Technical Support

to the Ministry of Local Development

in Support of Local Development

*Mid-Term Review*: Final Report

**Report commissioned by UNDP/Egypt**

**Review Mission: Paul Lundberg**

**July-August 2011**

“We may safely pronounce that the true test of a good government

is its aptitude and tendency to produce a good administration”

Alexander Hamilton, Federalist Papers #68 (USA), 1788

# Table of Contents

[Table of Contents 2](#_Toc302386965)

[List of Acronyms 3](#_Toc302386966)

[Executive Summary 4](#_Toc302386967)

[Introduction 4](#_Toc302386968)

[Background 4](#_Toc302386969)

[Performance of the TS-MLD project 5](#_Toc302386970)

[Recommendations 6](#_Toc302386971)

[A Introduction 8](#_Toc302386972)

[Review criteria 10](#_Toc302386973)

[Review Process 10](#_Toc302386974)

[Structure of the report 12](#_Toc302386975)

[B The project and its development context 12](#_Toc302386976)

[Overview 12](#_Toc302386977)

[Project formulation 13](#_Toc302386978)

[Implementation 14](#_Toc302386979)

[C FINDINGS 16](#_Toc302386980)

[Outcome Level Findings 16](#_Toc302386981)

[Output Level Findings 18](#_Toc302386982)

[D Issues and Conclusions 29](#_Toc302386983)

[E Recommendations 35](#_Toc302386984)

[Outcome Level Recommendations 35](#_Toc302386985)

[Output Level Recommendations 37](#_Toc302386986)

[Policy Recommendations 37](#_Toc302386987)

[Institutional Reform Recommendations 38](#_Toc302386988)

[Capacity Building Recommendations 42](#_Toc302386989)

[Programme Management Recommendations 46](#_Toc302386990)

[F Principles of Local Governance 48](#_Toc302386991)

[Report annexes 54](#_Toc302386992)

[Annex 1: Terms of Reference (edited) 54](#_Toc302386993)

[Annex 2 Mission Agenda 58](#_Toc302386994)

[Annex 3 Local Government in the Philippines 62](#_Toc302386995)

[Annex 4 Response to UNDP comments on first draft 66](#_Toc302386996)

# List of Acronyms

AWP Annual Work Plan

CPAP Country Programme Action Plan

CYM Community Youth Mapping

DSU Decentralisation Support Unit

GOE Government of Egypt

EDN Egypt Decentralisation Network

GAEB General Authority for Educational Buildings

GHDR Governorates Human Development Report

EDI Egyptian Decentralisation Initiative

EDN Egyptian Decentralisation Network

LDO Local Development Observatory

LEC Local Executive Council

LPC Local Popular Council

MoAD Ministry of State for Administrative Development

MOF Ministry of Finance

MLD Ministry of Local Development

MOP Ministry of Planning

MISR Municipal Initiative for Strategic Development

MTR Mid-Term Review

NGO Non-Governmental Organization

NDP National Democratic Party

NDS National Decentralisation Strategy

NLDIN National Local Development Information Network

NPD National Project Director

PRINCE2 Projects in Controlled Environments

SCC Social Contract Centre

SOW Scope of Work

TOR Terms of Reference

TS-MLD Technical Support to the Ministry of Local Development for Local Development

TSU Technical Support Unit

UNCDF United National Capital Development Fund

UNDAF United Nations Development Assistance Framework

UNDP United Nations Development Programme

USAID United States Agency for International Development

YDCA Youth Developing Communities Association

# Executive Summary

## Introduction

This report provides the results of a mid-term review (MTR) of the UNDP Technical Assistance to the Ministry of Local Development (TS-MLD) stretching over the period 2007-2011 and involving $4.7 million in UNDP and Netherlands resources. The MTR was commissioned by the UNDP Egypt and is intended to inform that office, project donors and other interested stakeholders on the results achieved during the project to date, provide suggestions on possible changes in the structure and approach going forward, as well as contribute to UNDP organizational learning on promoting decentralisation and citizen empowerment globally.

The MTR was framed by the measurement framework for the TS-MLD project document as well as the UNDP Egypt Country Programme and the UN Development Assistance Framework (UNDAF) 2007-2011. All of these documents have been formally approved by the Government of Egypt. Appendix 1 contains the Terms of Reference for this MTR and, as such, provides the scope and focus of this review. Evaluation methods included extensive documentation review, as well as a 10-day in-country mission involving in-person interviews, focus sessions and site visits to two Governorates where TS-MLD had concentrated its efforts over this period. The methodology and analytical processes were appropriate to the nature of the project, providing as much rigor and validity through triangulation (of both sources and methods) that was possible for a single, non-Arabic speaking reviewer.

## Background

TS-MLD is fully embedded in the overall UN programme for Egypt. The guiding documents are the UN Development Action Framework (UNDAF) and the UNDP Country Programme Action Plan (CPAP) 2007-2011. The UNDP Egypt Country Programme contains a specific objective related to the formulation of decentralisation policies to improve the capacity of local institutions to plan and manage service delivery. TS-MLD focused its attention precisely on the achievement of that objective.

The Egyptian socio-political context changed significantly during the life of the project. Nevertheless, it continues to suffer from considerable social disparities, reflected in its ranking 101 (out of 169) in the 2010 Human Development Report. The on-going peoples’ agitation against the government had a major impact on governance model of the country, significantly the ability of TS-MLD to complete its work on decentralisation policy, but has not yet had an impact on the economy or human development.

## Performance of the TS-MLD project

TSMLD was examined from the perspective of its project document and specifically on the achievement of its stated outputs:

**Relevance**: TS-MLD objectives were judged as highly relevant to the needs and priorities of Egypt and were found to be well aligned with UNDP’s corporate development priorities as well as the priorities of other key development agencies in Egypt.

Over the project period, TS-MLD made notable contributions to enhance government capabilities to implement the National Decentralisation Strategy. The overarching goals of TS-MLD espoused an integrated multi-sectoral approach and made valued and recognizable contributions, most notably in strengthening the institutional capacities of local councils and in national policy development.

**Effectiveness**: The National Decentralisation Strategy was a bold and innovative approach focusing on institutional and systems changes, with explicit attention to policy advocacy and capacity building. The level of national development resources earmarked for use by local administrations has now reached nearly four billion Egyptian pounds, from a base of almost zero at the start of the project.

TS-MLD made notable contributions to enhance local and national government capabilities to implement the National Decentralisation Policy, including valued and recognizable contributions to strengthening the institutional capabilities of Local Councils. However, TS-MLD missed opportunities to learn from the experimental fiscal decentralisation approach, notably due to a lack of impact assessment and some faulty assumptions in programme design, specifically related to neglecting the role of citizens in a decentralized context. The MTR also found UNDP’s approach to project management to have been constrained by the dominance of national political actors in determining the direction and strategy of the project and by the absence of a systematic attention to resource mobilization.

**Sustainability**: As TS-MLD was designed as a policy design and experimentation project, its sustainability is tied to the acceptance and validity of its policy efforts. The events of January 2011 have opened a much wider range of possible policy options. The suitability of the technical assumptions of an acceptable decentralized governance framework will need to be tested once the new Parliament is in place and any Constitutional reforms have been approved.

While capacity building was central to the project, the absence of a common understanding, clear strategy and systematic approach to building citizen capacity to engage directly in planning and implementation oversight processes seriously undermined the utility of the techno-bureaucratic approach employed, especially in light of the current changed context of Egypt from that of a neo-pharonic dictatorship to a nascent democracy. The continued resistance of the project staff to active citizen involvement in their own development, based on the comments on the first draft of this report, presents a serious challenge to the proposition that the UNDP can take the lead in fostering a new political economic framework at the local level.

The initiation by MLD of the national development information management system has great future value in providing a common empirical basis for citizen-government development dialogue. The reviewer cannot stress enough the importance of this initiative…and the necessity of creating open access to this information base to all citizens of the country. This measure could serve to radically alter the long-standing bureaucratic monopoly of information, and therefore power, in Egyptian society.

**Efficiency**: TS-MLD had one external donor, the Government of the Netherlands. The relationship with the donor partner can be described as ‘adequate’. Unfortunately, the initial funding agreement with the Netherlands has run out and the donor is currently reducing its development exposure in Egypt due to their internal decision that, as Egypt is a middle-income country, Netherlands should place its attention elsewhere.

Nevertheless, the partnership arrangement established with other agencies, particularly USAID, has been exemplary in its approach to leveraging UNDP’s funding with substantial national and international resources. UNDP should seek to ensure that a similar collaborative arrangement can be established under the new governance arrangements.

## Recommendations

The MTR revealed some issues for UNDP to address as it plans its next country programme and some lessons that could inform future programming.

The following recommendations are presented to provide direction for UNDP Egypt going forward:

1 The UNDP Egypt should articulate a clear theory of change for the next country programme that emphasizes a specifically participatory approach to people’s empowerment within the context of decentralized governance. The reviewer recommends that UNDP should not continue to address local development primarily through a techno-bureaucratic planning-oriented development lens, which is part and parcel of a dirigist model of development, more consistent with the aims of the previous regime.

2 In clarifying its programme theory and future roles in Egypt, the UNDP should increase its efforts to more systematically leverage resources for citizen empowerment. Constituting the Egyptian Decentralisation Network, outside the MLD, would be a good start at expanding the concept of local governance.

3 In its upcoming policy work, TS-MLD should focus its attention on establishing a political, rather than a strictly technical, strategy for decentralisation advocacy, particularly during the constitutional reform period. This would include identification of risks and mitigation strategies to affect policy reform and more participatory approaches to capacity development.

4 The TS-MLD technical resources should be marshaled to develop a clear results framework for the use of the MLD local development program funds, coupled with the monitoring system that is currently being designed, in order to track and report its impact in fostering meaningful change in the lives of the poor and marginalized, particularly employing a gender sensitive lens.

5 UNDP should fully support the MLD national development information management system by making international expertise available to turn it into a fully geo-referenced system using ‘cloud computing technology’ to facilitate open access to all of the stored information by all citizens.

6 UNDP should move quickly to constitute a formal, high-level Project Board as the sole decision-making body on matters related to project strategy, re-design and resource allocation.

# A Introduction

The project document for UNDP Technical Support to the Ministry of Local Development for Local Development (TS-MLD) in Egypt was signed by the Ministry of Local Development, the Ministry of Foreign Affairs and UNDP in August 2007. TS-MLD was designed to address the issue of local development from a national perspective, growing out of the three-year experience of the predecessor UNDP project Municipal Infrastructure for Strategic Revitalization (MISR) that focused on introducing participatory planning methods in poor districts of Egypt.

The Netherlands Ministry of International Development agreed to co-finance the project (i.e. MISR, initially) beginning in July 2006. A no-cost extension was agreed in July 2010 enabling UNDP to completely utilize the Netherlands funds by the end of December 2010.

The review was conducted for two reasons. First, the agreement between the Netherlands Minister for Development Cooperation and UNDP required an external review at the end of project or, in this case, the complete utilization of the Netherlands grant. Second, the Egyptian people’s movement, beginning in January 2011, created a sea change in the nature of governance in Egypt. As the TS-MLD strategy had been designed and overseen by the National Democratic Party (NDP) Policy Secretariat, which has now been dissolved, it was considered prudent to reflect on whether the existing project continues to be ‘fit for the purpose’ of facilitating a decentralized governance environment that is productive and meaningful citizen engagement in governance and development.

The Egyptian People’s Movement, beginning in January 2011, poses an important challenge to both the governance and the socioeconomic development of the nation. Compared to previous changes in government over the many millennia of Egypt’s history, the current movement is the first to be dominated by the ‘man in the street’. Some of the demands being put forth are unprecedented and their influence will echo in the political arena for many years to come. Clearly, one of the important issues that will eventually be affected by this movement is the structure, roles and functions of Egyptian governance at the sub-national level.

UNDP initiated this mid-term review of TS-MLD in July 2011. This review, combined with other recent technical missions from the UNCDF and the UNDP Oslo Governance Centre, is designed to provide ideas to the Government of Egypt on the appropriate ways and means to design a new approach to local governance and local development.

At a time of significant change in a country like Egypt that has suffered under the weight of dictatorial regimes for nearly all of its historical existence, this Review of a policy project may seem far removed from the cutting edge of development concerns, where the poor of the country are struggling to improve their lives and gain a sense of security that their ancestors never knew. However, nothing could be further from the truth. The orientation and implementation of a project designed to support the structure and functioning of local authorities can have a significant catalytic effect on the lives of the poor. This reviewer is pleased to have had an opportunity to look into the operations of this project and to provide some measure of advice on how it might be modified to assist in re-directing Egyptian local governance in the future.

The primary audience of the review is the Netherlands Embassy to Egypt, the UNDP, the Ministry of Local Development and the Egyptian civil society as represented presently in UNDP programmatic dialogs by the Social Contract Centre (SCC)[[1]](#footnote-1).

The Review Mission was guided by a Terms of Reference (see Annex 1) that gave specific guidance to analyze the achievements of the project against its original objectives while providing donors, government and project partners with an independent review of project outputs achieved so far and impact on the decentralisation process. Further, the Mission was expected to review strategic, procedural, technical, and managerial aspects and consider issues of effectiveness, efficiency, relevance, impact and sustainability. In addition, the Mission was asked to identify factors that have facilitated and/or impeded the achievement of objectives and should result in recommendations and lessons learned that will help in re-orienting and re-prioritizing project activities and managerial arrangements as needed.

The scope of the review covers all major aspects of TS-MLD activities implemented with financing from the Netherlands and Government of Egypt (GoE) channeled through the UNDP between August 2007 until 2011 as well as achieved activities in 2011.

The review covers the contribution of TS-MLD to the following formal project outputs:

1. **Coordinate and guide the development and modification of the policy and legal environment for the local authority system.**
2. **Restructuring of MLD to strengthen its own capacity as the central agency for State’s support and supervision of the sub-national authorities’ system.**
3. **Guide the capacity development of local authorities on administrative and public expenditure and asset management skills**

The review also covers the contribution of TS-MLD to the 2007 - 2011 Country Programme Action Plan Outcome 4: “Decentralisation policies formulated/reformed, adopted & implemented with improved capacity of institutions at the local level in participatory planning, resource management & service delivery”.

A key value of the review will be to provide an objective perspective on how the project might be re-oriented to provide the best assistance to the new national government as it takes shape.

## Review criteria

Following the Egyptian People’s Movement beginning in early 2011, UNDP decided to review its support to decentralisation through the TS-MLD. UNDP made the case that progress to outcome and outputs should not be reviewed to the 2011 targets in the current AWP since these the recent political turmoil had put a serious constraint on progress toward deliverables.

The review was undertaken to provide a formative assessment of the project to date with the primary purpose to ensure that the valuable technical products generated and the ongoing programmes can be effectively utilized by the new national leadership to devise an appropriate system of inclusive, democratic local governance that will provide the framework for local development that generates meaningful benefits for the poor and marginalize members of society.

The UNDP asked specifically that the review consider two main factors when assessing the results of the project”:

How did the project influence the decentralisation policy process?

How can UNDP assist in improving the process in the future?

## Review Process

The review mission consisted of a week reviewing documents at home base, two weeks in country conducting interviews in Cairo, Fayoum and Ismailia, and a week at home base writing up the full report.

The mission was requested to prepare an Inception Report with guide questions that matched the core Review Elements of the TOR for this MTR. The mission followed those questions throughout and structured an Aide Memoire to capture Preliminary Findings and Recommendations associated with each of these question.

The Aide Memoire was submitted to UNDP for comment on 23 July 2011. Comments were received on 1 August. This report has elaborated on the general findings outlined in the AM, taking these comments into consideration. This report reviews the progress to the TS-MLD project document outcome and outputs, and outlines key conclusions and recommendations resulting from the analysis of the findings. It also outlines some ideas on future UNDP support to local governance in Egypt.

The TOR specified that the review mission would include an Egyptian expert as part of the team. Unfortunately, this was not possible and the international consultant carried out the mission on his own, which imposed a serious constraint on his ability to review documents in Arabic, cover all aspects in sufficient detail. The lack of a national colleague seriously limited the Reviewer’s ability to place TS-MLD within the current political context. However, there is no question that the Reviewer was able to recommend a future direction for the project that is more in keeping with a democratic polity. As will be noted below, serious concerns are raised regarding the continuation of the project staff’s adherence to a techno-bureaucratic approach to local governance, suggesting that citizen empowerment should wait for civil service empowerment.

