

Effectual Role of Local Level Partnership Schemes in Affordable Housing Delivery

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Abstract—Affordable housing delivery for low and lower middle income families is a prominent problem in many developing countries; governments alone are unable to address this challenge due to diverse financial and regulatory constraints, and the private sector's contribution is rare and assists only middle-income households even when institutional and legal reforms are conducted to persuade it to go down market. Also, the market-enabling policy measures advocated by the World Bank since the early nineties have been strongly criticized and proven to be inappropriate to developing country contexts, where it is highly unlikely that the formal private sector can reach low income population. In addition to governments and private developers, affordable housing delivery systems involve an intricate network of relationships between a diverse range of actors. Collaboration between them was proven to be vital, and hence, an approach towards partnership schemes for affordable housing delivery has emerged. The basic premise of this paper is that addressing housing affordability challenges in Egypt demands direct public support, as markets and market actors alone would never succeed in delivering decent affordable housing to low and lower middle income groups. It argues that this support would ideally be through local level partnership schemes, with a leading decentralized local government role, and partners being identified according to specific local conditions. It attempts to identify major attributes that would ensure the fulfillment of the goals of such schemes in the Egyptian context. This is based upon evidence from diversified worldwide experiences, in addition to the main outcomes of a questionnaire that was conducted to specialists and chief actors in the field.

Keywords—Affordable housing, partnership schemes.

I. INTRODUCTION

THE term 'affordable housing' could be interpreted in different ways. Most definitions include a reference to what comprises affordability, and to the target group or groups for whom affordable housing is intended [1]. According to UN-Habitat, it can be broadly defined as that which is reasonably adequate in standard and location for lower and middle-income occupants, and whose cost does not prohibit occupants from meeting other basic living costs, or threaten their enjoyment of basic human rights [2]. Generally, housing is deemed affordable when a household spends less than 30 percent of its income on housing related expenses, such as mortgage repayments (for owner-occupiers), rent payments (for tenants), and direct operational expenses such as taxes, insurance, and service payments. According to a recent RICS report, affordable housing is that provided to those whose needs are not met by the open market [3].

There is a prominent problem in affordable housing delivery for low and lower middle income families in most developing countries; on one hand, it is increasingly recognized that due to diverse financial and regulatory constraints, governments alone will not be able to tackle the housing affordability problem as most of them cannot afford to heavily subsidize this capital-intensive sector. On the other hand, even when reforms are conducted in the institutional and legal frameworks to persuade the private sector to go down market, its contribution in legal affordable housing markets is uncommon, and assists only middle-income households [4].

Affordable housing delivery systems involve an intricate network of relationships between governments, both national and local, and a diverse range of actors. Collaboration between those actors was proven to be vital, and hence, an approach towards public-private partnership for affordable housing provision has emerged. Key issues in the structure of those partnership schemes include the level of decentralization, the degree of mix of public and private sector activity, affiliated partners and their roles, and levels of participation [5], [7], [10]. They have lately witnessed increasing bottom-up innovations and a growing role of the citizen sector at the local level, with the rising recognition of the vital role of local governments. This was manifest in the UN Habitat's approach which advocates for a decentralized administrative financial government role, and devolution of responsibilities and resources to the lowest practical level, to ensure that the poorest can get decent affordable housing [2]. Also, many worldwide experiences verified that the augmenting strategic role of local authorities, particularly when in partnership with local actors, led to higher levels of affordable housing. This is mainly due to better information about housing demand, land supply, available resources and people's priorities, in addition to local authorities' comparative advantage in governance, and in designing, financing, implementing, managing and monitoring local development initiatives [11]-[13], [1], [2]. In contrast, market forces failed to provide affordable housing for low income people especially in developing countries [14]. Hence, the basic premise of this paper is that addressing housing affordability challenges in Egypt demands direct public support, as markets and market actors alone would never succeed in delivering decent affordable housing to low and lower middle income groups. It argues that this support would ideally be through local level public-private joint venture schemes, with a leading decentralized local government role, and partners being identified locally according to specific local conditions. It attempts to resolve major related issues, drawing upon evidence from diversified

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worldwide experiences, in addition to the main outcomes of a survey that was conducted to 15 specialists and chief actors in the Egyptian affordable housing market. Main queries covered the validity of this approach, assessment of past experience, partnership structure and key partners, and vital attributes that would ensure the success of partnership schemes in the Egyptian context.

