



Technical session 2

Private sector participation in land management

Enhancing Land Management, Land Development and Construction

Analysis of managing and transferring of ownership of public land assets in Egypt. TSFE 'The Sovereign Fund of Egypt'

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UN HABITAT
FOR A BETTER URBAN FUTURE

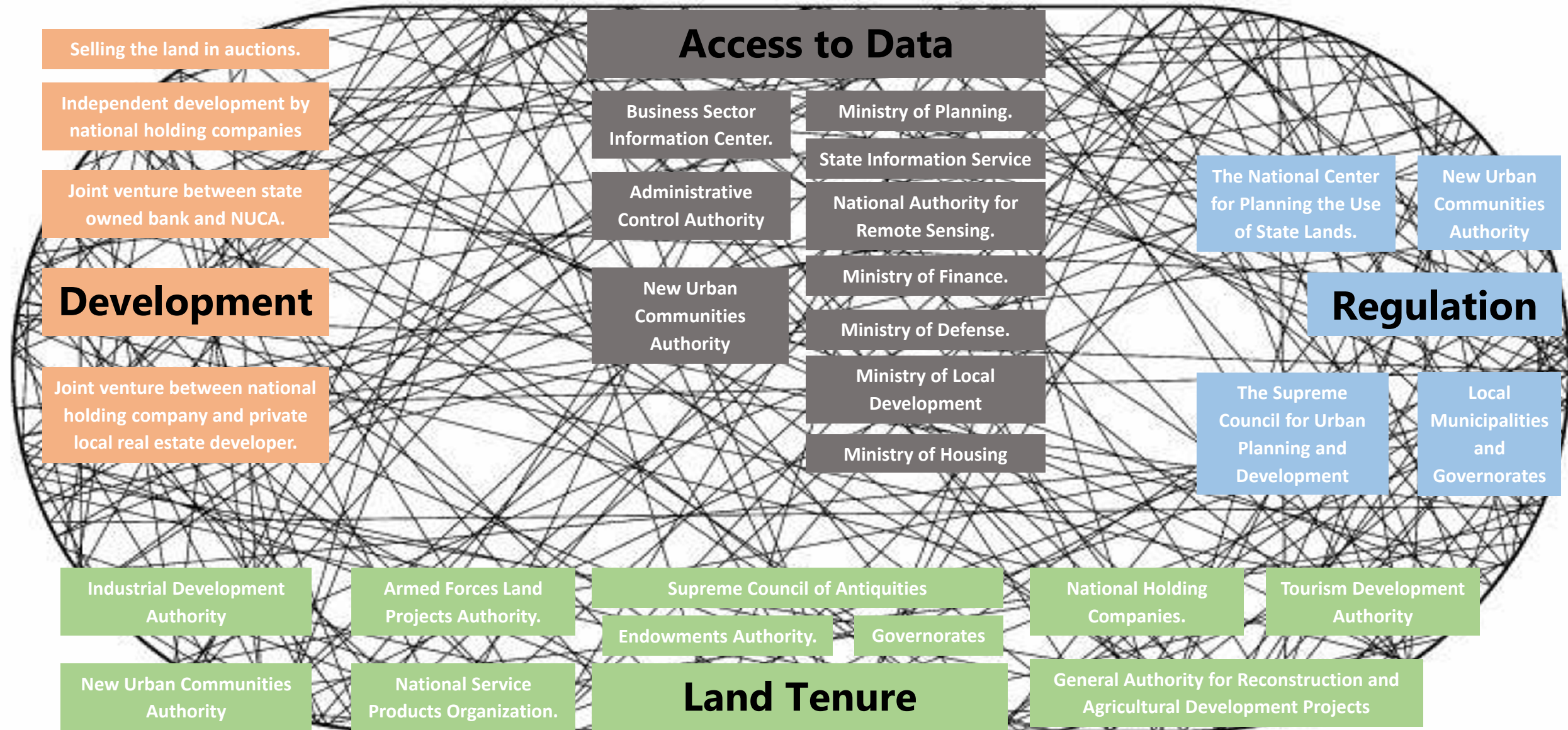


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TSFE 'The Sovereign Fund of Egypt'

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1. BACKGROUND FOR LAND MANAGEMENT OF PUBLIC LAND ASSETS IN EGYPT



1. HISTORICAL REVIEW OF LAND MANAGEMENT OF PUBLIC LAND ASSETS IN EGYPT



1. TSFE WITHIN THE NEW ECOSYSTEM OF PUBLIC LANDS IN EGYPT



PUBLIC LANDS SYSTEM

Before 2018

Egypt has humongous assets and many are not utilized.