The key review questions that guided the collection of data and the content of the report define the information are as follows:

1 In what ways has the MLD/TS-MLD project contributed to the UNDP CPAP Decentralisation Outcome 4?

A Review Element 1: Policy

2 How has TS-MLD contributed to the debate and discourse over decentralisation/local governance issues in Egypt?

3 How has the recent people’s revolution impacted the work of the project and its future direction?

B. Review Element 2: Institutional support

4 In what ways have TS-MLD activities contributed to more effective central management of local governance in Egypt, and what modifications, if any, are recommended to ensure a more coherent focus in the remaining period?

5 In what ways have TS-MLD activities contributed to more effective local governance in Egypt, and what modifications, if any, are recommended to ensure a more coherent focus in the remaining period?

6 How has information management been developed in support of decentralized governance?

C Review Element 3: Capacity Building

7 How have TS-MLD activities supported attention being given to the development of credible methodologies for citizen engagement in local governance processes - including for M&E – and ultimately contribute to a robust process of community development and engagement initiatives.

8 How has TS-MLD supported the Governorates, Districts and other players to have a positive influence on policy and institutional reforms, incorporating key principles of citizen engagement?

9 In what ways have TS-MLD activities influenced the activities of civil society groups, and contributed to their thinking and planning?

10 What kind of ‘fit’ have TS-MLD activities achieved within the broader coalition working on decentralisation and citizen engagement agenda in Egypt (other civil society and donor programmes)?

11 How do the governance arrangements (e.g. administrative and financial oversight by UNDP), UNDP and the Project Board facilitate or hinder the effectiveness of TS-MLD activities?

Evaluation Element F: Future Programme Design

12 What elements of the project could contribute to the formation of a model for the decentralized governance in the future and what elements might need to be strengthened or modified?

## Structure of the report

The report is structured to provide:

**The project and its development context**

**Findings of the review**

**Issues and Conclusions drawn from the analysis**

**Recommendations for the future**

# B The project and its development context

## Overview

Decentralisation was taken up as a major policy initiative by the GoE beginning in 2007. The TS-MLD has played a constructive role in that process, and became the major vehicle for channeling technical expertise into the NDP beginning in June 2009.

The TS-MLD began as a participatory planning project in Upper Egypt. The shift in focus to the national level came in 2007 at a time when all donor-driven local development projects were asked by the GoE to shift their focus to the national policy level. The project is now embarking on a new, potentially more satisfying, phase following the collapse of the Mubarak regime.

The key partners involved in the management of the project are the Ministry of Local Development, Governorates, UNDP and the Netherlands Embassy. Closely associated organizations include: USAID, World Bank, Ministry of Finance and the Ministry of Education.

The Netherlands Government provided a grant of $2.5 million for a 30 month period, later extended to 36 months. The UNDP contributed $2,200,000 and the GoE contributed 32 million Egyptian pounds.

The key political/institutional factor that structured the context for the project was the corporatist regime of General Mubarak and its insidious influence, through the NDP Policy Secretariat, on all aspects of life in Egypt. TS-MLD (together with the associated EDI project funded by USAID) was created to assist a process of delegating powers and resources to lower rungs of the regime to provide a measure of direct benefit of the people, particularly those in poorer parts of the country. The strategy and operations of TS-MLD were set by the NDP Policy Secretariat, headed by Gamal Mubarak. This close relationship meant that all aspects of the project were viewed through a particular political lens, but it also meant that, when political approval was granted, the process could move very fast. Of course now that the association with the NDP has been lost following the people’s movement, the TS-MLD must seek to sustain an alignment with an evolving democratic political economy in order to remain effective.

A major limitation of TS-MLD was that the Government did not allow for any orientation towards incorporating civil society into the deliberative process either at the national nor the local level. At one point, the advisor to the MLD proposed that a form of NGO participation might play a useful purpose. However, UNDP and the Government could not find an agreeable conceptual framework and decided to postpone this activity.

Now that the NDP is no longer setting the directions of TS-MLD, a major shift in its focus could be expected away from attempts to engineer the creation of a structured, dirigist form of local governance and towards facilitating ways and means for civil society to emerge as a sufficiently empowered force with the capacity to influence the quality of local development in their localities.

## Project formulation

TS-MLD emerged from a substantive revision of the Municipal Initiatives for Strategic Recovery (MISR) project that was established in 2004 to introduce participatory planning of small projects in the most impoverished districts of the country. MISR was signed in mid-2004 as a result of a dialogue on decentralisation initiated by UNDP with the GoE in 2003 as a part of the preparations for the 2004 Egyptian Human Development Report, that used decentralisation as its core issue and the dialogues resulting from the Governorate Human Development Report 2003 whereby Governorates and sub-national structures (municipalities) were ranked for the first time reflecting regional disparities. MISR operated from 2004 until 2007 with the primary objective to improve the quality of life in Upper Egypt through an integrated approach to address poverty by building participatory planning capabilities and implement priority projects in the poorest district and villages of the country. MISR covered over 1000 poor rural communities, inhabited by approximately 15 million people, located in 46 districts within 10 governorates: Beni Suef, Fayoum, Minya, Asyout, Sohag, Luxor, Qena, Red Sea, North Sinai and Matrouh.

During its three years of operation, UNDP attempted to align the MISR field initiatives with the priorities of local authorities. However, those initiatives were not always in keeping with the interests of national authorities. Thus, plans were prepared, sometimes by external consultants, that could not be funded as there was no devolved source of funds for local authorities to use independently. This design flaw made it almost impossible for MISR to influence national policy in the manner that had been expected. In particular, after the Ministry of Planning and Local Development (the home ministry for MISR) split into its component parts, the relationship became more challenging.

As a result of the ongoing dialogue with the government to adopt a more structured approach to decentralisation, a substantive project revision shifted MISR to a more national perspective geared to establish a formal decentralisation policy and legal framework, restructure the Ministry of Local Development (MLD) and local authorities and direct local capacity building in Egypt.

## Implementation

The Netherlands government began funding MISR in 2006 with $2.5 million and the project revision of MISR, rather than creating a new project, enabled UNDP to continue to use these funds for TS-MLD until they were fully utilized in December 2010. Despite this international assistance, the Government of Egypt became the principal donor to both MISR and TS-MLD and is currently the only funder (other than UNDP) of the programme. Both the Netherlands and GoE Funds for TS-MLD are disbursed to UNDP which provides oversight to the programme.

In early 2007, the GoE made a decision to require a revision in all donor-funded local development planning-type projects, particularly those operating with funds from USAID, World Bank, UNDP. This included MISR. It was decided that MISR would be substantially revised in order take a slower more cautious approach towards national decentralisation policy rather than directly engaging with the citizenry in planning and project implementation. The USAID Egyptian Decentralisation Initiative (EDI) and the World Bank $200 million Upper Egypt programme were also required to be re-aligned with the Decentralisation Strategy. This decision to re-centralize projects designed to foster a decentralized approach to local development was unfortunate because the central government lost the ability to learn from lessons generated through the implementation of locally designed experiments. Thus, decentralisation policy design became a politically-driven, techno-bureaucratic exercise engaged in by only a few articulate, urbanite academics, politicians and donor agency staff rather than a learning process involving all critical stakeholders. In hindsight, this move by the centre to neglect the experiences of the periphery (in this and many other instances) served to undermine its credibility among the people.

A few months after the signing of the new project document in August 2007, the GoE issued a Decentralisation Strategy paper that coincided with a Constitutional amendment package that included a new article on decentralisation. In addition, for the first time in history, the Egyptian Five-Year Plan included a chapter of Governorate, District and Village development.

In June of 2008, USAID and the GoE signed a Project Implementation Letter (PIL) authorizing its funds to be used directly to fund certain aspects of the technical assistance and operation of the GoE decentralisation design work. The unit created was known as the Decentralisation Technical Office (DTO) with Ms. Lobna Abdel Latif, a highly influential member of the National Democratic Party (NDP) Policy Secretariat, was placed as the advisor to the Minister of Local Development in order to facilitate a direct political link to the NDP. The DTO focused on creating a decentralisation strategy, a local administration law, and enabling environment of other laws and aligning donors to support decentralisation. The implementation during the one year of DTO operation was described by USAID operatives as consisting of ‘hesitant steps’ towards decentralisation.

In early 2009, a ‘serious funding agreement gap’ between the two governments led to the cancellation of all USG government-to-government Implementation Letters (IL) with the Egyptian Government, including the one with MLD for the DTO. The UNDP was requested to step in to cover the operational gap left by the departure of the USAID. The Decentralisation Support Unit (DSU), attached to the Ministry of Local Development, was formed under TS-MLD in June 2009 to continue the technical work that had been initiated under the DTO.

The Ministry of Local Development has been the executing agency for the MISR/TS-MLD and the current Minister of MLD is the project signatory, which is implemented by the DSU project implementation unit. In 2010, the GoE contributed EP32 million to TS-MLD to finance the roll out of a local development database system managed by MLD.

After its reorientation away from the DTO, the USAID continued to support its Egyptian Decentralisation Initiative (EDI) project to work on decentralisation policy and, according to USAID sources, the DSU made good use of both the UN and USG assistance. In particular, EDI credited the UNDP with having a more efficient procurement system than USAID and, thus, hardware was obtained through the UNDP assistance while EDI concentrated on the software. The EDI also prepared the original design for the Local Development Observatory (LDO) and prepared the software for the World Bank Performance Measurement System. (The EDI was to be completed in March 2011, but has been extended until October and may be further extended until June 2012.)

From the time of its inception, DSU served as the primary voice of the Egyptian Government on general decentralisation matters (The Ministry of Finance continued to manage fiscal decentralisation and the Ministry of Education managed its own decentralisation process). The NDP Decentralisation Policy papers were prepared using DSU technical inputs, among others. This relationship ended when the Egyptian people’s movement demanded the elimination of the NDP and its entire links to government. The DSU has continued to operate as a technical unit of the MLD and all of the associated donor activities continue to work in close collaboration with technical dialogues, trainings and database development. The UNDP has structured a new Scope of Work for TS-MLD that will attempt to keep the DSU fully involved in critical national dialogues, enabling it to continue to press the local development/decentralisation agenda. This should be reviewed by the newly constituted Project Board as soon as possible.

TS-MLD is currently implemented by the Decentralisation Support Unit (DSU) that was created in the MLD. The staff dealing with policy and legal support are directly managed by the DSU while the staff dealing with information management and institutional restructuring within Information Technology department, report directly to the Minister, but receive funds and report to UNDP through the DSU.

# C FINDINGS

## Outcome Level Findings

TS-MLD is fully embedded in the overall UN programme for Egypt. The guiding documents are the UN Development Action Framework (UNDAF) and the UNDP Country Programme Action Plan (CPAP) 2007-2011. The UNDAF states its Outcome 3 as: Regional Human Development Disparities are reduced, including reducing the Gender Gap, and Environmental Sustainability Improved. The associated UNDP CPAP Goal 2 on Fostering Democratic Governance has an Expected Outcome of: 4) Decentralisation policies formulated/reformed, adopted and implemented with improved capacity of institutions at the local level in participatory planning, resource management and service delivery.

The current UNDP CPAP reads: UNDP will promote the formulation and adoption of decentralisation as a policy package for service delivery, empowerment of the citizenry and building local institutional capabilities. Additionally, UNDP will continue to advocate for the empowerment of women to enable them to contribute to political, economic and social development and attain their rights.

The CPAP fully envisioned the MLD operating as the primary coordination unit responsible for the design and implementation of a strategy to decentralize aspects of public service planning and implementation. The key partners envisioned were USAID, World Bank, Netherlands and Canada. UNHABITAT was foreseen as a collaborating partner focusing on settlement planning and slum upgrading.

From the beginning, the UNDP recognized that support to decentralisation in Egypt would be a catalytic initiative that had ‘high risks with possibly high returns, but with no guarantees’. It is clear that if UNDP had not elected to modify MISR to match the NDP central agenda, and had chosen instead to close the project, the state of thinking on local administration would conceivably be much less well articulated than it is at present. The policy papers prepared by the NDP in 2007, 2008 and 2009, with assistance from national and international technical advisors attached to TS-MLD lead to the 2007 amendments in local administration articles of the constitution and led to the subsequent Prime Minister’s decree of July 2009 creating the MLD Local Development Programme.

Despite operating within a highly centralized national policy environment, the TS-MLD remained essentially on track to establish a modified local civil service structure, delegated budget allocation mechanisms and local planning methods. It is clear that TS-MLD worked, as it was intended, to be a vehicle for putting decentralisation on the map of the executive branch by spreading the idea (and technical underpinning) of decentralisation. However, progress was ‘slow moving’ and the results that were envisioned have been characterized as ‘not enabling’. Nevertheless, by fiscal year 2009/2010 the regime had delegated the implementation of nearly 4 billion Egyptian pounds to the Governorates, according to a newly developed funding formula, as follows: LE 2.1 billion in the local development sector, LE 800 million in housing, LE 800 in education A bill had been drafted to revise the authority relationships at the local level for presentation to Parliament, but the January movement halted that option for the time being.

The fiscal decentralisation aspects of the strategy represent the greatest achievement to date. The fact that significant amounts of money were disbursed to local authorities and the use of these funds was accounted back to the satisfaction of the central government is a major accomplishment that will greatly assist in underpinning the next push for further devolution of authority.

However, aside from a form of participatory planning through ‘elected’ Local Popular Councils the TS-MLD never seriously embraced the concept of enhancing the space for direct citizen engagement with the Government to improve the equity and quality of public service delivery. Instead, the argument was made by DSU staff that there was no need to directly engage the public because the locally elected councils had the responsibility to represent the people. This was, and remains, the greatest lacuna of the design, direction and implementation of TS-MLD.

In addition to the TS-MLD, a number of other projects in the UNDP Country Programme address other aspects of local development. The relationship between these projects and the decentralisation policy being developed by GoE was not fully assessed by this review, but may require a special review in order to ensure there are no inherent policy contradictions contained in project that were designed prior to the 2011 movement.

The TS-MLD represents a global best practice model for inter-agency (and multi-donor) collaboration towards a common governance objective. The Advisor to the Minister of Local Development in charge of the TS-MLD clearly knew how to focus donor interests on matters that were of greatest importance to the national leadership. Unfortunately, the full gamut of those interests was not fully shared by the majority of the people in Egypt, causing many of the national leadership to end up in jail. Nevertheless, six months after the Advisor left office, those collaborative relationships still operate with no perceived friction or disputes over policy niches among donor support agencies. The DSU has remained in the midst of dialogues on the structure of the Egyptian government and the ways and means to improve public service delivery to the masses. Moreover, the DSU recently re-launched negotiations with the European Commission to obtain three million Euros for capacity building activities. This apparently is being undertaken independently of the UNDP TS-MLD project.

## Output Level Findings

**Policy Output Findings**

Policy Output Definition**:** Coordinate and guide the development and modification of the policy and legal environment for the local authority system.

TS-MLD played an important role in advancing the decentralisation policy agenda. The DSU, fully supported by TS-MLD funds from June 2008 onwards, was used by the NDP Policy Secretariat as its prime tool for decentralisation policy advocacy among senior policy makers in the executive branch of government. Other national bureaucrats, local councilors and academicians were engaged in this process. However, interviewees remarked that neither the DTO nor the DSU formally targeted the legislative branch to build its appreciation for decentralisation. The engagement of multiple donors (UNDP, USAID, World Bank, Netherlands, Canada & France) through a single GoE interface greatly enhanced the prospects of success.

The creation of the DSU changed the technical assistance focus of TS-MLD from the MLD to the whole of government. With Ms. Latif, as the NDP National Coordinator for Decentralisation, the DSU has access to (but not always agreement from) all GoE departments. This is only natural in any large political setting, either dictatorial or democratic, as there are typically many centers of power and influence. The combined resources and expertise of UNDP and USAID were used effectively.

The UNDP’s primary role in this process has been described, as it should be, as a neutral facilitator and convener of the process among the international community. Within Government, it was the DSU that carried the weight.

