEs
- 4- participating in achieving national strategic plan '2030 and 2052' 'redevelopment of greater cairo region 2050 > mogama3 el tahrir, vacant land overlooking Nile, governmental squares, abdin palace' 'revival of heritage sites bab al azab' '
- 5- Case Study of Arab investment bank
Case Study of Heritage Site 'bab al azab'
Case Study of mogammaa al tahrir and downtown
- 6- TSFE as main player paving the way to private sector to participate in land based investment in sector for the first time 'private sector empowerment' <military companies with their land assets> <heritage sites> <awqaf lands> ,, TSFE as link to transform land tenure from public assets to private assets.

There's an implicit assumption that SOE have limited role to play in doing responsible land-based investments due to limitation.⁷ While SWF may choose between investment opportunity alternatives for land assets to get the land ownership based on economic feasibility and ROI.⁸ In attempting to detect TSFE role in land markets, a set of empirical observations of what influence the land management for public assets owned by SOEs. In addition to the legislation changing related to land assets with private ownership for the state 'amlaak khasa lel dawla' will be done by following the inductive approach.⁹

4. Historical review for land management of public land assets in Egypt

The widespread privatization during the Mubarak era apparently attempted to restructure public corporations. The Law No. 203 of 1992 provided the legal process for privatization, taking out public-sector enterprises from governmental control and restructuring them as affiliates under independent holding companies.

1. What's the framework of governance of land transactions between state-owned enterprises, NUCA, TDA, IDA, endowments authority and TSFE?

Transformation in stakeholders mapping from multi scattered state-owned enterprises, governorates, authorities and regulatory agencies to one entity on the national level. In the paper, a diagram of the current condition and future will be drawn alike. The following table shows a conceptual stakeholders mapping of land-related authorities and SOEs on regulation, land-tenure, development and IT levels:

⁷ Egypt's official gazette published President's decree 62. corresponding 11th Feb 2018

⁸ Egypt's official gazette published PM's decision 555. corresponding 28th Feb 2019

⁹ Neuman, W.L. (2003) "Social Research Methods: Qualitative and Quantitative Approaches" Allyn and Bacon

	Regulation level	Land Tenure level	Transfer land ownership	Development level	Database level	Land use
Before TSFE	<ul style="list-style-type: none"> • GOPP. • The Supreme Council for Urban Planning and Development • The National Center for Planning the Use of State Lands. • Governorates 	<ul style="list-style-type: none"> • Endowments Authority. • NUCA. • TDA. • IDA. • National Holding Companies. • Armed Forces Land Projects Authority. • National Service Products Organization. • General Authority for Reconstruction and Agricultural Development Projects. • Governorates. • Supreme Council of Antiquities 	<ul style="list-style-type: none"> •NUCA, investment unit. •PPP unit in ministry of finance. •GAFI. 	<ul style="list-style-type: none"> • Joint venture between national bank and NUCA. ex: city edge development. • Independent development by national holding companies. ex: maadi and al nasr for real estate. • Joint venture between national holding company and private local real estate developer. ex: misr el gadedda and sodic. • independent development by armed forces land projects authority. • Selling the land in auctions. 	<ul style="list-style-type: none"> • Endowments Authority. • Business Sector Information Center. • Ministry of Planning. • State Information Service • Center for Information and Decision Support. • National Authority for Remote Sensing. • Ministry of Finance. • Ministry of Housing. • Ministry of Defense. • Ministry of Local Development. • Administrative Control Authority. 	<ul style="list-style-type: none"> •
Legislation. President 62/ 2018	<ul style="list-style-type: none"> • The Supreme Council for Urban Planning and Development 	<ul style="list-style-type: none"> • Same as above 	<ul style="list-style-type: none"> •Same as above 	<ul style="list-style-type: none"> • Same as above 	<ul style="list-style-type: none"> • Same as above 	<ul style="list-style-type: none"> • Strategy Plan 2052 • Sustainable Development 2030
After TSFE The Official Gazette Egypt, Article 9 corresponding 28th Feb 2019.	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • SWF 	<ul style="list-style-type: none"> •H.E. president 	<ul style="list-style-type: none"> • Buying lands • Selling lands • Leasing lands • Renting lands • Utilizing lands • Putting land to use. 	<ul style="list-style-type: none"> • Finished digitalizing the land assets 	<ul style="list-style-type: none"> • to maximize ROI of land assets

Table1: A conceptual stakeholders mapping of land-related authorities and SOEs.