TSFE

Enter the market

TSFE role is vital to own these assets and focus on proper utilization. TSFE role is Effective Management

2. TSFE background.

TSFE Management:

Board of Directors:

4 Ministers whose duties are related to economic affairs.

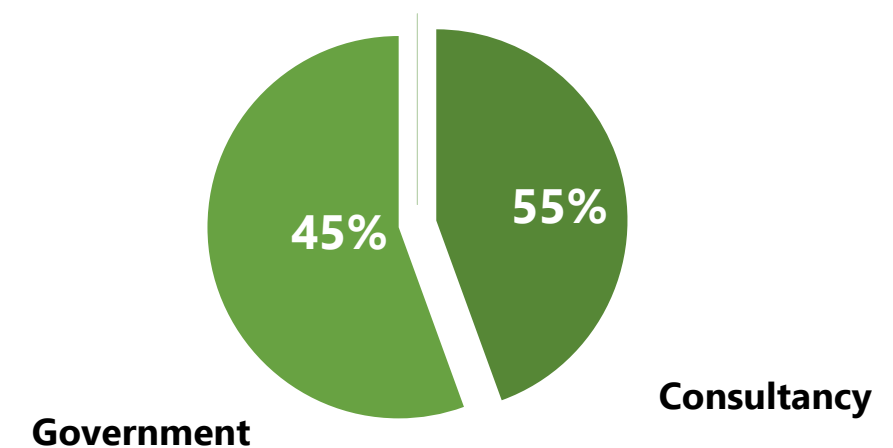
5 Members from consultancy sector

General Assembly:

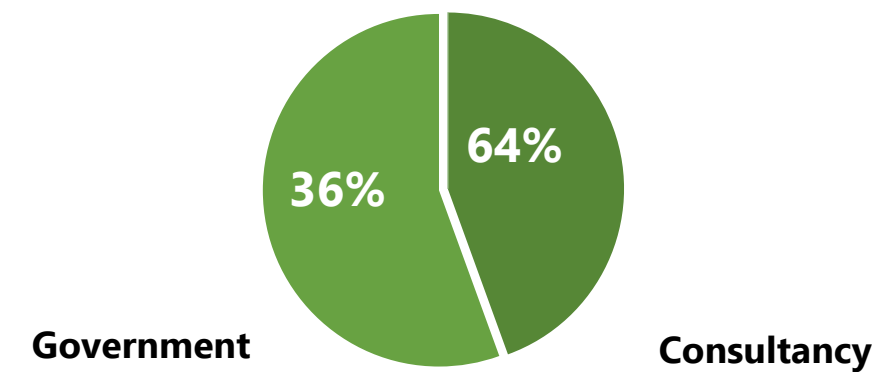
4 Members from Government and Aides.

7 Members from consultancy sector

Board of Directors



General Assembly



TSFE Institutional Governance

TSFE Land Acquisition:

- 1) Presidential Decree.
- 2) Acquisition of State owned bank, Accordingly its assets.
- 3) Partnership with State-Owned Enterprise, Accordingly its assets.
- 4) Partnership

Auditing:

- 1) two auditors, one from the Accountability State Authority 'Public' and the other from the registered auditors at the Central Bank or the Financial Regulatory Authority. 'Private'

Land-based Investment ecosystem before TSFE :

Lack access for information, inadequate financing and lack of incentives to attract private sector

TSFE Management Role:

TSFE Role	TSFE Mandate	State partner
Catalyst for private sector participation	Concession	Heritage site
Facilitator	Sell out to the private sector	subsidiaries of military-affiliated services organization
Broker	Sell equity stake	State owned bank
Investor	Property management	State owned enterprises

TSFE MANDATE

By straddling the line between government and the private sector, TSFE will be able to:

Do things differently,
unshackled from all
bureaucracies.

**Unutilized Land Assets
by “Ministries,
Authorities, State-
Owned Enterprises”**

Improve the way of
doing business itself.

**Achieving National
Strategies Plans.
e.g. Cairo 2052**

Work with the checks
and balances within
the government
management that
investors cannot
navigate.

