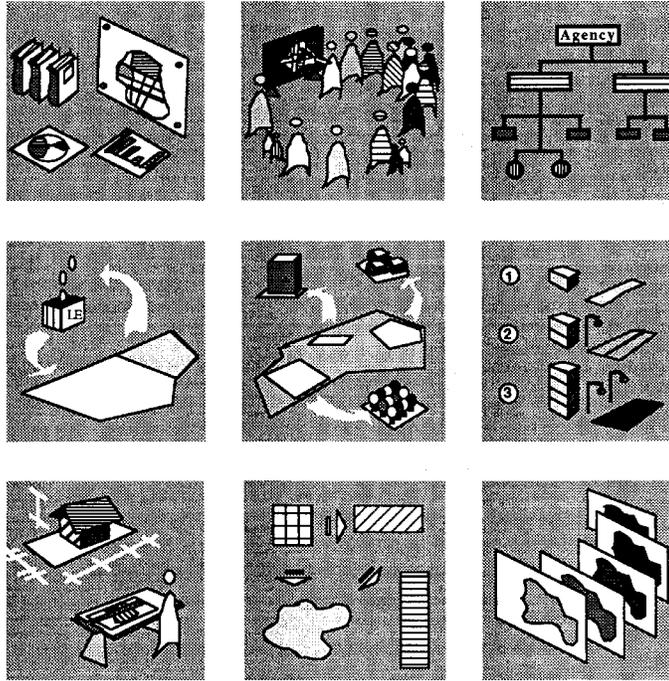
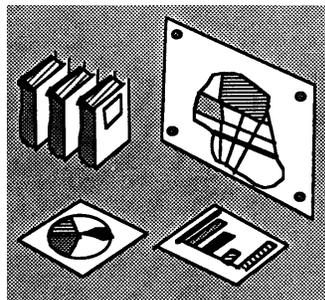


## VI. LESSONS



The Hai El Salam demonstration project has proved to be successful in meeting many of the similar goals it set out to achieve. The provision of urban housing to the lowest income groups has always been a perplexing issue in Egypt and other developing countries. Lack of funding and the very high costs of the provision of serviced land and dwelling construction have made it difficult to provide for the lowest income groups. The Hai El Salam project provides several lessons for future application in projects in Egypt and elsewhere. The lessons discussed in this chapter are based on site visits; interviews with project agency officials, professionals involved in the project, and inhabitants of the upgrading and extension areas; and to findings discussed in various articles and studies (see bibliography).

## NATURE OF PROPOSALS



The foundation for the success of upgrading projects lies in the initial efforts of the proposals put forth for intervention. In the case of Hai El Salam great emphasis was placed on producing realistic proposals based on rigorous research and understanding of the "natural" housing process and its dynamics in the project area. Proposals should be:

- **Relevant to low-income groups**, which form the majority of the population.
- **Capable of implementation** with minimal subsidy.
- **Based on the best possible understanding of, the existing situation** in its social, cultural, economic and physical aspects.
- **Able to be administered without the need for a high level of sophistication** and continued support from outside expertise.

- Realistic, i.e., should be implementable within the existing administrative and executive structures and not require fundamental legal or organizational reform.
- **Implementable as soon as possible.**
- **Capable of modification with experience** and with changing external factors.
- **Replicable**, in form and content, at other sites in the future.

## COMMUNITY PARTICIPATION



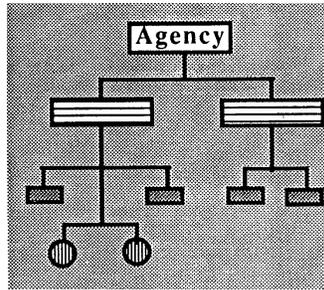
The involvement of the residents of areas to be upgraded from the initial stages of surveys through implementation guarantees a high degree of co-operation and reduces antagonism between the implementing Agency and residents. The community should be involved, as much as possible, in all the phases of the project:

- **Data collection** for the understanding of the housing process, the community's needs and the settlement's various aspects.
- **Community leader selection** to facilitate communication, decision-making and implementation.
- **Selection of alternatives** proposed after their discussion and alteration, if necessary, to meet the community's needs better.
- **Selection of buildings to be removed** and families to be relocated in the upgrading process.
- **Implementation** of the different stages and deciding on priorities and preferences.
- **Financing** shared infrastructure costs for clusters by allowing the inhabitants to organize themselves for the collection of money and subsidizing, within themselves, the poorest among them utilizing the Islamic concept of *Zakat*.

The involvement of special groups in the project should also be encouraged, for example:

- **Community youth** involvement to harness their energies and manage their free time in the creation of visible project features such as landscaping. This has a twofold benefit as it provides free labour and it creates positive community attitudes and formulating future community leaders.
- **Politicians'** involvement to gain their interest and commitment in such projects lends a high degree of credibility to such upgrading schemes and helps to assure the cooperation of different public organizations.