However, the Egyptian people’s movement of 2011 brought an end to the political tie to the project’s technical efforts when the regime fell in January. The project staff has continued to discuss these issues widely and to support dialogue within MLD and with other Ministries. The funds allocated in the MLD local development programme have been kept in the 2001-2012 budget (which is an indication of the unwillingness of the current leadership to pull back from the decentralisation agenda) and are currently being disbursed, but the political momentum for a major change at the sub-national level has been ‘put on the back burner’ .

Prior to the people’s movement of January 2011, the DSU was able to influence different ministries on decentralisation based partly on its political links whereas the MLD has lacked that leveraging ability during the past months. The MLD also has serious institutional weaknesses that limit its ability to draft or advocate for a decentralisation strategy. Part of the reason for the continuing weakness, despite four years of technical assistance, is the lack of full integration of the DSU into the core functions of the MLD. This lack of integration, in turn, stems from the unwillingness of MLD staff to consider undergoing the structural reforms that have been proposed by the DSU.

There are now many different forums in which the national debate on the future of Egypt, including its governance framework, is being discussed. The DSU remains engaged in many of these dialogues. The UNDP is supporting the Social Contract Centre (SCC) as the Secretariat for a major national dialogue, but the SCC reports that decentralisation per se is not high on the agenda. The USAID, using its EDI platform, is convening a series of dialogues with various stakeholders to set a decentralisation agenda and to advocate for its inclusion in any constitutional modifications. The EDI unit in the Ministry of Finance supports the Intergovernmental Unit, but the concept of fiscal decentralisation has met with serious resistance from central agencies. The Ministry of Education (repeated in Fayoum Governorate) reported that central agencies such as the General Authority for Education Buildings (GAEB) have used the revolution as an excuse to pull back from decentralisation measures forced upon them in past years, arguing that decentralisation was a trick played on the people by the NDP. In this way, GAEB was able to retain several hundred million pounds in new school construction funds that were going to be allocated directly to Governorates in this year’s budget.

TS-MLD had little or no link with open civil society. The Local Peoples’ Councils (LPC) are clearly not seen as legitimate representatives of the people due to their perceived political bias in favor of NDP policies and corruption. Prior to January 2011, the people acquiesced to their role, but an early demand of the movement was for their removal. Following the revolution, some Governors did involve the revolutionary youth in the oversight of the Local Development programs, but this was, at most, an ad hoc measure.

Several interviewees remarked that decentralisation is currently not high on the agenda of the national dialogue. Others strongly disagreed. The Reviewer did not have an opportunity during his exceedingly short time in the country to independently assess the situation. However, one remark may clarify the case stating that the demand from political parties is for local decision making, but this is not necessarily seen in the context of the decentralisation of the civil service. Clarification of what decentralisation is and how it can be used to shape a new relationship between the state and its citizens should be high on the DSU agenda in the coming months.

This political upheaval initiated by the events of January 2011 provides an opportunity for UNDP and the DSU to establish a new context for decentralisation. The previous Egyptian political economic context, driven by the Mubarak regime, was built on a set of corrupt values aimed at retaining control of the centre for the benefit of its close associates. This view is clearly substantiated by the groundswell of public disgust with the regime’s ability to manipulate government policy for personal gain, which has forced the Government to disband the NDP and place the President and his son on trial.[[2]](#footnote-2) Although it will take many years to root out the influences of this nefarious regime, the TS-MLD can begin the process by pressing the argument for a completely open, democratic approach to local governance.

In August, 2009, prior to the establishment of the MLD fund, three meetings were held with all Governors to discuss the investment funds, and the Governors were given a week to respond, but none did so. In addition, ad hoc meetings in the field were mentioned. It was also noted that three Governors are on the DSU Steering Committee, and the decentralization policy was discussed during the Governor’s Forums. Following the January 2011 people’s movement, feedback on the decentralization policy was requested from all Governors and their response is being reviewed by the DSU staff. .

**Institutional Support Output Findings**

Institutional Support Output Definition: Restructuring of MLD to strengthen its own capacity as the central agency for State support and supervision of the sub-national authorities’ system.

A series of dialogs and assessments was carried out in MLD in the context of a full functional analysis culminating in a restructured organogram for the MLD along with revised job descriptions. DSU worked on this task in close collaboration with the Ministry of Administrative Development (MoAD) and the Central Agency for Organization and Administration (CAOA). The resulting reform plan was cleared by the Minister of State for Administrative Reform and approved by the Minister of Local Development in December 2009. However, it appears that the process did not move further in the subsequent 12 months prior to the January 2011 movement because of strong resistance from MLD employees. It is unclear whether the MLD employees had resolved their differences with the new arrangement prior to the January 2011 events, but it is reported that 32,000 field contractors, employed by MLD, have been promised permanent posts in the local authorities.

58% of all GoE employees work in local units. However, the senior bureaucrats of the Governorates, the departmental Under Secretaries and the Governorate Secretary General are ministerial staff. This seriously undermines the integrity of the local service if senior decision makers look outside the local unit to advance their career. Their orientation will always be upwards to their ministry rather than downwards to the people of the area.

To address this dilemma, DSU also supports efforts of the USAID/EDI project in its work on functional analysis of other ministries. However, despite four years of political focus on the elaboration of a decentralisation strategy, institutional reform remains a difficult task to carry out, as illustrated by the MLD example above. The EDI team working on a functional analysis of five line ministries reports that all tiers of government have nearly the same roles and functions, eliminating any possible assessment of performance.

Nevertheless, despite the lack of reorganization, MLD was able to overcome considerable resistance from the Ministry of Planning to gain approval for a significant delegation of authority to Governors for the implementation of a massive Local Development Programme. This represents a clear victory for the decentralisation advocates. The delegated use of over one-half billion dollars annually by local authorities is not an insignificant amount.

A detailed formula to breakdown the Governorate allocations so that all sub-units can benefit has been devised to prevent the over use of these funds by the urban centres. Each Governorate is given a figure based on a development index rating, area and population size. They are instructed that each lower unit will receive a specified percentage of the total, based on type of unit and population. In Fayoum, the allocation worked out to approximately $100,000 available for a typical major village.

The MLD programme gives an indicative figure for the amount allocated to a Governorate with special earmarks for Civil Defense and transportation. There is some disagreement between the DSU and the Governorate offices regarding the sub-unit allocations. DSU/MLD argues that the formula should be strictly adhered to for equity reasons, while some Governorates complain that this leads to an excessive dispersion of the funds. . The funding is strictly for investment purposes (national budget chapter 6) and there is no similar delegated allocation of maintenance or operational expenses (budget chapter 2) from the MLD that allows for any local deviation from the national budget line earmarking.

Although MLD Local Development Programme represent a significant shift in resource allocation, even though Governorates and cities claim to be ready for more, the emphasis (as reported) to date within the MLD has been on the reporting of the expenditure of those funds rather than an assessment of the impact of the projects. No reports were made available to the reviewer that indicated otherwise. Three years after the initiation of the MLD program, both the DSU M&E unit and the Local Development Observatory (LDO) are preparing to test indicators to assess the impact of the decentralization of the local development program.

A second lacuna in the delegation of these resources for local investment is the seeming lack of a set percentage of the funds to be set aside for operation or maintenance of existing or newly build infrastructure. The maintenance of investment items must be incorporated into Chapter 6 of the budget while maintenance and operations of government buildings and equipment (e.g. public buses or school buildings) is included in Chapter 2. There has been no delegation of authority for the use of Chapter 2 funds by MLD to the Governorates or lower units. The Ministry determines the allocation and the Governorates are required to remain within the prescribed budget limits. Decentralisation, as envisaged in the draft Local Administration Law, will require access to investment, personnel and operations and maintenance funds that can be programmed according to local priorities.

The entire arena of fiscal decentralisation is filled with contradictory positions. A fiscal decentralisation strategy was formulated with the assistance of the IMF and a Permanent Committee of Fiscal Decentralisation has been established. On one hand, the Ministry of Finance centralized the real property tax in 2008. This is a standard source of revenue for local governments around the world because there is nearly zero likelihood that a person owning a piece of immovable property could be taxed more than once.

On the other hand, the Ministry of Education has obtained agreement that schools may retain 80% of the fees they collect. This agreement resulted from several years of concentrated effort to establish a decentralized mindset within the Ministry. This has resulted in the creation of a set of indicators to measure the impact of decentralisation (primarily the product of the USAID Girls Improved Learning Objectives (GILO) project. Even so, following the January movement, GAEB was able to muster sufficient resistance to prevent the delegation of any school building funds to Governorates.

At the local level, TS-MLD field units have existed in 3 provinces (Fayoum, Ismailia and Luxor) for the past three years. The field units visited (Fayoum and Ismailia) are small (2 people) and have their link with the Governorate Secretary General (chief of the bureaucracy). They both appeared to be well regarded and supported with offices inside the Governor’s building.

These offices described the MLD Local Development Programme as a major advance in building local ownership for development. A team from the City of Ismailia echoed this remark, noting that they were completely able to handle the funds provided and are ready to take on greater responsibilities. Remarks by an x-LPC member (budget manager) in Fayoum indicated a mutually appreciative relationship with the bureaucracy and claimed that all funds were used well.

The City of Ismailia reported significant benefits from the MLD local development programs. First, people participate in planning and identifying needs at the village level. These are sent up to the Hay and City from neighborhoods. Funds are made available based on population size and the priority of the projects identified. However, they complained that the requirements needing permission from Cairo are too many.

The projects were monitored by the LPC, but now the people had told the city administration that they want to monitor their own projects. Unfortunately, the city’s Own Source Revenue is too small to be used for investment.

Interestingly, in Education, it was reported in Fayoum that they receive both Chapter 2 and 6 allocations for use by schools. However, particularly the Chapter 2 funds are tightly earmarked that (following the opening created by the January movement) school masters have started refusing to receive certain portions that are allocated for budget lines that they do not require.

A major constraint noted in the Governorates is that the funds allocated in the ‘decentralized’ Local Development programs is only 10% of the investment total received in a Governorate in a fiscal year. This potentially undermines the systemic value of the transfer because (1) the line departments are quite busy implementing the centrally mandated works and (2) the extent of the central works can overwhelm the marginal contribution of the locally planned activities.

In both provinces visited, the staff reported that the DSU office appeared to perform a valued function for the Governorate and the assistance should be continued. However, 24 other Governorates operate the same Local Development Fund without DSU assistance. No comparison was made by the review mission regarding the varying quality of implementation in the other Governorates, but the feeling expressed by the Governorate teams was that expansion of similar teams into additional Governorates should take place as soon as possible.

The DSU offices also assist in the coordination of the work by USAID/EDI to carry out functional analysis in preparation for a restructuring of 5 line departments. In addition, they also serve as the local coordinator for the Ministry of Housing/UNHABITAT settlement planning efforts. UNHABITAT, operating as an integral partner agency within DSU and associated with the Ministry of Housing, is engaged in assisting the Ministry in the preparation of district level plans. There have been over four thousand plans prepared for the villages of Egypt, but scarcely any have been implemented. One of the critical bottlenecks is the confused legal relationships among the Ministry of Planning, the General Office of Physical Planning (GOPP), the MLD and the Ministry of Finance. The UNHABITAT staff attached to DSU is attempting to unravel these dysfunctional realities.

Unfortunately, one DSU field office characterized the GOPP effort as ‘making plans without people’. The complaint stated that plans are first prepared and then presented by GOPP for approval by local authorities.

Information Technology

In the modern world, access to information can become a major source of tension because of its power potential. The most potentially empowering institutional reform intervention of the entire TS-MLD encountered by the Review Mission is a national local development database that is currently being developed. The IT Department of MLD has been working on a unique national database initiative that will eventually cover all villages of the country. The name of the initiative is National Local Development Information Network (NLDIN), or *Rabet*, which means ‘connectivity’ in Arabic. The programme is well named as a total of 1250 villages of Egypt have been linked to the internet with the assistance of the TS-MLD. The MLD IT Department has worked for the past three years to expand a conceptual database originally conceived by the Prime Minister’s Information Decision Support Centre (IDSC) with support from the UNDP project, Enhancing Local Development and Governance Issues. A web-based application for the remote collection, storage, analysis and dissemination of a wide array of data sets is being piloted. The application has been designed to provide open access to any registered user to enable wide dissemination and use of the data.

This system was incompletely reviewed by the mission as no attempt was made to assess its data structure or outputs. This is partly due to the fact that the Reviewer is not an IT specialist and all data are in Arabic. However, the approach described to establish a web-based interface for a national database built from the ground upwards is a sound idea and one that should facilitate citizen engagement with the public service delivery units of Government.

The idea has been floated to add a Geographic Information System (GIS) application to the system, but this has not advanced far. This is a necessary step that can further reduce the gap in citizens’ knowledge of government activity, but a concern was expressed about allowing open access by citizens. DSU has requested GIS technical assistance from UNDP. At present there is a plan to purchase $1 million worth of map materials from the Geographic Information System Centre of the Central Agency for Public Mobilization and Statistics (CAPMAS). The price given appears to be quite high, particularly for government to government data sharing.

It was reported that the understanding of the potential for improved service delivery arising from a major reorientation towards democratized data management came through the orientations received during the study tours to France and Poland. However, as mentioned, access to information can be contentious. This innovative intervention faced serious opposition from within the DSU, and at times the activity was referred to as ‘empire building’ because of the, rightly perceived, power that the system could eventually unleash. According to DSU sources, the Minister supported the IT Department and moved to ensure the unit reported directly to him.

**Capacity Building Output Findings**

Capacity Building Output Definition: Guide the capacity development of local authorities on administrative and public expenditure and asset management skills

Local Development Planning Training

It seems clear that the MLD local development programs were created as part of a political agenda that seized the moment in 2007 when the Decentralisation Strategy was announced. As the field offices described it, in the first year 2009/2010, the planning was ‘quick and dirty’. People were told how much would be allocated for each programme at each level and then allowed to make plans. Nevertheless, the technical team associated with the DSU quickly got involved so that a planning manual was prepared and several thousand members of the Local Popular Councils (LPC) and the Local Executive Councils (LEC) were trained. The technical team further refined this manual so that in the second year, a set of 13 manuals differentiated among the tasks of LPC and LEC at each level, plus a separate manual for monitoring, had been prepared. Training of Trainers were conducted at the MLD training centre in Sakkara for over 1200 Governorate level trainers resulting in nearly 20,000 people trained, including both Popular Council and Local Executive Council members.

However, staff in the Governorates complained that the Sakkara training is academic. There was a request for the delivery of more of practical skills.

Local Development Observatory

A Local Development Observatory (LDO) was established in October 2010 and is still in its conceptual stage. The purpose of this DSU unit is to establish a regularized process to track the trends in local governance and the implementation of the MLD Local Development Programme. The initial concept note for the LDO was apparently prepared by EDI.

The LDO acknowledged that a working relationship has been established with the MLD IT initiative (however there does appear to be some element of overlap) and the World Bank M&E system design initiative. Effective performance improvements are best built from the bottom up.

A relationship with Social Contract Centre (SCC) has been established resulting from the (June 2011) UNDP Oslo Governance Centre mission. This has helped give it better focus and it will follow the SCC data collection methodology.

The LDO will be attempting to generate a holistic measure of governance at the local level by focusing on the perceived results of the MLD local development programme. The SCC will, in contrast, focus its attention on Education, Health and Water supply. They will develop the performance indicators together with the pilot district in Ismailia. These will be used to build awareness of LGUs and citizens to improve service quality. They intend to use local universities as third party validators. The LDO sees its clients as the MLD, local units and CSOs.

The Social Contract Centre (SCC) is a separate UNDP-managed project attached to the Prime Minister’s Information Decision Support Centre (IDSC), but has a number of associated activities. The SCC leadership claimed to have attempted several times to establish a link with the DSU prior to the January 2011 movement, but there was no reciprocal interest expressed by the DSU team leader. A connection with LDO was fostered by the recent visit from the UNDP Oslo Governance Centre. They will collaborate on a joint project in Ismailia in 2011.

Local Economic Development

The Local Economic Development initiative has been planned by UNCDF in collaboration with UNDP and the DSU. This will be initiated in August 2011. The key elements of the approach are to (1) revisit the Local Administration Law in light of post-people’s movement to incorporate people’s demands, (2) build capacity within the MLD to implement reform at the local level and support local authorities to carry out their functions and (3) to introduce systems and tools at Governorate and District levels for Local Economic Development and employment generation.