**NSPO, HERITAGE SITES
and NATIONAL
INVESTMENT BANK**

Unutilized Land Assets by “Ministries, Authorities, State-Owned Enterprises”

TSFE creates its own class of assets to bring to the market, to make it more diverse. It will tap unexploited assets:

- 1) Ministry and Internal Trade Development Authority (ITDA): 6,000,000 sqm of unexploited assets in 27 governorates owned directly by the ministry or through its affiliated bodies.
- 2) Ministry of Public Business Sector: 126 companies
- 3) More to come

"TSFE" UNLOCKS ACCESS FOR SPECIFIC LANDS MARKETS FOR THE FIRST TIME

National Service Products Organization (NSPO)

Locked since **1979**



Presidential Decree no. 32, year 1979

HERITAGE SITES

Locked since **1983**



Law no. 117, year 1983

NATIONAL INVESTMENT BANK

Locked since **1980**



Law no. 119, year 1980

CASE STUDY / 1 Khedival Cairo project



The SFE's joint redevelopment of Old Cairo with the private sector — dubbed the Khedival Cairo project — got a further boost after the inclusion of the Mogamma El Tahrir building, the downtown Interior Ministry headquarters, and the former HQ of the now-defunct National Democratic Party by presidential decree.



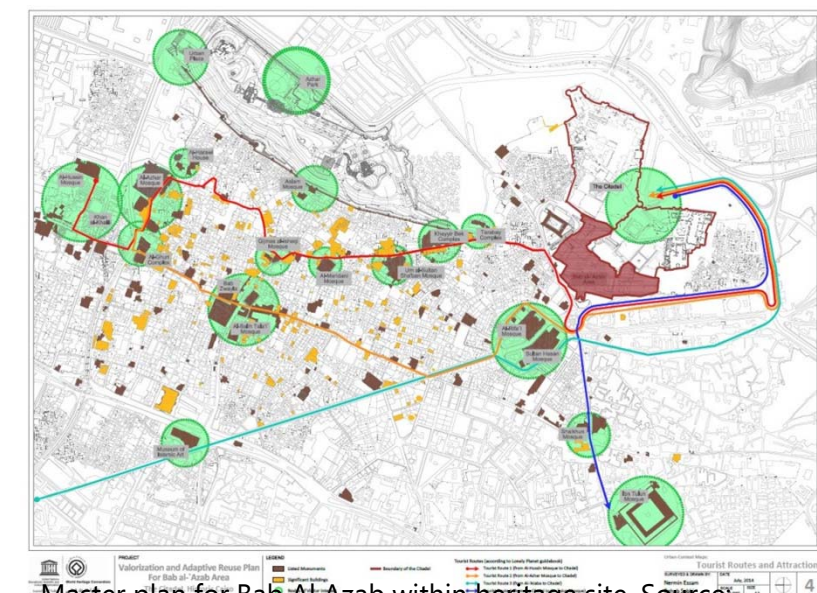
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CASE STUDY / 2 Redevelopment of Old Cairo 'BAB AL AZAB'

Egypt's sovereign fund to **revamp** *historic area* under citadel.

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.



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

CONCERNS and CHALLENGES:

1- LANDS REDUDANDANCY:

TSFE created four sub fund and could participate in subsidiary companies in partnership with private sector.

2- LANDS SPECULATOR:

TSFE's resources consist mainly of its capital and the assets it owns. These assets could be the lands that have been transferred to it, Hence this is may result in increasing land value of the unutilized lands after listing the land on TSFE assets sheet.

3- DEFINITION OF SOVEREIGNTY AND STATE:

The fund has the right to dispose of any of the assets either by sale, lease-to-own, or share as an in-kind portion.

CHALLENGES:

4- STATE LANDS IN POST AGILE WORLD

FROM LOCAL TO GLOBAL, public land assets under institutional management with investment strategy. This is a new model for land management in Egypt that could result in certain peculiarities related to urban development and adequate land use.

** Refer to Egypt strategic plan 2052.

5- LAND USE DYNAMICS IN LOCAL AREAS

The dilemma in using domestic land assets between decentralized governance vs. national wealth fund, and its impact on local development plans. It's suggested for the future research to investigate the impact of SWF investment strategies on national policies, local areas' action plans and land use dynamics in cities

TSFE; NEW HOPE FOR EGYPT'S UNTAPPED POTENTIALS

THANK YOU
FOR THE ATTENTION!



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