Current status is considered as a Master Player in land assets owned by the state or by any subsidiary entities. SWF-Egypt has direct access to get land tenure of any land asset owned by the state through presidency legal authority through transferring the ownership of any unused land public asset, or utilized asset to the SWF or to any of the fund’s companies.

A diverse and highly fragmented landscape of land management for public land was the main theme of land management before TSFE.

Hence, TSFE within institutional framework managing public lands, interview with CEO. Ayman Suliman in November 2019. at ASDweek.

in attempt to answer the question of what’s the difference between PPP unit in ministry of finance and partnership unit in NUCA compared to TSFE dealing with public lands, Ayman Soliman declared “TSFE will focus on specific sectors away from PPP and NUCE, PPP unit focuses on specific sectors of mining, water treatment while partnership unit in NUCA emphasizes on

partnership with private sector in new cities. However, TSFE will focus on heritage sites, lands adjacent to historical monuments and state-owned enterprises lands”¹⁰

5. The Sovereign Fund of Egypt ‘TSFE’ background

The unutilized lands owned by State-Owned Enterprises (SOEs) are considered hidden wealth with an economic value that often does not appear on any balance sheet. In Egypt, governmental authorities and SOEs have managed public land assets within the governorates in a fragmented way relying upon the nature of the authority or SOEs. Typically, undeveloped lands, brownfields lands, post-industrial lands and other similar land assets were controlled through, -for instance- Governorates of Egypt, Tourism Development Authority, Egyptian Railways Authority, Egyptian Endowments Authority, the holding company for construction and development and subsidiaries companies, National Service Projects Organization and subsidiaries companies,,etc.

5.1. TSFE background:

TSFE is designed to contribute to the state’s sustainable development through the effective management of its valuable assets according to the world's rules and standards for maximizing of their value for the nation-state's future generations.¹¹ SWF are considered as a state-owned investment fund that is regularly established from the proceeds of privatization, these funds can buy or lease or sell large areas of land in foreign locations. Egypt’s framework for an independent sovereign wealth fund came into force in 2019. Gov’t issues framework for planned sovereign wealth fund: The government has issued the framework for the sovereign wealth fund ‘SWF’, identifying it as an independent body in terms of administration, financing, and legality.¹²

The SWF-Egypt main objective targets to contribute to sustainable economic development. The SWF-Egypt would be commanded with the purchase, sale, rent, or endeavor of unused assets. Concerning the transfer of ownership of utilized assets – possessed by the SOEs or any affiliates – to the SWF, the bylaw added it would be conducted upon a presidential decree.

5.2. SWFs types:

Sovereign Wealth Funds ‘SWFs’ are defined as special purpose investment funds, owned by the state. Created by the general government for macroeconomic purposes. SWFs hold, manage, or administer assets to obtain financial objectives, and utilize a set of investment strategies.¹³ Usual definitions of Sovereign Wealth Funds ‘SWFs’ focus on their foreign investments, but after financial crisis in September 2008, some SWFs turned to the support of their home economies.¹⁴

¹⁰ Ayman Soliman. (3 Nov 2019) personal interview.

¹¹ Saeed, Hala. Interview with minister of planning and economic development. 11th May. 2019. <https://www.al-monitor.com/pulse/originals/2019/03/egypt-announces-first-sovereign-wealth-fund-to-manage-assets.html> (last seen on 7 December 2020)

¹² The Official Gazette Egypt, Article 9 corresponding 28th Feb 2019.