One comment made noted that the current Local Administration Bill does not reflect a role for local authorities in local economic development. DSU reports that they are working on this issue now.

IT Training

The IT team has established a training programme and is in the process of training 32,000 MLD field employees through a TOT at the MLD training institute in Sakkara for 4 trainers from each district. A pilot e-training package is in progress. The team has also assisted in the restructuring of the Governors’ IT units (although the national IT offices also located in the Governorates remain the same).

World Bank Monitoring and Evaluation of the MLD Local Development Programme

The World Bank provided funds for a Technical Assistance grant to create a computerized M&E system specifically for the MLD Local Development Programme. WB M&E gave a system design contract to a local firm, Megacom. The system design will include components for the planning process, intergovernmental relations, software development and training. The customers for the system are assumed to be internal: the MLD, the local authorities, the LPC and LEC. The subcontractor advised the reviewer that no civil society involvement is ‘required by the TOR’. However, during the preliminary work on the system design, prior to the elimination of the LPC, the subcontractor observed serious conflict of priorities between the LPC and LEC.

Once it is designed, Megacom expects to be implementing the system in 4-6 months in all 27 governorates at all levels. The key element and purpose of the system is transparency. However, when queried regarding the possible mapping of the individual MLD programme initiative locations, the contractor remarked that “there is no geo-coding required in the SOW” (Scope of Work).

A mention was made that the M&E Department of MLD carries out monitoring of the Local Development Plans. However, comments from the MLD indicated that only financial expenditures are tracked. The DSU M&E specialist said that an impact evaluation is planned for Dec 2011, but will only cover 2 Governorates in the first round.

Civil Society Capacity Building

Up to now, it appears that Egyptian NGOs have not had a direct relationship with the DSU, but some have been assisted to work on decentralisation by other international agents.

Maat, an Egyptian NGO, has been working on local governance issues since 2008, currently with assistance from the (German) Hans Seidel Foundation. They claim to have been introduced to the subject by DSU staff and the former TS-MLD international CTA. Up until recently they had worked intensively on building community dialog capacity with the LPCs. They have also engaged in a number of workshops in the attempt to introduce the concept of decentralisation to line agencies that have not been affected by any of the recent reform efforts. Australia assisted them in working on women’s empowerment at the village level. The NGO is conversant with modern internet tools for social media, mapping, online publications and uploading documentary films.

TS-MLD made an attempt to establish an Egyptian Decentralisation Network (EDN) in 2008. It was to be used as a ‘constructive forum and substantive tool for engaging partners and an advocacy tool to inform the public’. However, UNDP and the Government were not able to agree on a conceptual framework for implementation of this initiative and took the decision to put it on hold, although it continues to appear in each Annual Work plan, including that of 2011. The EDN was conceived as a network of civil society, academia, syndicates and community development associations (CDAs). The EDN could likely take on the form of a formal association of self-selected NGOs registered under the NGO Law of 2002. One of the proposed functions of the EDN is to monitor the activities of the DSU.

**Programme Management Findings**

It is necessary to separately address the relationship between UNDP and DSU in more detail since these relationships and the status of TS-MLD as a project controlled by the NDP, until recently, affected the orientation and outputs of the project.

TS-MLD operated as a government programme. This is in keeping with the principles of national execution. There is no question that the process was owned by the national leadership. The project resources are small and the management inputs appear to be appropriately allocated. A limitation for an external reviewer is that major project processes and products have been documented only in Arabic, e.g. procurement and human resource plans.

The Minister of MLD has been the Government cooperating agent and signatory since the beginning of the project. There appears to be a difficulty in finding a responsible person below the Minister to sign for procurements and disbursement of salaries. A senior bureaucrat in the Ministry, head of the Amana section, served as the signing authority in the early days of the project, but, for reasons unknown to the Reviewer, that did not last. Subsequent to this Reviewer’s field mission, it has been reported that the new Minister of Local Development instructed that the head of the Amana section will be the signatory of the project.

During the period July 2007 to January 2011, formal project oversight by UNDP appears to have been limited. The Project Board met in officially for the last time in 2009. (According the DSU team, the meeting in 2010 was deemed unofficial.) No Project Board meeting has been held in 2011, a particularly crucial time for TS-MLD and despite the fact that a new Scope of Work for TS-MLD has been floated.

The quality of project reporting has improved over time, but up to the last annual report at the end of 2010, they remain activity focused with no assessment of impact, financial utilization information. An argument has been made that UNDP prepared issue and risk logs, but, this is a record that should be maintained independently by the project management, not UNDP.

Complaints were raised that decisions appear to be ad hoc regarding budget allocation. The GoE allocation of 32 million Egyptian pounds was apparently contributed to fund all aspects of the project. However, lacking any documentation of Project Board approval for the AWP 2011, there is a level of confusion within regarding the validity of the specific allocations among different components of the project, with the IT Department claiming that its funds are being inappropriately spent on other units.

The Netherlands funding has been completely utilized. There will be no further assistance from Netherlands for TS-MLD, but this appears to be in relation to global aid considerations rather than a specific disenchantment with the TS-MLD. Continuing Dutch activities in Egypt will focus on human rights, gender and irrigation.

The Netherlands Embassy said that UNDP request for a grant was approved because it had a good track record as a coordinator of donors and it was seen as a ‘centre of excellence’. However, the relationship during the project period was seemingly not always as the Dutch had expected. The current Dutch Embassy respondent seemed disengaged from the project, did not fully understand its purpose and suggested that he had not been adequately briefed by UNDP. He said that he ‘didn’t have a good sense of where the project was going’ and found the whole concept of decentralisation as difficult to understand. He often found that the reports submitted were abstract, leaving them wondering ‘what is behind this comment?’ In the end, he opined that ‘it is hard to say whether we got value for money”.

Nevertheless, a review of correspondence between the Netherlands Embassy and UNDP indicated that the donor had been engaged in regular, detailed reviews of the activities throughout the life of the project. In addition, UNDP responded to all issues raised by the donor and appears to have done a creditable job of keeping the donor informed of project accomplishments and constraints.

# D Issues and Conclusions

TS-MLD has been successful in establishing a coordinated approach to decentralisation of public service delivery. Furthermore TS-MLD has facilitated the delegation of substantial sums for sub-national implementation. However, there are some issues that need to be addressed to ensure continued success.

1 Decentralisation in Egypt’s Future

It is often assumed that there is a direct link between decentralisation and people’s empowerment, but this relationship does not come about naturally. In fact, it is nearly impossible in any general sense unless there is a concerted effort to create rules that enable public access and oversight functions. Decentralisation is much more of a political process than a technical solution. Technicians (particularly those from public administration and financial backgrounds) have an important role to play in designing the details of any decentralisation framework. However, the new set of politicians who soon will be entering the Egyptian scene will need to be carefully brought on board. It has been suggested that the current Local Administration Bill should be presented for parliamentary review as soon as possible. This reviewer disagrees with that approach.

The Parliament will need a considerable period of time to put the national framework in place before they can focus on the sub-national realm. In fact, if Egypt is like nearly every other newly democratizing country, many of the new Parliamentarians may not view decentralisation in a positive light as they may be more focused on securing their own powerbase within their electoral constituency. This is something that will have to be dealt with sensitively. The focus of the DSU in the coming months should be on ensuring that the next Constitution contains wording that provides the space for the establishment of sub-national governments that are democratic and have clearly defined administrative, political and financial authorities. An example of constitutional provisions for local governance from the Philippines is attached as an annex to this report. A sudden presentation of a complete Local Administration Bill may unnerve those Parliamentarians who are not firmly committed to decentralisation as a principle of governance.

Technical solutions will not be as easy to push in an open democratic polity as there will be a wider diversity of interests that will have to be accommodated. This may lead to a radical change in the structure of local administration than was envisioned under the NDP. However, that is not something that a brief project review can accurately predict. A fundamental point that must guide TS-MLD programming going forward is that decentralisation should not be viewed as a technical process. It is one of the most fundamentally political decisions that a government can make because it is tied so closely to the distribution of power and resources. Precisely for this reason, there are few examples in the world of successful, long-lasting decentralisation in developing countries, whether under dictatorial or democratic regimes. Caution should be the watchword, not speed. Acquiring political consensus on decentralisation will be far more complex to achieve that it was when the NDP Policy Secretariat was the primary decision making node. In the view of this reviewer, it should not be assumed that legislation based on global decentralisation principles will be sufficient to secure passage of a bill that may be perceived as a move to reduce the role and resources of the centre. In any democracy, the technical merits of legislation must always be weighed against the interests of the hundreds of Parliamentarians, who will each have a unique set of personal interests and proclivities. Learning how to achieve a parliamentary consensus will be more important that engineering a seemingly perfect technical design for decentralisation.

Few countries in the developing world that came out of a lengthy dictatorial period have attempted to move immediately on sub-national governance issues. The Philippine people’s movement against Marcos took place in 1985, but the Local Government Code was not passed until 1991—even that required some particularly adroit parliamentary maneuverings to be accomplished. Even so, bills were passed in Congress in 1995 to recentralize parts of the devolved system. The system survived only because the President held true to his commitment to his predecessor, and vetoed the measures. Despite the common belief that Indonesia immediately underwent a ‘big bang’ devolution after Suharto was pushed out in 1998. A preliminary Law on Regional Governance (and associated Law on Fiscal Balance Between the Central Government and the Regions) was passed in 1999 to undermine the evident centripetal forces present throughout the country. However, the full devolution measure was not passed until 2004 after lengthy academic and parliamentary debate, with direct elections of local executives only coming in 2005. Since then there have been a series of parliamentary reversals in the devolution process. The Nepali people’s movement of 1990 forced its King to accede to a constitution framework putting Parliament in charge of law-making. A law on local government was passed in 1992. The powers and resources for local bodies were enhanced through revised legislation in 1998 only to have the Prime Minister dissolve all elected councils in 2002 out of concern that opposition parties would win the next round of local elections. The elected bodies were replaced by administrators who resumed the roles they had played prior to the 1990 movement.

In each of these cases, the Parliamentary leadership that succeeded a lengthy dictatorial regime had to work hard to overcome the resistance of those members who were opposed to opening space for local governance and citizen empowerment. Nevertheless, each of these countries experienced an explosion in the number and influence of civil society organizations similar to that evidenced in Eastern Europe following the collapse of the Soviet Union. There was also a qualitative improvement in the relationship between civil society and government resulting in an explosion in local government innovations aimed at improving the quality of public service delivery, and in national development indicators. Unfortunately, in Nepal the process did not go deep enough as the new parliament was dominated by elites who were unwilling to accept lower classes as equal members of society. The subsequent violent revolution, beginning 5 years after the initial democratic movement, destroyed the entire façade of elite control and the current Prime Minister was a leader of the revolutionary group. The decade of extremely disruptive violence in the country could have been avoided if a framework of full democratic rights for all citizens had been accepted from the beginning. Given the frequent spates of mass violence since January 2011, such a scenario cannot be ruled out for Egypt’s future. In fact, this should be upper most in the minds of those who are designing future local governance frameworks to ensure they are inclusive and equitable in nature.

Pakistan represents a curious, but important, anomaly in this regard as three military dictators have introduced forms of elected local governments since the 1960s, only to see their democratic successors eliminate their systems by reverting to the British colonial model of bureaucratic rule in the periphery. This is also a possible outcome in Egypt, particularly if the incoming Parliament is dominated by a single party or small coalition that would prefer not to permit a local government system to provide the space for competing groups to flourish.

2 Citizen Engagement

Citizen disenchantment with either the central government or their general condition poses a significant risk for decentralisation in the future. This can easily be used by an incoming Parliament to delay any structural reform involving local governance until it has ensured it will have the ability to control the process, thus avoiding any backlash from their voters. There is little evidence in the history of decentralisation initiatives that post-revolutionary Parliament’s move speedily to shift power away from themselves unless they are faced with the real possibility of unilateral secession by parts of the periphery (as in Indonesia).

In order to keep up with the changes taking place in the country, TS-MLD will need to be modified to incorporate a specific output related to building the capacity of civil society to engage with local authorities--whether elected or appointed and to leverage that new role into an effective external push to improve the transparency, accountability, quality and equity of public service delivery. This needs to become the sine qua non of TS-MLD in the months ahead.

There are no gender-related indicators in the TS-MLD project document (although the issue is mentioned on the signature page) eliminating any possible means of monitoring the benefits of a decentralisation policy for women and other marginalized groups. The UN’s commitment to the inclusion of women in local governance appears not to be reflected in TS-MLD’s AWP’s or plans for the future. The lack of a DSU affirmative gender policy and a gender and social exclusion specialist staff member should be noted in this regard. Access of women and socially excluded to public services provided by local governance units should become a special topic for the DSU. The earlier assumption that an orderly civil service reform and elected local representatives is sufficient is no longer acceptable. This has rarely proven to be the case in other countries without measures incorporated into the rules that provide citizens with regular opportunities to review and comment on government actions.

Some options for consideration could include: 1) Quotas for women’s participation in local legislative bodies, with one-third as an appropriate minimum, 2) A minimum percentage of local development projects should be directly linked to women’s empowerment or otherwise clearly linked to women’s social development issues, 3) Other projects should be required to explain how they are addressing women’s, as well as men’s, needs, 4) Any citizen engagement process must ensure a minimum of 30% women’s participation in all events, 5) It would be very good to include gender sensitization for all local council staff, officials and any project staff who are assigned to guide local decision making processes.

3 Establish a focus on Public Service Delivery, not just planning

A major supporting argument in defense of democratic local government is its contribution to the more effective, accountable delivery of public services. TS-MLD has supported MLD’s emphasis on planning and implementation of small projects, but the routine operation of schools, clinics, water supply, etc. requires more than just planning and investment. The role of the local administration to direct the delivery of improved public services, beyond that of the MLD Local Development programme, will need to be addressed by DSU in order to improve the quality of service delivery in the near term. In addition, establishing the role of citizens’ involvement in a co-production mode of public service delivery should be fully considered.

The establishment of the NLDIN, WB M&E system and the LDO will assist substantially in tracking the utilization and impact of the MLD Local Development programs. This is a critical programme and the perception of its success will be important for building appreciation of local governance capabilities. Nevertheless, this programme only affects 10% of the development budget and none of the other budget categories. The focus of improved local service delivery cannot be limited to the activities of MLD. If local authorities are to gain credibility in the eyes of the public they will have to be able to influence the activities of other sectors as well.

This indicates the need to develop standards of service delivery that can be tracked by the Governor and his subordinates. This can be done without a change in current law or organizational structures if there is political support at the centre. The current system can also be improved by enabling public oversight and by building a ‘grand coalition’ at the Cabinet level that is focused on the quality of service delivery…and not on the more contentious decentralisation of power and resources.

4 Project Management

Observing the lack of Project Board involvement in project direction in the past, the influence exerted over the management of TS-MLD by the NDP Policy Secretariat appointee seemingly made it difficult for UNDP to provide its usual level of project control. Now that this impediment has been removed, project management processes need to be formalized with the establishment of a Project Board. The MLD minister should be identified as the Executive Member and, if possible, a Deputy Prime Minister should be brought in as the Senior User. This will provide clear direction as well as the linkage to the broader spectrum of governance change underway. However, if the Minister is the Project Board executive, he should not also sign for procurements. It was reported that the Minister had identified a permanent staff of MLD to take on the role of National Project Director.

Quarterly plans, reports and Project Board meetings should be required for at least the next year. Changes are happening too fast for the project to be allowed to wander. Each quarter a clear, detailed plan should be prepared and its accomplishment should be reviewed at the Project Board meeting.

Past progress reporting by the TS-MLD presented some limitations for this review. Most of the reports refer to deliverables in relation to key project activities. This is necessary, but insufficient, information to measure the effectiveness of the project. There are no qualitative indicators designed to assess the perceptions of potential beneficiaries on added value of TS-MLD activities. These gaps may be addressed by the LDO, but it will take considerable time in getting on the ground in even a majority of districts across the country. In the near term, the greater emphasis will need to be placed on the completion of the NLDIN and availing access to its data for all possible consumers. Civil society has expressed a demand to be involved in the development process, but it will need access to information to be able to move forward on this front.

