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EVALUATION OF THE EGYPTIAN DECENTRALIZATION INITIATIVE MID-TERM EVALUATION REPORT

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EVALUATION OF THE EGYPTIAN DECENTRALIZATION INITIATIVE

MID-TERM EVALUATION REPORT



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Evaluation of the Egyptian Decentralization Initiative

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ACRONYMS

AECOM	AECOM International Development (note: acronym refers to Architecture, Engineering, Consulting, Operations and Maintenance)
BVS	Basic Village Services
CAOA	Central Agency for Organization and Administration
CAPMAS	Central Agency for Public Mobilization and Statistics
CCLS	Collaboration for Community Level Services
CDA	Community Development Association
CDS	Center for Development Studies
CSC	Citizen Service Center
DTO	Decentralization Technical Office (in MoLD)
EDI	Egyptian Decentralization Initiative
ERP	Education Reform Program
FAD	Fiscal Affairs Department (IMF)
FY	Fiscal Year
GIS	Geographic Information System
GOE	Government of Egypt
GOPP	General Organization for Physical Planning
IDC	Inter-Ministerial Decentralization Committee
IDDP	Integrated District Development Plan
IFU	Inter-governmental Finance Unit
IGFRS	Intergovernmental Fiscal Relations System
IL	Implementation Letter
IMF	International Monetary Fund
IT	Information Technology
LA	Local Administration
LAL	Law on Local Administration
LAU	Local Administrative Unit
LD I-II	Local Development I and II
LE	Egyptian Pound (currency)
LEC	Local Executive Council
LLAF	Law on Local Administration Finance
LPC	Local Popular Council
LSDF	Local Services Development Fund(s) or special accounts
MLPC	Member of Local Popular Council
MSED	Ministry of State for Economic Development
MOF	Ministry of Finance
MoHUUD	Ministry of Housing, Utilities and Urban Development
MOLD	Ministry of State of Local Development
MOU	Memorandum of Understanding
MSAD	Ministry of State of Administrative Development
NCfD	National Curriculum for Decentralization
NDP	National Democratic Party
NSfD	National Strategy for Decentralization
PARC	Public Administration Research and Consultation Center
PMP	Performance Management Plan (Indicators)
PRGP	Participatory Rural Governance Project
PPG	Participatory Planning Group
SCLD	Sakkara Center for Local Development
ToR	Terms of Reference

TOT	Training of Trainers
TSA	Treasury Single Account
UNDP	United Nations Development Program
WBI	World Bank Institute

EXECUTIVE SUMMARY

The Egyptian Decentralization Initiative (EDI) is a five year (2006-2011), \$21 million program supporting the Government of Egypt (GOE) in critical areas of national decentralization. Since April 2006 the EDI project has been offering technical assistance, training and policy support to improve the effectiveness, transparency and accountability of local government in pilot governorates so they can respond to citizen priorities. The project's objectives are: (1) increased Egyptian financial resources available to local governments for responding to community priorities; (2) enhanced participatory mechanisms to plan, allocate, and monitor the use of resources; and (3) strengthened administrative capacity and legal framework for local governments to manage resources effectively and transparently. The project began in three pilot governorates: Beheira, Qena and Assuit. In April 2009 USAID agreed that EDI would work in the then three newly selected GOE national pilot governorates: Fayoum, Ismailia and Luxor. Then in August 2009 the GOE made the unexpected decision to implement decentralization nation-wide through specific programs within the authority of the Ministry of Local Development. With that development, the term "national pilot" was no longer operative. EDI stopped work begun in the new pilots and continues to work in the original pilots. At this time there is no scheduled continuation of work in these pilots. All three EDI offices at the governorate level are scheduled to close by the end of January 2010.

Scope and Methods of Evaluation. A four person evaluation team addressed the effectiveness of project activities, the constraints and opportunities, how they have affected program performance, and in what way program efforts should be adjusted for the remainder of the project. The four pillars of a multi-method evaluation were used: desk-top document reviews, open-form and structured interviews with principal actors and key informants, field observations and statistical analysis of secondary data. The team spent four weeks in Egypt. It visited all six districts in the three pilot governorates and the three former "national pilots". In all, 126 people were interviewed either individually or in a group and 89 documents reviewed. Some high ranking officials asked to be interviewed off the record, and the team has been careful to protect these sources.

Significant USAID Investment in Decentralization, But Negligible Impact. Since the 1970s USAID has invested heavily and persistently in promoting the decentralization of governance in Egypt, expending over \$1 billion. The first round of projects ended with the decision in 1991 not to continue, at least partially on the grounds that they had not contributed substantially to decentralization. Two more rounds of project assistance were cancelled on the grounds that little if any progress had been made in inducing the GOE to decentralize authority, permit greater participation at local levels, or build local administrative capacity. Shortly thereafter USAID commenced EDI.

The Sadat-era law on local administration, which provides for a highly centralized, non-democratic system of governance, has not been amended. Revenue collection, despite some innovative efforts to generate local revenues, principally from fees on services, remains almost entirely the preserve of the central government. Local administrative capacities remain weak. Popular perceptions of local government are that it is both the most corrupt and least effective level of government in Egypt. Tight control over local political processes and the lack of free and fair elections, including to Local Popular Councils, have ensured that legal opposition political parties have been unable to establish bases at the governorate, district or village levels. Inadequate delivery of basic services has created a vacuum into which Islamists have moved.

A new context for decentralization? Recent initiatives by the GOE and the National Democratic Party (NDP) suggest that a new and encouraging context for decentralization in Egypt may exist. These include: mention of the "d-word [for decentralization]" itself, including by the President in important speeches; inclusion of decentralization in National Democratic Party (NDP) party platforms and deliberations on it

by the Party's Policy Secretariat; embrace by the GOE of donor activities in support of decentralization, including EDI; recent de-concentration of administrative procedures in various ministries, especially Education; and awarding to the Ministry of Local Development (MOLD) a spearhead role in designing and commencing implementation of relevant administrative changes. Contextual forces are working to push decentralization to a more central place on the country's decision-making agenda. Although many forces both outside and inside government remain skeptical about it, in general it is gaining support in both constituencies, especially if compared to the distribution of opinion a decade ago.

Local Level Findings and Conclusions:

1. Mixed effects on financial resources available to local governments for responding to community priorities. The Evaluation Team found that EDI has contributed to the discourse on fiscal decentralization but that this effort has not translated into new legislation. In the absence of legal and administrative reforms, only limited fiscal autonomy will be achieved. As a result, EDI has only been able to work within the scope of current fiscal and budgetary laws. EDI has been able to increase own source revenues in pilot governorates by improving collection efficiencies and proposing new or increased fees, although current data does not allow firm conclusions. The overall impact of project efforts to increase local revenue through service improvements in certain sectors, automating accounting systems, or proposing new or increased fees on the diversification of and increase in Local Administrative Unit (LAU) revenues appears limited due to central government constraints placed on LAU revenue collecting authority. Furthermore, locally generated (own source) revenues make up a very small fraction of overall governmental revenues and their collection has negative consequences. Although EDI made great strides in increasing the knowledge base of the pilot LAUs' own source revenue options as per project design, by supporting the existing arbitrary and inefficient local fee system, EDI has essentially bolstered the status quo and had little to no effect on real structural reform.

2. Enhanced participatory mechanisms to plan, allocate, and monitor the use of resources. EDI implemented an extensive Participatory Planning Program that enabled local communities to develop plans that address their needs and reflect their priorities. Trainings have equipped major players, and especially the Members of Local Popular Councils (MLPCs), with the knowledge and skills required to lead the development of local plans more reflective of real needs than previous ones submitted arbitrarily by the Local Executive Councils (LECs). The Integrated District Development Plan (IDDP) process resulted in a bottom up approach to project identification and prioritization. Greater participation through the IDDP process has encouraged more effective use of limited state and local funds in capital improvement projects. Although the IDDP process is admittedly time consuming, its participatory nature is perceived to have encouraged community donations (mostly in kind) and strengthened citizens' understanding of the link between increased fees and improved service delivery. The LPCs and LECs have become aware of their role and responsibilities, and they are as result of the trainings in a better position to cooperate in the development of local plans.

These results are transient and easily reversible, unless efforts to install capacity at the local level are sustained through a training of trainers (TOT) program, and civil society is empowered to monitor and report on the participatory planning process at the local level. And the local government law does not adequately empower LPCs to oversee LECs, so awareness of roles and responsibilities, even if improved, can have only limited impact. Finally, for such training to contribute to democratization, it would need to be of members of LPCs who are elected through free and fair elections. Thus for this cluster of EDI activities to have a substantial, systemic impact, it would have to be accompanied by legal and administrative changes.

3. Strengthened administrative capacity and legal framework to manage resources effectively and transparently. EDI's financial management training resulted in improved automation of budgeting and accounting procedures. EDI's training in administration revealed deficiencies in existing capacities and

resulted in limited improvements of performance. There was clearly a demand and need for administrative capacity at the local level, and EDI's capacity building activities were fully appreciated. They had a limited impact on transparency, however. Until such time as Ministry of Finance (MOF)- or MOLD-sponsored legal mandates require all LAUs to automate budget/accounting procedures and reports based on one approved standard, it is doubtful that LAUs outside of the EDI pilot governorates will adopt such technology. Nor is it likely that LECs will voluntarily release budget information to the public without a clear directive from the MOF or MOLD that clearly describes each and every step of what, when and where both the state and local (own source revenues and expenditures) budgets are to be publicized. Moreover, the existing structure of employment and operations in line ministries and local government units militates against improved performance, in part because LPCs have no direct authority over personnel. Thus, these trainings also require institutional changes to have significant impact.

The Citizen Support Centers (CSC) established by EDI to provide services within the jurisdiction of the city council have contributed to a more efficient and more transparent collection of fees. Among the EDI interventions, the CSCs seem to be the most likely to be sustained and replicated nationwide.

National Level Findings and Conclusions

Technical assistance and policy support. EDI has provided high quality technical assistance to potential decentralization decision makers, including those in the MOLD and the Policies Secretariat of the NDP. It has undertaken national conferences and outreach activities in its pilots and involved academics and their students in the effort to broaden awareness and commitment to decentralization. EDI has the capacity to contribute to both the understanding and implementation of decentralization by various ministries, the most important of which is the Ministry of Finance. It has undertaken comparatively few initiatives to assist decentralization by relevant ministries, however, because it is directly connected to its MOLD counterpart.

Recommendation Highlights

1. Tie assistance to policy benchmarks.

The evaluation team urges USAID to consider establishing benchmarks of policy change to which it can refer when determining what, if any, EDI resources should be programmed. One benchmark could be tangible progress toward amendment of the existing legal context for MOF's operations. Others might include steps toward establishing a professional career structure for local government employees and steps taken to empower LPCs to employ and manage these employees. The identification of benchmarks should be the subject of policy dialogue at senior levels.

2. Widen the circle of interest in and debate over decentralization and facilitate development of policy alternatives.

EDI should intensify efforts to broaden awareness of and information on decentralization among a wider, politically articulate public, maybe by partnering with a suitable independent organization. A possible model to emulate in this regard is the Egyptian Center for Economic Studies, which helped to develop constituencies for reform of economic policies through a combination of research, specialized publication, popular press editorials, seminars, conferences, and personal networking.

3. Reprogram remaining funds from pilot to national activities and support to a range of ministries in their efforts to decentralize.

- Allow all activities in the three pilots in Beheira, Assuit and Qena to end as scheduled. This recommendation is grounded on a critical distinction between the function of local pilots and monitoring and evaluation at the local level recommended below. The primary purpose of the

pilots was to seek to demonstrate the benefits of decentralization to decision makers in the hopes of inducing them to decentralize. The purpose of monitoring and evaluating at the local level would be to provide feedback to decision makers about the impacts of decentralization measures they have already taken. The former has little justification both because the key decision makers have little if any awareness of the pilot activities and because the GOE has announced its intention to have a nation-wide rollout of decentralization. The latter is a critical input into effective implementation.

- The current high profiling of decentralization provides an opportunity for USAID/EDI to engage in policy dialogue. EDI should engage more directly with ministries targeted for decentralization. It might do so in conjunction with other USAID projects involved with those ministries; through the MOLD and/or the inter-ministerial committee for decentralization; and/or at the level of governorates, as line ministries, such as that of education, deconcentrate at least some of their personnel management and other administrative functions down to that level.

4. Support implementation of decentralization policies, e.g., rollout activities, monitoring and evaluation, and training

- When the GOE announced the nation-wide decentralization drive within the local development sector in August 2009, EDI worked hand in glove with MOLD staff to prepare in record time a 160-page reference manual. EDI should take advantage of its stature within the MOLD and recommend that additional project funding criteria be used by the governorate LPCs in addition to population and HDI. Keeping in mind the dual goals of divorcing patronage politics from project approval while strengthening LAU administration, the MOLD should require governorates to clearly specify project selection criteria to be used and insist that monitoring systems be put in place to assess the participatory processes, transparency, accountability, equity and technical aspects of LAUs' proposed projects.
- EDI should work with the MOLD and MOF to incorporate the IDDP process into a standardized budgeting practice nationwide. Participatory budgeting is currently part of the draft LAL amendments but much can still be done through MOF or MOLD decrees such as the requirement to use simple budget forms that include approved minutes from public hearings during project identification and prioritization. Presently, local standards and benchmarks do not exist in Egypt that would enable the central government to systematically monitor and evaluate local performance, e.g., indicators for infrastructure services, health, education, land use planning, etc. EDI could assist in the development of these indicators and norms which will be critical for monitoring local performance, both during the initial phases of decentralization and on an on-going basis thereafter. For example, EDI could provide training in monitoring and evaluation of local projects funded by the proposed World Bank lending program.
- EDI is currently working with MOLD to reconfigure the Saqqara Center for Local Development (SCLD) and to redefine its vision and mission so that they are aligned with the GOE's plans for decentralization. The responsibilities and commitments of each of the implementing parties and the conditions under which USAID would continue supporting this activity should be clearly specified in an MOU or new Implementation Letter (IL) to be signed by USAID and the GOE that ties this assistance to a framework that is compatible with USAID's objectives for decentralization, and specifies MOLD's responsibilities in this regard. Accordingly, before a commitment to assistance is made, USAID should apply a series of filters: What is the purpose of the training? To what extent will it contribute to decentralization? How will it be sustained? At a minimum USAID should ensure that any support provided for training be within the context of an explicit framework that is compatible with USAID's objectives for decentralization, including democratization, improved governance and development.

- As pointed out in an earlier assessment of EDI, there is some communication between donors, but a more formalized decentralization donors group has yet to emerge. Formalization would not only enhance the capacities of the group by facilitating communication and development of mutually reinforcing strategies, but would also send a broader message of donor concern and willingness to assist. Because of the sensitivity of the issue, the donor group would need to be cast in a low profile, supportive role. It also would need to be accessible to GOE decision makers and technical specialists, but not tied to a specific ministry. This recommendation is all the more appropriate at the present juncture in which we see forward movement on the part of the GOE. The donor group would want to respond favorably with support for the kind of administrative and legal change that has so far eluded thirty years of decentralization efforts. The modus operandi of such a donor group would be to agree, formally or informally, to support x if y happened. So, for example, if indeed the legislation is passed to decentralize revenue collection and disbursements, then the donors would agree to provide monitoring and evaluation services, along with training and other inputs. Many voices would speak louder than one.

