

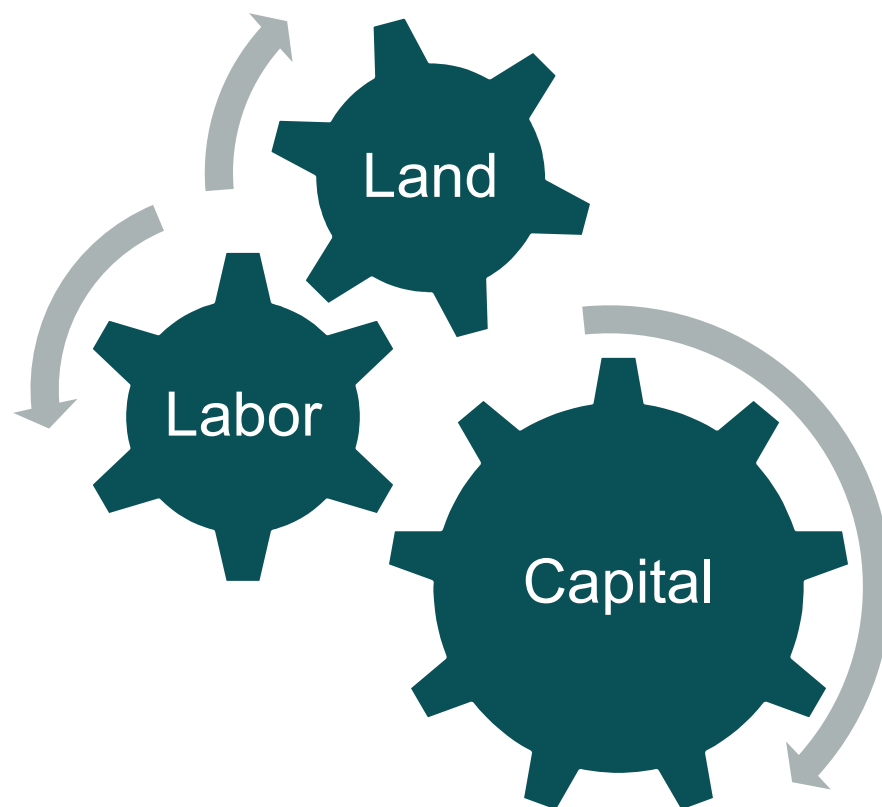
Land, Economy, and Growth The Big Picture