Although there has been no presentation to a Project Board, UNDP refers to the scope of work prepared by UNCDF as the ‘new direction’ for the project. There may be an internal consensus on this as the way forward, but in order to keep with what the reviewer understands as UNDP norms of project management under National Execution rules, there needs to be a formal assessment of the proposal and a formal acceptance by a duly constituted Project Board that is recognized as the decision making authority. It appears that UNDP assumes dialogues among UNDP staffers, successive MLD Ministers and outside agencies (such as UNCDF, which has no official role in any project documents shown to the reviewer) are sufficient to replace formally mandated Project Board decisions. This review argues that, despite the current upheaval in the Egyptian government, UNDP should not take on the roles of both project executive and project control[[3]](#footnote-3) as would be the case under Direct Execution. By doing so, UNDP potentially opens itself to criticism by a later government of operating unilaterally on a subject of significant political consequence.

The project appears to be seriously short of funds as indicated by the GoE allocation for the IT initiative apparently being used to continue the operations in other parts of the project. The UNDP should have been looking for another donor long before the Dutch funds ran out. The EU will be providing the DSU a total of three million Euros for capacity building. The understanding of this Reviewer is that these funds will be managed directly by the MLD. The UNDP should present to the next Project Board its partnership/resource mobilization plan to ensure that TS-MLD remains a viable player at this crucial time.

# E Recommendations

## Outcome Level Recommendations

A systemic approach is required for UNDP to effectively assist the Egyptian Government in meeting the current governance and development challenges. As a precursor to preparing the next CPAP, the UNDP should undertake a ‘decentralisation and citizen empowerment audit’ of its entire country programme. This would aid in ensuring programme/project structures that are no longer ‘fit for purpose’ in the evolving Egyptian governance context can be adjusted to ensure consistent and effective support to emerging national priorities.

As an example, the UNDP-managed Social Development Fund has planned for a review of the programme. The Governance Unit should assess the potential for UNCDF’s Aladin Shawa, together with an Egyptian local institutional expert, to become associated with the Social Fund review team to ensure a decentralisation lens is applied. The link between the SDF and LED should be clear: It is important not to present the public with overlapping or conflicting processes for economic revitalization.

It would be important that the TS-MLD be aligned with UNDP’s strategic priorities as outlined in the UN Strategy during Egypt's Democratic Transition, 2011-2012: Democratic Governance through Decentralisation, Civic Engagement and Human Rights. Unfortunately, the approach to decentralisation in the UN support to the transition continues to place the bulk of its focus on putting planning systems in place. And the April 11 note on meeting with Minister of Local Development makes no mention of engaging the public more fully in the local development programme during the transition period.

|  |  |
| --- | --- |
| National and local capacities and systems are enhanced for decentralized, inclusive and gender sensitive planning, budgeting, monitoring & evaluation | Support the Decentralisation and Local Development agenda by revisiting the draft decentralisation strategy, the related law, proposed structures of local Governance system and capacities of Ministry of Local Development (MLD), in addition to supporting a National Local Development Information Network (NLDIN) and a decentralisation/local development observatory.  Introduction of the system, tools and capacities at the Governorate and District levels for the promotion of Local Economic Development (LED) and employment generation. |
| -Continued technical support to decentralisation efforts in Egypt, capacity building to MLD and General Organisation for Physical Planning (GOPP) in preparing, implementing and monitoring Strategic Development Plans and Participatory Budgeting at District and Governorate Level  -Continued technical support to decentralisation efforts in Egypt, capacity building to GOPP and local administration in preparing, implementing and monitoring Strategic Urban Development Plans in 50 small cities in Egypt, and community based implementation of Priority Projects at local level (with particular focus on youth employment) |

This reviewer recommends that UNDP NOT continue to address local development through a techno-bureaucratic planning-oriented lens, which is part and parcel of a dirigist model of development, more consistent with the aims of the previous regime. The missing link in the above table is citizen engagement. The EDN may be a viable approach, but this is as yet untried. UNDP may have other projects that are more tuned to the needs and expectations of civil society or perhaps there will be a need to seek collaboration with other international agencies.

TS-MLD represents a considerable investment on UNDP’s part. DSU, partly as a result of this investment, has proven technical capacity in supporting a public administrative approach to local governance and access to resources, despite some of the qualifications outlined in the Review report. It is a prominent and credible defender of local development. Clearly, adding a component for citizen engagement and capacity building to the TS-MLD Scope of Work should be seriously considered as a viable option for UNDP to use in marrying its support to decentralisation policy with support to citizens’ engagement with local governance in Egypt. The comments from the DSU staff on the earlier draft of this review indicate that they may present a serious stumbling block to any attempt by UNDP to introduce the concept of democratic local governance (representing the relationship between citizens and government) as opposed to further efforts at civil service reform.

## Output Level Recommendations

### Policy Recommendations

Decentralisation will need a push. Central agencies need to be prevented from rolling back whatever gains have been made since 2007. With the departure of the NDP Policy Secretariat member, Ms. Lobna Abdel Latif, the DSU lost its political links at the higher levels. The DSU needs a new political advocate who can easily dialog beyond the ministry along with civil society and academia. Perhaps this will turn out to be the new MLD Minister, but he will also have many immediate ‘ministerial’ tasks to which his attention will be pulled.

To their credit, the DSU tech team has continued their work over the past six months to establish communication with the current GOE/citizen dialog process. Nevertheless, the political momentum towards decentralisation has slowed. UNDP should immediately engage with the new MLD Minister to establish awareness in decentralisation beyond MLD…but avoid selling decentralisation as a panacea. Decentralisation represents only a potential for effectively addressing current problems. Given the complexities involved in implementation, there is no guarantee that any decentralisation policy, no matter how well designed, will actually improve the lives of citizens[[4]](#footnote-4). There are too many other factors to be taken into consideration to allow such a simplistic assertion to be made honestly.

It should be made clear that no decentralisation model exists that can be taken down off the shelf and implemented in Egypt. Decentralisation is a political process that has technical aspects. A set of guiding principles is being derived from a review by the DSU of sub-national governance under other unitary state constitutions. The Arab Region Governance Team is planning an international constitutional dialogue in September. The DSU team should be invited to present the findings from its review of numerous constitutions.[[5]](#footnote-5)

There is no question that the DSU should be continued as a locus for decentralisation policy design, implementation and capacity building. However, the UNDP should advocate for a two-tiered relationship at both MLD and with the Cabinet. UNDP should engage with the new MLD Minister to advise him of the utility of this move so as to seize the opportunity to ensure that any new constitutional provisions are supportive of a decentralized and citizen-centric governance framework.

People need access to justice, security, access to information, better services, business and employment opportunities. Local Development must move beyond the idea that it is limited to planning small infrastructure. Both India and Indonesia, among others, have fully documented their individual approaches to building a national set of minimum standards for the delivery of public goods and services. The India model, in particular, includes a strong citizen accountability component. A set of service standards for Egypt can assist in defining the nature of political & administrative powers and financial resource levels required by local authorities in order to meet these service standards.

In short, the focus of the TS-MLD during the transition period should, therefore, be:

1) Advocate for decentralisation-enabling, information sharing and citizen oversight provisions in the next Constitution; other legal work regarding the structure of sub-national authorities should be put on back burner

2) Ensure recognition of the constitutive role for Local Economic Development in ensuring citizen uplift and satisfaction in Government

3) Facilitate enhanced engagement for men and women in the delivery of goods and services at the local level, particularly, but not limited to, those produced using decentralized funds and incorporate indicators for gender and governance

Work on the Local Administration bill should be seen as secondary to establishing constitutional principles that protect citizens’ human rights and cementing principles of devolved political & administrative and financial resources to Governorates and lower bodies in the Constitution, with details to be defined by law.

Article X of the 1987 Philippine Constitution may be a useful example. The Philippines is a unitary state that came out of a lengthy dictatorship in 1985. Since 1991, a system of elected local governments has managed certain function, while others have been retained by the central government. A particularly valuable aspect of the Philippine constitution is the nature of the inter-governmental fiscal transfers, which must be transferred directly from the executive without requiring any appropriation in the annual budget approved by the national parliament. In addition, the clauses on local economic development and the requirement for citizen engagement (termed ‘sectoral representation’ in section 9) in local government processes provide valuable examples for Egypt.

### 

### Institutional Reform Recommendations

1 Citizen engagement

TS-MLD should add a specific component (along with an associated output and indicators) on engagement of men and women to assist in re-creating the space for an associational form of society in Egypt. This is the most appropriate time to take advantage of a unique opportunity for piloting this relationship through the implementation of the MLD local development programme. The City of Ismailia reported that citizen groups have already demanded to play a role in the oversight of the ongoing project planned by the previous local councils. A plan is already in place to pilot both the SCC and LDO performance surveys in Ismailia. Work could also begin to establish quality and access standards for the MLD programs and the sectors covered by the SCC surveys. The process could be carried out in such a manner to engage citizens in association with both local and central/sectoral authorities in designing standards that protect the interest of the citizen while ensuring that resources can be made available to cover any added costs. DSU should abandon the dirigist mindset that supposes citizen engagement should wait for more stable times. The failure to enable citizens to engage fully with government can lead to far greater instability, as noted in Nepal. In any event, since Egypt has been forced into a democratic discourse by citizens, who is it that should decide when the time is right?

This new focus would allow TS-MLD to make a fundamental shift in support of serious citizen engagement with the Government in the oversight of public service delivery. Again, India, Indonesia and the Philippines provide more useful examples than those of EU members for such engagement in complex, developing societies with limited resources. The crux of the argument here is that demand-driven improvements in service delivery will be more effective and sustainable than any ‘supply driven’ approach to civil service reform.

TS-MLD can continue to wait on MLD restructuring. This can wait until it is clear that there is a political vision and will for a restructured relationship between central and local authorities under a reform constitution. It may turn out that MLD is not considered any longer relevant as a separate entity, with many of its functions possibly turned over the Governorates and other ministries. As above, the focus should turn to ensuring the MLD local development programme is implemented in open and effective manner, with lessons captured that can inform further policy reform and capacity building.

2 One of the factors that will encourage greater devolution of power is evidence of real impact in the lives of men and women. The proposed Local Economic Development initiative will be critical in expanding the vision of development by being driven by people’s own initiatives rather than merely through direct government fund transfers.

It would be valuable if this activity includes advocacy for rule changes at the national level along with modification trade and tariff agreements with importing countries to facilitate a rapid expansion in opportunities available for local economic development. As an example of national rule changes, apparently small changes in the Egyptian tax laws for SMEs would enable the majority of them to be classed as formal sector entities, thereby facilitating access to bank loans.

LED is a perfect arena for engaging young men and women productively in the transformation of their home communities. Since September 2004, a mechanism known as Community Youth Mapping (CYM) has been established and implemented in Egypt to prepare economically disadvantaged youth and adults for either entry into unsubsidized employment or attainment of basic education and/or occupational skills leading to employment. Technical School students successfully utilized CYM as a tool for training and development, exposure to a variety of professions, and a means for using creativity to provide meaningful contributions to community development. CYM was unique in providing opportunities for both young men and women, with many of the women becoming the GIS computer experts while the men collected the data in the streets.

Although initiated as a component of a USAID Education Reform Program, CYM has been institutionalized in Egypt. Youth Developing Communities Association (YDCA) is a non-profit organization established in 2007, with the aim of empowering youth who have been affected by the lack of economic development and unemployment, and the lack of identity and social exclusion, to advocate for their priorities to improve their livelihoods within their communities. Through YDCA, youth and adults have been involved in participating and sharing success stories/lessons learnt in various projects both in various parts of Egypt and in other countries of the Middle East.

While collecting baseline data to identify available services and resources, and transforming information into action oriented initiatives in their communities, the young people, through the Community Youth Mapping process, are able to create a grassroots approach that builds a sound infrastructure for community development. The benefit of this is that it equally corroborates and augments partnerships, from local NGOs, and it targets such institutions during its capacity building phase.

4 Information Technology

The NLDIN initiative can be considered as the most important institutional reform initiative of TS-MLD. This system has the potential to become a global best practice in e-governance once it is up and running. Two aspects suggested that can improve the utility of the system would be to geocode all data so that it can be displayed and queried spatially and to facilitate citizen interaction. Geographic referencing is being considered by MLD for its information system and a request for technical assistance in this area has already been submitted to UNDP. At present, MLD is suggests that citizen input to the system can come at a later stage once the system has been stablized, but it is going ahead to create the system so that the data can be downloaded to other applications to facilitate citizen oversight, business development or other analyses.

The only system in a developing country with similar resource constraints and of similar size and complexity known to the reviewer is the one created by the Urban Unit of the provincial Government of Punjab in Pakistan. Punjab province has 100 million residents located in 205344km2. < <http://www.urbanunit.gov.pk/pubpublic/pubcomp/56.pdf> > This system has been expanding over the past six years using only government resources and is currently experimenting with appropriate mechanisms to enable citizen input to the system. A significant difference is that the Punjab system was built initially as a spatial reference system, rather than a textual/numerical database.

Another example, of a much smaller scale, despite being national is scope, is the Singapore OneMap system ( <http://www.onemap.sg/index.html> ). The Singapore model has already moved into the citizen interactive mode. It uses the Road Network and Land Parcels as base layers as these are critical for many citizen and business location queries. Services are included that let the user query about land information, search for schools, ask about property prices, look for spaces to lease, trace bus routes. There is also a business map and a map showing water levels. Tools are available so that users can make bookmarks, add their own drawings, and measure distances on the map. Thematic layers are also viewable, organized into information clusters for the community, culture, education, environment, etc.

One possible opportunity for citizen input in local information management could be to engage the Egyptian Decentralisation Network (EDN) in a parallel mapping activity that could be used to foster citizen use of the MLD database. NGOs in Egypt are already experimenting with a variety of Web2.0forDevelopment tools. The website, <http://harassmap.org/> , is an excellent example of how these tools have already been used in Egypt. Another example from Kenya, [www.mapkibera.org](http://www.mapkibera.org) shows how poor citizens can become fully involved in their own development.

There are literally hundreds of examples around the world of government information systems oriented to facilitate citizen engagement. One is the [www.checkmyschool.org](http://www.checkmyschool.org) activity in the Philippines developed by the Affiliated Network for Social Accountability in South-East Asia, the Ateneo de Manila University, and the Department of Education. The system allows anybody to view data about schools from the government databases and at the same time engages volunteers to send information about schools anywhere in the Philippines. Volunteers may post the location of schools using GPS data and attributes about these schools such as cleanliness, availability of teachers, etc. The objective encourages accountability through transparency and voluntary citizen involvement.

Place-specific information is critical for local economic development. The Department of Trade and Industry of the Philippines mapped and categorized over 700 tourist sites in the island Province of Bohol (<http://maps.google.com/maps/ms?msa=0&msid=211552980494073538542.0004a88092dff5dfdd2c9>). They used Google Maps and the Samsung Galaxy Tab, running Open Data Kit (ODK) applications.

### Capacity Building Recommendations

The reviewer did not have an opportunity to visit the Sakkara training centre (a political disturbance cancelled the visit) and all training materials have been prepared in Arabic. Nevertheless, the fact that over 20,000 individuals have received training is a credit to the organizational capabilities of the DSU. However, comments received by the reviewer when visiting the Governorates indicate that a review of the training methods may be warranted. Criticisms were made that the training is too academic in nature and suggested that greater emphasis needs to be placed on basic skill building through a learning-by-doing approach. Modern adult learning techniques (andragogy) place the primary emphasis on engaging adult learners in methods that require them to use the tools being presented and to know why learning them is of immediate and practical importance to them. There are quality adult learning organizations in Egypt that could carry out an assessment of the current training methods and materials to ascertain whether the criticism is valid and, if so, to propose appropriate modifications. Training should be expanded to include CSOs/CDAs so they can play an active role in oversight of project implementation now that LPCs have been dissolved.

The TS-MLD Governorate units appear to be providing a valuable service. Granted that sufficient additional resources can be obtained, this type of unit should be expanded to reach nationwide coverage by the end of 2012. One suggestion put forward would be to establish units that are responsible for more than one Governorate. This can be immediately tested by changing the scope for the three existing units (and adding resources to fund increased operational expenses) to cover neighboring Governorates.