5. Prioritize fiscal decentralization. Consider recommended legal changes as possible benchmarks for any follow-on project.

- EDI should intensify efforts to assist the Ministry of Finance in reforming treasury, budget, accounting and audit policies through executive decrees (or, ideally, through amendments to law) that would facilitate decentralization of at least one government service in one governorate
- EDI should provide technical assistance to the MOF in support of IMF initiatives including, but not limited to, the Intergovernmental Fiscal Affairs Unit. Drawing largely from the IMF blueprint (which has the highest backing by the MOF), EDI should reestablish a relationship with the MOF to assess key fiscal issues such as expenditure and revenue assignments, transfer arrangements, equalization, and financing through borrowing.

Conclusion The ground has shifted rapidly under the EDI project. As designed, it is not a close fit with what the GOE is now doing. A reconfiguration of the project along the lines suggested in the recommendations is therefore urgent. The key question now is whether EDI can build on its experience in project pilot areas as well as at the national level and shift financial and human resources to position itself to make the kind of contribution to policy formation and implementation of decentralization on the national level envisaged in the recommendations. EDI has demonstrated already its capacity to adapt to a dynamic decentralization environment. As a result, project staff has entrée to and is respected by technical counterparts in the ministries central to decentralization efforts, the MOLD, MOF and MOED. The evaluation team is therefore optimistic that it can step into a new role.

I. INTRODUCTION

The United States Agency for International Development (USAID) in Egypt contracted Management Systems International (MSI) to perform a mid-term evaluation of its Egyptian Decentralization Initiative (EDI), a five-year (2006-2011), \$21 million program supporting the Government of Egypt (GOE) in critical areas of national decentralization. The evaluation team has reviewed program achievements to determine the effectiveness of USAID's efforts and has sought to draw from its findings conclusions and recommendations that USAID and EDI might use to guide the project over the remainder of its life. The findings are divided between those at the local and the national level, mirroring the structure of the project. While the project has produced strong results in some areas, larger impact has been and will be limited in the absence of changes in the legal, policy and political environments. Given these findings and the GOE's recently announced change in decentralization policy, the team supports a shift in focus from support for piloting decentralization models at the local level to concerted efforts to influence policy at the national level, combined with rigorous monitoring of the GOE's new approach. The team finds that useful lessons learned can be extracted from EDI's pilot projects and applied to the development and roll out of the new policy in ways that may improve prospects for more meaningful decentralization than has so far occurred.

A. Objectives of EDI

Since April 2006 the EDI project has been offering technical assistance, training and policy support to improve the effectiveness, transparency and accountability of local government in pilot governorates so that they can respond to citizen priorities. The project's objectives are: (1) increased Egyptian financial resources available to local governments for responding to community priorities; (2) enhanced participatory mechanisms to plan, allocate, and monitor the use of resources; and (3) strengthened administrative capacity and legal framework for local governments to manage resources effectively and transparently.

The project began in three pilot governorates: Beheira, Qena and Assiut. The plan was to transition out of the initial pilot governorates and move into three new ones with a one-year overlap. In late 2007 the Mission decided to postpone the selection of new pilots while the GOE was deliberating on a national decentralization strategy. In April 2009 USAID agreed that EDI would work in the then three newly selected GOE national pilot governorates: Fayoum, Ismailia and Luxor. Then, in August 2009, the GOE made the unexpected decision to implement decentralization nationwide through specific programs within the authority of the Ministry of Local Development (MOLD). L.E. 800 million in local development funds plus a special one-year appropriation of L.E. 1.3 billion from the Treasury were divided by a transparent formula and transferred down to the 29 governorates. District level district Local Popular Councils (LPCs) are to be empowered to play a lead role in identifying uses for the money and following up. With this development, the term "national pilot" was no longer operative. EDI stopped work begun in the new pilots and continues to work in the original pilots. At this time there is no scheduled continuation of work in these pilots. All three EDI offices at the governorate level are scheduled to close by the end of January 2010.

B. Statement of Work

This mid-term evaluation focuses on the effectiveness of USAID's efforts to date and provides recommendations for adjustments that should be made in the remaining program period. The evaluation specifically addresses the effectiveness of activities within each of the three program objectives, what constraints and opportunities exist, how they have affected program performance, and in what way

program efforts should be adjusted in the future to support the achievement of expected results (see the full Scope of Work in Annex A).

C. The Research Team

The Team Leader, Dr. Dana D. Fischer, is a recently retired USAID career Foreign Service Officer with 25 years of experience managing large development programs in Haiti, Washington D.C., France, the Sahel/West Africa, Egypt and India, along with extensive experience in evaluation design and management, and results reporting. Mr. Curtis A Borden is the Senior Fiscal Expert. Mr. Borden has more than 12 years of experience in assessing the structure of national/local government financial systems and identifying both intergovernmental and private sector strategies to improve resource mobilization and allocation. Ms. Nemat Adel Guenena is the Local Development Expert. Her professional experience spans over 25 years, including work with private and public enterprises, universities and donor organizations. Dr. Robert Springborg is the Senior Policy and Legal Reform Specialist on the team. He possesses more than 40 years of work and teaching experience in political science, and has authored more than 35 articles on politics in the Middle East, nearly half of which focus on Egypt. His long history with USAID includes a 2008 assessment of USAID/Cairo's Egyptian Decentralization Initiative.

D. Research Methodology

Methods

To create an accurate picture of EDI performance to date and prospects for the future, this mid-term evaluation was based methodologically on the four pillars of a multi-method evaluation: desk top document reviews, open-form and structured interviews with principal actors and key informants, field observations, and statistical analysis of secondary data. The combination served as a basis for cross-checking, verifying and triangulating findings through an analytical comparison of information and perspectives from different sources.

The desk top research included a review of principle project documents, as well as supporting materials provided by USAID, other concerned donors and a relevant UN agency. The review of documentation served especially to inform the team about the context of the project, as well as to guide the development, revision and refinement of structured interview guides to be used when meeting with stakeholders at national, regional and local levels. These guides (see Annex C) were designed to ensure that, during meetings and interviews, consistent and coherent information was elicited on each of the five main areas of investigation aligned with the evaluation objectives: Local Popular Counsel (LPC) training; Citizen Service Centers (CSCs); the Integrated District Development Plan (IDDP) process; fiscal decentralization; and, administrative capacity and legal framework of local government. Another guide was developed for high-level policy discussions with Governors and Cairo-based senior government officials (see Annex I). Some high-ranking officials asked to be interviewed off the record, and the team has been careful to protect its sources in a difficult environment.

At the inception of this evaluation, EDI staff made a comprehensive presentation of their work at the national level and in the pilot governorates at the EDI office in Cairo. A lengthy open forum discussion during this meeting provided the team with more excellent background material, institutional perspectives, and project documentation (see Annex D).

To assure that the perspectives of all important stakeholders were represented in the evaluation, the EDI project team facilitated the organization of the field visits and the scheduling of meetings with relevant national Governors, District Chiefs and LPC members at the governorate, district and village levels, as

well as with the Participatory Planning Groups (PPGs). The team visited all six of the pilot districts in the Governorates of Beheira, Qena and Assiut, as well as the former “national pilots” of Fayoum, Ismailiya and Luxor. (A list of individuals interviewed and their organizational affiliation is provided in Annex E.) In all, over 125 people were interviewed either individually or in a group using the pre-established guides.

To complement and verify information obtained by documentation and interviews, field visits and observations were conducted at the IDDP project sites. These visits were used to observe and interview community beneficiaries about the project's relevance to community needs. In addition, the team visited the CSCs to see who was using the Centers and to speak informally with users. The team also observed ongoing trainings and spoke with instructors and trainees.

Finally, team members worked together to systematically compare notes and analyze findings from the multiple sources of information to develop their conclusions on accomplishments to date, challenges faced, and prospects for the future. A statistical analysis was also conducted on the distribution of revenues in EDI-supported governorates and districts as compared to other LAUs nationwide.

Constraints

Notwithstanding the well-conceived plans for this evaluation, two unforeseen complications in the evaluation must be noted.

First, as it turned out, the evaluation took place close to the NDP Annual Conference. This meant that a number of critical stakeholders whom the evaluating team wanted to meet were not available. For example, the team would have found it very useful to have met with the Minister of Local Development and the Head of the Supreme Council of Luxor, but this was not possible because of their unavailability.

Second, the evaluation team had initially planned to incorporate a comparison group approach to add rigor and validity to the evaluation and create the potential for a quasi-experimental design in the assessment of the projects efforts and achievements. By using a counterfactual simulation, it was planned to compare the performance of the governorates in which EDI has been working for the past three years with existing conditions in the newly selected governorates in the technical areas that EDI covers. This plan was overtaken by the August 2009 decision of the GOE to forego further pilot governorates for EDI support and to immediately undertake a national decentralization roll-out. Under these circumstances, the possibility and utility of a comparison group approach was rendered moot without a sizeable change in the scope of work for the evaluation.

Despite these complications, the team remains confident that the findings and conclusions of this mid-term evaluation are supported by sound methods.

II. BACKGROUND

A. Significant USAID Investment in Decentralization

Over the years USAID has invested heavily and persistently in promoting the decentralization of governance in Egypt. The first round of projects, Basic Village Services (BVS), Local Development I (LD1), and Local Development II (LD2), in which decentralization was one if not the principle objective, commenced in the late 1970s, absorbed almost \$1 billion, and ended with the decision not to renew LDII in 1991, at least partially on the grounds that it had not contributed substantially to decentralization. Within five years the GOE commenced Shrouk, modeled in considerable measure on LDII, to which USAID committed \$35 million in the form of the Participatory Rural Governance Project (PRGP). Two

years later USAID cancelled its support for PRGP, again on the grounds that little if any progress had been made in inducing the GOE to decentralize authority, permit greater participation at local levels, or build local administrative capacity. Immediately following that withdrawal of support, USAID commenced the design of a new project in support of decentralization, which ultimately took the form of Collaboration for Community Level Services (CCLS), which, like LDII and PRGP before it, was not continued because it was deemed to be having little if any policy impact. Shortly thereafter USAID commenced EDI, which included the same three objectives as CCLS and PRGP (increased revenue generation, participation and capacity at the local level), as well as a very similar design, featuring pilot activities at local levels combined with attempts to induce national level policy changes. The primary difference in approach that had evolved since the late 1970s was a shift from a focus on development through the provision of material resources to a focus on improved governance achieved in part through democratic practices. Since the PRGP period, USAID pilot activities at local levels have been intended to demonstrate the benefits of decentralization and thereby to enhance support for policy change with national level decision makers.

B. Negligible Aggregate Impact

The aggregate impact of USAID efforts to decentralize governance in Egypt has been negligible. The Sadat-era law on local administration, which provides for a highly centralized, non-democratic system of governance, has not been amended. Revenue collection, despite some innovative efforts to generate local revenues, principally from fees on services, remains almost entirely the preserve of the central government. Local administrative capacities remain weak. Popular perceptions of local government are that it is both the most corrupt and least effective level of government in Egypt. Tight control over local political processes and the lack of free and fair elections, including to Local Popular Councils, have ensured that legal opposition political parties have been unable to establish bases at the governorate, district or village levels. Inadequate delivery of basic services has created a vacuum into which Islamists have moved, thus building support constituencies at local levels that parallel but are not part of the local government structure.

Given that USAID has devoted sizeable effort and resources to the objective of decentralization over the years, the question must be raised as to why it should persist in this heretofore unfruitful area of endeavor. One obvious answer is that the objective is critically important. Over-centralization clearly impedes the effective delivery of services, thus leading to waste, citizen disenchantment and the popularity of alternative service deliverers, especially Islamists. It also contributes to the weakness of pluralistic forces and practices in the country. Common sense would suggest that unless the conditions in Egypt have become more propitious for decentralization, rendering reconfiguration of EDI and even a possible successor worthwhile, the hugely attractive prize of decentralization should be abandoned. Is there evidence then that such a change has or is about to occur? The answer is a qualified “yes.”

C. A New Context for Decentralization?

Recent initiatives by the GOE and the NDP suggest a new and encouraging context for decentralization in Egypt may exist. These include: mention of the “d-word [for decentralization]” itself, including by the President in important speeches; inclusion of decentralization in NDP party platforms and deliberations on it by the Party’s Policy Secretariat; embrace by the GOE of donor activities in support of decentralization, including EDI; recent de-concentration of administrative procedures in various ministries, especially Education; and awarding to the MOLD a spearhead role in designing and commencing implementation of relevant administrative changes. Most explanations of the causes of the new context turn on a combination of interrelated factors: fear by the GOE of the political consequences of poor service delivery; budgetary constraints inducing a search for new revenue sources; preferences of

and pressure by younger, more liberal elements of the political and economic elites; and calculations by Gamal Mubarak that decentralization can play a useful role in his candidacy for President.

While these are encouraging signs, it should be recognized that there remain political and institutional factors that work against decentralization reforms. These include: the power of security and intelligence forces concerned that decentralization of power and resources would provide support bases for potential enemies of the state; the lack of interest in the subject by major opposition forces and the public; and the caution of Gamal Mubarak and his supporters, who are concerned that dramatic initiatives could negatively affect his succession prospects. Among many informed observers interviewed there is pessimism that any major change of the structure of local government will have to await presidential succession. From this perspective the efforts of the NDP relevant to decentralization are for public relations purposes, to try out in limited fashion various alternative approaches, and to pre-position for subsequent implementation.

D. EDI in a Volatile Policy Environment

In major ways the policy environment in which EDI is working has become more volatile and less predictable. In an abrupt change of direction in August 2009, the GOE decided to drop pilot projects as part of its decentralization program and to initiate changes on a nationwide basis. Volatility and unpredictability can presage forward movement, if as yet not profound or widespread. The downside, however, is that the project is jerked around as the context in which it operates is subject to sharp, sudden change.

Given the history of decentralization and USAID decentralization assistance in Egypt, the immediate question facing USAID is how can EDI's remaining time and resources best be used to avoid another cycle of diminished results and/or unanticipated negative consequences? As this report documents, EDI has performed well in a number of areas, but results continue to be limited by the institutional and political context. The report will seek to provide recommendations for the remaining period of EDI that maximize existing results and take account of recent changes regarding decentralization plans in the GOE.

Looking beyond EDI, whether the changes that appear to be possible are of sufficient magnitude to merit USAID's support, and are consistent with USAID's desire to enhance both governance and democratization, are matters for USAID to consider carefully as it ponders any possible follow-on support for decentralization after the conclusion of the current project.