II. PUBLIC VERSUS MARKET-DRIVEN AFFORDABLE HOUSING

Affordable housing finance leader David Smith argues that public housing is an essential element in affordable housing delivery [15]. Some worldwide cases, like Hong Kong and Pakistan, proved that direct provision of public housing can be a most effective solution to the housing problem of low-income people [16]. However, the highly subsidized public housing projects in developing countries faced strong criticism mainly due to resource constraints, their usually inadequate design and location, and ineffective contribution to solving affordability problems of low income households [17]. On the other hand, the market-enabling policy measures advocated by the World Bank since the early nineties have been strongly criticized for being inappropriate to developing country contexts, where it is highly unlikely that the formal private sector can reach the low income population [18]. Many critics challenge their effectiveness due to their unsatisfactory outcomes in meeting the housing needs of poor and even middle-income families worldwide, particularly in developing countries. They focus on the challenges emerging from the ambiguity of roles in the market enabling approach; what policymakers should do and the appropriate level of government involvement [19], [17]. They highlight the failed experience in Chile (mid-seventies to mid-eighties), where the deregulated private sector moved away from housing the poor. They also emphasize the less than successful deregulatory approaches to help market actors in Bogota, Colombia, and the limited success in the Philippines. Also, a study for affordable housing provision in eight cities (Hong Kong, Vancouver, Singapore, Amsterdam, Johannesburg, London, Adelaide and San Francisco) showed that none of them provides affordable housing solely through private sector efforts [5]. It is hence almost impossible to imagine a future where "the market" will ensure that all affordable housing needs are adequately met [20]. This implies seeking to work in more innovative and collaborative ways [21].

III. PARTNERSHIP SCHEMES FOR AFFORDABLE HOUSING DELIVERY

A. Role and Models

Partnership schemes are collaborative models for affordable housing delivery that are gaining wider acceptability; they can take a role in housing development, maintenance and management at a decentralized level [9]. As defined by UN Habitat, they involve pooling of human and material resources from partnering actors, and sharing of both risks and benefits. They are viewed as a means of decentralizing the affordable housing delivery process by promoting efficient participation

of local communities and their organizations at lower cost and lower distributed risks, within a framework of government support [16].

Previous experience demonstrates that those schemes can take a diversity of models. According to Austin, they range from short-term project-specific schemes, to long term arrangements. They can be based on joint investment or resources (time - expertise - information - funding - land - building materials-...), or/and on joint risk-taking and benefit sharing; or/and on shared responsibility and authority[22].

B. Prospective Partners: Main Actors and Their Potential Collaborative Roles

As shown in Fig. 1, the main actors in the affordable housing delivery process, and hence potential partners in local level partnership schemes, include the government and associated housing and planning authorities, the community and its organizations, the private sector, and housing organizations.

In addition to setting the institutional framework for managing and controlling affordable housing processes, governments' roles are financial (related to mortgage finance and targeting of subsidies), regulatory (regulation of land and housing development - property rights), in addition to the provision of infrastructure for residential land development [23]. A UN-Habitat report on affordable land and housing in Asia outlines these roles as follows; improving housing market monitoring mechanisms; undertaking necessary legal reforms; assuming land policy reforms to provide easier access to buildable land; providing suitable financial measures and incentives to encourage investment of household savings in home ownership and to induce the corporate sector to invest in employee housing; carefully assigning property rights and making them legally enforceable; creating enabling institutions, and widening the existing related databases [24].

In developing countries, communities are prime actors in affordable shelter delivery processes [25]. Bottom-up approaches which emphasize the involvement of community-based organizations in shelter projects are more likely to be successful in overcoming factors that inhibit the provision of low-income housing [8]. Community organizations comprise first, non-governmental organizations (NGOs), a significant actor with an emerging role to play in building partnerships [13]. They have a proven ability to mobilize poor communities and build their capacities by helping them to organize, articulate their demands, assess their resources, plan and implement their programs, and maintain their homes. They also act as mediators between the community and governmental authorities, and manage participatory projects [26]. Community based organizations (CBOs), the second actor based on community participation, work with low-income households to provide or upgrade shelter [27], [28]. In order that NGOs, along with CBOs play their vital role in lobbying and advocacy on behalf of the poor, support of local and central governments is needed [13].