The difficulty in fostering structural reform in the MLD illustrates that fact that in order to accomplish, and sustain, any change at an organization level, the agents who are in direct contact with the citizen, and most of those who back them up, will need to have a sense that they have been intimately involved in the design of their new work arrangements. The Public Service Excellence Program (PSEP) was introduced to Egypt in 2005 as a part of the USAID Education Reform Program (ERP). At the time, participants observed that PSEP was an important intervention, but that it was quite difficult for government to allow citizens to measure their performance. The Egyptian people’s movement has provided an opening to address the public service ethics and incentive structures that may allow for the successful introduction of PSEP or any number of other tested programs that focus on broad-based participation in redefining service structures and rules in order to reduce corruption and improve citizen satisfaction.

The LDO should continue to place its greatest attention on indicators that have direct impact on public sector behavior. Meaningful change in service delivery behavior can inform national policy through tangible results. The LDO should be linked with the EDN once that is established in order to expand the range of feedback sources. The LDO intends to start small. This will be important to ensure that the type of data collected will have a meaningful impact on local performance. This should be closely tied to the establishment of quality service standards. The perception of poor service delivery undermines arguments for further decentralisation. The establishment of service standards based on the experience of the Education Ministry would be valuable. Expansion into new Governorates beyond the three pilots should be delayed until the MLD information system and the Local Development Programme M&E system are populated with data from the new locations. This would focus the LDO on analysis of data rather than creation additional data collection systems.

There is a critical need to carry out an external evaluation of the MLD Local Development programs for absolute impact and differential equity impact on men and women. Despite the political upheaval, the Government has continued to channel substantial funds into the hands of the local administrators. The people’s movement already forced the removal of the local elected representatives because of the perception of corruption. In order to build Parliamentary support for decentralisation, an in-depth impact assessment of this ongoing programme is important at this time to assure the incoming Government that its limited resources have actually been used for the benefit of the people.

TS-MLD appears to have missed an opportunity by not engaging more closely in implementation oversight of the MLD Local Development programme by assisting at least the pilot Governorates to closely monitor the experiences and to use the knowledge gained to inform the ongoing policy reform efforts. There is little or no documentation available to an external reviewer of changes in peoples’ lives as a result of the three-year old Local Development programme.

The DSU M&E specialist mentioned that an impact study would be initiated in December. UNDP should ensure that this is designed with specific regards to the needs of women and children. In addition, UNDP should discuss the M&E system with the World Bank so that the SOW can be expanded to ensure proper involvement of citizens in its design and to add geocoding of project information so that patterns can be tracked spatially.

There is a serious need for a forum that is led by civil society to press for the creation of an open, democratic and empowered system of local governance. This will require the engagement of citizens, politicians, bureaucrats, academic and donors. The Egyptian Decentralisation Network (EDN) may be the appropriate vehicle to foster such a targeted consensus building effort. The EDN has already been included in the 2011 AWP. A mechanism should to be devised to provide a grant for the establishment and minimal operational expenses of the EDN in 2011. Perhaps an option would be to initiate the EDN through a non-MLD mechanism in order to avoid the creation of any moral hazard since one of the stated functions of the EDN is to monitor the utility of the work of the DSU. If a decision is made to seek an alternative home for the EDN, perhaps funding could be added to the Social Contract Centre project, rather than the TS-MLD, to provide a sub-grant to the EDN.

The reinstatement of one of the articles of the recently abrogated 1971 constitution that could aid in enhancing the functionality of the EDN is article 28, which authorizes citizens to share in the administration of public projects. This is the article that enabled the Ministry of Education to establish the school Boards of Trustees. This article, or a similar enabling authority, will be needed to facilitate EDN members’ access to government information. Otherwise, given the 60+ year history of government secrecy and operating in a social environment that gave no space to the legitimate associational aspects of life, EDN may be viewed as merely a bothersome interloper by government agencies at all levels

Prof. Heba Handossa said that she is seeking good ways to improve the ability of citizens to voice their concerns. The use of Web2forDev tools can rapidly increase the ability of ordinary citizens to have their voice heard and for their individual voices to be aggregated to indicate trends and spatial variation. Web2forDev is an abbreviation for Participatory Web 2.0 for development. Web 2.0 refers to the interactive nature of modern websites, particularly those associated with social media. Web2forDev is an uncoordinated collection of internet applications that are designed to improve information sharing among people who are interested to create an information based that is useful to facilitate collaborate on identifying and employing solutions to common problems. Many Web2forDev applications combine the use of mapping and text messaging to generate, combine and correct data in order to continuously improve the validity of the system. There are several web-based text message aggregators that are in use in Egypt, with the harassmap.org gathering text message data on sexual harassment in Cairo as one example.[[6]](#footnote-6) These tools (mostly using Ushahidi as the core application) have been tested in a number of situations to rapidly aggregate text comments about disasters, elections and ongoing phenomena. The EDN could easily have access to such tools as their cost is minimal, yet their impact can be exponential.

Ushahidi is the Kenyan word for “witness”. It is also a web service that was created by Kenyan programmers to help monitor a key election in their country a few years back. Back then users of the information could post notices on the web about election incidents such as vote-buying, intimidation, ballot-snatching or violence. The posts were marked on an online map so everybody could see what was happening where. It became a way of providing information to Kenyans, to the international election monitoring teams, to accountable officials, and to the rest of the world, that could not be tampered with nor censored. It became, indeed, a platform for witnessing.

Ushahidi was used in other events in other countries, including the post-earthquake relief activities in Haiti.

Crowdmap is a version of Ushahidi that is made available for other users. In the same way that a user creates an email account to send or receive email, a user can create a Crowdmap account to create a “deployment” of a mapping application. Users can map what they will, or share their account with others to map items of common interest.

OpenStreetMap is an international “wiki” map. It is similar to Crowdmap in that it can be accessed online, users can register to use it, and registered users can add features to the map. For either technology, a single user or a community of users can create maps covering their own interests.

Crowdmap, OpenStreetMap and similar web services provide an alternative to expensive GIS software. Moreover, they are online services so they can be used by anybody in the community with an Internet connection, which the MLD information System is greatly expanding. Some level of administrative supervision may be needed to enforce civility and validate some data, but to a large extent use of the technologies is free not only in terms of cost but also in terms of access.

### Programme Management Recommendations

The project needs to be brought under UNDP standard, preferably PRINCE2, project management methods (which are readily available through UNDP training services). In particular, establishing (and regularly convening) a formal Project Board will reduce some of the complaints that project decision making is ad hoc and without clear authorization. The project also requires significantly improved document configuration, product design, quality control and risk assessment incorporated in its standard operating practices.

The DSU should be guided to prepare a new Business Case for TS-MLD to bring it in line with the current political environment and formally establish a new project direction along the lines mentioned above. Once cleared by the Project Board, this note could then be used as a sales piece to engender donor and GOE buy in to an expanded mandate.

A formal Project Board needs to be established and convened as soon as possible. Hopefully, the MLD Minister who was appointed during the time of this review will be willing and able to assist UNDP in establishing this critical process. The AWP for 2011 is being implemented, and modified, without reference to Project Board approval. Attempt to get Deputy PM as Senior User on the Board, but keep the MLD Minister as the Project Executive. The senior individuals selected as members of the Project Board must be the individuals who can attend its meeting. There is no purpose to have a Project Board if the members do not attend. It is highly inappropriate for UNDP to suggest that Board members select a junior person to represent them in order to ensure the meetings happen according to schedule[[7]](#footnote-7). It is more appropriate for UNDP to spend the extra effort to ensure that the Board members are fully briefed and prepared for the meetings and that they perceive these meetings as an item of high importance on their agendas.

An MLD functionary has apparently been identified by the Minister to serve as the NPD. This is a good move as the NPD is not a ministerial function.

TS-MLD appears to be in a serious funding crunch. UNDP should immediately investigate the possibility of preparing an unsolicited proposal to obtain a Public International Organization (PIO) grant from the USAID ‘transitional democracy funds”. Reference was made by USAID to a fund of $65 million.

(unsolicited proposals guidelines <http://www.usaid.gov/policy/ads/300/302map.pdf> ; PIO grants <http://www.usaid.gov/policy/ads/300/308.pdf> )

UNDP has a complicated set of procurement procedures. As much as possible, the project should be assisted to reduce the time and effort required to obtain needed equipment and technical services. As requested by the MLD IT Department chief, the complex nature of IT procurement should be recognized and greater use made of mechanisms such as pre-bid Expressions of Interest to enable the project teams to dialog with vendors in order to understand their approaches, products and capabilities more completely before issuing a formal tender notice and receiving firm price bids.

UNDP needs to ensure that DSU develop an affirmative action gender policy to mainstream gender in all components/activities of DSU and to ensure that gender issues are brought to the forefront in all dialogues on the nature of a future sub-national governance framework. [[8]](#footnote-8)

# F Principles of Local Governance

“The 1971 constitution recognizes the need for decentralisation, and calls upon the government to transfer authority to local councils which are directly elected by local communities. Since the first unified code for local administration of 1960, several laws have been initiated and enacted, with the purpose of improving the performance of local administration. Nevertheless, local communities, as well as the general public, show very low standards of trust in and support for local authorities. Corruption, mal-management, and lack of power are the most common factors influencing the public perception of local administration. In addition, the "system" of local administration is itself too complicated and less conducive to effective operation and assessment.

All local units are supplementary agencies helping the central government to conduct public policies at local levels. Each local unit has an elected council and an executive appointed by the central government, and holds almost all sorts of power at local level, thus leaving the elected members unable to make and implement locally made policies. Voters are requested to elect tiers of those "LPCs", from village to districts and governorate. Because of its complexity and with regard to high rates of illiteracy, local elections cannot be seen as an effective tool for representative democracy. On the other hand, the lack of power of local councils and poor performance of local officials "the executives" challenge the concept of participatory democracy at local level.”

State of Local Democracy in Egypt, IDEA, 2009.

“Support to decentralisation is not necessarily an effective tool in poverty alleviation…Given the various options available for donors to affect the poverty orientation of decentralisation processes it is difficult to see that these options have been fully utilised…Although some donor programmes have a clear poverty focus, there is little programme output to demonstrate that the support has had a significant bearing on pro-poor decentralisation.”

DAC Working Party on Aid Evaluation

Workshop on Donor experiences in Supporting Decentralisation and Local Governance:

Oslo 23-24 September 2002

The donors surveyed in the workshop quoted above were all working on decentralisation, but, according to their own evaluation, there was little poverty alleviation to show for their efforts. Was the problem with decentralisation or with donor programmes? Or did it have more to do with the complex nature of the relationship among all three?

Given the historic lack of links between decentralized governance and the rights of the individual, the critical message in this section is that **a human rights approach to decentralized governance is critical to protecting and promoting the freedom of individuals to lead the kind of lives they choose in dignity, free of injustice and humiliation.** However, the current reality is that the creative processes that lead to individual freedom and development have been constrained (outlawed) by long established institutions for the mass of Egyptian citizens. There is absolutely no guarantee, and little probability, that the proposed approach to local governance through civil service reform will greatly improve the current Egyptian reality. In fact, if care is not given to ensuring citizens have clear and inalienable rights to check the actions of their local governments; it could make matters even worse.

One cannot generalize about decentralisation, assuming that it will be good or bad for a particular country, because each application is not a single event to be analyzed, but a multiplicity of contending and contradicting actions, each of which takes its shape from the particular socio-environmental context at a particular period of time. Thus, the relationship between decentralisation and poverty reduction as one of potential rather than fact.

Jeni Klugman’s[[9]](#footnote-9) review for UNICEF of the potential outcomes of decentralisation from a child welfare perspective clearly illustrates this point. (Dr. Klugman earlier did a global review of decentralisation as a background paper for the 1993 UNDP HDR.) In her UNICEF paper, she starts out with the assumption that local governments tend to focus on those services that are of greatest direct relevance to child welfare. Her concerns, however, are two-fold. First, she fears that decentralisation may not be coupled with equitable distribution of financial resources, such that people living in poorer regions may not have the same opportunities or outcomes as those living in regions with greater local resources. However, her greater concern is that local communities themselves may not see education, or immunization, or other programmes that do not have immediate, tangible outcomes, as important goals. They may, therefore, influence local decision makers to minimize the level of resources allocated to those sectors. Given the current state of the Egyptian economy, with the number of unemployed, this is a very real concern that must be considered when advocating for enhanced decision making at the local level.

Many reports view decentralisation as a process to improve the allocation of resources. They often argue that this will come about because government is closer to the people. However, many others argue quite differently, that decentralisation is rarely instituted as a result of rational economic analysis and that its impact may not only be questionable, but may clearly be ‘dangerous’.[[10]](#footnote-10) In fact, there is a lot of confusion regarding what decentralisation is and what it can accomplish.

In practically every nation in the world, there is a continuous debate over the balance between local autonomy and central control. A basic principle in understanding decentralized governance in a unitary state is that the term decentralisation implies the acceptance of a subordinate relationship to a preeminent authority where the decentralized authority is still subject to central control and that any effort to decentralize can be easily aborted by the capacity of central authorities to re-centralize. This principle characterizes the current situation in Egypt. Local authorities have been granted their existence and certain rights in the 1971 Constitution and the 1960 administrative code, but have never been clarified or supported fully in practice by the centre.

An additional principle that is important to this discussion of roles and functions of local authorities emphasizes the responsibility of the individual to govern his own affairs in a way that is consistent with the exercise of an equal authority by others. This principle can be extended to groups of individuals and to their relationship to the Government. The development of an interdependent relationship between the state and civil society is crucial to the understanding of the value of enhancing self-governing capabilities as an integral component of public administration reform.

Public/private and central/local dichotomies are not particularly meaningful ways of explaining the universe of possible interdependent relationships that are needed to solve particular developmental problems. Rather than attempting to predetermine certain functions that must, regardless of capability, be performed at a particular level of governance it is more useful to ask context specific questions about **who will participate in making what decisions, for whom, with what resources and under what conditions[[11]](#footnote-11)**. The attached annex illustrating the variety of decision nodes for education in China and the Philippines (where education is a strictly central subject).

The purpose of this section of this mid-term review is not to undertake an overview of decentralisation; rather the purpose is to propose key standards useful in developing constitutional and policy strategies for enhancing the power and authority of sub-national governance bodies in Egypt. It is proposed that Egypt’s decentralisation strategy be based on the following standards of operation: **subsidiarity, accountability, and transparency**. These standards are complementary and mutually reinforcing, but none of these are being used to their fullest extent, either explicitly or implicitly, in Egypt today.

The standard of **subsidiarity** is the most important in developing the following assessment methodology. This standard demands that the ability to make a decision to address a public problem be located at the nearest capable level to the source of the problem that can finance the solution at the least cost, administer it effectively, and achieve its public purposes efficiently. This means that rather than the centre determining what should be done at the local level, it is the local institutions that must act responsibly to inform the centre whether they are capable of carrying out the tasks required of them by their constituents.

Closely linked to subsidiarity, the standard of **accountability** goes beyond the narrow interpretation traditionally given to it, that elected bodies should be held responsible by their constituents for their decisions and actions (e.g. through elections, transparent budgets, and audits). Accountability, in this case, also means that government is obliged to respect, protect and fulfill human rights. They are accountable for these obligations to all citizens and to the international community.[[12]](#footnote-12)

The standard of **transparency** may appear to be self-evident, but its importance should not be underestimated. Decentralisation may provide strong political incentives to bypass transparency. It is important to define and evaluate options, decision criteria and implementation instruments in transparent ways if the potential benefits of decentralisation are not to be overcome by the perverse incentives to enhanced local authoritarian control it may promote. There are many studies that have focused on the concept of ‘local elite capture’ of resources intended to benefit the citizenry at large.

What should be the proper role for the centre? There are two critical areas that can have a major impact on both the effectiveness and the efficiency of governance at all levels of society. These involve (1) designing structures to enhance capacity and (2) designing structures to ensure accountability. If these two areas are effectively addressed then the types of problem solving decisions made by sub-national governance institutions and elements of civil society will still, in a sense, be controlled by the centre. Control in this sense means tightening control over outcomes. Ensuring that the resulting actions are appropriate over the long run by focusing the attention and the resources of the central government on building the capacity of local institutions to solve their own problems and to be accountable to the beneficiaries of their actions, rather than defining the means by which those problems will be solved, are the most effective activities in which the central government can engage itself in designing a strategy for public administration reform.