III. POLICY AND LEGISLATIVE FRAMEWORK

A. Relevant Actors

Egypt has a highly centralized decision making system, so all significant public policies are ultimately decided at the top. In addition, all such policies are screened for their implications for national security, a process that inherently enhances the decision-making power of those conducting the screening, i.e., security and intelligence in its various manifestations. Because access through elections to municipal councils provided the route to power for Islamists in Turkey and almost for Islamists in Algeria, and because it conceivably could also do so in Egypt, security/intelligence, whose primary focus is on the Islamist challenge, are predisposed to be hostile to any democratic decentralization – one that would encompass a broadening of popular access to more empowered local councils. The key question then is

might there be countervailing actors in the system whose combined weight could offset the decision-making preponderance of security/intelligence?

The short answer is that other relevant actors are divided about decentralization, so that the possibility of a decisive counterweight to security/intelligence emerging is low. Much of the following information is based upon interviews at the ministerial level and with staff of the MOF itself, and obtained in confidence. The cabinet includes ministers who actively or tacitly oppose decentralization, including many line ministries, such as Agriculture, and the very powerful Minister of Interior, at least if decentralization were to have a significant democratization component that would reduce the power of governors and Interior Ministry personnel at the local level. On the other hand, the cabinet also includes those who support at least some version of decentralization, including the Minister of Investment, the Minister of State for Local Development, the Minister of Education and possibly some other line ministers. The Prime Minister, possibly because his cabinet is divided on the issue, is neither a champion nor an opponent of decentralization. He generally remains silent about it. In sum, the cabinet is not united in support for or opposition to decentralization, so its capacity to bring about substantial change, especially in light of the residual powers of security/intelligence, is limited.

The Minister of Finance appears to be engaged in decentralization efforts. Within 2009 he has requested two IMF missions to advise him on decentralization issues, participated in an inter-ministerial committee working on decentralization of the education sector, issued a Ministerial Decree devolving the financial control of LPC operating funds to the local level, and allowed his deputy to work with EDI to set up an intergovernmental fiscal affairs unit within the MOF. Nevertheless, most closely placed observers interviewed by the team doubted these initiatives would ultimately have policy impacts, and speculated that they may not in fact signal support for decentralization. This observation should not be interpreted as meaning that such initiatives have no value, however, and should not be supported. Indeed, we recommend supporting the MOF's work.

The nominal center of the decision making system is the National Democratic Party (NDP), and within it, the Policies Secretariat. Over the past several years the regime has sought to upgrade its policy formation role, drawing into it talented, comparatively young, well educated professionals, while highlighting its role through the media and annual conferences and empowering it by granting to its leadership the right to nominate candidates for positions in the party at lower levels and, not incidentally, candidates for Local Popular Councils. The political role of the Secretariat and the party more generally is to present the liberal face of the regime, thereby pre-empting autonomous reform efforts and possibly also paving the way for acceptance of a regime-engineered Presidential succession. The key questions to be asked regarding this body, which has taken up the issue of decentralization, are whether it is sufficiently powerful and united in support of decentralization to overcome the hesitancy of those forces opposed to change.

If decentralization is defined as a substantial transfer of power from central to local government, combined with more open political contestation at the local level, the answer is clearly that the NDP has neither the power nor the desire to accomplish this objective. If, on the other hand, a limited, administrative decentralization, largely shorn of democratization components and hedged by centrally imposed safeguards, especially over fiscal matters, is the type envisioned, then the NDP's ruling body does indeed seem committed and may have the leverage to accomplish at least a limited version of this already limited conception of decentralization. Its incentive to do so is political in both form and substance, the former because it would suggest that the regime endorses reform, and the latter because at least some members no doubt believe that decentralization will indeed improve the quality of governance. But the Policies Secretariat is subordinate to the broader political logic of reform conditioned by the imperative of control and by more powerful institutional actors. These limits are suggested by the fact that some five years have now passed between the time the NDP first began to identify itself with decentralization and the failure as yet to accomplish any tangible policy reforms, as highlighted by the

refusal of those orchestrating the annual party conference in October 2009 to permit amendment of the local government law to be placed on Parliament's 2009-10 legislative agenda.

The failure of the Policies Secretariat to translate words into real action on decentralization is due not just to the limits of its intents and powers, but also to the nature of the subject itself. Decentralization is one of, if not the most, difficult governmental reforms to design and implement. Encompassing administrative, fiscal, and political components and affecting a wide range of services, hence interests, decentralization is extremely difficult to design in a comprehensive fashion, especially in a system without a tradition of division of powers between different levels of government. Indeed, in most settings, including developed democracies, relations between governmental levels emerge over long periods and are subject to constant revision and renegotiation. Before 1952 there was little local autonomy, and since the Nasser era Egypt has consolidated virtually all meaningful administrative, fiscal and political powers at the national level.

Unlike in some other settings, such as in the Philippines under Marcos, the opposition does not champion decentralization. Indeed, many secular, independent liberals fear that decentralization would empower Islamists, who they see as a powerful force at local levels. For its part the Muslim Brotherhood doubts the regime will ever widen real political space within governmental structures, including those at local levels, so it focuses on constructing its own parallel structures and capacities, especially for service delivery. So it sees itself more as an alternative to local government than a participant in it. Of the some 17 opposition political parties, apparently three have now emitted some formal interest in and possible support for decentralization, but it is lukewarm at best. The leader of the Wafd, for example, actually is opposed to it on the grounds that it would undermine governmental capacity and open the door to yet more corruption. The Nasserists view decentralization as a plot to undermine national consensus and unity. Thus decentralization is not a rallying cry for the opposition, who by and large react skeptically to governmental decentralization initiatives.

B. Contextual Forces

Just as the roll-call of actors relevant to decentralization does not reveal many ardently supporting it, so does a review of impersonal forces suggest that the context for decentralization is not particularly favorable. Economic forces may be conducive to decentralization over the medium and longer terms. Investment, whether foreign or domestic, is being channeled to various parts of the country, including even Upper Egypt where it typically seeks out cheap labor. The Ministry of Investment intends to devolve authority to five investment zones in the country, thereby decentralizing procedures and access to inputs to investors in those various areas. Some of those in the NDP Policies Secretariat refer to the "Chinese Model" of competition between regions and municipalities in attracting investment by improving services. So while geographically dispersed capital accumulation will reinforce both the need and demands for decentralization over time, and there is already some evidence of awareness of this in governing circles, it is unlikely economic forces will be so profound or urgent that they will change the present context of decentralization within the next three years.

Donor activities contribute to the contextual forces for decentralization, even though donors are not direct actors in the decision-making that affects it. Awareness-raising among relevant institutions and individuals and broader educated publics is probably the most significant such contribution. The various projects supported by donors to demonstrate the benefits of decentralization, combined with public awareness activities, have contributed to it being considered an appropriate and necessary governance reform by a range of governmental and non-governmental actors, and to placing it on the government's agenda. But as yet the favorable context for decentralization created in part by donor activities is both limited in scope and general in form, so has yet to coalesce into clearly defined demands and proposals for specific changes.

In sum, contextual forces are working to push decentralization to a more central place on the country's decision-making agenda. Although many forces both outside and inside government remain skeptical about it, in general it is gaining support in both constituencies, especially compared to the distribution of opinion a decade ago. But the process of translating awareness and support into policy change is in almost all systems problematic, and in one that is non-democratic with a history of over-centralization it is extremely difficult. What is typically required is for one or more powerful political actors to champion the cause, distilling the proposed reforms down to some basic, easily understood principles and proposed actions, so that broad support can be mobilized. This stage has yet to arrive in Egypt. Given restrictions on public debate and the weak linkage between public opinion and policy making, it may never occur. But at least the underlying conditions for some political entrepreneurship, in which decentralization could be fashioned into a more persuasive, widespread demand, are somewhat improved.

C. Impact of Implemented Decentralization Initiatives

The principal, official decentralization initiatives implemented over the past five years have been deconcentrations of administrative procedures, coupled with some enhancements of local participation in some line ministries, especially Education, and increasing latitude given by central authorities to own source revenue raising activities, especially by governors. Other initiatives, such as charging the MOLD with a central role in designing and implementing decentralization, have yet to result in on the ground change, or are associated with specific projects, such as EDI or Shrouk, which have limited geographic scope or are concerned with policy design.

The specific impact of the deconcentration of line ministry power, especially that of Education, is beyond the scope of this assessment. All that can be observed here is that these changes have as yet to be generalized across the government or to affect the core functions of those ministries. Over the years a variety of mechanisms to enhance local participation, such as creating water users groups or school boards of trustees, have been devised. While some may have had local effects, none has contributed thus far to momentum for broader change or has profoundly affected existing administrative procedures or nationwide-service delivery outcomes.

The creative search for local, own source revenues that was commenced by some entrepreneurial governors in the mid to late 1990s subsequently gathered pace, resulting in the imposition of a wide variety of new fees. But the amount of revenue raised has, in comparison to that provided by the central government, remained comparatively small. Own source revenues have not been sufficient to fund any significant changes in institutionalized service delivery. Moreover, own source revenue collection has negative consequences at the local and national levels. At the former it tends to be relatively costly to collect and to impose constraints on trade, such as requiring merchants and shippers to make payments that interfere with their activities and which create resentments disproportionate to amounts collected. At the national level the argument has been made that own source revenues have been permitted by precisely those forces opposed to decentralization of revenues more generally, because it serves as a sop without having any significant impact, thereby absorbing pressure for real reform.

In sum, initiatives for decentralization that have been implemented have not made a major change in patterns of administration, revenue raising, or local level participation. The negative consequences of these initiatives probably balance off the marginal gains that have been made.

D. EDI Objectives and the Realities of GOE Practices

EDI's objectives are to enhance local revenues and participation while developing associated administrative capacities. During the life of the project, the GOE has moved to further restrict local

participation by political forces other than the NDP. Its careful control of the April 2008 local elections is a manifestation of such constriction. Indeed, the NDP used these elections to purge its ranks of the “old guard” in an effort to invigorate it and subordinate it to those controlling the Policies Secretariat. No effort was made to broaden popular participation through these elections or any other means. Harassment and arrest of opposition forces, both in general and leading up to local elections, is indicative of the mindset of the regime, which is opposed to broadening access to elected local government.

In the absence of major changes to the structure within which civil servants work at local levels, no significant capacity building can occur, and hence none has, as the GOE has retained the existing structures in virtually all areas. The Ministry of Finance’s explorations of revenue decentralization have revealed that the existing legal framework does not permit that to occur, so amendment to existing legislation is a precondition. That Ministry is now engaged with the IMF in order to formulate such legislation, but it cannot be forthcoming in less than a year and maybe considerably longer than that, if indeed it does take place.

In sum, despite shifts in political discourse among government and party leadership with regard to decentralization as well as a willingness to engage with EDI both nationally and locally, actual policy adoption and implementation in the areas of local participation, capacity building and fiscal decentralization fall short EDI objectives.

E. Functional and Geographic Variations in Decentralization

The relative homogeneity of Egypt and uniformity of its governmental administration militates against variation in the degree of decentralization, whether regionally or between sectors of the administration. The slight exception to this is that the Ministry of Finance is more tightly centralized by legislation than are service delivery ministries, such as Education, so there is less room for policy innovation within the existing legal constraints under which the MOF operates.

IV. FINDINGS AND CONCLUSIONS: ASSESSMENT OF THE CONTRIBUTION OF ACTIVITIES TO PROJECT OBJECTIVES

Evaluation findings and conclusions are divided between those at the local and national levels. The project is itself divided between local and national level activities and objectives, so the report mirrors the structure of EDI.

A. Local Findings and Conclusions

Objective 1: Increased Egyptian Financial Resources Available To Local Governments For Responding To Community Priorities.

1.1 To what extent do the governorates have more fiscal autonomy and decision-making powers?

FINDING: EDI has contributed to the discourse on fiscal decentralization but this effort has not translated into new legislation.

The Evaluation Team found a wide-ranging number of studies, conferences and training sessions that EDI has commissioned either on its own or at the request of the MOLD or MOF (e.g., the EDI Fourth Quarter FY2009 Progress Report identifies more than a dozen training sessions conducted during the quarter that

specifically address Objective 1 of the project). In addition EDI has been asked to join a small, select group of senior personnel within MOLD in an intensive effort to draft the entire proposed amendment to the LAL (financial and non-financial provisions), and specifically to address different ways to fund local development that focus primarily on redirecting various taxes under the control of the MOF. Thus far, EDI consultants have been able to garner tentative approvals from both the MOF and MOLD for the following provisions in the draft LAL amendment:

- A MOF sponsored intergovernmental transfer which would be funded by ½% sales tax and 25% of taxes from industrial and commercial activities;
- A MOLD local development fund capitalized through a surtax on profits from the Suez Canal; and,
- Rebates to Local Administrative Units (LAUs) for up to 25% of the property tax collected in their jurisdictions.

Nevertheless, despite all these efforts, none of these proposals will come to fruition anytime soon as the LAL amendment is not currently on Parliament’s legislative agenda. As a result EDI has only been able to work within the scope of current fiscal and budgetary laws, and no changes to existing laws that would decentralize the authority of LAUs were identified by the team (e.g., officials in two different districts stated that a proposal for new or increased parking fees still requires approval from the governorate LPC and Governor).

CONCLUSION: In the absence of legal and administrative reforms, only limited fiscal autonomy will be achieved.

1.2 What are the results of local revenues generated at the EDI governorates? Identify:

- a. Community contributions;
- b. Fees & dues that could be applied by the LPCs at the village or district levels;
- c. Revenues from special accounts;
- d. Percentage retained from sovereign taxes;
- e. Local taxes applied and fully retained at the local level; and
- f. Grants from foreign donors

FINDING: The distribution of revenues across sources in EDI governorates and districts does not vary significantly from one to another or from LAUs nationwide.

Analyses (see EDI Fiscal Profile reports) suggest that there is little difference in the percentage by type of revenues collected amongst EDI governorates or when compared to all other governorates (see Table 1).

Table 1: Revenues of EDI Districts in Asyut Compared to National Average, 2008/2009 (L.E.)

Type of Revenue	Abou Teeg	% Total	Dayrout	% Total	Nat’l Total	% Total
Local Fees	121,000	9%	160,000	9%	552,000,000	10%
Public Utilities	248,000	18%	603,000	34%	632,000,000	12%
Funds and Special Accounts	374,000	28%	414,000	24%	1,456,000,000	28%
Other Revenues	600,000	45%	584,000	33%	2,636,000,000	50%
Total	1,343,000	100%	1,761,000	100%	5,276,000,000	100%

Source: EDI reports; Statistical Statement, State General Budget, MOF

Ideally, figures would be presented for all six pilot districts. EDI could provide figures for only two pilot districts in Assiut. Financial profiles of the others seem to have different formats and categories for own-source revenues. But the similarity of the two districts' revenue distribution to the national average leads us to believe that the other four districts follow suit.

This lack of variation is due to the nature of state laws that govern all revenue collecting authority at the governorate and district levels. Moreover, actions taken by the central government over the past four years have severely restricted the tax revenues LAUs can collect and retain. Under the Income Tax Act of 2005, the MOF cancelled the LAUs' share of local income taxes. This past year, the MOF again reduced own source revenues in LAUs by repealing parts of the Local Administration Law that allowed LAUs to collect and retain portions of the agricultural, building, vehicle and entertainment taxes. Consequently, all LAUs in Egypt (including those participating in the EDI project) can only collect and retain fees and fines related to local services and enterprises as defined in the LAL.