The private sector comprises both formal and informal land developers, professional organizations or associations, and

financial institutions which play a vital role in funding public-private partnership housing projects [29], [8], [24].

Finally, housing organizations are non-profit entities dedicated to providing and managing the non-market housing stock. They can be the repository for affordable housing units created through density bonus, inclusionary zoning or a housing fund, and they can also monitor affordable housing needs in a community. They comprise co-operative housing organizations (housing cooperatives) which play a significant role in improving the quality of housing in many developing countries. They also include community land trusts, an innovative model increasingly viewed as a potential mechanism to remove high costs of land, common in some countries like USA, UK, Canada, Scotland, Wales and Kenya where they acquire land to build dwellings to be leased by low and moderate income households [27], [4]. As learned from the American experience, their main benefits include long term security, and the opportunity for building assets through affordable mortgage repayments. Their major challenge is access to finance [30]. A housing organization can serve one or more municipalities, or even a region. It can either be controlled by local government, or be an independent non-profit society, cooperative or corporation [31].

Key areas where the main actors in the affordable housing delivery process should collaboratively work include identifying and monitoring changes in affordable housing requirements within the local housing market; setting affordable housing targets through the planning system; updating housing policies; identifying potential sites for affordable housing; using planning approaches and mechanisms to secure affordable housing; constructing and managing affordable housing; and controlling occupancy to ensure that the affordable housing provided is occupied by targeted groups [32].

In Egypt, there are a number of public agencies and programs for direct supply of affordable housing; at the central level, several entities affiliated with the Ministry of Housing, Utilities and Urban Development (MHUUD) directly finance and build housing. These include the New Urban Communities Authority (NUCA), the General Organization for Housing and Building Cooperatives, the Joint Project Agency, and the Housing Finance Fund. Several other ministries also implement housing projects for civil servants, especially the Ministries of Defense, Interior, and Awkaf [33]. At the local level, governorates implement housing programs through their housing directorates, and they are the largest supplier (almost 40 per cent of the total public stock during the period 1982-2005), mostly targeting low- and moderate-income households. This illustrates the extent of local government contribution to affordable housing supply, an impact that could have been even greater if they did not have limited local revenues. Second in line comes the housing cooperative system which delivered as much as 22% of the total public stock during the same period. Third is the New Urban Communities Authority (NUCA) which was responsible for 20 per cent of the total public stock during that phase [34]. Also, many trade unions have established housing

cooperatives and the Government has supported these organizations through subsidized loans [27].

C. Repercussions: Benefits versus Shortcomings

Austin [22] and a recent UN-Habitat report [16] discussing the role of partnerships in housing and urban development, highlight the advantages of partnership schemes in affordable housing delivery. Table I delineates the major benefits of these schemes opposed to likely drawbacks or challenges, and their causal factors which are mainly allied to cost, risk, timing of delivery, management, and accountability.

IV. ATTAINING HOUSING AFFORDABILITY OUTCOMES: LESSONS FROM INTERNATIONAL EXPERIENCE

Across the World, there has been a successful shift in many governments' policies towards partnership with the private sector, non-government organizations (NGOs) and community based organizations (CBOs). Experience demonstrated that governments have a necessary role in enhancing those schemes [16].

This section of the paper is an endeavor to infer significant implications regarding the basic organization, roles and operation principles of those schemes, from selected previous experiences in both developing and developed countries.

The complex process of public-private partnership depends upon a government's capacity and political determination.

TABLE I
REPERCUSSIONS OF PUBLIC-PRIVATE PARTNERSHIP SCHEMES IN AFFORDABLE HOUSING DELIVERY

BENEFITS	CAUSAL FACTORS
<ul style="list-style-type: none"> ▪ cost savings ▪ on-time delivery ▪ risk sharing ▪ enhanced public management ▪ improved service levels 	<ul style="list-style-type: none"> ▪ private partner's profit goals ▪ delegating some responsibilities to private sector enables public authority to focus on important policy issues (regulating-performance monitoring –urban service planning-...) ▪ sharing a diverse range of resources, technologies, ideas and skills in a cooperative manner
SHORTCOMINGS/CHALLENGES	CAUSAL FACTORS
<ul style="list-style-type: none"> ▪ possible additional costs ▪ reduced control of public issues ▪ loss of accountability ▪ unexpected risk 	<ul style="list-style-type: none"> ▪ if not managed properly (difficulty to manage) ▪ if roles and responsibilities are not clearly defined