## PROJECT AGENCY

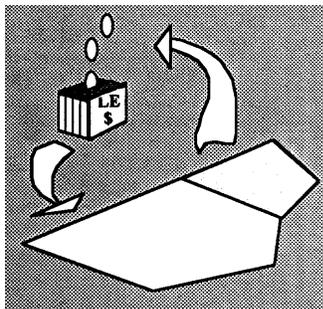


Upgrading projects are complex in nature and involve several ministries, facilities and utility agencies in addition to the multitude of residents. An Agency or institution that has the authority to implement such projects, under a major elected official, should be created.

The major objectives of the creation of a project agency include:

- **Management and implementation of a project** by coordinating the various parties involved.
- **Decentralization of project administration** to reduce paperwork and to guarantee that the project is properly tailored to the needs of the community rather than the use of generalized prescribed formulae.
- **Location of project agency within the project site** to work within the community and to interact with the residents rather than work in isolation from them.
- **Being semi-autonomous** with the authority to raise money and spend it on the project without having to go through centralized channels.
- **Creation of proficient local cadres of professionals and administrators** capable of handling similar projects in the future through training and technical assistance.

## AFFORDABILITY AND SELF-FINANCING



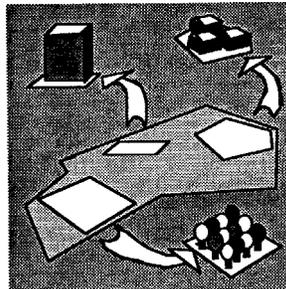
The self-financing of upgrading projects is a crucial concept that, if achieved, would alleviate the financial burden from governments. Self-financed upgrading projects can become widespread thus benefiting many areas that need urban improvement. Several concepts could be combined to finance such projects, these include:

- **Minimizing external funding**, although sometimes initial funding "seed or inception money", from the central government or international donors, is needed to initiate the implementation cycle. Dependence on such financing, however, should be minimized within each project. This will allow the use of funds for more projects. The sale of government-owned land in different areas of the city should eventually provide any future needed funding thus achieving self-sufficiency for these types of projects.
- **Self-financing the sale of land** to settlers in return for legal tenure and improvement. The sale of land to the residents in the case of squatting, or the legalization of tenure in the case of informal tenure, could be a source within of financing needed for upgrading. The sale of land is preferred to the collection of fees because of several reasons: low-income groups are willing to pay for legal ownership of land particularly if it is serviced; land is more

easily financed by lending institutions than utility fees; and fees are often difficult to collect from low-income groups particularly if all the upgrading occurs simultaneously.

- **Reduction of initial costs** by staging upgrading and the provision of infrastructure to reduce initial financial burden, and to assure affordability and minimize debts.
- **Internal project cross-subsidy** where funds could be raised by the sale of newly-developed land at market prices. This assumes the availability of undeveloped land as in the case of Hai El Salam which had a natural extension on desert land owned by the Governorate. This concept of cross-subsidy by the sale of land to cover part of the costs of upgrading settlements does not necessarily have to be limited to one geographic area, i.e., government-owned land could be developed and sold at market prices and the profits used to subsidise upgrading projects that are short of developable land.
- **Generating income from housing for the inhabitants** by allowing mixed use the community thus making housing an income generating process rather than a commodity. Shops and workshops on the ground floor and flats above could all be rented out and their revenues used to finance further building and cover the payment of the cost of the land and infrastructure upgrading.

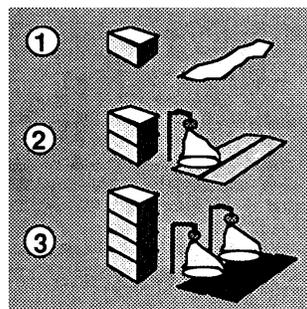
## LAND MANAGEMENT



Allocating undeveloped, peripheral land to an upgrading project, if available, is a key element in solving various problems within a project area. In cases where such land is not available, the project could be linked to another public-owned site at least for the provision of funds to be used for the upgrading process. This land could be used for the provision of:

- Prime commercial plots for sale at market value to raise money for assisting financing the upgrading required for the existing community (see affordability).
- Sites for community facilities that would be otherwise very difficult to provide in consolidated areas of the existing community.
- Compensation sites for inhabitants that need to be relocated for the restructuring of the existing community, for the widening of streets, or the clearing of certain areas for the provision of facilities and utilities.
- New plots to address the increasing demand for plots and to provide a legal alternative that will prevent future squatting.
- Landscaping areas to ameliorate urban environment such as the creation of a forest or open recreation spaces.