Budget and planning officials interviewed in the EDI governorates and districts indicated that they did not quantify community contributions because first, they were usually donated in-kind and, second, they would only make up a negligible percentage of overall revenues as most were provided in the form of labor on capital projects.

Apart from USAID matching grants, none of the EDI governorates and districts received any other kind of grants from foreign donors.

CONCLUSION: Despite EDI efforts to increase local revenue through service improvements in certain sectors, automating accounting systems, and proposing new or increased fees, project and government data do not allow us to conclude that there has been a significant impact on the diversification of LAU revenues, which is constrained by central government limits on LAU revenue collecting authority. We strongly recommend collection of EDI revenue data in ways that allow comparison across districts and time, and reanalysis of project sites relative to non-project districts as soon as comparable figures exist for all.

1.3 What are the revenues being used for? How efficiently are they being used? Are there any unintended positive or negative outcomes of this revenue generation and use?

FINDING: Locally generated (own source) revenues make up a very small fraction of overall governmental revenues and their collection has negative consequences.

Own source revenues collected in the EDI governorates and districts are primarily used for the operation and maintenance of local services and enterprises, such as for housing, cleaning, parking, traffic and beautification. All budgeting and accounting for these types of activities was found to be recorded in handwritten documents and not readily available to the public.

EDI supported the two pilot district LPCs in Assiut in the preparation of revised local fees and charges for various categories of services. Subsequently, the Governor of Assiut issued an executive decree implementing the new schedules and made them effective across all districts (not just the pilot districts) at the start of FY 2008-2009. In its FY 2009 Annual Report (p. 32), EDI states that, in enacting the new schedules, the LPCs took special care to ensure that "the action did not negatively affect low income groups." Nevertheless, the Evaluation Team questions how they decided which businesses to target and how much the fees should be (see Annex H for a listing of the new fee schedule in Assiut). In almost every district visited, the Evaluation Team found that local officials were very reluctant to impose new or increased fees and, in places that had done so already (Assiut and Beheira), district officials admitted that they had received public complaints about the higher fees imposed on some local businesses and not others. In general, the Evaluation Team found that the vast majority of new or increased fees at the local

level are being levied and collected in a haphazard way (e.g., hairdressers, jewelry and wedding shops, or any business that is perceived to be making profits are targeted). An extreme example of haphazardness was observed in Shubrakheet District, Beheira. Fee collectors had placed a wooden box on a table out in the middle of the road entering the city where, district officials said, they would collect money from trucks that were transporting fruits and vegetables. Nobody was manning the box in the time the team was there. (It should be noted that the Beheira Governorate LPC enacted a new fee schedule in 2006, prior to selection of Beheira as an EDI pilot.)

International practice shows that a generally applied property tax levied, collected and retained at the local level is the most equitable means to collect own source revenues.¹ By enhancing random local fee structures as they currently exist, the LAUs (with the support of EDI) have created a great deal of animosity among those who feel they are being unfairly targeted – very much the opposite effect of a generally applied property tax. Interviews with high ranking, national level officials supported this assessment of the impact of these revenues and their modes of collection. This is a design flaw of the EDI project and not the result of EDI misguidance. A change to a property tax system is unlikely, however, as preceding discussions of the barriers to institutional reforms suggest.

CONCLUSION: Although EDI has made great strides in increasing the knowledge base of the pilot LAUs’ own source revenue options as per project design, by supporting the existing arbitrary and inefficient local fee system, EDI has essentially bolstered the status quo and had little to no effect on structural reform.

1.4 Are increased Egyptian financial resources available to local governments for responding to community priorities?

FINDING: EDI pilot governorates have increased own-source revenues.

Below is a summation of findings in each EDI governorate.

Beheira – No new or increased fees have been proposed over the past 3 years. The most recent decree, 107/2006, was issued by the governor of Beheira levying fees for 22 services to support the LSDF at various local levels. The implementation of this decree started during the second half of FY 2005/2006. Local revenues have increased year over year primarily due to better service (citizens are more willing to pay) and higher collection volumes for solid waste, parking and vegetable/fruit transport fees.

Qena – 46 new or increased fees have been proposed and approved by the Governorate LPC in November 2008. The Governor has yet to issue an Executive Decree that will allow districts to begin collection, however. Increased local revenue over the past couple years is due to new EDI methods for recouping lost funds from corruption and increased volume in parking fees.

Assiut – 20 new fees were approved in 2008 as a direct result of EDI technical assistance and revenues have increased 52% over the past year ²(see Annex H). Continued increases in the collection of these fees by the districts were reported to be severely constrained, however, by a lack of fee collectors. Requesting more fee collectors, who must be permanent civil servants, entails a lengthy MOLD approval process and was not seen as a viable option by district officials interviewed.

¹ Roy Kelly, “Property Tax Reform in Indonesia: Emerging Challenges from Decentralization”, The Asia Pacific Journal of Public Administration, Vol. 26, No. 1, June 2004, pg. 83

² While complete official data for FY 2008-2009 will not be available until March 2010, this figure is cited in the EDI FY 2009 Annual Report, p. 32. The source is Assiut Governorate final accounts and records of special fund collections.

CONCLUSION: EDI was able to increase own source revenues in the pilot governorates by improving collection efficiencies and proposing new or increased fees. The increase in local revenues by EDI pilot governorates was accomplished within the current constraints of local finance and administration rules and regulations. Data currently available do not allow conclusions to be made about the increases in EDI sites relative to a national average; as per conclusion 1.2 above, we strongly recommend reanalysis when comparable data becomes available to obtain a complete and accurate evaluation of this issue.

Objective 2: Enhanced Participatory Mechanisms To Plan, Allocate, And Monitor The Use Of Resources.

2.1. What are the results of the Local Popular Councils Training Program?

FINDING 2.1.1: EDI has implemented an extensive Participatory Planning Program that enabled local communities to develop plans that address their needs and reflect their priorities

The aim of the Participatory Planning Program implemented by EDI was to inculcate the knowledge and skills that would enable local communities to develop local plans and budgets that reflect local needs and priorities. Accordingly, the program implemented by EDI focused on developing local level knowledge in areas of participatory planning, problem identification and prioritization, designing a plan and monitoring its implementation. The program included training and non-training events such as workshops and conferences designed to inform participants about the current LAL, and acquaint LPC and LEC members with their roles. In addition, specific topical trainings were given to the various LPC committees and select LEC members in the areas of public finance, IT, local administration and public awareness.

Over 19,000 individuals from six pilot districts in the Governorates of Beheira (6,414), Assiut (7,225) and Qena (5,487) participated in the program. The difference in numbers of trainees between governorates is a result of the variation in the level of attendance. In Qena for example, there was a lesser number of LPC members attending the trainings. The EDI training manager believes that this is due to the long traveling distances between villages. Also in Beheira, there was less training in public finance compared to the other two governorates because the need to work on restructuring local fees was judged to be less pressing than in the other governorates.

Approximately half of trainees (46%) were LPC members. The balance was divided almost equally between LEC members and civil society representatives. Women constituted 15% of all participants in the capacity building events. The content of the program was developed by the EDI team in collaboration with Alexandria University, Damanhour branch, while the training was delivered by the Sadat Academy for Management Sciences – Alexandria branch and Alexandria University, Damanhour branch; and implemented by consultants from the Academy and from Cairo University as well as from other regional universities and centers.

The training program varied slightly in the governorates in terms of sequence, but it basically included a two-stage process, with in-class training reinforced by field applications and technical support. Trainees received in-class 7-day training (approximately 35 hours in total), and field application of participatory planning process over the duration of two to three months, over which 12-17 sessions of planning were organized with the trainers providing technical support/coaching. The training techniques used involved lectures and brainstorming sessions, followed by group work and presentation of results.

Following the completion of the training, Participatory Planning Groups (PPGs) are formed to work under the guidance of the Sadat Academy and the EDI consultant on developing village and local plans, and then integrating these plans into district development plans (IDDPs).

In 2008 EDI commissioned the Center for Development Services (CDS) to undertake an independent assessment of the training application under the Participatory Planning Process. The assessment results, which were reported in October 2008, concluded that the “training content was logically laid out, organized and ordered.” There were, however, a number of observations noted in the assessment concerning the method of delivering the training and the TA, the absence of handouts, and the lack of familiarity of some of the consultants with the context and concepts of local governance. The fact that the trainings did not always start or end on time was observed to have encouraged trainee absenteeism. The number of consultants providing the TA and its extended duration were noted to be factors distracting participants from their daily work.

Accordingly, the CDS assessment recommended cutting down on the theoretical content of the training and adding variation to the techniques employed, such as role play and simulation exercises, distributing handouts prior to the sessions so as to save time during the training, and orienting the trainers to the context of local governance so that they do not raise expectations about the government's level of commitment to local plans. Recommendations about the TA focused on the importance of observing a timely schedule to be implemented over a shorter duration of time.

Following this assessment EDI undertook measures to improve the training content and delivery. The theoretical portion of the training was reduced in favor of practical exercises, and the duration of the training was modified to allow more time for the application of skills acquired. Also, to improve the organization and administration of the training, EDI decided to contract the individual trainers who had been evaluated positively during the first planning cycle instead of the previous practice of outsourcing the training program to academic institutions.

The participants' appreciation of the training was also noted in the CDS assessment, and confirmed by the interviews conducted for the purpose of this evaluation. While respondents from the six pilot districts voiced satisfaction with the trainings, they were unable to identify any specific skills that were omitted from the program. The CDS assessment, however, mentioned that trainings in community and resource mobilization were cited by trainees as capacity building areas that would be required to consolidate the participatory planning process.

The fact that the pilot districts managed to submit their plans for 2009-2010 on time while other districts have not managed to do so is cited by LPC members and senior executives in the three governorates as a evidence of the effectiveness of the trainings.

CONCLUSION 2.1.1: The success of the experiment is largely due to the goodwill of the concerned governors with whom EDI has managed to establish cordial relations. It is clear that the EDI trainings have generated much enthusiasm among the LPCs and also the LECs in the pilot districts. More importantly, the trainings have equipped major players and especially the MLPCs with the knowledge and skills required to lead the development of local plans that are more reflective of real needs than previous ones submitted arbitrarily by the LECs. The scalability and sustainability of the capacity building program will depend on whether the GOE is ready to allocate adequate infrastructure and required financial resources for the empowerment of local administration and local communities. For such training to contribute to democratization, it would need to be of members of LPCs who are elected through free and fair elections.

“We learnt how to think logically and we understood that the value of our participation is in the concrete results that it yields. We know now that although changing the culture of centralization is difficult, it is nevertheless possible.”

– LPC member in the village of Laqana, district of Shubrakheet, Beheira

FINDING 2.1.2: EDI's capacity building activities have contributed to promoting more effective collaboration between LPCs and LECs.

The friction that is reported to have existed between LPCs and LECs is due to the feeling of LPC members that they are marginal to the process of decision making. This feeling was conveyed to the evaluating team by LPC members in the six pilot districts. According to LPC members interviewed for the purpose of this evaluation, prior to EDI local development plans were developed in an arbitrary manner by the district chief and presented to the LPCs in a rubber stamping exercise. These plans did not always reflect the needs or priorities of the local communities. Downward planning was the norm and people would just agree to “receiving” a project.

Hundreds of capacity building events were organized in each of the three Governorates: Beheira 275, Assiut 294, and Qena 204 events. In most of these events LPC members and select LEC members were included as trainees. The trainings on “Leadership, Meeting Management and Communication” and “Roles of MLPCs: the Relationship between LPCs and LECs” are cited as having enabled the participants to communicate with each other “respectfully” and therefore to collaborate more effectively.

Before EDI training, the LEC and LPC seldom interacted, especially on matters related to the budget. The capacity building activities have established an understanding of each other’s roles and responsibilities and in interviews with the evaluating team they often referred to other LPCs and LECs in nearby districts that still have problems.

EDI commissioned an independent assessment of LPC members’ perception of decentralization by Cairo University’s Public Administration Research and Consultation Center (PARC). Concluding in the summer of 2009, the PARC assessment notes that a significant percentage of the current LPC membership had never served in LPCs before. This meant that their understanding of the Law and of the concepts of decentralization, especially fiscal decentralization, was lacking. The EDI trainings filled gaps in knowledge of LPCs, establishing a more rational base for cooperation between LPCs and LECs. The PARC assessment results also indicate that the LPC members in the pilot districts place higher priority on the training than LPS members in non-pilot districts and attribute this to a heightened awareness of the benefits of the trainings. This was confirmed to the evaluation team by MLPCs and MLECs who requested that a training of trainers (TOT) program be instituted at the governorate level so as to ensure the sustainability of the impact of EDI trainings.

This evaluation further confirms the findings of the CDS assessment with regard to “unintended behavioral changes” resulting in more positive relations between LECs and LPCs. “There is no need to shout at each other anymore because we are working together to develop plans that reflect the real needs of the community rather than the interests of a particular individual or group,” said an executive referring to the influence that tribal relations used to have on the development of local plans. The IDDP process is perceived to work against such practices and to have established a sense of shared responsibility between LECs and LPCs.

Finally, the Governor of Beheira's appreciation of EDI's capacity building program led to a request that the trainings of the LPCs be brought to the governorate level and that key executive figures be included. EDI responded to this request by implementing a two-day program with two iterations that was attended by 120 MLPCs and high ranking civil servants.

CONCLUSION 2.1.2: The LPCs and LECs have become aware of their role and responsibilities, and they are as result of the trainings in a better position to cooperate in the development of local plans. This situation, however, is transient and easily

“When LPCs and LECs realize that they have equal but different rights and obligations, their interaction will be much more effective.”

– LPC member in Qena

reversible, unless efforts to install capacity at the local level are sustained through a training of trainers (TOT) program, and civil society is empowered to monitor and report on the participatory planning process at the local level. Moreover, the local government law does not adequately empower LPCs to subordinate LECs, so awareness of roles and responsibilities, even if improved, can have only limited impact.

2.2 What are the results of the Integrated District Development Plan process? Who participated in the Integrated District Development Plan process and why did they do so? To what extent were participants' expectations fulfilled?

FINDING: The Integrated District Development Plan (IDDP) process resulted in a bottom up approach to project identification and prioritization.

The IDDPs are developed over a staged process, which starts with forming the Participatory Planning Groups and culminates with the adoption of the local IDDPs by the line Ministries at the governorate level, and the monitoring and follow up role of the PPGs. The automation of the LPCs is meant to facilitate the monitoring function of the LPCs by enabling them to track LEC progress on activities.