¹³ International Monetary and Financial Committee (IMFC). (2007) Sovereign Wealth Funds Generally Accepted Principles and Practices “Santiago Principles”. The International Working Group of Sovereign Wealth Funds (IWG)

¹⁴ Raymond, H. (2010). Sovereign Wealth Funds as domestic investors of last resort during crises. *International Economics*, 123, 121-159.

Today, the SWFs ecosystem is larger and far more diverse. There Are two principal drivers behind the rise of SWFs. The first is international investors that bolster investable projects and bankable various assets in the country. The resulting increased cash flow of foreign direct investment (FDI) can enhance the country's economic environment, by functioning as a catalyst for economic development, activity, and growth. The second driver is the transformation of state-owned enterprises to make them more efficient, therefore, to enhance their market value. This process involves attracting overseas funding, expertise and ownership to previously inefficient public sector companies. The SWFs can restructure and optimise domestic portfolio companies to be better managed.¹⁵

TSFE is the first sovereign wealth fund in Egypt, its role is to develop in sustainable way Egypt's wealth of assets and resources to maximize its value for upcoming generations.

TSFE will mainly focus on investing in the domestic market, whether in existing assets and enterprises or in new fields and areas to benefit from existing and new opportunities in the Egyptian economy. TSFE will acquire utilized and unutilized assets and stakes in enterprises at their market value (including land and buildings) to co-develop with private sector investors injecting capital and contemporary management strategies to generate the highest returns and create job opportunities. All forms of investment models will be feasible to allow the Fund to create higher returns on these assets while also developing geographical areas and specific activities in Egypt. TSFE will mainly operate through sub-funds in specific sectors and affiliate companies to invest in developing projects, with private investors.¹⁶ TSFE is governed by a special legislation designed to safeguard its independence and autonomy. This legal framework allows TSFE to unlock assets for private investors to become the investment partner of choice for Egypt by ultimately boosting diversified economic growth and engaging the government to help implement structural reforms.

5.3. Similar SWF investing in domestic assets:

A new kind of sovereign wealth funds is emerging, and Egypt is at the foreground: SWFs have traditionally been set up by states with massive oil and gas revenues or external account surpluses, but a new approach is gaining popularity among states with a very different profile. The establishment of TSFE is an attempt to more effectively manage state-owned enterprises, establishing a commercially oriented arm of the government. Since 47 years, in the early years of Singapore's independence, an exempt private company in Singapore called TEMASEK incorporated under the Singapore Companies Act. Singapore successfully created its SWF Temasek in 1974 to manage government stakes. It owned and commercially managed investments and assets previously held by the Singapore Government. It had spent its first 25 years only focusing on managing domestic assets, operating on purely commercial principles, between the country and its investee enterprises, the government managed to separate its roles as shareholder and owner from those of market regulator and policymaker. This freed state-owned enterprises to operate purely as commercial enterprises and Temasek's efforts focused on the bottom line. Hence it focused on investing nourishment portfolio companies in the city-state.

¹⁵ Keys to Success: How to Maximise the Opportunities Presented by Sovereign Development Funds, Marc 2020: <https://ifswfreview.org/2019/our-partners/keys-success-how-maximise-opportunities-presented-sovereign-development-funds> (last seen 10 Feb 2021)

¹⁶ The Egypt Fund Becomes an Associate Member of IFSWF, 3 Aug 2019: The Egypt Fund Becomes an Associate Member of IFSWF | International Forum of Sovereign Wealth Funds (last access on 24 Dec 2020)