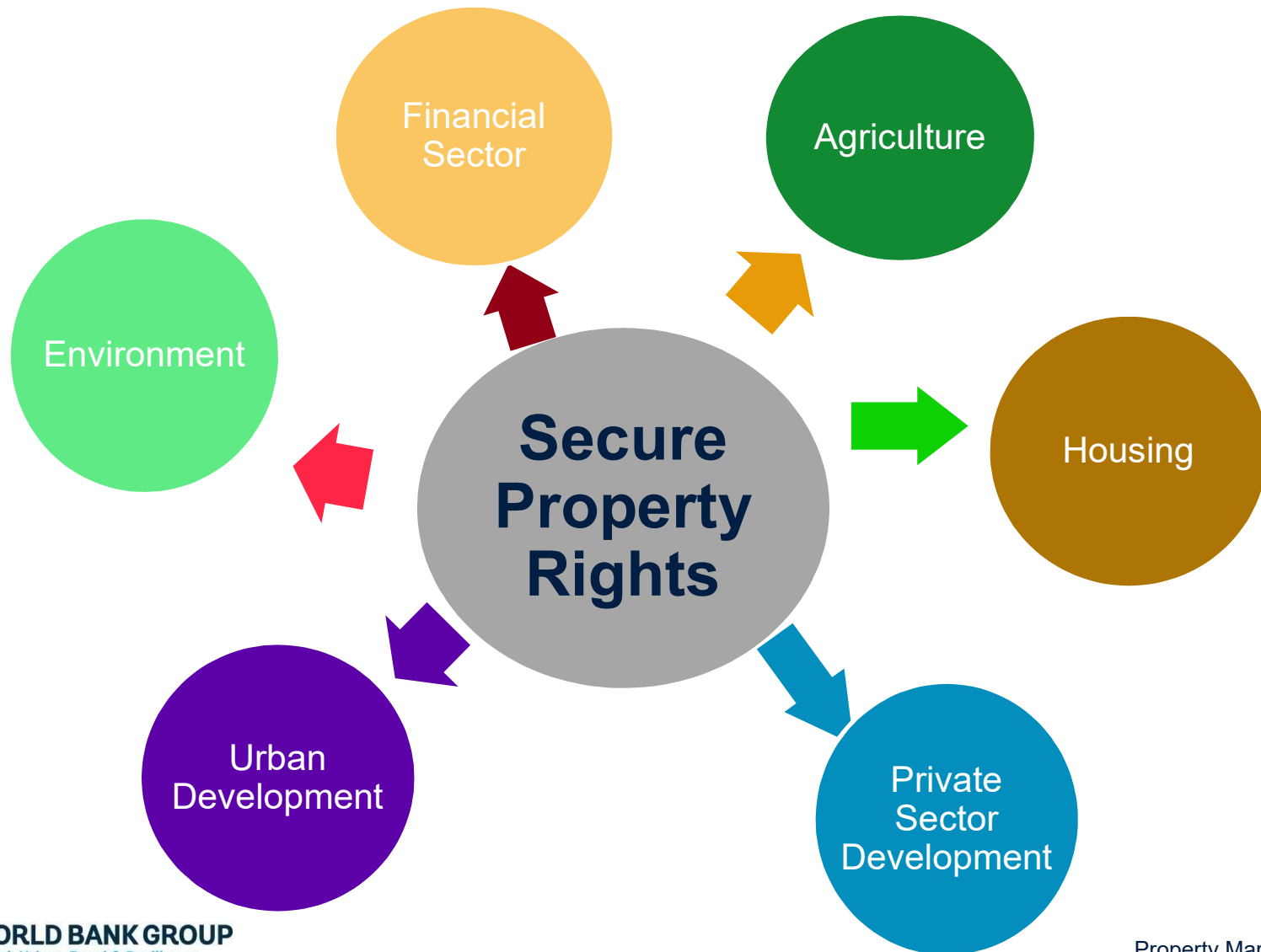
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Tokyo
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Factors of Production Engine for Economic Growth



Importance of Property Rights for the Economy



Factors for Agriculture Growth

Example from Egypt

- **Transforming the agriculture sector:** What will it take to boost private investment?
 - **Improve investor certainty** reduce policy ‘surprises’ for the private sector
 - **Expanding land-titling** unleash the power of collateralized lending in agriculture
 - **Targeted value-chain strengthening and spatial solutions** to Drive value-addition and exploit economies of scale
 - **Food Quality and Safety System** build market reputation & margins
 - **Access to agricultural finance** Improve to facilitate domestic investments in the sector

Potential Private Sector Lending Using Land Titles as a Collateral in Agriculture

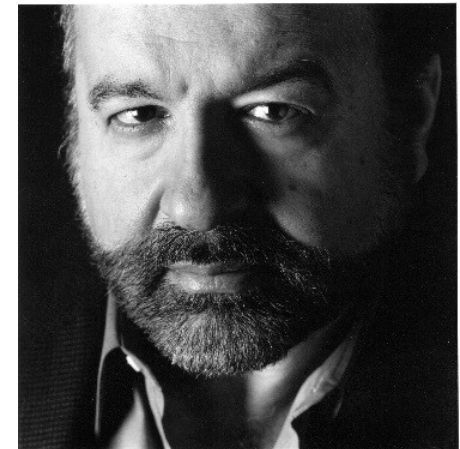
- Total value of old agriculture land = USD 120 Billion
- Total value of new agriculture land = USD 20 Billion
- Potential for private lending using land
as collateral: $\text{USD}140 \text{ Billion} * 60\% = \text{USD} 84 \text{ Billion}$



Mystery of Capital – Why capitalism succeeded in the West and failed everywhere else.