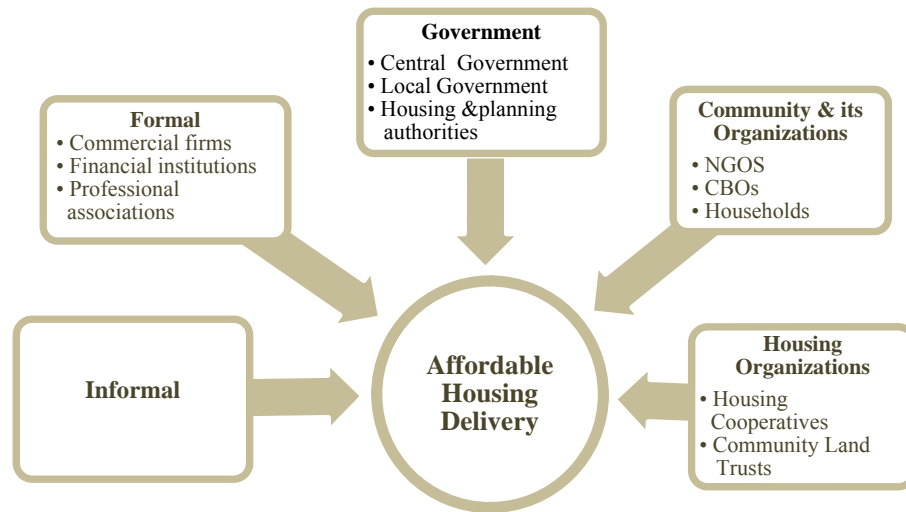


Fig. 1 Main actors in affordable housing delivery

In addition to the vital importance of public interest, UN Habitat refers success of those schemes to their being well planned and defined in scope, accountable and transparent in procedures, and reflecting community needs and key stakeholder priorities. Other essential factors for achievement include continuous monitoring, and cost and time savings with appropriate consideration of risk transfer [16]. In those complex organizations, partners should work together with a balance of interests, functional arrangement and active relationship management, and clearly shared objectives, risks as well as benefits [21]. Positive partnership of roles also requires clear rules, consistent administrative guidance, fair enforcement of law, acknowledgment of the private sector's profit motive, and efficient decision-making [35]. Access to collective finance and necessary changes in urban legislation would certainly enhance the outcomes of those schemes [36].

Several studies revealed that specific factors influenced the outcomes of partnership schemes in affordable housing provision in the different socio-political and economic contexts where they have been adopted. These include: 1) the role of government in the process; 2) the availability of competent not-for-profit and non-governmental organizations for community mobilization; 3) entrenchment of the principle of participation; 4) presence of a favorable macro level economic, political and socio-cultural climate; 5) availability of potentials for cost recovery and margin of profit for private-sector partners; and 6) the identification of shared objectives by partners [29].

Past experience in developed countries such as USA, Australia, Ireland, and UK demonstrate that joint venture schemes based on a significant level of government subsidy and financial mechanisms that reduce overall costs for the private partner, and where the private and public sectors jointly finance, own, and operate a low-income housing project and share risk, have been used with great success [16].

In Australia where joint venture schemes have been widely used, recent projects (like in the City of Port Philip) demonstrate that partnerships between national and local governments, non-profit housing developers, community housing organizations, and private financial institutions, can create successful affordable housing developments. Key components of success were applying inclusionary zoning, access to land, grants and development contributions, and utilizing taxation advantages [30]. Partnership schemes are also seen to be of greatest potential in New Zealand where they are realized through three inter-related steps; first, establishment of objectives and targets; second, identification of potential partners and resources (including access to land and finance at reduced cost); and third, selection of the appropriate model for the scheme [21]. Those experiences illustrate chief attributes for an affordable housing partnership to achieve desired affordability outcomes including access to land at below market rates; access to finance at below market interest rates; management expertise (development risk management); non-profit or community trust status of housing organizations; a broad range of household incomes in target group (including moderate-income households); opportunities for cross-subsidization within and between development(s); local authority planning and financial support or direct involvement; and support of the local community. Vital aspects for the achievement of a partnership scheme's goals also comprise using innovative funding and tenure mechanisms, maximizing the effectiveness of limited resources, learning from partner organizations, leveraging investment, minimizing risks by sharing, and using planning system incentives [22].