	TSFE	TEMASEK
Country	Egypt	Singapore
Establishment Date	Established in 2018	Established in 1974
Inception	TSFE was issued with an allocated capital of US\$12.8 billion (200 billion Egyptian pounds)	Temasek was incorporated in 1974 to commercially manage an initial portfolio valued at S\$354 million, acquired from the Singapore Minister for Finance.
Latest portfolio Q4 2020	US\$ 11.95B*	US\$ 416.35B*
Set-up	It is a private sector, and its management belongs to the private sector, but relies on the state budget to kick off.	Separate Singapore Government's ("Singov") policy making role from management of commercial assets.
Philosophy	Its creation for developmental purposes, but there must also be a return	Its creation enabled the Singapore Government to focus on its core role of policymaking and regulations.
Mandate		
Ownership	100% Egypt owned sovereign wealth fund	100% Singov Owned Investment Company.
operation mindset	Achieving economic development by	100% Commercially Operated.
Reason	create investment opportunities that encourage private investors to inject cash flow and participate in TSFE management	Own and manage assets on commercial basis. Deliver sustainable value over the long term.
Management	fully independent	Professional management team guided by Temasek Board.
Decisions	in green field projects and in unused assets	Investment, divestment and business decisions are directed by its Board and management.
Assets allocation	buy, sell, rent, lease, exploit and benefit from the assets	own investments and assets previously held by the Singapore Government.
Interaction with Government	all the assets of the Egyptian state are eligible to be transferred to the fund	Singov not involved in investment or business decisions. Temasek declares dividends annually to shareholder.
Other	<ul style="list-style-type: none"> - Privileged heritage sites. - Army's influence in business and economy. 	

*: The data of total current assets for TSFE and TEMASEK from Sovereign Wealth Fund Institute published data: www.swfinstitute.org (last seen on 14 Feb 2021)

6. Case studies.

6.1. Case study (1) Revamp Heritage Site in Medieval Cairo:

(PP&E) property, plant and equipment are tangible or physical long-term assets, which typically have a life cycle of more than one year in the asset list. Therefore, Land is considered vital asset.¹⁷ Historical assets are (PP&E) property, plant and equipment that are unique for one of the following reasons:

- Natural or historical significance,
- Cultural, educational, or aesthetic importance; or
- Significant architectural characteristics.

Heritage assets consist of two types; first type of collection heritage assets including objects maintained and gathered for exhibition. The second type which is related to lands is the non-collection type heritage assets such as parks, monuments, memorials, and buildings.¹⁸ This term of historical asset is specific to federal accounting in the USA, and also used in asset listing in the database on 'SWFI' Sovereign Wealth Fund Institute website.

Bab Al Azab: Lands adjacent to heritage contexts in old cities, land readjustment

Egypt's sovereign fund to revamp historic area under citadel.¹⁹ Egypt entered a new era of developing historical assets in partnership with the private sector through TSFE. The promising plan to revive an abandoned historic area under the citadel, it will be developed for tourism and culture.

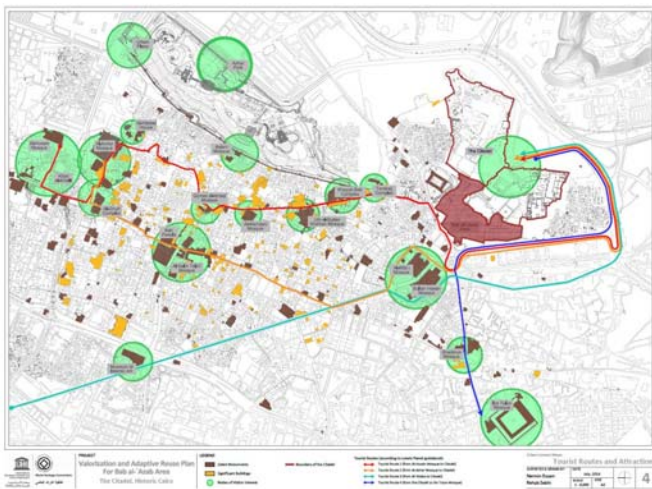


Figure 1 (left): Master plan for Bab Al Azab within heritage site. Source: Valorization and adaptive reuse plan for the area of Bab Al-Azab, October 2014, URHC.