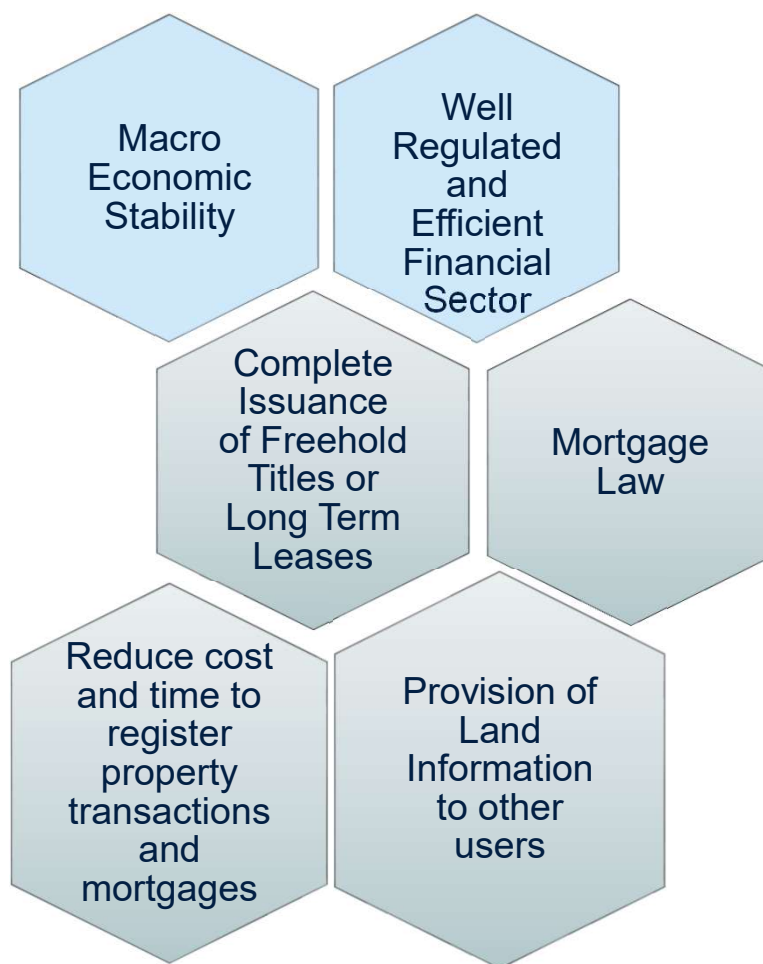
“Without an integrated formal property system, a modern market economy is inconceivable”

Hernando de Soto
The Mystery of Capital



Property Markets | 6

How to Unlock this Huge Potential



Complete Issuance of Titles

Issue: Most of land do not have clear land title

Recommendations:

- Issuance of Titles for all agriculture land
- Issuance of land titles for all land including urban, agriculture, private public, ..etc.. All in one system.



Mortgage Law

Issue: Without foreclosure with reasonable transaction costs, private banks will not lend to the agriculture sector

Recommendation

- Amend foreclosure law to allow foreclosure of agriculture land
- Simplify foreclosure procedures by introducing administrative foreclosure to reduce transaction cost



Reduce Cost and Time to Register Transaction

Issue: many land transactions and inheritance are not registered and registering a mortgage has high transaction cost

Recommendations:

- **Cost to register property transaction is already low (0.6% of property value)**
- **Complete the automation of property registration**
- **Streamline procedures to reduce time to complete property registration (in many countries one day)**
- **Improve public awareness of importance of registering transactions and inheritance**