In developing countries, partnership schemes are still emerging and there are cultural, political and economic obstacles for their implementation; these comprise low incomes and saving potentials; insufficient mobilization of

resources, the developing financial infrastructure, and the draw backs in the role of governments. Impediments also include relying on ongoing government land and/or funding, and the potential difficulty of securing private funding [22]-[36]. The extent of their use and success relies mainly on the national government's economic and political strength, and its ability to create an adequate institutional framework. They accomplished remarkable success in housing low-income people in countries like India, Turkey, Kenya, Zimbabwe, Malawi, Nigeria, Malaysia and the Philippines. However, the partnership model failed in other developing countries (like Pakistan) and had modest achievements in South Africa and Nigeria [3]-[29].

The Philippines' experience represents a model program that can be adopted in Egypt. It is a demonstration of successful state-market partnerships, where the local government plays a key role in providing land, and curtailing non-necessarily high housing standards, while private-sector partners handle land development, construction of housing units, and provision of infrastructure [29].

Another significant experience is that of India, where there is a wide-spread co-operative housing movement. Partnerships between the government and civil society organizations have recorded remarkable success (at varying levels in different states); they worked more effectively where the focus was on drawing in private investment rather than contracting out various responsibilities to the private developer. This was also demonstrated in the experiences of Kenya, Zimbabwe and Malawi, where land is inaccessible due to being of high value and government-owned [29]. The Indian experience also shows that in order to facilitate greater private and co-operative sector participation, there is a need to undertake legal/regulatory, institutional, and land policy reforms, provide suitable financial measures and incentives to encourage investment in housing (for both households and the corporate sector), and widen existing housing related databases [16]. Also, banks and housing finance institutions are to extend/intensify their coverage in low income neighborhoods, devise innovative and flexible housing finance schemes for targeting low-income groups with suitable subsidy support from the central and local governments, and encourage potential beneficiaries to form cooperative housing societies [37]. The Indian experience also revealed that NGOs are key actors; they empower communities, assist in the formation of community organizations, and sometimes even develop infrastructure and housing [24]. In Kolkata, capital of the state of West Bengal, it was found that partnership schemes between state agencies and private partners successfully bring together the efficiency in production and technical and marketing expertise of the private sector with the accountability of the public sector. The city's experience shows that the government must pave the way for a constructive expansion of partnership by assuming the role of a facilitator, implementation agency and 'moderator', balancing market incentives with community interests. Also by setting affordable housing policies, ensuring the primacy of state regulation, effecting capacity building to increase

awareness, and minimizing risks which is the major challenge for the private sector partners [38].

A third replicable model is that of Turkey, where the government employed a special public private partnership approach to deliver mass housing projects through a special housing development administration (TOKI). This housing is on government owned land where private developers provide a proportion of developed units back to TOKI for the government to rent or sell to those in need of public housing [3]. This approach avoids the problems of land speculation and the constraint that high land values have imposed in delivering affordable public housing. Its long-term arrangements (sometimes up to 30 years) also transfer risk to the private sector. It also helps to minimize local/central government costs on social rental housing and increases rental housing supply [39]. The model, proved to be successful in delivering mass market housing, could be applied in other markets where the government has control of large areas of land, as in the case of Egypt [3]. Another model of public-private partnership schemes, successfully applied in Turkey, is joint venture land banking. This scheme expropriates or purchases land, then releases it, at affordable prices, for low income groups [24].

In Morocco, public-private partnership arrangements between the government and private developers, have worked well especially when they applied inclusionary zoning. Factors of success included also the ability of the government to offer subsidized land and tax breaks to make affordable housing projects more attractive to private developers [3].

The experience of Mexico, where a new generation of partnership "Hybrid Value Chain" collaborations are commercial in nature, shows that although business-social collaborations may not always be the most cost-effective approach, they are superior solutions provided certain conditions apply, namely identifying the right partners and visionary leaders, involvement of low-income communities through empowerment/mobilization, and availability of necessary resources [6].

The Iranian experience also illustrates the increased capacity for public-private partnership schemes in housing provision for lower-income groups; that they are more effective than leaving the entire process to the market. Moreover, it demonstrates that government could bring about construction of new low-income housing by delivering land to co-operatives and private-sector firms, and working directly with them [40], [11].