¹⁷ What Is Property, Plant, and Equipment (PP&E)?, 13 Jan 2021: What Is Property, Plant, and Equipment (PP&E)? (investopedia.com) (last seen 21 Jan 2021)

¹⁸ Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land (2005).

¹⁹ reuters. Egypt's sovereign fund to revamp historic area under citadel, 18 December 2019.

<https://www.reuters.com/article/egypt-tourism-idUSL8N28S55A> (last seen on 12 Feb 2021)

Figure 2 (right):The Citadel, Historic Cairo. Source: Haroun, Moustafa

According to joint statement between TSFE and The Supreme Council of Antiquities (2020), TSFE will in turn bring in private sector investment's interests to help in its revival. This site has historical value because the area lies directly under the historic Citadel.²⁰ Since the 1970s, the area is listed on the UNESCO World Heritage Site. The site is adjacent to historical venue of the Citadel, at the same time it's near

The proposed land is 56,000-square-metre of Bab al-Azab area lying within the citadel's walls, built in 1754. The area that was controlled by the Antiquities Ministry, will be leased to TSFE to develop and operate under a 49-year concession according to the minister of antiques.²¹ TSFE plans to dominate some of the public's most promising assets in various sectors also to bring private investors to utilize them. This joint venture is an effort to renovate a series of monuments in Historic Cairo. The importance of this project is that TSFE are utilizing an undeveloped closed part of the Citadel for long time which will positively impact the entire area in historic Cairo, creating value and jobs in the tourism sector with private sector partners, and adding new investment products in the Egyptian economy that will be encouraging prototype for future participation by private sector.

6.2. Case study (2) sovereign bodies in Egypt:

TSFE had access to lands affiliated with sovereign bodies in Egypt such as the Ministries of Interior or ministry of defence. early in 2020, TSFE and the National Service Products Organization (NSPO) signed a cooperation agreement that will see the fund drive subsidiaries of military affiliated NSPO to private sector investors, according to the cabinet statement²²

'old venue of ministry of interior in downtown cairo' and 'National Service Products Organization' TSFE is a tool to achieve 2030 and 2052 and greater cairo region strategy 2050 according to IMF and World bank recommendations in economic reform strategy plan More military companies up for privatization in "historic shift" for the economy. TSFE and NSPO will be selecting businesses and assets likely to attract the interest of both foreign and local investors and add them to the fund's portfolio of assets.

²⁰ Cabinet Meeting number 69 for 2019. 18 Dec 2019

²¹ Egypt's wealth fund to develop Cairo Citadel district into tourist destination, 2 June 2020 <https://egyptindependent.com/egypts-wealth-fund-to-develop-cairo-citadel-district-into-tourist-destination/> (last seen on 28 Jan 2021)

²² Cabinet meeting on 3 Feb 2020



Figure 3 (left): Land of Ministry of Interior in Ministries squares in downtown Cairo. source: google earth and labeling by author



Figure 4 (right): Agricultural Farm owned by NSPO in deserted area in upper Egypt. Source: nsपो website

6.3. Case study(3) State-Owned Enterprises:

TSFE has the power to acquire unused assets from authorities, ministries, governments and other state-run enterprises, It will be fully authorized to lease, sell off and acquire any state-owned properties, which include land. according to the regulations approved by parliament. It made an agreement with the ministry of public business sector that provided it access to all the subsidiaries and holding companies under its control. In addition to making a recorded transaction with EFG-Hermes –private sector investment bank- to acquire 76% of the capital of the Arab Investment Bank that had many subsidiary companies. Many of the lands owned to Arab investment banks were white elephants, These white elephant projects have resulted in significant losses for the public purse.