The PPG consists of 25 members who are selected from among the ranks of the LPC and civil society representative NGOs with special attention given to including vulnerable groups: women, youth, small farmers and disabled citizens. The director of the Social Solidarity Unit of the Council, the person in charge of the local unit, the secretary of the local unit, the planning director and the director of the information center are also included in the Participatory Planning Groups. In Beheira a coordination committee integrates the planning outputs of the participatory planning committee with the plans of the service directorates to produce one IDDP (this does not exist in the other two governorates).

In the EDI annual report of 2009, it is mentioned that the plans developed by the PPGs for 2008-2009 included more than 250 projects with a value of LE 230 million and that 70% of that amount was implemented in the form of projects with community contributions in kind and in cash amounting to half of the total cost. The percentage of approved and implemented projects is approximately the same in all districts except for Abu Hommos in Beheira which had submitted plans for a much higher value than the other five districts. Accordingly, only 37% of the total amount submitted was approved and implemented. On the other hand, in Naga Hamadi, Qena, approved projects exceeded the scope of the approved plans because one of the projects was expanded and the value was underestimated.

The evaluation team visited a number of these projects in Beheira, Qena and Assiut. In most cases, beneficiaries were interviewed to gain insight as to whether the projects addressed real community needs. In all cases, it was clear from responses obtained that the projects reflected needs that had remained unaddressed for many years. The projects include roads that have been leveled and/or enlarged, water courses that have been covered, street lighting, schools, family health clinics and waste water plants that were identified through the IDDP process.

“Our rights as representatives of the people had been usurped. We had rights on paper only but not in reality. Decentralization means that this wrong will be redressed and that we will be given back what is essentially ours.”

– An MLPC member in Isna

Only since the beginning of 2009 have the LAU investment plans been a formal output of the IDDP process. Evidence shows that the bottom up approach to project identification encourages public contributions in kind, especially for roads and utilities. Many participants stated that, because of EDI assistance, the IDDP process allows all villages to receive equal consideration of their project needs. There is usually no opportunity, however, to vet a project with the public after it has been prioritized.

Participants also stated that a lot of time is consumed in the process of developing the IDDP, because the LPCs do not have the technical knowledge required and the service directorate representatives do not have the power to make decisions. As a result, the plans go to the service directorates at the governorate level for review and are then returned to the LPCs to be revised. Nevertheless, participants are positive about their engagement in the development of the IDDP because the projects approved are more reflective of the needs of the community than they were in the past.

CONCLUSION: Greater participation through the IDDP process has encouraged more effective use of limited state and local funds in capital improvement projects. Although the IDDP process is admittedly time consuming, its participatory nature is perceived to have encouraged community donations (mostly in kind) and strengthened citizens' understanding of the link between increased fees and improved service delivery.

2.3 Are enhanced participatory mechanisms to plan, allocate, and monitor the use of resources functioning?

FINDING: The majority of respondents from district and village LPCs and Participatory Planning Groups stated that they had an opportunity to provide input during the planning and selection phases of their respective capital projects.

It was observed that, for the most part, increased participation in the project planning process has improved the effectiveness of LAU management of resources. Before EDI training, the LEC and LPC seldom interacted, especially on matters related to the budget. They now understand each other's roles and responsibilities and often stated that other LPCs and LECs in nearby districts still have problems.

Prior to EDI representatives from the LPCs and LECs stated that they did not know the needs of the people and had no project priorities. Downward planning was the norm and people would just agree to "receiving" a project. Interviews revealed that it would sometimes take ten years for a village project to get funded as the LEC at the district level would only provide for the mother village. In other cases, the Diwan cities would get all the consideration and approval depended solely on the personalities involved.

Many respondents stated that they would like governorate service directorates to be part of the public hearing process as they usually deny requests to be present. As a result of their absence, bureaucracy and "red tape" increase and the project approval process is slowed down.

The evaluation team has highlighted the negative consequences at the local and national level of own source revenue collection. However, it must be recognized that the practice of imposing new or increased fees at the local level is not going to end soon. Therefore, at a minimum, decisions on new or increased fees should be the subject of a transparent, public process.

CONCLUSION: While it appears that enhanced participatory mechanisms are functioning with respect to public investments in pilot LAUs, EDI should continue to lobby the MOLD and/or MOF to formalize this process, i.e., make it mandatory for all LAUs, as well as broaden the scope of participatory mechanisms to include new or increased local fees and taxes.

Objective 3: Strengthened Administrative Capacity and Legal Framework to Manage Resources Effectively and Transparently

3.1 Is there a strengthened administrative capacity and legal framework for local governments to manage resources effectively and transparently?

FINDING: EDI financial management training resulted in improved automation of budgeting and accounting procedures but had a limited impact on transparency.

In general, administrative capacity has increased due to EDI training modules on local revenue enhancements and allocation as well as computer skills. Modernized CSCs have provided better transparency in the collection of fees for specific services. There remain serious constraints, however, in the legal framework that governs what local governments can and cannot do. As mentioned earlier, most taxes go back to the MOF, the LAUs have no say in the matter, and the MOF returns a small portion of these taxes to LAUs in the form of salaries, subsidies and funds for projects.

Only marginal improvements have been made in increasing transparency of “off budget” financial information with respect to the LSDF, special accounts and procurement. Most LPC representatives interviewed complained that the LEC would only report “select” financial information to the LPC. When the evaluation team asked LEC representatives whether or not any citizen of the district could simply walk into their offices and request to see the accounting ledgers of the LSDF and other special funds, the emphatic answer each time was, “No!”

CONCLUSION: Until such time as MOF- or MOLD-sponsored legal mandates require all LAUs to automate budget/accounting procedures and reports based on one approved standard, it is doubtful that LAUs outside of the EDI pilot governorates will adopt such technology. In terms of managing resources more transparently, it is again doubtful that LECs will voluntarily release budget information to the public without a clear directive from the MOF or MOLD that clearly describes each and every step of what, when and where both the state and local (own source revenues and expenditures) budgets are to be publicized.

3.2 What have been the results of Training on Administrative Capacity?

FINDING: EDI'S training in administration revealed deficiencies in existing capacities and resulted in limited improvements of performance.

Over a thousand participants from among the executive branch of local government were trained in topics related to Public Finance, Leadership, Management of Meetings, and Communication, IDDP Monitoring and Implementation and topics related to the LAL. In most of these trainings, LPC members were also included as there were limited topics such as the one about Delegation of Authority that targeted the executives only.

Interviews with districts chiefs and governors confirm that while the trainings have generally resulted in informing the executives and in improved performance of administrative duties, capacity is still lacking among the executives. The following are two of the statements made by two district chiefs in answer to the evaluation team's question about the impact of the training on the performance of executives: “When I ask for something, it takes forever to be accomplished, and the output is rarely satisfactory,” “As a chief of district, expectations from my district performance exceeds by far the capacity of the staff working with me”

The consensus among chief executives is that more training is required, and those previously and actually provided through MOLD's Saqqara Center are deemed as insufficient in terms of scope, frequency and duration. Here again, respondents mentioned the importance of a TOT program that would make training

more easily accessible. The Secretary General of Fayoum, one of the “national pilots” that the evaluating team visited, said “It is very difficult for a chief executive to leave his position for any extended period of time, even a week.” In an interview with the governorate of Beheira, the governor mentioned that he would like more focus on enhancing administrative capacity.

Finally, in a close look at the value added of the trainings in specific fields, the evaluating team noted that the trainings on the Law were informative and generally appreciated by all levels of administration. The training modules on local revenue enhancements and allocation, as well as the IT trainings, have resulted in improvements in the reporting of financial data. EDI has conducted dozens of workshops on financial management at the local level and, as expected with most training, results were positive. The Evaluation Team found no evidence to contradict these findings and most of the training participants interviewed believed that they “perform their jobs better than before the training.” The most visible impact of the training is that the use of computers has decreased the level of effort in reporting financial data and has created more opportunities to develop intranet systems among LAUs. It is highly improbable, however, that the GOE will be able to replicate EDI’s training model, as it not only would be cost-prohibitive but also LAUs consistently stated that they had no authority to purchase additional computers.

CONCLUSION: There is a demand and need for administrative capacity at the local level. EDI's capacity building activities were fully appreciated. It should be noted, however, that capacity building has limited utility within a system that will have to be reconsidered in light of decentralization. Moreover, the existing structure of employment and operations in line ministries and local government units militates against improved performance, in part because LPCs have no direct authority over personnel. Thus for training to have a substantial, systemic impact it would have to be accompanied by legal and administrative changes. The offer of assistance in training might provide an incentive for the GOE to make such changes.

“We have local administration not local governance. I am only administering.”

– A lament from one District Chief in Assiut

3.3 What are the results of Citizen Service Centers?

FINDING: The Citizen Support Centers (CSC) established by EDI to provide services within the jurisdiction of the city council have contributed to a more efficient and more transparent collection of fees.

EDI supported the establishment of six Citizen Service Centers (CSCs) in the pilot districts. The purpose of these centers, which are located in accessible spots at the entrance of the city council, is to offer one-stop-shop services where citizens can conduct official transactions in a transparent and efficient environment. These transactions include, for example, various permits for construction, payment of fees for water, electricity, and solid waste collection, as well as applications for candidacy for local elections.

The aim of the CSCs is to improve administrative performance within the city council and to promote a more efficient system of collecting fees. The specific objectives of the CSCs are to provide speedy and efficient services to citizens, to ensure that there is transparency in the process of requesting and delivering the services that fall within the jurisdiction of the city council, and to facilitate the follow up of transactions through an automated system.

EDI's contribution to the establishment of the CSCs include the lay out or prototype of the premises which is almost identical in all six pilots, the organizational structure and job descriptions of the staff manning the Centers, the furniture and equipment (computers), the software applications, and the training of the staff of the CSCs on customer service and center operations, including IT.

EDI also contributed the design and production of the leaflets informing citizens of the services offered by the CSCs and the steps and documents required to complete a transaction. The district provided the space for the CSCs and contracted the staff.

The interview team found that the Centers were appreciated by the Governors concerned and by the executives running the City Council. The CSCs are perceived by the executives in the three governorates as a “civilized and transparent mechanism” which minimizes corruption. Interviews with beneficiaries revealed a similar appreciation of the more systematic process of conducting transactions. Beneficiaries also confirmed that the time it takes to complete a transaction has been much reduced since the CSCs.

It is noteworthy that EDI/Assiut has prepared a slide show with “before” and “after” images that are quite revealing, because they show a rather disorganized manual process before that was cumbersome for the staff involved and time consuming for beneficiaries.

The CSCs are reported to be able to accommodate about 50 daily transactions; to date, however, the number of transactions is between 20 and 30. The services provided are made known to the public through word of mouth and through various announcements at public meetings. The evaluating team did not see any of the CSCs operating at full capacity; given that the required transactions can only be effected at the city council, however, this is not considered a matter of concern.

CONCLUSION: Sustaining the CSCs should not be a burden if the districts are allowed to retain enough fees for their operation and maintenance and if the temporary employment status of the staff manning these CSCs is resolved. The governors and district chiefs seem to think that the fees collected will be sufficient to cover the running expenses of the CSCs and are willing to complement these if needed from the LFSD. As for the employment status of the staff, our understanding is that the Central Agency for Organization and Administration (CAOA) is in the process of integrating the organizational structures of the CSCs in the district administration staffing. Among the EDI interventions, the CSCs seem to be the most likely to be sustained and replicated nationwide.

B. National Level Findings and Conclusions

FINDING 1: EDI has generated extensive technical assistance on decentralization.

EDI has provided high quality technical assistance (TA), both through its studies/reports and by virtue of overlapping project personnel with those connected to potential decentralization decision makers, including those in the MOLD and the Policies Secretariat of the NDP. There is evidence to suggest that this TA and personnel development have contributed to the output of the MOLD, and that the MOLD is itself providing inputs to decision making on decentralization. But given the lack of policy change thus far, it is impossible to conclude that EDI outputs, provided through the MOLD, have in fact influenced the formulation of decentralization policy. Clearly they have the potential to do so, especially if those outputs were to directly reach key decision makers other than those in the MOLD.

CONCLUSION 1: EDI technical assistance *may* have influenced formulation of decentralization policies by decision makers.

FINDING 2: EDI has undertaken activities to broaden awareness and commitment to decentralization.

EDI has undertaken national conferences and outreach activities in its pilots, involved academics and their students (of which at least 11 at the Faculty of Economics and Political Science at Cairo University have written MA theses on decentralization) and directly engaged with GOE officials. That decentralization is not more central to either the GOE’s agenda or to public debate is probably due to

factors beyond EDI's control, chief of which are the opaque decision making structure within the GOE, and the relative weakness of public policy institutional infrastructure and intellectually oriented publications and media. Virtually all agenda setting power is in the hands of the executive branch, so for external advocacy to contribute to agenda setting is extremely difficult, especially since the articulate public is not well networked or informed by specialized media and professional organizations and activities. In light of these constraints, EDI's efforts to raise awareness of the need for decentralization confront major challenges. In the absence of polling data of relevant articulate publics, it is impossible to determine with any degree of confidence what effects those efforts might have had.

CONCLUSION 2: EDI consciousness raising *may* have contributed to greater awareness of the need for decentralization, thereby helping to place the issue on the country's national political agenda.

FINDING 3: EDI has undertaken comparatively few initiatives to assist decentralization by relevant ministries.

Both the GOE and USAID suffer from the "stovepipe" syndrome, in which vertical linkages within projects, departments and ministries are not supplemented with horizontal ties to other relevant individuals, projects, etc. Decentralization by its nature must proceed across a broad organizational front, thereby requiring more horizontal linkages than is typically the case with public policy initiatives. While USAID has tried to ensure that EDI coordinates horizontally with relevant projects in finance, health and education, there is no evidence of mutual interaction and shared impacts between EDI, the other USAID projects, and the GOE ministries and departments concerned. Likewise, while EDI has been engaged with the MOF in several ways (e.g., the seconding of EDI staff to two IMF missions, work on a fiscal decentralization strategy), these are "piecemeal projects" according to the Deputy Minister in charge of the yet to be staffed Intergovernmental Fiscal Affairs Unit. She wants an MOU with EDI to provide a staff person to work with her on a day-to-day basis. EDI has been unable to facilitate the necessary horizontal linkages and to assist ministries in a sustained way, largely because it is directly connected to its MOLD counterpart, whose horizontal linkages, to the extent they exist, seem not to be at the disposal of EDI.

CONCLUSION 3: EDI has the capacity to contribute to both the understanding and the implementation of decentralization by various ministries, the most important of which is the Ministry of Finance.

FINDING 4: A number of donors are supporting decentralization but their thinking and accordingly their efforts remain disparate and not integrated within a unified policy framework.

Some of the main donors involved in decentralization have been given pause by the unexpected decision of the GOE in August 2009 to implement decentralization nation-wide through specific programs within the authority of the Ministry of Local Development. The European Union is reluctant to invest further in decentralization until an amended Local Administrative Law is ratified. The UNDP acknowledges that there is a political will and drive behind decentralization, but that the reform process has yet to unfold. Given the level of funding allocated to the roll out of decentralization by the GOE, the UNDP believes monitoring and evaluation and accountability systems must be put in place to avoid the risks of mismanagement and insufficient capacity. Without meaningful structural reforms, it is feared, development gains (such as impact on service delivery, responsiveness of the authorities to citizen participation and capacity of the authorities to respond to citizens demands) may not materialize. On the positive side, the UNDP's perspective, which is shared by other donors, is that this policy initiative may create momentum that will be difficult to halt, even if roles and responsibilities are not yet completely locked in.