To sum up, worldwide partnerships concurrently based on financial profit and social benefit, and that build upon capabilities of all partners and an in-depth understanding of local market capacities, and the ability to organize the local community in citizen groups, proved to have the potential to generate a "win-win-win" scheme in affordable housing delivery [6]. Table II is an attempt to put together the main attributes enhancing the outcomes of partnership schemes in affordable housing delivery, as deduced from the previously discussed experiences. They are classified into first, key partners; second, attributes related to the national context;

third, attributes related to the local context (local authority-local community - NGOs - housing organizations); fourth, formulation steps, basic arrangement, and principles and features of the scheme.

V. PROSPECTS IN THE EGYPTIAN CONTEXT

This section of the paper aims at exploring the prospects of partnership schemes in affordable housing delivery in Egypt; it examines the significance of their proven factors of success (shown in Table II) in the Egyptian context.

A questionnaire (shown in Appendix 1) was conducted for fifteen specialists and active members of allied organizations including housing and planning authorities (Ministry of Housing- Housing and Building National Research Center), local authorities, private housing developers, and UN-Habitat that has been involved in worldwide partnership schemes for affordable land and housing delivery. The questionnaire investigated both the outcomes of their previous experiences in such schemes (the degree of fulfillment of scheme/s' objectives, and the main reasons), and the prospects of future partnerships in the Egyptian context. This encompassed three main queries; the prospected partners and key partner, the basic arrangement of the scheme, and the significance of each prominent attribute (high- moderate- low).

So far, applying the partnership approach in affordable housing delivery in Egypt is limited. As affirmed by the conducted questionnaire, objectives were only partially fulfilled in most previous experiences. This was mainly due to poor planning and management of the scheme, usually reflected in changes in the terms of reference during the planning and implementation stages, and also owing to the fact that the contracting agreements were not tight enough to guarantee reaching the real target groups. Another factor was the lack of decision-makers' support and political will.

Regarding partners and the key partner in the scheme, there was a consensus upon four main partners; the local government, private financial institutions, housing associations, and the targeted community. There was a little less accord on the necessity of involving private developers, CBOs and NGOs in those partnership schemes. It was also suggested to involve other active parties like the army, endowments (el Awkaf), syndicates, trade unions, and cooperatives, in addition to experts and researchers in the field. However, there was some adherence to the paper's argument that in order to be more oriented and effective, partners should be identified according to specific local conditions, as each project has its own individuality that depends on location, targeted community and beneficiaries. More than half the interviewees selected the local government as the appropriate key partner either unaccompanied or together with the central government and the private sector. A limited group advocated private sector investors and financial institutions to be the key partner. It was also limitedly suggested that either NGOs or CBOs should play that role.

TABLE II
ATTRIBUTES ENHANCING THE ROLE OF PARTNERSHIP SCHEMES IN
AFFORDABLE HOUSING DELIVERY-WORLDWIDE EXPERIENCES

1. KEY PARTNERS	
National & local governments - Housing developers - Targeted Community - Housing organizations - Private financial institutions	
2. ATTRIBUTES ELATED TO CONTEXT	
2.1. National context	
<ul style="list-style-type: none"> •Favorable macro level economic, political & socio cultural climate •Decentralized institutional framework •Adequate legislative, regulatory, and land policy reforms 	
2.2. Local context	
<i>a- Role of local authority</i>	<ul style="list-style-type: none"> •'Moderator' (balancing market forces with community interests) • Widening database on local market conditions •Identifying the right partners, visionary leaders and entrepreneurs •Utilizing taxation advantages & planning system incentives, & •Offering subsidized land to attract private developers
<i>b- Local community</i>	<ul style="list-style-type: none"> • Effecting capacity building to increase community awareness • Public interest & support & ability to organize • A broad range of household incomes in target group
<i>c- Community based organizations</i>	<ul style="list-style-type: none"> • Availability of competent not-for-profit & non-governmental organizations(for mobilization)
<i>d- Housing organizations</i>	<ul style="list-style-type: none"> •Non-profit, or community trust status of housing organizations
3. ATTRIBUTES RELATED TO PARTNERSHIP SCHEME	
<ul style="list-style-type: none"> •formulation steps: 1. establishment of objectives and targets; 2. identification of potential partners & resources (including access to land and finance at reduced cost) ; 3. selection of the appropriate model for the scheme <ul style="list-style-type: none"> ▪ Good planning and definition of scope ▪ In-depth understanding of local market needs & capacities ▪ Concurrent social benefit & financial profit ▪ Entrenchment of the principle of participation ▪ Clear identification of shared objectives & responsibilities of partners; working together with a balance of interests, functional arrangement & active relationship management ▪ Clearly shared risks as well as benefits: Partners jointly finance, own, and operate project/s and share risks ▪ Minimizing risks resulting from uncertainty of returns ▪ Acknowledgment of the private sector's profit motive ▪ Drawing in private investment rather than contracting out various responsibilities to the private developer ▪ Access to collective finance at below market interest rates ▪ Extended coverage of financial institutions in low income areas, & encouraging formation of cooperative group housing societies ▪ A significant level of government subsidy ▪ Innovative & flexible tenure mechanisms ▪ Cost and time savings: using innovative financial mechanisms that reduce costs & maximize the effectiveness of resources ▪ Access to land at below market rates ▪ Management expertise (development risk management) ▪ Accountability & transparency & continuous monitoring of procedures & clarity of rules 	