TSFE and Government:

	Case 1 Bab Al Azab	Case 2 military-owned companies	Case 3 Arab Investment Bank
Public sector partner	The Supreme Council of Antiquities.	the National Service Products Organization (NSPO)	State owned bank
Private sector partner	Orascom Development / Al Ismaelia for real estate	N/A	N/A
sector	Tourism / heritage	Diverse	Diverse
Role	Catalyst for private sector participation	Facilitator	Broker
mandate	Concession for 49	could in some cases	Sell a majority equity

	years	lead to a complete sellout to the private sector for subsidiaries of military-affiliated NSPO	stake ²³ TSFE will own not less than 25% while EFG Hermes will own not less than 51%
Assets	56,000 sqm	1,229,295 Feddan* (* official recorded land transaction to NSPO from 2015 to 2019)	At the end of 2017, Arab investment bank had assets listed at 23.85 billion Egyptian pounds
Condition	Unutilized	Utilized	N/A

TSFE and President:

	Case 1 Mogamaa Al Tahrir	Case 2 the land of the former ruling National Party	Case 3 Old venue of Ministry of Interior
Public sector partner	Presidential decree	Presidential decree	Presidential decree
Private sector partner	N/A	N/A	N/A
sector	Mixed use	Hotel	N/A
Role	Investor	N/A	N/A
mandate	Property management ²⁴	N/A	N/A
Assets	Land + building	Land	Land + building

It could be TSFE will be a master player in downtown Cairo regeneration strategy.

7. TSFE participating in national strategic plans:

Developing Cairo

The general development vision predominant in Cairo before and after the political changes in central government follows in a persistent manner top-down approach. The futuristic “Cairo 2050” Plan, issued in 2010, was aiming to model Cairo after other cities of the world with an urban-regeneration scheme. The plan, revised as Egypt 2052, reproduces this development strategy nationwide. The implementation of such plans would require the existence of heavy investments.

²³ The Egyptian government is seeking to sell a majority equity stake in Arab Investment Bank. 29 June 2020 (SWFI) <https://www.swfinstitute.org/profile/5b955c52191d0b154c366387> (last access 13 Feb 2021)

²⁴ Ayman Soliman. TSFE reveals to Al Mal website the details of its new arms’ plans. 15 Sept 2020: <https://almaalnews.com/%D8> (last access 26 Dec 2020)

Portions of these plans are targeting marginalized areas of Cairo for the construction of hotels, shopping centers, increasing green space in the city center, etc (HIC-MENA: 2011).²⁵

The priority projects in Greater Cairo Region strategic plan was to finaliz the restoration and development of existing historic sites. Hence, this project aims at completing the development of historic sites in Cairo in addition to improving the infrastructure and regeneration of the Historic Cairo area that represents Coptic , Fatimid and Khedivial eras.

Reviving Khedivial Cairo in downtown is an important project in the framework of developing the strategic plan for the GC urban development. The central downtown area will be restructured and developed as an open museum representing cultural diversity and a place for global trade and domestic companies, in addition to being a unique tourist destination in the heart of Cairo downtown.²⁶ Development of unplanned areas around the historical places will be given funding priority, Through cooperation with the private sector, investments shall be injected to launch major development projects with mega investments. to restore the position of Egypt's cultural and civilizational assets However, huge mobilisation of private capital is needed to meet the Greater Cairo Region 'GCR' Strategic Development Plan 2050 funding gap. This is an area where TSFE with a domestic development role is uniquely placed to play a vital part achieving GCR 2050.