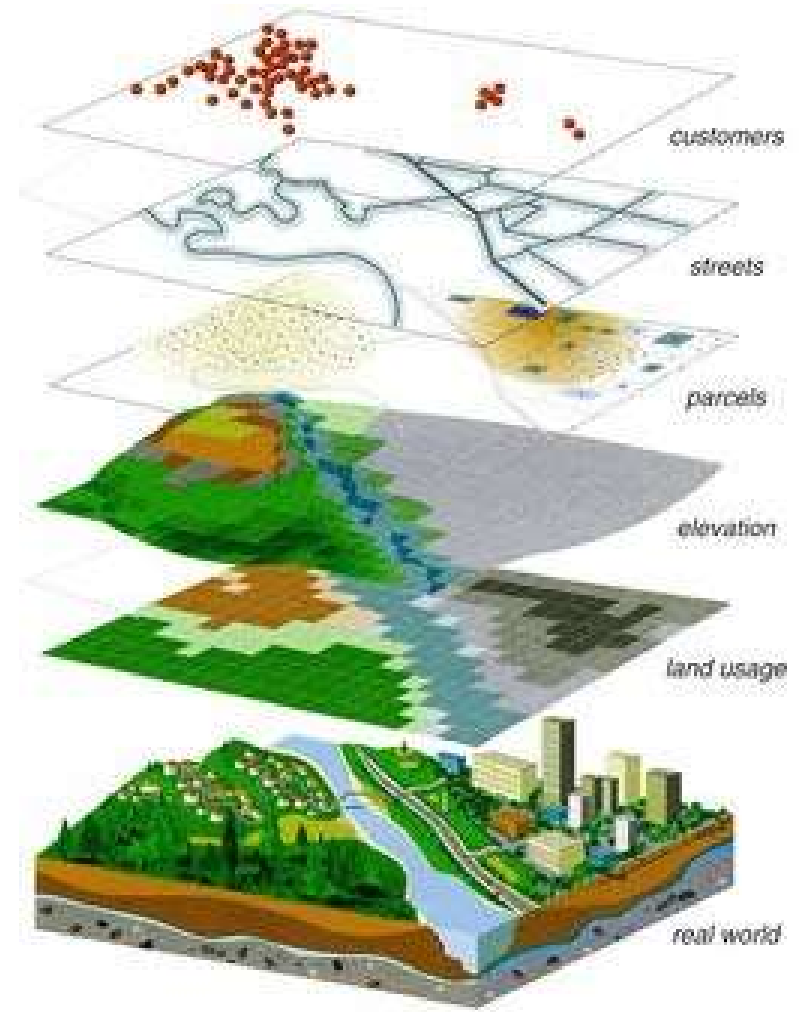


Provide digital land information and link it to e-government functions

Issue: Banks do not have on line access to property information including existing mortgages

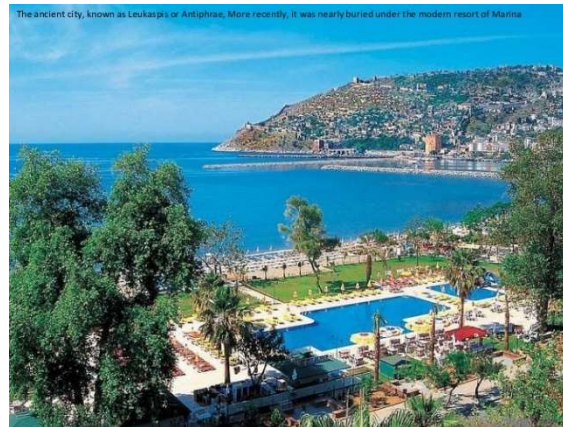
Recommendation:

- Implement Geospatial Information Management in accordance to international practices
- Integrate land information (cadastre and legal rights) into e-government functions.. Provide access to information (within privacy laws) to government agencies, local governments and banks



Benefits for Other Sectors

- **Housing... mortgages**
- **Private Sector Development (SMEs)**
- **Environment protection**
- **Equitable property tax system**
- **Facilitate the development of Infrastructure**



Possible Next Steps

- *Undertake detailed analysis of the land sector*
- *Assist government to prepare a Road Map of Reform that includes policy, legal, institutional and investment needs*
- *Assist government to implement key elements of the Road Map, including possible provision of investment needs (Project)*

What Could be Covered in the Road Map (or Action Plan)

- **Establishment of clear goals and objectives such as:**

“Registering of all properties by XXXX, reduce time to register transaction to less than XXX days; automate the land/property registration system and provision of land information to all government agencies private sector”

- ***Should cover policy, legal/regulatory changes, institutional restructuring, as well as investment needs for each of the objective areas***
- ***Should be divided into short, medium and long term***

What is Your Country Action Plan??

Will see it on Friday