As for the basic arrangement, there was no clear accord; One third of the correspondents agreed upon long-term partnerships for housing and services provision. Almost an equal number were more biased to short term partnerships for a specific housing project or program. The third group's view was that each option is valid according to the size, location and feasibility of the project.

Regarding the highly significant attributes related to the national context, there was a consensus upon first, the favorable macro level economic, political and socio cultural climate, and second, the decentralized institutional framework. As for the local context, it was agreed upon the crucial role of the local authority as a 'moderator'; balancing market forces with community interests, widening the database on local

market and need conditions, and also identifying the right partners, visionary leaders and entrepreneurs for the specific local conditions. The vitality of public interest and support was also highly emphasized. Regarding the fundamental principles upon which the schemes should be based, there was an agreement on the highest significance of; first, good planning and definition of scope; second, in-depth understanding of local market needs and capacities; third, acknowledgment of the private sector partner's profit motive and assuring its potentials for cost recovery and margin of profit; Fourth, building upon the capabilities and priorities of all partners through clear identification of shared objectives and responsibilities, and working together with a balance of interests, functional arrangement and active relationship management; Fifth, cost and time savings by using innovative financial mechanisms that reduce costs and maximize the effectiveness of limited resources; Sixth, access to land at below market rates; Seventh, accountability and transparency and continuous monitoring of procedures and clarity of rules. Less precedence was appointed to executing adequate legislative, regulatory, and land policy reforms at the national level, and to local authorities utilizing taxation advantages and planning system incentives (inclusionary zoning - density bonus) to attract private developers, and effecting capacity building to increase awareness. Second priority was also given to the availability of competent not-for-profit & non-governmental organizations (for community empowerment/mobilization) at the local level. Least priority was allotted to applying flexible housing finance schemes and tenure mechanisms, the entrenchment of the principle of participation, and to partners jointly financing, owning, and operating project/s and sharing risk, to access to collective finance at below market interest rates, and finally to the existence of a significant level of government subsidy.

It should be noted that interviewees affiliated with housing authorities advocated local financial partnerships between local level governments (through the Housing and Development bank), and the private sector, mainly to secure land, the major obstacle for affordable housing delivery. Interviewees representing the Ministry of Housing, which has partnered with the private sector through the National Housing Project, assure that all affiliated entities should be included in long-term partnerships for housing and services provision and joint venture land banking.

VI. CONCLUSION

Although applying the partnership approach in affordable housing delivery for low and middle income households in Egypt is still limited and not totally effective, its success in many countries, several of which with many similarities with the Egyptian context, exploits prospects for expanding its application.

To guarantee success of local level partnership schemes in affordable housing delivery, the national government must affect a decentralized institutional framework and a favorable macro level economic, political and socio cultural environment. Whenever possible, it should execute adequate

legislative, regulatory, and land policy reforms, and allow access to collective finance at below market interest rates through a significant level of government subsidy.