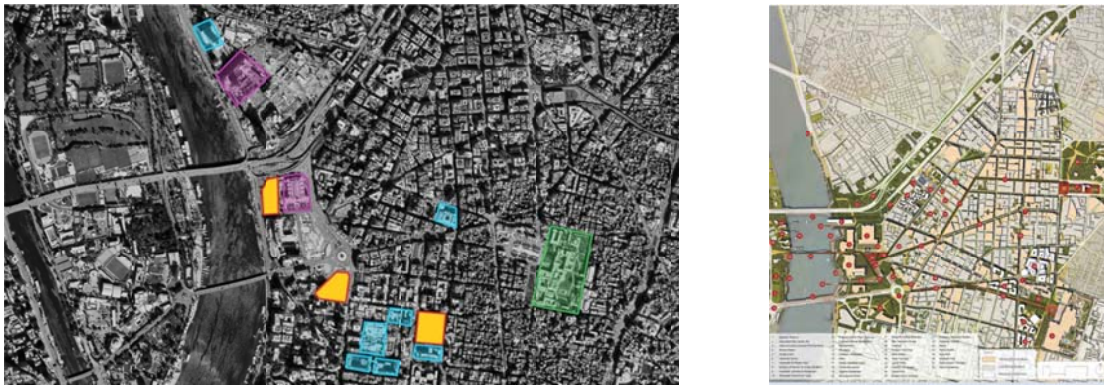


Figure 5 (right): Reviving heritage of Khedivial Cairo. Source: Great Cairo Region strategic master plan 2050.

Figure 6 (left): Map shown the current lands TSFE take over and the proposed lands that has legal power to acquire.

8. Conclusion

“the fund is a sovereign investment entity, which is wholly owned by the Arab Republic of Egypt.” Minister of Planning announced. As TSFE is a new player in the Egyptian land market, and is considered as a master player. The paper has discussed How will the market be changed after TSFE entered it? the future impact of TSFE on public land market in Egypt. This is the first research analyzing TSFE impact on the land market in Egypt, public redundancy of lands should be investigated in the upcoming research.

²⁵ Habitat International Coalition-MENA (2011). “Cairo2050” Workshop Report, 13–14 July 2011

²⁶ Greater Cairo Urban Development Strategy. Part I: Future Vision and Strategic Directions. (2012) MHUC and GOPP

- TSFE will open various trends in land-based investment and land management in specific sectors ‘partnership with other SWFs, creating sub-fund, making partnerships with private sectors that will bolster the national economy.
- TSFE opened the door for investment in specific lands ‘heritage, some military organizations, awqaf’
- TSFE facilitates the civilian sector to invest in lands that were blocked before for only military organizations. ‘National Service Products Organization’. TSFE could be defined as a facilitator and linkage between sovereign authorities and the private sector.
- It has been noted that TSFE could be monopolist for investment in specific lands sectors that it will be the only firm could enter and acquire this type of lands, e.g. heritage and military organizations.
- No doubt that TSFE will facilitate Foreign Direct Investment in Egyptian land market to inject huge capital through different types of partnerships with private sector , the interventions of TSFE to public land assets are diverse upon the sector, TSFE strategy and national strategic plans of 2052 and 2030 as the following; selling, developing, speculate, partnerships with other SWFs, partnerships with private sector.
- DIVERSIFICATION AND SYNERGY of TSFE, it’s participating in achieving national strategic plans of Egypt 2030 and Egypt2052 ,and invest in various sectors consolidating the credibility of open market policy –with limits- for private sector participation in investing in public land assets in Egypt seeking an efficient mechanism to utilize the state’s unused assets
- Bab Al Azab revival project could be the pilot project of private sector participation in developing heritage sites and diversifying Egyptian tourism products after adding new cultural destinations in partnership with private sector through TSFE. the private sector participation in heritage sites could be concession.
- FROM LOCAL TO GLOBAL, public land assets under institutional management with investment strategy. This new model for land management in Egypt needs to be explored in similar arab states. The nature of SWF dealing with SOEs’ land assets could result in certain peculiarities related to urban development and adequate land use.
- Real estate Investment Trust and Fund (REIT) and (REIF) could be the development model in regeneration of Downtown Cairo. with refer to regional arab REITs from the Gulf region.

Recommendations:

- Investigating the potential prospects of the impact of transaction of public lands tenure to TSFE on land value? after listing the land assets in the financial status of TSFE
- TSFE has power, resources, capital, law and came to enter the lands market according to the regulations, rules and legislation. It's recommended to investigate TSFE future transactions and business model of investment to define what's the impact of entering this new player in the Egyptian land market in the upcoming land acquisitions?

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