A quote from Alexander Hamilton, the first Secretary of the Treasure of the United States of America, has been placed purposefully on the front page of the MTR. The quote references the twin factors that must be addressed if a civil administration, whether central or local, can deliver on its promised. The **aptitude** (or capacity) for governance is not well developed among local bodies in Egypt. Neither the LPC nor the LEC nor civil society has had much opportunity to build their problem solving skills. There is substantial work that will be required to build the capabilities of these entities to a point where one can speak meaningfully about decentralized decision making. In addition, there has long been a **tendency** (ethical challenge) on the part of Governors, and most subservient officials, to take a self-serving approach to public service at the local level. This tendency needs to be carefully watched and serious efforts need to be made to avoid replacing one ethically challenged centre with twenty-seven similarly challenged centres. Democracy is better characterized by processes of cooperation, competition, compromise, conflict, and conflict resolution rather than the processes of command and control. The framework for sub-national governance in Egypt will need to carefully weigh both of these challenges in order to ensure that neither the administration nor the elected officials have a monopoly on power…and that it is impossible for both to collude in order to continue the disenfranchisement of the citizen that has long been the standard practice.

In a democracy, public goods and services are not designed and supplied by public servants. They result from complex relationships among consumers and producers that mediate the demand and supply for those services. A decentralized system of service production within a single hierarchy should not be the end result of the current administrative reforms in Egypt. The entry of a rapidly expanding commercial sector and voluntary associations within the civil society will radically change this ancient equation, requiring an understanding of **polycentric[[13]](#footnote-13)** solutions to problems. Each particular situation will require a particular coupling of central & local, public & private resources and capabilities. The potential network linkages among all actors (providers, producers, consumers) are diverse. Once this is understood one quickly begins to recognize that decentralisation is not a zero sum issue. The purpose of a decentralized approach to public administrative reform is not to take power from one sector and give it to another. Positive sum outcomes can be easily obtained by focusing on improving the relationships among all the actors and resources can be more efficiently shepherded when government recognizes that it is strengthened, not weakened, when it involves the public in its activities[[14]](#footnote-14).

Programming for polycentric solutions requires an understanding of the difference between **provision and production[[15]](#footnote-15)**as functions of local governments.A localgovernment does it job best when it provides the legal, regulatory, and financial framework for private or community entities to produce a specified public good. The responsibility of the local government is to ensure that the availability and quality of the production meets agreed upon standards, that the beneficiaries have recourse if they feel their needs are not being adequately met, and that proper accounting of resource use is undertaken.

The employment of a polycentric frame of reference is important in producing the most important element of all in building governance capacity**: social capital[[16]](#footnote-16).** Social capital is created when civil societies develop capabilities to solve their own problems and to monitor the actions of their governments to handle those which require additional resources. Social capital is not built by government. Government can only provide the environment that will allow it to grow. There is evidence of a growth in social capital in Egypt evidenced in the diverse groups that have maintained their coalition and consensus on issues since January 2011. People are discovering the means by which to involve themselves in local issues, rather than simply waiting passively for government to take action. This bodes well for the future of Egypt. However, there are two types of social capital: one that, as mentioned, fosters relations with diverse groups and a second that build internal group coherence and strengthens the ‘us against them’ attitude. The latter was prevalent under the previous regime and has been in evidence in certain incidents of religious strife in the chaotic aftermath.

Multiple studies have illustrated that the Egyptian government is over-involved in direct service production, straining its own limited capacities while stunting the potential contributions of others. Remedying this situation would involve three complementary sets of activities:

* Stimulating the emergence of nongovernment service provision
* Improving the revenue base for local service production
* Restructuring and reform of government programs

Report annexes

## Annex 1: Terms of Reference (edited)

Terms of Reference for Mid-term Review

Technical Support to the Ministry of Local Development (MLD) in Support of Local Development

Award ID: 00036732

I. INTRODUCTION:

The UNDP supported project “Technical Support to the Ministry of Local Development (MLD) in Support of Local Development” is a nationally executed project implemented by the Ministry of Local Development.

UNDP (supported by UNCDF’s technical expertise) is providing technical support to enable the Ministry of Local Development (MLD) to activate its core functions and operate as the central entity to guide the decentralisation reform and guide the development of a “National Decentralisation Strategy”. The technical support shall house three areas of technical specialization:

Coordinate and guide the development and modification of the policy and legal environment for the local authority system.

Restructuring of MLD to strengthen its own capacity as the central agency for State’s support and supervision of the sub-national authorities’ system.

Guide the capacity development of local authorities on administrative and public expenditure and asset management skills (Re-align MISR)

NDP’s decentralisationprogramme is currently comprised of four main components: policy formulation, institutional support, capacity building and the coordination activities (decentralisation support unit).

The policy support component is supporting the Ministry of Local Development’s efforts on the Local Administration Law and National Decentralisation Strategy and a national implementation programme that encompasses the national vision towards the decentralisation process and applies an integrated approach to its implementation within the complex structure of local governance.

The coordination component focuses on the effective coordination and consolidation of the various components (tracks) of the National Programme which will be implemented by each of the relevant primary or sector ministries/authorities or central agencies with the support of a range of development partners.

The institutional support component deals with the restructuring of the institutional architecture of the local authority at all its tiers and the introduction of their base operating systems and procedures, and the development of necessary capacities. The capacity building component seeks to support to the capacity development programme that MLD leads with the relevant stockholders at the central and local levels. Such functions would typically include public expenditure management, asset management, revenue management and other basic administrative functions in addition those related to service delivery. The programme will also focus on defining, introducing and activating the local economic development function of local authorities in the same governorate, districts/towns and villages covered by the capacity development efforts supported by the project. This would be coupled with the set-up and activation of an LED Fund which will be used to ensure the availability of earmarked resources for financing the implementation of LED related investments to be carried out by LAs.

The project was initially intended to operate from 2007 to 2010 and was later extended to 2013 based on an additional contribution from the Government of Egypt. This additional contribution served to cover the unfunded portion of the project budgets and allow for implementation of activities as originally envisioned.

II. REVIEW AUDIENCE

This Review is initiated by UNDP and the Netherlands. It aims to provide managers (at the Ministry of Local Development,Decentralisation Support Unit, UNDP-Egypt and Donors) with strategy and policy options for more effectively and efficiently achieving the project’s expected results and for replicating the results.

III. OBJECTIVES OF THE REVIEW

Based on the Specific Agreement between the Netherlands Minister for Development and Cooperation and UNDP and as an integral part of the project implementation cycle, UNDP has initiated an review that will analyze the achievements of the project against its original objectives while providing donors, government and project partners with an independent review of project outputs achieved so far and impact on the decentralisation process. The review will review strategic, procedural, technical, and managerial aspects and consider issues of effectiveness, efficiency, relevance, impact and sustainability. The review will identify factors that have facilitated and/or impeded the achievement of objectives and should result in recommendations and lessons learned that will help in re-orienting and re-prioritizing project activities and managerial arrangements as needed.

IV. SCOPE OF THE REVIEW

The scope of the review will cover project activities from 2007 to 2010 as well as achieved activities in 2011 including:

The entire Netherlands-funded project components of the project.

The co-financed components such as the UNDP TRAC fund, the in-kind contributions from donors, which have been included in the project document, as well as Government cost sharing funds.

The review will cover the contribution of the project to the following outputs:

Coordinate and guide the development and modification of the policy and legal environment for the local authority system.

Restructuring of MLD to strengthen its own capacity as the central agency for State’ s support and supervision of the sub-national authorities’ system.

Guide the capacity development of local authorities on administrative and public expenditure and asset management skills (Re-align MISR)

The review will also cover the contribution of the project to the 2007 - 2011 Country Programme Action Plan Outcome 4: “Decentralisation policies formulated/reformed, adopted & implemented with improved capacity of institutions at the local level in participatory planning, resource management & service delivery”.

V. PRODUCTS EXPECTED FROM THE REVIEW

The main product of the review is expected to be a comprehensive report.

The review should include at least:

1 Review Inception Report

*2* Review Report comprised of the following:

Executive summary

Introduction

The project(s) and its development context

Findings and Conclusions

4.1 Project formulation

4.2 Implementation

4.3 Results

Recommendations

Lessons learned

Annexes

3. PowerPoint presentation on findings and recommendations:

The review report should not exceed 50 pages excluding annexes and will be submitted to UNDP Egypt, two weeks after the end of the mission. The draft report will be circulated for two weeks to the government counterparts and project management unit to verify factual statements. Meanwhile any discrepancies between the impressions and findings of the review team and the aforementioned parties these should be explained in an annex attached to the final report.

VI. METHODOLOGY OR REVIEW APPROACH

The review will be based on information obtained from reviewing documents such as the project document, project brief, quarterly progress reports, Annual Project Reports (APR), and minutes from relevant meetings and mission reports. The mission should also rely on information gathered through field visits, and interviews with target beneficiaries and project staff including government officials, and/or consultants. Interviews should include the Ministry of Local Development, UNDP, Governorates, Local Popular/Executive Councils. The methodology that will be used by the evaluator should be presented in the inception report in detail. The review shall include scrupulous information on documentation review, interviews held; field visits; participatory techniques and other approaches for the gathering and analysis of data.

VII. TIME FRAME FOR THE REVIEW PROCESS

This section lists and describes all tasks and deliverables for which evaluators or the review team will be responsible and accountable, as well as those involving the commissioning office, indicating for each the due date or time-frame (e.g., work plan, agreements, briefings, draft report, final report), as well as who is responsible for its completion. At a minimum, the time breakdown for the following activities should be included:

|  |  |
| --- | --- |
| Task | Timeline |
| Desk review /Briefings of evaluators | 4 working days |
| Finalizing the review design and methods and preparing the detailed inception report | 3 working days |
| In-country review mission (visits to the field, interviews, questionnaires) | 10 working days |
| Preparing the draft report / Stakeholder meeting and review of the draft report (for quality assurance) | 5 working days |
| Incorporating comments and finalizing the review report | 3 working days |

Required format for the review report is included in the annexes of the ToR for the review being commissioned

The time frame above does not include two weeks of unpaid time, during which UNDP Egypt will analyze, provide comments and share the draft report with different stakeholders. This slot falls between the writing of the draft report and finalization of the review report. The consultant is expected to send the draft review report two weeks after the end of the mission.

## Annex 2 Mission Agenda

Ministry of Local Development

Mid-Term Review Mission

12 - 22, July, 2011

Agenda

**Tuesday, 12nd July**

9:30 –11:00 Mission Briefing

Ms. Rania Hedeya, UNDP Programme Officer (PO)

12:00-13:30 Mission Briefing

Dr. Nihal El-Megharbel, DSU Director

Ms. Rania Hedeya, UNDP Programme Officer (PO)

13:30-14:30 Brain Storming Session on Local Administration System

Gen. Ahmed Maher, Senior Advisor for the Minster of Local Development

Dr. Nihal El-Megharbel, DSU Director DSU

**Wednesday, 13th July**

9:30 –11:00 Informal Brain Storming Session on Local Administration Law

Rudy Runko , Team Leader, EDI

13:30 -15:00 Participatory Planning

Dr. Mohamed Nada, Strategic Planning programme for Governorates and Districts, UNHABITAT

15:30-16:30 Mr. James Rawley UNDP Resident Representative (RR) UNDP

17:00-18;00 Teleconference with NYC (UNCDF)

Dr. Ala Din Shawa

**Thursday, 14th July**

10:00–11:00 Information Technology

Eng. Hisham Abdel Rahman, Chief Inform. Officer , MLD

12:00 -13:00 Restructuring Local Administration System

Dr. Randa El-Zoghoby, DSU

Dr. Ibrahim Rehan, Head of Organization for Reconstruction and Development of Egyptian Villages (ORDEV)

13:30-15:30 Maat Association for peace, Development and Human Rights

Mr. Wala Gad

Mr. AymanOkail

16:00 –17:00 Social Contract Centre

Dr. Sahar El-Tawila, Director, Social Contract Centre

Mr. Marcello Giordani, Deputy Director/ Advisor,

Friday Day Off

**Saturday, 16th July**

9:30 –11:00 Local Administration Law

Dr. Saleh El Sheikh, Manager, Policies and Institutional Development Unit, DSU

12:00 – 13:00 Ms. AleyaSarwat, UNDP Project Manager DSU

**Sunday, 17th July**

9:30 –12:00 Local Administration Structure

Ms. ShiamAshour, M&E Specialist

13:00 - 14:30 Fiscal Decentralisation

Dr. Nihal El Megharbel, DSU Director

Ms. AzaaReda, Senior Researcher, Ministry of Finance

15:00- 17:00 Local Development Observatory and M&E

Mr. Bassem El Shemmy, M&E Unit Manager, DSU

Dr. Khalid Abdel Halim, Director, Local Development Observatory, DSU DSU

17:00-18:00 Dr. Noha El-Mikawy

**Monday, 18th July**

8:00-9:30 Meeting with local consultant

Osama Salem, Capacity Building Expert

9:30 –11:00 Meeting with USAID

Dr. Nihal ElMegharbel, DSU Director

Ms. SalwaTobbala, Local Governance Officer, USAID

12:00 – 13:00 Meeting with local consultant

Eng. Mona Al Gamal, Megacom Company

**Tuesday, 19th July**

09:00-16:00 Fayoum Governorate Field Visit

Mr. Salah Helmy, Head of DSU office in Fayoum Governorate

Ms. Rania Hedeya, UNDP Programme Officer (PO)

LPC member, Fayoum

Head of the Planning Department, Fayoum Governor’s office

Ms. Sherifa Maher, Senior Economist

**Wednesday, 20th July**

9.00-10.00 Saleh El Sheikh, Policies& Inst. Dev. Head, DSU

1300-1400 Former Minister of Administrative Reform

16.00-17.00 Dr. RedaAbouSeree, Ministry of Education

Rania Hedeya, PO, UNDP

**Thursday, 21st July**

9:30-14:00 Ismailia Governorate Field Visit

Ms. HabibaEid, Head of DSU office in Ismailia Governorate

Ismailia City Team

Head of the Planning Department, Ismailia Governor’s office

Ms. Yasmin Adel, Senior Economist

16:00-18:00 Debriefing at UNDP

Mr. James Rawley, UNDP RR

Ms Rania Hedeya, Programme Analyst

MsNaglaaArafaa, Chief, Governance Unit

## Annex 3 Local Government in the Philippines

ARTICLE X  
**LOCAL GOVERNMENT**  
([1987 Philippine Constitution](http://jlp-law.com/library/?article=constitutions))

**General Provisions**

**Section 1**. The territorial and political subdivisions of the Republic of the Philippines are the provinces, cities, municipalities, and barangays. There shall be autonomous regions in Muslim Mindanao and the Cordilleras as hereinafter provided.

**Section 2.**The territorial and political subdivisions shall enjoy local autonomy.

**Section 3**. The Congress shall enact a local government code which shall provide for a more responsive and accountable local government structure instituted through a system of decentralisation with effective mechanisms of recall, initiative, and referendum, allocate among the different local government units their powers, responsibilities, and resources, and provide for the qualifications, election, appointment and removal, term, salaries, powers and functions and duties of local officials, and all other matters relating to the organization and operation of the local units.

**Section 4**. The President of the Philippines shall exercise general supervision over local governments. Provinces with respect to component cities an municipalities, and cities and municipalities with respect to component barangays shall ensure that the acts of their component units are within the scope of their prescribed powers and functions.

**Section 5**. Each local government unit shall have the power to create its own sources of revenues and to levy taxes, fees and charges subject to such guidelines and limitations as the Congress may provide, consistent with the basic policy of local autonomy. Such taxes, fees, and charges shall accrue exclusively to the local governments.

**Section 6**. Local government units shall have a just share, as determined by law, in the national taxes which shall be automatically released to them.

**Section 7**. Local governments shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including sharing the same with the inhabitants by way of direct benefits.