The local government (as the key partner), private financial institutions, housing associations, and the targeted community are fundamental partners in such schemes. However, both the partners and the basic arrangement of the scheme should be identified by the local authority, according to the specific local conditions. Local government should also balance market forces with community interests, extend an in-depth understanding and database of local market needs and capacities, and stimulate local public interest and support. It must also utilize taxation advantages and planning system incentives (inclusionary zoning - density bonus) to attract private developers, establish the principle of participation and effect capacity building to increase awareness, by enhancing competent not-for-profit & non-governmental organizations for community empowerment/mobilization. Partnership scheme should be assembled upon concurrent social benefit and financial profit, and clearly shared risks as well as benefits by partners jointly financing, owning, and operating project(s). It must also be built upon good planning and definition of scope; the capabilities and priorities of all partners through clear identification of shared objectives and responsibilities and joint work based on a balance of interests, functional arrangement and active relationship management; acknowledgment of the private sector partner's profit motive and assuring its potentials for cost recovery and margin of profit; cost and time savings by using innovative financial mechanisms that reduce costs and maximize the effectiveness of limited resources; access to land at below market rates; accountability and transparency and continuous monitoring of procedures and clarity of rules. Finally, it must apply flexible housing finance schemes and tenure mechanisms.

APPENDIX

Questionnaire:

This questionnaire attempts to explore the prospects of public-private joint venture schemes in affordable housing delivery in Egypt.	
Section (A) covers the outcomes of your previous experience in such schemes.	
Section (B) covers your opinion regarding the prospects of future partnerships in the Egyptian context.	
Name(optional):	
Occupation :	
Organization:	
Section A: Previous partnerships	
1-Has your organization been involved in a partnership scheme for affordable housing delivery?	
no <input type="checkbox"/> yes <input type="checkbox"/>	
(specify).....	
2- If yes, to what degree where the scheme's objectives fulfilled?	
totally fulfilled <input type="checkbox"/> partially fulfilled <input type="checkbox"/> not fulfilled <input type="checkbox"/>	
Reasons:.....	
Section B: Prospected future partnerships	
1-Partners	

Option 1: Partners should include:
 central government local government
 NGOs CBOs
 private developers private financial institutions
 targeted community housing associations
 others(specify).....

1-Partners(contd.)

Option 2:
 Partners should be identified according to specific local conditions
 Reasons:.....

2-Key partner
 central government
 local government
 other(specify).....

3- Basic arrangement

<input type="checkbox"/> option 1: Long-term partnerships for housing and services provision	<input type="checkbox"/> option 2: Short term partnerships for a specific housing project or program	<input type="checkbox"/> option 3: Joint venture land banking	<input type="checkbox"/> Other (specify):.....
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4- The following attributes proved to be vital for the success of partnership schemes in worldwide experiences. What in your opinion is the level of their significance in the Egyptian context?

Attributes	Significance for Egypt			
	high	moderate	low	
Attributes related to Context				
National	A favorable macro level economic, political & socio cultural climate			
	Decentralized institutional framework			
	Adequate legislative, regulatory, and land policy reforms (by national government)			
Local Context	Role of Local Authority	Role of 'moderator' (balancing market forces with community interests)		
		Widening database on local market and need conditions		
		Identifying the right partners, visionary leaders and entrepreneurs for the specific local conditions		
		Utilizing taxation advantages to attract private developers		
	Using planning system incentives (inclusionary zoning - density bonus)			
	Effecting capacity building to increase awareness			
	Local community	Public interest & support (Involvement & organization)		
A broad range of household incomes in target group (including moderate-income)				
	Non-profit, or community trust status of housing organizations			
			Significance for Egypt	

Attributes	high	moderate	low
Attributes related to Context			
Good planning and definition of scope			
An in-depth understanding of local market needs & capacities			
Concurrent social benefit & financial profit			
Entrenchment of the principle of participation			
Capabilities & priorities of all partners : Clear identification of shared objectives & responsibilities - working together with a balance of interests, functional arrangement & active relationship management			
Clearly shared risks as well as benefits: Partners jointly finance, own, & operate project/s and share risk			
Minimizing risks resulting from uncertainty of returns (a major challenge for the private sector partners)			
Acknowledgment of the private sector's profit motive - potentials for cost recovery and margin of profit for private-sector partners			
Access to collective finance at below market interest rates			
A significant level of government subsidy			
Innovative & flexible housing finance schemes & tenure mechanisms			
Cost and time savings: Using innovative financial mechanisms that reduce costs and maximize the effectiveness of limited resources			
Access to land at below market rates			
Management expertise (development risk management)			
Accountability & transparency & continuous monitoring of procedures & clarity of rules			
Steps of Partnership formulation:.....			

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