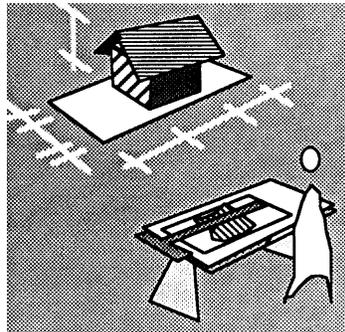
## INCREMENTAL IMPLEMENTATION



Upgrading should be planned so as to be implemented incrementally, in stages. This helps meet the real present needs of inhabitants as well as suit their financial means. The incremental implementation of the provision of infrastructure should be planned taking the following into consideration:

- **Initial provision of the minimum acceptable levels** of infrastructure and services. The cost of these initial levels will be recovered from the normalization of land and its sale to the inhabitants.
- **Provision of higher levels of service as needed** and as they become affordable to the residents should be incorporated in the design of the infrastructure and services.
- **Incorporation of initial minimal infrastructure** into the higher levels of service so as not to waste resources. Although this might need some extra maintenance in the stages before the infrastructure matures and is used at design levels, there are still significant savings on the long run.
- **Incremental implementation of infrastructure** as low-income residents build their dwellings incrementally and funds become available to them.
- **Provision of higher levels of services and utilities for saleable plots** for cross-subsidy L to occur and to generate more income. Plots to be sold for commercial use should be fully serviced to compete within the market of urban plots in the city as a whole.

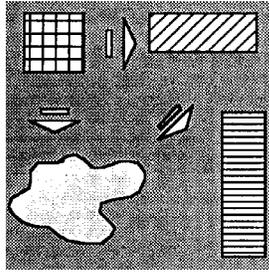
## ROLE OF PROFESSIONALS



To some critics, the project resulted in a relatively unattractive environment. This resulted from too much *laissez faire* from the point of view of urban design. New extensions clearly are not strong in urban design. Consequently the area is regarded, by critics, as an unorganised urban extension of the city. This, however, should not overshadow other aspects of the project. However, Professionals can contribute in user-controlled normal housing processes. Their role includes:

- **The improvement of market responsiveness** to the needs of the traditional process;
- **The establishment of new routes** for the supply of services;
- **The creation of legal frameworks** supportive of and encouraging to local initiative;
- **The monitoring and evaluation** of the production factor markets, service systems and of the housing process itself as they are needed as early warning systems for possible regulatory intervention by the government;
- **The development and management of service systems** that could be adjusted to incremental provision, capable of responding to user demands and not just following suppliers' linear planning process;
- **Urban planning and subdivision design** that would support the informal housing process, permitting adjustment of housing supply to the changing patterns of demand;
- **Technological innovations** focusing on construction materials, components and methods;
- **Design and implementation processes of new structures** including some plans and projects for buildings and supervision of some construction processes.

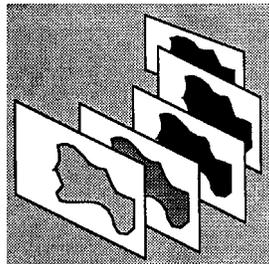
## FLEXIBILITY



Flexibility is necessary during the different phases of upgrading and sites-and-services projects so as to ensure a higher degree of success. Alterations to different aspects of the project to accommodate local conditions, changing situations and the community's requirements have proved fruitful. During the first three years, the project experienced changes both in its administrative structure organization and contents as a result of experience. Some examples of changes include:

- **Administrative and structural changes** occurred in the Project Agency and its Board to accommodate members needed to ensure a higher level of performance and to ensure the full cooperation of various institutions.
- **Widening of the Agency's involvement** in other problems in the area, including waste disposal and maintenance. A new organizational structure evolved to cope with these changes.
- **Relaxation of procedures** such as altering the way applications were handled to give the Agency more flexibility and to enable more to participate in the draw for plots.
- **Design changes** to the standard plot resulted from user demands.
- **New building regulations** were also enforced and block layouts and footpath widths were altered. These alterations facilitated easier surveying necessary for the less-skilled technical staff.

## REPLICABILITY



The Hai El Salam Project aimed at demonstrating first, the applicability of this approach to Ismailia's housing problems and secondly, its suitability as a model for the central ministry to adopt for other urban areas in Egypt. Within Ismailia the administration seemed to have accepted the idea in general principle and further areas have been identified for upgrading, and six new area-specific agencies and one citywide agency were created within five years of the pilot project. To assist in making the project a success and therefore a model to be replicated it was necessary to conscientiously achieve rapid success to maintain a certain momentum and to encourage those involved. Certain factors were taken into consideration to assure a rapid and visible success to the pilot project. These include:

- **Ease of implementation** was one of the reasons that Hai El Salam was chosen as a first demonstration project area. It had no physical or tenure problems which would hinder the planning process or require sophisticated technical solutions.
- **Short time frame to show initial results** such as the placing of markers, bulldozing lines of roads, gravelling key roads, limited relocation of some families and installing water taps.
- **Visible project components** such as the implementation of the community forest north of the project area which gave dignitaries visiting the project the opportunity to plant trees and be photographed away from the "messy" unfinished area of progressive building activities.

- **The use of small amounts of "inception"** capital and technical assistance provided through the British Overseas Aid Programme were an added advantage to the pilot project.

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