The World Bank has an ongoing technical assistance program with the MOLD (\$400,000). There is discussion of a \$200 million loan to finance those functions of the MOLD which are to devolve to local governments after the August 2009 decision to move from pilot governorates to nation-wide decentralization, i.e., street lighting, secondary and tertiary roads, garbage collection, security and ambulance services and social development (gender and youth services). The loans will finance infrastructure investments and it is highly likely that most of the loans will finance rural roads. The Bank is also considering a decentralization support project. Recognizing that donor efforts are not well coordinated, the Bank is considering spearheading a multi-donor trust fund in the neighborhood of \$20 million. They are hoping to interest the EU, Japan, UNDP and USAID. When asked if the Bank will require that LAL be amended before launching a trust fund, the answer was no.

Under the umbrella of a Strategic National Development Support Project signed with MOLD in 2008, UN Habitat works in the area of decentralization with two local partners: GOPP and MOLD and one international partner, UNDP. The objective of UN Habitat is to decentralize the planning process for cities and towns which in the Middle East is very centralized. Working with the MOF on participatory budgetary planning, they intend to develop plans for 50 cities. The planning should result in the implementation of tangible benefits for the population. UN Habitat is intent on ensuring that their efforts are aligned with the national decentralization plans as far as possible. At the same time, UN Habitat has resisted pressure from MOLD to go national. It is felt that capacity is lacking in the DTO to implement decentralization nation-wide. UN Habitat prefers to adopt a more gradual approach and pursue its work in the former “national” pilots of Fayoum, Ismailia and Luxor.

The GTZ is another example of a bilateral donor with experience in participatory urban development planning. They have been working since the late 1990's on upgrading informal settlements in urban areas. According to the GTZ which is now getting out of implementation and redirecting its energies to the policy level, introducing public participation and oversight into the planning process at a pilot level did not prove difficult, especially if there is a buy in of the governor or district chief in charge. The complexity arises when moving from the pilot to a national level, because the environment is not a conducive one.

CONCLUSION: There are a number of donors who have interventions that are either directly related to decentralization or relevant to the process. Therefore, some form of consensus among donors about the objectives and directions of their support to the GOE would send a stronger and more focused message to decision makers that the donors are willing to assist within a clear and agreed upon policy framework with clearly delineated roles and responsibilities.

V. IMPACT AND SUSTAINABILITY

Decentralization has been almost entirely limited in Egypt since Nasser by powerful political forces. Decentralization assistance programs have been stymied by this in turn. This political context governs any discussion of the impact and sustainability of EDI program interventions. Perhaps the most remarkable thing about EDI's journey over the past three years is the impact its programs have had against many odds.

EDI has performed extremely well in a number of areas. Its Participatory Planning Program gave the opportunity to local communities to develop their own plans, rather than simply "receive" them from above. MLPCs were equipped with the knowledge and skills required to lead the development of local plans more reflective of real needs than previously. Increased participation in the project planning process has improved the effectiveness of LAU management of limited resources, encouraged community

donations, and strengthened citizens' understanding of the link between increased fees and improved service delivery. LECs and LPCs now understand each other's roles and responsibilities. EDI financial management training resulted in improved automation of budgeting and accounting procedures, although it had a limited impact on transparency. In general, administrative capacity has increased due to EDI training modules on local revenue enhancements and allocation as well as computer skills.

There remain serious constraints in the legal framework that governs what local government can and cannot do, however. As mentioned earlier, most taxes go back to the MOF, which returns a small portion of these taxes to LAUs in the form of salaries, subsidies and funds for projects.

Despite improvements in administrative capacity and continued need, the existing structure of employment and operations in line ministries and local government units militates against improved performance, in part because LPCs have no direct authority over personnel. Thus for training to have a substantial, systemic impact, it would have to be accompanied by legal and administrative changes. The scalability and sustainability of such capacity building will also depend on whether the GOE is prepared to allocate adequate resources.

To improve sustainability, the central government must be vested with the responsibility of decentralizing decision-making and administrative power in financial and personnel administration to each type of LAU. Specific responsibilities of the central government should include: 1) strengthening the capabilities of LAUs and promoting participation from citizenry and civil society in the operation of the LAUs; 2) adjusting the roles of both central and local administrations and amending relevant laws and regulations; and 3) setting up structures and mechanisms to support the efficient supervision, monitoring and auditing of decentralization

Among EDI interventions, the CSCs seem most likely to be sustained and replicated nationwide. The governors and district chiefs believe that the fees collected will be sufficient to cover the operating expenses of the CSCs and are willing to complement these if needed from the LFS. As for the employment status of the staff, our understanding is that the Central Agency for Organization and Administration (CAOA) is in the process of integrating the organizational structures of the CSCs in the district administration staffing.

At the national level, EDI has sought to provide input in the amendment of several key areas of the draft Local Administration Law (LAL) that address different ways to fund local development, primarily focusing on redirecting various taxes under the control of the MOF. Inputs have been made through overlapping project personnel in the MOLD and NDP, technical assistance, and studies, reports and conference papers.

In order to assess the impact of EDI studies and conferences the assessment team queried members of the Policies Secretariat, the articulate public and the government about their familiarity with these studies. The responses ranged from a lack of awareness of the studies and conferences, to an awareness of their existence (typically as "Dr. Lubna's papers,") but no first hand familiarity, to (in the case of a key member of the Policy Secretariat) having read some of the papers but found them of little assistance in attempts to formulate policy. The comment of that individual was that the papers were too focused on external experiences and did not package policy alternatives in a fashion that was useful to Egyptian decision makers. He recommended that EDI's outputs would probably be more relevant were their commissioning and writing to be overseen by political scientists with experience in policy analysis and advising.

The team concluded that EDI's research and conference outputs could have been more effective in contributing to policy making had they been more demand driven, i.e., formulated in response to requests from a greater variety of decision makers. The primary client appears to have been EDI's counterpart, the MOLD, and within it, the DTO. It is obviously appropriate to respond to demands from this source. But

because it is only one of the actors in the policy formation process for decentralization, and one that appears not to have consistently and systematically passed EDI's outputs on to other actors, EDI's potential impact might have been enhanced had it widened its client base and been more directly responsive to that wider base. Such a base would have included other ministries and interested departments, suggesting a change in the somewhat exclusive EDI-MOLD relationship. While such an effort might present challenges to EDI's relationship with its counterpart, it is a challenge that the team deemed worthwhile trying to meet. At the same time, it must be acknowledged that it is extremely difficult for external advocacy to contribute to agenda setting, given the opaque decision making processes of the GOE and centralization of power within the executive.

In any case, despite all efforts, the institutional framework for EDI will not change soon, as the amended LAL is not currently on Parliament's 2009-2010 legislative agenda. As a result, EDI has only been able to work within the scope of current fiscal and budgetary laws.

VI. LESSONS LEARNED AND RECOMMENDATIONS

A. Lessons Learned

1. Awareness of a project's political context and consequences is vital

Political context shapes the impact of projects and may in turn be affected by a project. In the case of EDI and decentralization, to assess impact it is important to know where decision making power generally and with regard to specific issues, resides. Is it, for example, in the Policies Secretariat of the NDP, with the Minister of Finance, with the Governors, or is all power concentrated in the Ministry of Interior and the agencies under its control? Given an assessment of the power structure, what is the potential for the MOLD, EDI's counterpart, to have an impact on decentralization?

There is no evidence that EDI has sought to determine the relative influence of the various actors in the policy-making system and, based on such an assessment, shape its inputs accordingly. This is of course a challenging task, in part because the policy-making environment is a dynamic one, but one that should be included in a project addressed to policy change.

As for consequences for the political context, there has been little if any clarification of what impact decentralization, were it actually to occur, might have on the broader political system. Since USAID commenced its support for decentralization some three decades ago, it has been assumed that decentralization is at least compatible with, and probably supportive of democratization. But is that truly the case? Might it not be that the NDP is beginning to support decentralization as part of a process whereby it purges its ranks and reinvigorates itself, much along the lines of the Communist Party of China? Might there be evidence that Party elites have come to this conclusion? Were this the case, might it then not also be the case that USAID would be supporting the consolidation of power by a single party?

There is sufficient evidence to suggest that at least some actors in the GOE/NDP may indeed be embracing decentralization to consolidate the power of the Party rather than to serve as a means to pluralize local politics. More effort needs to be made to assess the objectives of the GOE and to ensure that USAID support is consistent with the achievement of its own objectives. In the case of decentralization those objectives are some mix of democratization, improved governance and better service delivery (development).

2. Successful practices at the local level have limited national impact

Since the commencement of USAID's support for decentralization in the late 1970s, a constant finding has been that project impact in local areas is positive. Participation is typically reported as having increased and the capacities of local officials improved. Usually project personnel are very positive about the impact their activities have had in villages, towns and even governorates. Yet, the GOE remains virtually as centralized as it was when USAID commenced activities to achieve decentralization. Beneficial outcomes at local levels have not affected national policy.

Lack of impact is probably due to two factors. First, decision making in the GOE is highly centralized and generally non responsive, so to affect it one must work at the highest levels. As regards decentralization, this suggests the paradox that it is only likely to be achieved as a result of centrally directed efforts. Second, the GOE—at least outside security/intelligence services—does not have at its disposal institutionalized feedback loops by which decision makers can be kept informed of relevant experiments and activities, especially in rural areas. The obvious feedback loops would be through institutionalized popular participation, such as elections, reporting in a free media, and recruitment from lower to higher levels, and through established administrative channels. Popular participation is very limited, while administrative structures are designed for top down communications, with few if any provisions for bottom up ones. Thus a bottom up strategy of winning broad support for decentralization and drawing upon pilot studies to inform decision makers about impact, is unlikely to succeed in bringing about policy change at the national level. The host of experiments conducted under USAID and others' auspices have not resulted in sustainable decentralization. In the absence of institutionalized changes brought about through legislation, administrative decrees and reorganizations, and fundamental, legally and institutionally based re-ordering of power relationships between citizens and civil servants, decentralization efforts, however successful in limited contexts, cannot withstand the pressure of the established, centralized system.

B. Recommendations

The evaluation team's recommendations fall into seven broad categories:

1. Tie assistance to policy benchmarks.

The project-specific recommendations following are made with the broader political context in mind. Based on extensive interviews and review of documents, the evaluation team concludes that the GOE/NDP's primary objective with regard to decentralization appears to be winning political support through improved service delivery. Democratization is not put forward as an objective, although there is mention of citizen rights. Decentralization is not being coupled with electoral reform at the local level and upgrading the power and status of local councils seems comparatively limited. Reforms envisioned by the NDP would not convert existing LPCs into equivalent power bases. Thus decentralization as envisioned seems to be a reform of governance for the purpose of improving service delivery, not a reform intended to democratize local government. The primary intent is to bolster the standing and power of the NDP itself, much as the Chinese Communist Party is using improved governance at the local level in China to reinforce its legitimacy as the single party, hence undermining calls for pluralism. USAID has from the outset believed that decentralization should serve a democratization as well as governance objective, so USAID's views of what is desirable in actual decentralization policies may differ substantially from those of the NDP/GOE. Close working relationships with NDP elites may thus not be compatible with the implementation of a democratic decentralization program.

It must be noted, however, that real reformers are to be found within the GOE and NDP, reformers who would like local government to be truly democratic as well as effective. Some of them have at least

indirect influence over policy formulation. The challenge before them is twofold. One is that of overcoming those opposed to reform, while the second is that of formulating effective policies in what is probably the most challenging area of governmental reform. To be effective, decentralization has to engage a multitude of governmental actors at different levels, a problem in any setting but one of great magnitude in highly centralized, “stove-piped” administrative systems, of which Egypt is certainly one. The supporting infrastructure of policy formation, including think tanks, open public debate in the media, well developed parliamentary committees, and so on, is almost entirely lacking in Egypt. Thus the task of policy formulation, even given the best of reform intentions, is extremely difficult. This problem accounts in some measure no doubt for the failure as yet to convert the declared intent to reform into tangible policies. To the extent it does, technical assistance that EDI and USAID more generally can provide would have a positive impact.

In sum, the political environment is not conducive to a dramatic, broad based, democratic decentralization process. It may, however, be compatible with a more limited, governance focused, controlled decentralization. Such an outcome would probably be preferable to the status quo and it could unleash forces that would then drive the process much further and faster than its architects had intended.

RECOMMENDATION 1: The evaluation team strongly urges USAID to consider establishing benchmarks of policy change to which it can refer when determining what if any EDI resources should be programmed. The approach to benchmarks used in the PRGP project could serve as a model. PRGP was set up with 13 benchmarks in the three areas of capacity building, participation and revenue generation. When, after two years, it was determined that only one benchmark was partially met, USAID was able to disengage from an activity that was having no policy impact. In the case of EDI, one benchmark could be tangible progress toward amendment of the existing legal context for the MOF’s operations. Others might be steps toward establishing a professional career structure for local government employees and steps taken to empower LPCs to employ and manage these employees. The identification of benchmarks should be the subject of policy dialogue at senior levels.

2. Widen the circle of interest in and debate over decentralization and facilitate development of policy alternatives.

RECOMMENDATION 2.1: EDI should provide targeted technical assistance through various channels. Possibly the metaphor of a “buffet” of offerings open to those engaged in decision making about decentralization captures the essence of a possible approach. This would require the development of appropriate means to “advertise” and access the service, as well as further development of EDI’s technical assistance capacity itself. “Advertisement” of EDI’s technical capacities and information on how to access them could be provided on a website and in hard copy form distributed, through the MOLD, to potential GOE users. Existing EDI studies should be posted on the website.

RECOMMENDATION 2.2: EDI should intensify efforts to broaden awareness of and information on decentralization among a wider, politically articulate public, maybe by partnering with a suitable independent organization. A possible model to emulate in this regard is the Egyptian Center for Economic Studies, which helped to develop constituencies for reform of economic policies through a combination of research, specialized publication, popular press editorials, seminars, conferences, and personal networking. EDI might undertake similar activities itself, albeit in a more limited fashion, or seek one or more strategic partnerships with organizations capable of performing ECES-like functions. While no survey of informed public opinion was taken, so a precise assessment of impact is impossible to determine, informal discussion with members of the articulate public suggested that EDI’s activities with the Al-Ahram Center for Political and Strategic Studies and the public administration department at Cairo University did not contribute substantially to profiling decentralization. The comparison to ECES is

relevant, for ECES had a sustained, wide scale program conducted in a manner that suggested its independence from government.

3. Reprogram remaining funds from pilot to national activities and support to a range of ministries in their efforts to decentralize.

RECOMMENDATION 3.1: Allow all activities in the three pilots in Beheira, Assiut and Qena to end as scheduled so that the remaining funds can be devoted to efforts to influence policy at the national level combined with rigorous monitoring of the GOE's new approach.