**Section 8**. The term of office of elective local officials, except barangay officials, which shall be determined by law, shall be three years and no such official serve for more than three consecutive terms. Voluntary renunciation of the office for any length of time shall not be considered as an interruption in the continuity of his service for the full term for which he was elected.

**Section 9**. Legislative bodies of local governments shall have sectoral representation as may be prescribed by law.  
 **Section 10**. No province, city, municipality, or barangay may be created, divided, merged, abolished, or its boundary substantially altered, except in accordance with the criteria established in the local government code and subject to approval by a majority of the votes cast in a plebiscite in the political units directly affected.  
 **Section 11**. The Congress may, by law, create special metropolitan political subdivisions, subject to a plebiscite as set forth in Section 10 hereof. The component cities and municipalities shall retain their basic autonomy and shall be entitled to their own local executives and legislative assemblies. The jurisdiction of the metropolitan authority that will thereby be created shall be limited to basic services requiring coordination.

**Section 12**. Cities that are highly urbanized, as determined by law, and component cities whose charters prohibit their voters from voting for provincial elective officials, shall be independent of the province. The voters of component cities within a province, whose charters contain no such prohibition, shall not be deprived of their right to vote for elective provincial officials.  
 **Section 13**. Local government units may group themselves, consolidate or coordinate their efforts, services, and resources for purposes commonly beneficial to them in accordance with law.  
 **Section 14**. The President shall provide for regional development councils or other similar bodies composed of local government officials, regional heads of departments and other government offices, and representatives from non-governmental organizations within the regions for purposes of administrative decentralisation to strengthen the autonomy of the units therein and to accelerate the economic and social growth and development of the units in the region.

**Autonomous Regions**

**Section 15**. There shall be created autonomous regions in Muslim Mindanao and in the Cordilleras consisting of provinces, cities, municipalities, and geographical areas sharing common and distinctive historical and cultural heritage, economic and social structures, and other relevant characteristics within the framework of this Constitution and the national sovereignty as well as territorial integrity of the Republic of the Philippines.

**Section 16**. The President shall exercise general supervision over autonomous regions to ensure that laws are faithfully executed.

**Section 17**. All powers, functions, and responsibilities not granted by this Constitution or by law to the autonomous regions shall be vested in the National Government.  
 **Section 18**. The Congress shall enact an organic act for each autonomous region with the assistance and participation of the regional consultative commission composed of representatives appointed by the President from a list of nominees from multisectoral bodies. The organic act shall define the basic structure of government for the region consisting of the executive department and legislative assembly, both of which shall be elective and representative of the constituent political units. The organic acts shall likewise provide for special courts with personal, family, and property law jurisdiction consistent with the provisions of this Constitution and national laws.

The creation of the autonomous region shall be effective when approved by majority of the votes cast by the constituent units in a plebiscite called for the purpose, provided that only provinces, cities, and geographic areas voting favorably in such plebiscite shall be included in the autonomous region.

**Section 19**. The first Congress elected under this Constitution shall, within eighteen months from the time of organization of both Houses, pass the organic acts for the autonomous regions in Muslim Mindanao and the Cordilleras.

**Section 20**. Within its territorial jurisdiction and subject to the provisions of this Constitution and national laws, the organic act of autonomous regions shall provide for legislative powers over:

(1) Administrative organization;  
(2) Creation of sources of revenues;  
(3) Ancestral domain and natural resources;  
(4) Personal, family, and property relations;  
(5) Regional urban and rural planning development;  
(6) Economic, social, and tourism development;  
(7) Educational policies;  
(8) Preservation and development of the cultural heritage; and  
(9) Such other matters as may be authorized by law for the promotion of the general welfare of the people of the region.

**Section 21**. The preservation of peace and order within the regions shall be the responsibility of the local police agencies which shall be organized, maintained, supervised, and utilized in accordance with applicable laws. The defense and security of the regions shall be the responsibility of the National Government.

## Annex 4 Response to UNDP comments on first draft

(page numbers from original draft with comments)

p.12 NDP was never officially involved in the project.

Agreed, changes left in, however, it is clear that the NDP placed Lobna Latif in the MLD to control the policy process so that it conformed to the party’s political agenda

p. 13 Were there other “flaws’ such as heavy involvement of consultants conducting local needs assessment of planning

Added: Thus, plans were prepared, sometimes by external consultants, that could not be funded as there was no devolved source of funds for local authorities to use independently.

p. 14 Evidence? This is portrayed as negative while usually alignment with a strategy is positive. Needs clarification please!

Rephrased: In early 2007, the GoE made a decision to require a revision in all donor-funded local development planning-type projects, particularly those operating with funds from USAID, World Bank, UNDP. This included MISR. It was decided that MISR would be substantially revised in order take a slower more cautious approach towards national decentralisation policy rather than directly engaging with the citizenry in planning and project implementation. The USAID Egyptian Decentralisation Initiative (EDI) and the World Bank $200 million Upper Egypt programme were also required to be re-aligned with the Decentralisation Strategy. This decision to re-centralize projects designed to foster a decentralized approach to local development was unfortunate because the central government lost the ability to learn from lessons generated through the implementation of locally designed experiments. Thus, decentralisation policy design became a politically-driven, techno-bureaucratic exercise engaged in by only a few articulate, urbanite academics, politicians and donor agency staff rather than a learning process involving all stakeholders. In hindsight, this move by the centre to neglect the experiences of the periphery (in this and many other instances) served to undermine its credibility among the people.

p. 15 DSU was set up to help in project impementation, not to cover the operational funding gap.

Rephrased: In early 2009, a ‘serious funding agreement gap’ between the two governments led to the cancellation of all USG government-to-government Implementation Letters (IL) with the Egyptian Government, including the one with MLD for the DTO. The UNDP was requested to step in to cover the operational gap left by the departure of the USAID. The Decentralisation Support Unit (DSU), attached to the Ministry of Local Development, was formed under TS-MLD in June 2009 to continue the technical work that had been initiated under the DTO.

P17 What is the basis of this statement?

This came from a written comment from DSU on the Aide Memoire

Rephrased: However, aside from a form of participatory planning through ‘elected’ Local Popular Councils the TS-MLD never seriously embraced the concept of enhancing the space for direct citizen engagement with the Government to improve the equity and quality of public service delivery. Instead, the argument was made by DSU staff that there was no need to directly engage the public because the locally elected councils had the responsibility to represent the people. This was, and remains, the greatest lacuna of the design, direction and implementation of TS-MLD.

P 18 There were significant transparency challenges that should be kept in mind.

Rephrased: The TS-MLD represents a global best practice model for inter-agency (and multi-donor) collaboration towards a common governance objective. The Advisor to the Minister of Local Development in charge of the TS-MLD clearly knew how to focus donor interests on matters that were of greatest importance to the national leadership. Unfortunately, the full gamut of those interests was not fully shared by the majority of the people in Egypt, causing many of the national leadership to end up in jail. Nevertheless, six months after the Advisor left office, those collaborative relationships still operate with no perceived friction or disputes over policy niches among donor support agencies. The DSU has remained in the midst of dialogues on the structure of the Egyptian government and the ways and means to improve public service delivery to the masses.

P 19 How and where was this reporting made?

Rephrased: The Ministry of Education (repeated in Fayoum Governorate) reported that central agencies such as the General Authority for Education Buildings (GAEB) have used the revolution as an excuse to pull back from decentralisation measures forced upon them in past years, arguing that decentralisation was a trick played on the people by the NDP. In this way, GAEB was able to retain several hundred million pounds in new school construction funds that were going to be allocated directly to Governorates in this year’s budget.

P 20 How can you substantiate?

Rephrased: This political upheaval initiated by the events of January 2011 provides an opportunity for UNDP and the DSU to establish a new context for decentralisation. The previous context, driven by the NDP regime, was built on a set of corrupt values aimed at retaining control of the center for the benefit of its members. This view is clearly substantiated by groundswell of public disgust with the NDP’s ability to manipulate government policy for personal gain, which has forced the Government to disband the NDP and place the President and his son on trial. Although it will take many years to root out the influences of this nefarious regime, the TS-MLD can begin the process by pressing the argument for a completely open, democratic approach to local governance.

P 28 Was there a 2010 Board meeting?

Rephrased: (According the DSU team, the meeting in 2010 was deemed unofficial.)

p. 28 copy of risk and issues log to be shared.

Rephrased: An argument has been made that UNDP prepared issue and risk logs, but, this is a record that is to be maintained by the project management, not UNDP.

P 29 The entire contribution of the MLD although significantly addressing the IT programme was not intended exclusively for this component.

Please indicate the reference. According to the substantive budget revision signed in May/June 2010 by MLD, UNDP and MoFA, the contribution of the MLD was allocated across all project activities and served the purpose of closing the funding gap that existed in the project.

Rephrased: Complaints were raised that decisions appear to be ad hoc regarding budget allocation. The GoE allocation of 32 million Egyptian pounds was apparently contributed to fund all aspects of the project. However, without any documentation of Project Board approval for AWP 2011, there is a level of confusion within regarding the validity of the allocation among different components of the project, with the IT Department claiming that its funds are being inappropriately spent on other units.

p. 30 Opinion of the reviewer.

Rephrased: The Parliament will need a considerable period of time to put the national framework in place before they can focus on the sub-national realm. In fact, if Egypt is like nearly every other newly democratizing country, many of the new parliamentarians may not view decentralisation in a positive light as they may be more focused on securing their own powerbase within their electoral constituency. This is something that will have to be dealt with sensitively. The focus of the DSU in the coming months should be on ensuring that the next Constitution contains wording that provides the space for the establishment of sub-national governments that are democratic and have clearly defined administrative, political and financial authorities. A sudden presentation of a complete Local Administration Bill may unnerve those Parliamentarians who are not firmly committed to decentralisation as a principle of governance.

P 30 Please explain the link with the evaluation findings.

Rephrased: In the view of this reviewer, it should not be assumed that legislation based on global decentralisation principles will be sufficient to secure passage of a bill that may be perceived as a move to reduce the role and resources of the centre. In any democracy, the technical merits of legislation must always be weighed against the interests of the hundreds of Parliamentarians, who will each have a unique set of personal interests and proclivities. Learning how to achieve a parliamentary consensus will be more important that engineering a seemingly perfect technical design for decentralisation.

p. 31 How can we redress??

Added: Some options for consideration could include: 1) Quotas for women’s participation in local legislative bodies, with one-third as an appropriate minimum, 2) A minimum percentage of local development projects should be directly linked to women’s empowerment or otherwise clearly linked to women’s social development issues, 3) Other projects should be required to explain how they are addressing women’s, as well as men’s, needs, 4) Any citizen engagement process must ensure a minimum of 30% women’s participation in all events, 5) It would be very good to include gender sensitization for all local council staff, officials and any project staff who are assigned to guide local decision making processes.

p. 33 Despite that no formal board meeting was held, a high level between the minister, head of dsu, UNDP CD, UNDP PROG Analyst, & UNCDF whereby the new scope and work-plan were approved by Minister. Minutes were shared earlier.

Rephrased: Although there has been no presentation to a Project Board, UNDP refers to the scope of work prepared by UNCDF as the ‘new direction’ for the project. There may be an internal consensus on this as the way forward, but in order to keep with what the reviewer understands as UNDP norms of project management under National Execution rules, there needs to be a formal assessment of the proposal and a formal acceptance by a duly constituted Project Board that is recognized as the decision making authority. It appears that UNDP assumes that informal dialogues between UNDP staffers, successive MLD Ministers and outside agencies (such as UNCDF, which has no official role in any project documents shown to the reviewer) are sufficient to replace formally mandated Project Board decisions. This review argues that, despite the current upheaval in the Egyptian government, UNDP should not take on the roles of both project executive and project control as would be the case under Direct Execution. By doing so, UNDP potentially opens itself to criticism by a later government of operating unilaterally on a subject of significant political consequence.

P 34 Please clarify and explain further what is meant by both execution and control, along the lines of a DEX modality?

Footnote added: Project control is the standard UNDP term for the oversight function of the UNDP staff, which must remain separate from both the execution and implementation functions of the project in order to avoid the creation of a moral hazard. In normal NEX practice, UNDP Programme Officers are not decision makers.

P 37 Any appropriate what?

Respelled: appropriation

P 42 Would this be the right timing?

Rephrased : There is a critical need to carry out an external evaluation of the MLD Local Development programs for absolute impact and differential equity impact on men and women. Despite the political upheaval, the Government has continued to channel substantial funds into the hands of the local administrators. The people’s movement already forced the removal of the local elected representatives because of the perception of corruption. In order to build Parliamentary support for decentralisation, an in-depth impact assessment of this ongoing programme is important at this time to assure the incoming Government that its limited resources have actually been used for the benefit of the people.

P 45 UNDP did submit a request to hold the Board meeting; however due to the changes in the Ministers Council (MLD Minister changed twice since the Revolution) we were not able to hold the meeting.

Added Hopefully, the MLD Minister who was appointed during the time of this review will be willing and able to assist UNDP in establishing this critical process.

P 45 Has this happened?

Footnote added: Email 13 January 2009, from Rania Hideya in response to NohaRifaat

1. Comments on the first draft demanded to know why SCC is mentioned. In the reviewer’s understanding, UNDP has sustained a multi-year effort to build the capacity of the SCC and the SCC now is taking the role of secretariat in the constitutional deliberations on the future of Egypt. [↑](#footnote-ref-1)
2. For a substantive treatment see: Schwab and Ostrom, ‘The Vital Role of Norms and Rules in Maintaining Open Public and Private Economies,’ in The Critical Role of Values in the Economy, edited by Paul Zak (Princeton: Princeton University Press, 2008), pp. 204-227. [↑](#footnote-ref-2)
3. Project control is the standard UNDP term for the oversight function of the UNDP staff, which must remain separate from both the execution and implementation functions of the project in order to avoid the creation of a moral hazard. In normal NEX practice, UNDP Programme Officers are not decision makers. [↑](#footnote-ref-3)
4. Pressman, Jeffery and Aaron Wildavsky. Implementation: How Great Expectations in Washington Are Dashed in Oakland, University of California Press, 1984. [↑](#footnote-ref-4)
5. Contact should be made with Noha el-Mikawy in the Arab States Regional Office in Cairo [↑](#footnote-ref-5)
6. This example of citizen’s attempting to play a role in improving their own social well-being was marked by the DSU staff for deletion because it was deemed ‘irrelevant’. The reviewer finds that comment curious as this was included as an example of how citizens are already making innovative use of information resources. How is that irrelevant to the overall purpose of decentralization? [↑](#footnote-ref-6)
7. Email 13 January 2009, from Rania Hideya in response to Noha Rifaat [↑](#footnote-ref-7)
8. As with citizen engagement, the DSU team questioned whether this is the appropriate time to ensure gender is fully taken into consideration in the design of any sub-national policy. The UNDP CPAP places gender equity at a high level of importance. The reviewer hopes that UNDP will ensure NEX project personnel are fully aware of this priority. [↑](#footnote-ref-8)
9. Klugman, Jeni (1997) Review of Decentralization: A survey from a child welfare perspective. Innocenti Occasional Papers, Unicef. [↑](#footnote-ref-9)
10. Prud’homme, Rene. (1995) The Dangers of Decentralization. World Bank. [↑](#footnote-ref-10)
11. Ostrom, Vincent, David Feeny, HartmutPicht, eds. 1993. Rethinking Institutional Analysis and Development. Institute for Contemporary Studies Press. [↑](#footnote-ref-11)
12. Rights Based Approach to Programming, Unicef Pakistan, December 2000. [↑](#footnote-ref-12)
13. Ostrom, Elinor, Larry Schroeder, Susan Wynne (1993) Institutional Incentives and Sustainable Development: Infrastructure policies in perspective, Westview Press. [↑](#footnote-ref-13)
14. Tocqueville, Alexis de, [Democracy in America](http://en.wikipedia.org/wiki/Democracy_in_America), 1835. [↑](#footnote-ref-14)
15. Oakerson, Ronald. (1999) Governing Local Public Economies: Creating the Civic Metropolis. ICS Press, San Francisco. [↑](#footnote-ref-15)
16. Putnam, Robert, Robert Leonardi, and Raffaella Nanetti. 1994. Making Democracy Work: Civic Traditions in Modern Italy. Princeton U Press. [↑](#footnote-ref-16)