This recommendation is grounded on a critical distinction between the function of local pilots and the monitoring and evaluation at the local level recommended in section 4.3 below. The primary purpose of the pilots was to seek to demonstrate the benefits of decentralization to decision makers in the hopes of inducing them to decentralize. The purpose of monitoring and evaluating at the local level is to provide feedback to decision makers about the impact of decentralization measures they have already taken. The former has little justification, both because the key decision makers have little if any awareness of the pilot activities and because the GOE has announced its intention to have a nation-wide rollout of decentralization. The latter is a critical input into effective implementation.

RECOMMENDATION 3.2: The current high profiling of decentralization provides an opportunity for USAID/EDI to engage in policy dialogue. EDI should engage more directly with ministries targeted for decentralization. It might do so in conjunction with other USAID projects involved with those ministries; through the MOLD and/or the inter-ministerial committee for decentralization; and/or at the level of governorates as line ministries, such as that of education, deconcentrate at least some of their personnel management and other administrative functions down to that level.

4. Take a holistic approach to decentralizing the services of at least one Ministry.

RECOMMENDATION 4: For the purposes of this evaluation, administrative/fiscal decentralization is defined as a purposeful, authoritative act of central government to institutionalize a system of intergovernmental relations capable of planning, managing and financing the delivery of services at local levels. Decentralization must concentrate on structure, staffing, systems, services, and standards since these five areas are closely related in actual practice.³ Organizing *structures* are supported by management *systems* being implemented by *staff* delivering *services* according to established *standards*. Thus, decentralization is a policy thrust aimed at assisting local governments to convert from the current stewardship approach (i.e., heavily focused on control of public resources) to an economic leadership model of governance in which LEC officials and LPC members are given the means to orchestrate the community's total resource base (economic, financial, social and physical; public and private) for development purposes.

Since much work has already been done by EDI in formulating decentralization guidelines for the MOLD, it is recommended that EDI staff attempt to enhance the final phase of the project with strategic inputs. First, not all services and facilities can or should be financed and managed in a decentralized fashion. Some services and facilities are better provided by a single organization that can take advantage of economies of scale and efficiencies of mass procurement and distribution. Others are more efficiently and effectively provided by a large number of organizations at the local level.

³ John C. Dalton and David E. Dowall, Infrastructure Financing and Cost Recovery Options: International Experience Applicable to Thailand, USAID, March 1991.

Therefore, as a first broad step, EDI should re-examine:

- which agencies lend themselves to decentralization;
- what services, facilities, infrastructure, or development activities should be decentralized;
- to which level functions should be decentralized, and
- the timing or phases of the above.

If decentralization policies are to be implemented successfully, they must be designed carefully. Once the broad analysis recommended above is concluded, EDI should focus its efforts on analyzing the characteristics of at least *one of the services*, other than education, to be decentralized (i.e., health care, transportation, safety, etc.), the characteristics of their users, and the financial and organizational alternatives for providing local services and facilities in a decentralized fashion. Guidelines could also be established for developing potential districts to become semi-autonomous administrative organizations, including elections of district chiefs, in addition to empowering LAUs to become independent in formulating administrative policies, personnel management, as well as monetary and fiscal decision-making.

5. Intensify assistance to the Ministry of Finance.

RECOMMENDATION 5.1: EDI should intensify efforts to assist the Ministry of Finance in reforming treasury, budget, accounting and audit policies through executive decrees (or, ideally, through amendments to law) that would facilitate decentralization of at least one government service in one governorate

RECOMMENDATION 5.2: EDI should provide technical assistance to the MOF in support of IMF initiatives including, but not limited to, the Intergovernmental Fiscal Affairs Unit. Drawing largely from the IMF blueprint (which has the highest backing by the MOF), EDI should offer to assist the MOF to assess key fiscal issues such as expenditure and revenue assignments, transfer arrangements, equalization, and financing through borrowing. Specifically, EDI could focus on one or all of the following issues:

- The assignment of expenditure functions;
- Revenue assignment and strengthening own source revenues (Note: EDI should utilize negative evidence on own source revenues to support reform of all revenue assignments at the governorate, district and village levels. Revenue allocation must take previously existing local expenditure responsibilities and own resources into account. LAUs that inherit expensive new responsibilities, such as schools and hospitals, may not be able to maintain the level of service previously provided);
- Intergovernmental grants transfer formula and earmarked funds vs. budget flexibility;
- Borrowing by local tiers. - The LAL allows LPCs of a governorate “to borrow for carrying out productive or investment projects necessary for the governorate or the local units within its scope, provided the extent of indebtedness does not exceed 40 percent of the total annual own revenue of the governorate.”⁴
- Revision of local tax laws - e.g., property, sales and corporate taxes.

⁴ Article 15 of the LAL. However, the State General Budget Law appears not to allow local governments to borrow, thus rendering the legal position ambiguous at this stage (IMF).

6. Support implementation of other decentralization policies, structures and practices that can underpin successful roll-out.

RECOMMENDATION 6.1: When the GOE announced the nation-wide decentralization drive in August 2009, EDI worked hand in glove with MOLD staff to prepare in record time a 160-page reference entitled *Manual for Decentralization Implementation in the Local Development Sector 2009-2009*. EDI should take advantage of their stature within the MOLD and recommend that additional project funding criteria used by the governorate LPCs in addition to population and HDI. Keeping in mind the dual goals of divorcing patronage politics from project approval while strengthening LAU administration, the MOLD should require governorates to clearly specify project selection criteria used and insist that monitoring systems be put in place to assess the participatory processes, transparency, accountability, equity and technical aspects of LAUs' proposed projects.

RECOMMENDATION 6.2: The organizational structures of the CSCs are in the process of being approved by the Central Agency for Organization and Administration (CAOA). EDI should provide the MSAD with the prototype of the CSCs, the software, and training materials and then withdraw from providing any further support to the establishment of CSCs.

RECOMMENDATION 6.3: EDI should work with the MOLD and MOF to incorporate the IDDP process into a standardized budgeting practice nationwide.

Participatory budgeting is currently part of the draft LAL amendments but much can still be done through MOF or MOLD decrees such as the requirement to use simple budget forms that include approved minutes from public hearings during project identification and prioritization.

Presently, local standards and benchmarks do not exist in Egypt that would enable the central government to systematically monitor and evaluate local performance, e.g., indicators for infrastructure services, health, education, land use planning, etc. EDI could assist in the development of these indicators and norms which will be critical for monitoring local performance, both during the initial phases of decentralization and on an on-going basis thereafter. For example, EDI could provide training in monitoring and evaluation of local projects funded by the proposed World Bank lending program.

RECOMMENDATION 6.4: EDI is currently working with MOLD to reconfigure the Saqqara Center for Local Development (SCLD) and to redefine its vision and mission so that they are aligned with the GOE's plans for decentralization. The plan is for the SCLD to host the National Curriculum for Decentralization that is currently being developed by MOLD with the assistance of EDI. Accordingly, the three activities that EDI should be supporting are: a) reorganization of the Center so that it becomes an organization for the accreditation of training on decentralization; b) orientation of the staff, perhaps through a study tour that would be designed to expose them to similar organizations; and c) development of a training curriculum that is scalable and dynamic, including a streamlined IDDP module.

The responsibilities and commitments of each of the implementing parties and the conditions under which USAID would continue supporting this activity should be clearly specified in an MOU or new Implementation Letter (IL) to be signed by USAID and the GOE. The April 2009

IL specifies that EDI will assist in "assessing the capacity of MOLD Saqqara Center and other potential institutions to manage and update the curriculum over time." It does not, however, tie this assistance to a

"The performance of executives has improved somewhat, but it takes time to change the mentality of a government employee and the way he is used to doing things...An executive resorts to clinging to old habits because he is insecure."

– Chief of district of Naga Hammadi, Qena referring to the impact of the training on the executives and the need for further training

framework that is compatible with USAID's objectives for decentralization, nor does it specify MOLD's responsibilities in this regard. Accordingly, before a commitment to assistance is made, USAID should apply a series of filters: What is the purpose of the training? To what extent will it contribute to decentralization? How will it be sustained? At a minimum USAID should ensure that any support provided for training be within the context of an explicit framework that is compatible with USAID's objectives for decentralization, including democratization, improved governance and development.

RECOMMENDATION 6.5: EDI has completed an assessment of all entities providing training services that could potentially contribute to developing and delivering the National Curriculum for Decentralization. In addition EDI has already collaborated with seven of those entities in the provision of its capacity building activities. The results of this assessment provide a good base for the establishment of the regional hubs that will serve as the training arms of SCLD. Based on the results of the assessment, EDI should a) assist MOLD in developing its accreditation scheme. The centers forming the regional hubs should be accredited by SCLD; b) define the composition of the regional hubs and the contractual relation of the different entities with SCLD; and c) design and implement a training of trainers (TOT) program in select centers.

RECOMMENDATION 6.6: EDI collaborated effectively with the Public Awareness and Outreach Committees of the LPCs, the various service directorates, and local media to inform the public about the aim and concepts of decentralization and to engage the larger community in the process of developing the local plans. Building on this experience, EDI should continue assisting MOLD in developing the Strategy for Advocacy. The engagement of civil society, academia, and the media in advocating for decentralization and reporting on progress should be included as a mechanism for the implementation of the strategy. The practice of public hearings should be a cornerstone of the strategy in order to inform and engage citizens in the process of decentralization.

7. Seek improved donor coordination.

RECOMMENDATION 7: As pointed out in an earlier assessment of EDI, there is some communication between donors, but a more formalized decentralization donors group has yet to emerge. Formalization would not only enhance the capacities of the group by facilitating communication and development of mutually reinforcing strategies, but would also send a broader message of donor concern and willingness to assist. Because of the sensitivity of the issue, the donor group would need to be cast in a low profile, supportive role.⁵ It also would need to be accessible to GOE decision makers and technical specialists, but not tied to a specific ministry. This recommendation is all the more appropriate at the present juncture in which we see forward movement on the part of the GOE. The donor group would want to respond favorably with support for the kind of administrative and legal change that has so far eluded thirty years of decentralization efforts. The modus operandi of such a donor group would be to agree, formally or informally, to support x if y happened. So, for example, if indeed the legislation is passed to decentralize revenue collection and disbursements, then the donors would agree to provide monitoring and evaluation services, along with training and other inputs. Many voices would speak louder than one.

VII. CONCLUSION

The ground has shifted rapidly under the EDI project. As designed, it is not a close fit with what the GOE is now doing. EDI prepared an excellent Sustainability and Exit Strategy (SES), finalized in April 2009.

⁵ Robert Springborg, Egyptian Decentralization Initiative: Assessment of the Prospects for Decentralization, USAID/Egypt, February 2008.

The SES provides an overarching framework for handing over EDI outputs at the national level to MOLD, MOF and MSAD and at the local level to the governorates and districts. This framework makes sense given the critical assumptions upon which the SES had been developed. But the framework has already been overtaken by events: two of the four critical assumptions are no longer relevant after the decision to proceed with a nation-wide roll out of decentralization. These assumptions are: “The GOE will conduct successful tests of decentralization systems in three national pilots and expand those tests to other sectors and governorates,” and “The GOE will adopt a decentralization model based on those tests and ultimately apply it nation-wide.” A reconfiguration of the project along the lines suggested in the Recommendations is therefore urgent.

The GOE seems more committed than previously to a form of administrative decentralization. There is abundant evidence that decentralization is becoming a subject of political debate and contestation in wider circles. EDI may have contributed to these developments through its pilot activities and its support to the DTO. Other contributing factors could lie in the inability of the government to continue providing services and a wish to shift some of the burden of doing so on local communities and/or a real desire to democratize within the reform wing of the NDP. Regardless of the motives behind the move to decentralize, there is definitely a momentum justifying EDI’s continued and broadened engagement at the national level, providing support to the policy process, along with monitoring and evaluation of changes at the local level.

The key question now is whether EDI can build on its experience in project pilot areas as well as at the national level and shift financial and human resources to position itself to make the kind of contribution to policy formation and implementation of decentralization on the national level envisaged in the evaluation team’s recommendations. On the negative side, EDI’s major thrust, including its commitment of resources, has been to pilot activities that have only marginal relevance to the broader debate and in themselves, however successful, make no lasting contribution to improvements in governance through decentralization. This is a generic problem of local pilots in Egypt. There is no effective, institutionalized mechanism to link pilot activities to policy making. Over thirty years of experience dating back to BVS demonstrates that local level pilots have had no sustained impact on decentralization. On the positive side, EDI has demonstrated its capacity to adapt to a dynamic decentralization environment. As a result project staff has entrée to and is respected by technical counterparts in the ministries central to decentralization efforts, the MOLD, MOF and MOED. Careful engagement based on clear, if not necessarily formal, benchmarks should be encouraged. There are potential opportunities, but in each case, they need to be evaluated in terms of USAID’s objectives regarding decentralization and the likelihood that the specific activity might contribute to their realization. The evaluation team is optimistic that EDI can step into this new role.

ANNEX A. CONTRACT SCOPE OF WORK

Egyptian Decentralization Initiative Overview

For many years, Egypt has been governed under a highly centralized system. At each level of government (governorate, district, and village), there is an executive council, chaired by the chief executive, and made up of representatives from various central ministries. Funds provided by the central government are tied to specific activities before arriving at the local level. The elected local popular councils remain essentially advice-giving rather than decision-making bodies. The result is that local government in Egypt has neither the financial resources nor the political mandate necessary to involve citizens in meaningful economic and political decision-making.

Aware of these challenges, the Government of Egypt has shown interest in addressing these issues. President Mubarak has frequently mentioned decentralization as a priority during his 2005 campaign. The strength and breadth of recent public statements suggests evidence that the GOE is much more committed to decentralization. In addition, the Egyptian Parliament has been discussing a new law for local administration that will, among other things, strengthen the role and authorities of the elected local popular councils.

To facilitate Egypt's determination to reform the local administration by promoting a more decentralized model of governance, the United States Agency for International Development, in cooperation with the Government of Egypt, established the Egyptian Decentralization Initiative Project. The project's overall objective is to offer technical assistance, training, and policy support to improve the effectiveness, transparency and accountability of local government in pilot governorates to respond to citizen priorities. The program began in three initial pilot governorates (Assiut, Qena and Beheira). Based on agreements with the Government of Egypt, the program is now transitioning out of these pilot governorates to move into three new ones (Luxor, Ismailia, and Fayoum).

Evaluation Questions

The mid-term evaluation should focus on reviewing the effectiveness of USAID's efforts to date, and provide recommendations for any adjustments that should be made in the remaining program period. The evaluation should specifically address the effectiveness of activities within each of the three program objectives, what constraints and opportunities exist and how they have affected program performance, and in what way program efforts should be adjusted in the future to support the achievement of expected results.

The evaluation should answer the following list of questions, in addition to others suggested by the consultant and approved by USAID.

The consultant should begin by assessing the broader enabling environment for decentralization to assist the Mission in understanding factors and trends outside of the manageable interest of the program that affect the prospects for success and sustainability. Examples of specific questions include:

1. Does the current national decentralization plan fully support the achievement of program objectives? Have the Ministry of Local Development and other counterparts within EDI pilot Governorates become more interested in and committed to decentralization in general as a viable form of democratic participation in Egypt?
2. Now that amendments are being introduced to the Local Development law, what additional support can GOE or the USG provide to support the effective implementation of the law?

- What inputs and resources are needed to ensure that the law is applied and does not remain in name only?
3. What is the perspective of the Ministry of Local Development on the role of EDI in the overall decentralization process?
 4. What recommendations are there for the sustainability of program efforts in the three initial pilot governorates of Beheira, Assiut, and Qena? Are there lessons learned under this program that can be applied to promoting the use of participatory planning in other sectors?
 5. What are the perspectives and programmatic approaches of other donors on decentralization? How do they view USAID's work in decentralization? How can USAID and EDI more effectively coordinate with other donors?

In addition to focusing on these broader issues, the evaluation will focus on questions at the activity-level, including:

1. What has been the impact of the Local Popular Councils (LPC) training program? Are members more capable of addressing local communities' issues? Do they now work more effectively as local community representatives? What additional training or interventions are required to ensure their competency within a decentralized system?
2. What has been the impact of Citizen Service Centers? Has this allowed for more responsive government? Has it changed the local communities' attitude towards the government? Is the public effectively utilizing the services? What has been the impact on corruption?
3. What was the impact of the Integrated District Development Plan (IDDP) process? What are the lessons learned from the process that may be applied or changed in the three new pilot governorates? Is the process sustained or should further enhancement to the system be applied? Are there more effective ways to ensure broad citizen participation than the participatory planning working groups tied to LPC planning committees?
4. What are the impacts of local revenues generated at the EDI governorates? Can these revenues be sustained over time? What are the lessons learned and recommendations for the new pilot governorates?
5. What has been the impact of EDI research studies and national conferences designed to generate informed debate on decentralization topics? Do the people, decision makers, and stakeholders, within the EDI governorates, have a better understanding of decentralization?
6. What has been the impact of training on the administrative capacity? Are employees more capable of performing the assigned tasks? What are the lessons learned and recommendations for training modules in the future?

Existing Performance Information Sources

The consultant should review the documents listed below for quantitative inputs as well as meeting with the EDI team to obtain significant data on the number of people trained, the number of people served by Citizen Service Centers, the reach of public awareness activities, and other relevant numerical data. In order to obtain the qualitative data, the consultant should conduct interviews with LPC members, Local Executive Council (LEC) members, administrative staff, and local communities in the pilot governorates who completed EDI training to determine its impact, as well as the impact of the additional interventions.

The consultant should also meet with clients of the Citizen Service Centers and local communities to determine the quality of services received and the impact of EDI's interventions (including IDPP) had on their lives. The consultant should meet with key contacts at partner institutions including the Governorate, LPC and LEC. The consultant should also meet with academics, civil society activists at the national and community levels, international donors, other USAID technical offices (education, health and water

resources) and others not directly involved in the implementation of the project to obtain a broad perspective on the project activities and the sector as a whole.

Additional documents to be reviewed by consultant:

- EDI Annual reports
- EDI Quarterly reports
- EDI Work plan

The consultant shall provide USAID and EDI with a list of any additional materials s/he wants to review. The consultant should coordinate closely with EDI to set up any necessary interviews.

ANNEX B. TIMELINE

	14 Oct Wed	15 Oct Thu	16 Oct Fri	17 Oct Sat,	18 Oct Sun	19 Oct Mon	20 Oct Tue	21 Oct Wed	22 Oct Thu	23 Oct Fri	24 Oct Sat	25 Oct Sun	26 Oct Mon	27 Oct Tue	28 Oct Wed	29 Oct Thu	30 Oct Fri	31 Oct Sat
Cairo																		
Team Leader	Arrive	Meet USAID & EDI	CCN & Healey Interviews	Doc. Review	AL-Mahgoub & Dr. Lubna					Data Analysis	Data Analysis & GTZ interview			EDI & UNDP Interviews	UN-Habitat & Sakara Training Interviews	EDI Interviews	Data Analysis	Data Analysis
Sr. Fin Expert	Arrive	Meet USAID & EDI	CCN & Healey Interviews	Doc. Review	MoF & MoLD					Data Analysis	Data Analysis & GTZ interview			EDI & UNDP Interviews	UN-Habitat & Sakara Training Interviews	EDI Interviews	Data Analysis	Data Analysis
Pub Ad Expert	ET Meeting		Interview	Doc. Review	MoF & MoLD					Data Analysis	Data Analysis & GTZ interview			EDI & UNDP Interviews	UN-Habitat & Sakara Training Interviews	X	X	X
Res Assistant											Translation			EDI & UNDP Interviews	UN-Habitat & Sakara Training Interviews			
Beheira (Evaluation Team travels together)																		
Team Leader						Travel	Interviews	Governor & Interviews	Policy exp by phone Interviews & Travel									
Sr. Fin Expert						Travel	Interviews	Governor & Interviews	Interviews & Travel									
Pub Ad Expert						Travel	Interviews	Governor & Interviews	Interviews & Travel									
Res Assistant						Travel	Interviews & Translation	Interviews & Translation	Interviews, Translation & Travel									
Ismailia (Evaluation Team travels together)																		
Team Leader														Interviews				
Sr. Fin Expert														Interviews				
Pub Ad Expert														Interviews				
Res Assistant														Interviews				

	14 Oct Wed	15 Oct Thu	16 Oct Fri	17 Oct Sat,	18 Oct Sun	19 Oct Mon	20 Oct Tue	21 Oct Wed	22 Oct Thu	23 Oct Fri	24 Oct Sat	25 Oct Sun	26 Oct Mon	27 Oct Tue	28 Oct Wed	29 Oct Thu	30 Oct Fri	31 Oct Sat
Fayoum	(Evaluation Team travels together)																	
Team Leader												Interviews						
Sr. Fin Expert												Interviews						
Pub Ad Expert												Interviews						
Res Assistant												Interviews						

Timeline for Egypt Decentralization Initiative Midterm Evaluation

	1 Nov Sun	2 Nov Mon	3 Nov Tue	4 Nov Wed	5 Nov Thu	6 Nov Fri	7 Nov Sat	8 Nov Sun	9 Nov Mon	10 Nov Tue	11 Nov Wed	12 Nov Thu	13 Nov Fri	14 Nov Sat	15 Nov Sun
Final Report five working days after receiving USAID feedback															
Cairo															
Team Leader	USAID – Ed. & TAPR II Interviews					Report Prep.	WB interview	Report Prep.	Report Prep.	Draft Findings, Conclusions, Recommendations, LL to USAID	Presentation Preparation	Oral Presentation to USAID; then GOE and USAID	Report preparation	Report preparation	Returns home
Sr. Fin Expert	USAID – Ed. & TAPR II Interviews					Report Prep.	WB interview	Report Prep.	Report Prep.	Draft Findings, Conclusions, Recommendations, LL to USAID	Presentation Preparation	Oral Presentation to USAID; then GOE and USAID	Report preparation	Report preparation	Travels to Kabul
Policy Expert	Tele interviews from USA				Travel to Egypt	Arrives	WB interview	Report Prep.	Report Prep.	Draft Findings, Conclusions, Recommendations, LL to USAID	Presentation Preparation	Oral Presentation to USAID; then GOE and USAID	Report preparation	Report preparation	Returns home
Pub Ad Expert	X					Report Prep.	WB interview	Report Prep.	Report Prep.	Draft Findings, Conclusions, Recommendations, LL to USAID	Presentation Preparation	Oral Presentation to USAID; then GOE and USAID	Report preparation	Report preparation	
Res Assistant									X	X	X	X	X	X	
Luxor															
Team Leader		Travel	Interviews & Travel												
Sr. Fin Expert		Travel	Interviews & Travel												
Pub Ad Expert		Travel	Interviews & Travel												
Res Assistant		Travel	Interviews & Travel												

	1 Nov Sun	2 Nov Mon	3 Nov Tue	4 Nov Wed	5 Nov Thu	6 Nov Fri	7 Nov Sat	8 Nov Sun	9 Nov Mon	10 Nov Tue	11 Nov Wed	12 Nov Thu	13 Nov Fri	14 Nov Sat	15 Nov Sun
Qena (Evaluation Team travels together)															
Team Leader		Interviews	Interviews												
Sr. Fin Expert		Interviews	Interviews												
Pub Ad Expert		Interviews	Interviews												
Res Assistant		Interviews	Interviews												
Asyut (Evaluation team travels together)															
Team Leader				Interviews & Travel	Interviews & Travel										
Sr. Fin Expert				Interviews & Travel	Interviews & Travel										
Pub Ad Expert				Interviews & Travel	Interviews & Travel										
Res Assistant				Interviews & Travel	Interviews & Travel										

	16 Nov Mon	17 Nov Tue	18 Nov Wed	19 Nov Thu	20 Nov Fri	21 Nov Sat	22 Nov Sun	23 Nov Mon	24 Nov Tue	25 Nov Wed	26 Nov Thu	27 Nov Fri	28 Nov Sat
Home Office (Washington, DC.)													
MSI								MSI submits Report to USAID / Egypt Mission		MSI receives draft report comments from Mission	Thanksgiving Holiday		
	29 Nov Sun	30 Nov Mon											
Home Office (Washington, DC.)													
MSI		Final Report submitted to USAID / Cairo											

ANNEX C. INTERVIEW GUIDES

Local Revenue Generation and Management

EDI Project Evaluation

Focus: Local Revenue Generation and Management

Name of evaluator(s):

Date:	Location:
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Name of Informant(s):	Title/Position and Organization:
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Gender:	Approx age(s):
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Notes on situation/ conduct of interview:	Other notes:
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1. To what extent and in what ways do the governorates have more fiscal autonomy and decision-making powers?

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2. How have the governorates' revenues, revenue sources, budgets, and expenditures changed over time? (Preferably beginning prior to project implementation and continuing through the present.)

--

3. What are the sources of local revenues generated by the EDI governorates? What is the approx % of revenues from:

- 1. Community contributions;**
- 2. Fees & dues that could be applied by the LPCs at the village or district levels;**
- 3. Revenues from special accounts;**
- 4. Percentage retained from sovereign taxes;**
- 5. Local taxes applied and fully retained at the local level;**
- 6. Grants from foreign donors**
- 7. Other (specify)**

--

4. What are these revenues being used for?

5. How efficiently are these revenues being used? What is the basis for determining this?

6. Are there any unintended positive or negative outcomes of this revenue generation and use?

7. Has the administrative capacity and legal framework for local governments been strengthened to enable them to manage resources more effectively and transparently?

What standards or systems are in place at the governorate and district levels within the pilot governorates that allow local government officials to effectively and transparently collect, allocate and manage targeted own-source revenue?

8. To what extent is fiscal decentralization a part and process of the Local Popular Councils training program, Citizen Service Centers, Integrated District Development Plans? Has it increased the capacity of local stakeholders to make decisions on the generation of local revenue and its utilization?

9. How sustainable are these results? What would improve sustainability?

Participatory Mechanisms

EDI Project Evaluation

Focus: Participatory Mechanisms

Name of evaluator(s):

Date:

Location:

Name of Informant(s):

Title/Position and Organization:

Gender:

Approx age(s):

**Notes on situation/
conduct of interview:**

Other notes:

7. What are the intended and unintended consequences?

8. What programmatic and structural elements could use improvement?

9. Are the Centers sustainable?

- 10. What are the results of the Integrated District Development Plan process?**
- a.* **Who participated in the Integrated District Development Plan process and why did they do so?**
 - b.* **To what extent were participants' expectations fulfilled?**
 - c.* **What are their recommendations for improving the process?**

- 11. What changes have districts made in response to the plans and why? What have been the results of those changes?**

Strengthening Administrative Capacity and Legal Framework

EDI Project Evaluation

Focus: Strengthening Administrative Capacity and Legal Framework

Name of evaluator(s):

Date:

Location:

Name of Informant(s):

Title/Position and Organization:

Gender:

Approx age(s):

**Notes on situation/
conduct of interview:**

Other notes:

1. What knowledge and skills were supposed to be imparted by the training? What key skills have been omitted from the design?

2. What type of training methodology was used and how well was it done? Who conducted the training and how effective were they?

3. Did the training duplicate or contradict other training the participants have received?

4. Who was trained and how was this decided? Were the appropriate people trained? Are the individuals trained in positions with enough influence to effect lasting change?

5. Has the training changed participants' performance? Are the trainees applying what they learned in training? If so, what have been the immediate effects of that application?

ANNEX D. DOCUMENTS CONSULTED

Quarterly Progress Reports

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- Egyptian Decentralization Initiative: Third Quarter FY 2009 Progress Report, AECOM. Cairo, July 2009.
- Egyptian Decentralization Initiative: Third Quarter FY 2009 Progress Report-Detailed Tables and Annexes. AECOM. Cairo, July 2009.
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- Proceedings of the June 2008 Conference: Social Policies and Decentralization: Case Study of Poverty Reduction Policies in Egypt. Khaled Amin. June 2008. *(In Arabic)*
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- Proceedings of the June 2008 Conference: The Dilemma of Decentralization and the Public Budget in Egypt. Abdalla Shehatta. June 2008. *(In Arabic)*
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- Proceedings of the June 2008 Conference: Local Capacity Building and Enhancing Decentralization. Saleh El Sheikh. June 2008. *(In Arabic)*
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- MLPCs Perception of Decentralization: An Analytical Fieldwork Study. Samir Abdel Wahab and others. PARC Research Grant. September 2009. *(In Arabic)*
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ANNEX E. PERSONS CONTACTED

Cairo

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Ashour, Ahmed Saqr, Faculty of Public Administration, Alexandria University
Bahaa el Din, Ziad Ahmed, Chairman, Egyptian Financial Supervisory Authority
Dessouki, Ali S., Deputy Country Director, German Technical Cooperation (GTZ)
Faramawy, Ali F. El, Executive Director, Informal Settlement Development Facility (ISDF)
Galal, Ahmad, Economic Research Forum
Ghanem, Amina, Deputy Minister for International Relations, Ministry of Finance
Goma'a, Salwa Sha'rawi, Faculty of Economics and Political Science, Cairo University, member of Maglis al Shura
Handoussa, Heba, Director, Egyptian Human Development Report
Hedaya, Rania, Program Analyst, United Nations Development Program
Hillal, Ali al Din, Faculty of Economics and Political Science, Cairo University, member of the NDP Policy Secretariat
Kamal, Mohamed, Professor of Political Science, Cairo University and Member of the NDP Policy Secretariat and the Shura Council
Kansouh, Seheir, formerly UNDP
Kassem, Hisham, journalist and human rights activist
Kessaba, Abbas, consultant
Khasem, Mohamed, Director, UN Habitat
Mahdi, Alia al, Dean, Faculty of Economics and Political Science, Cairo University, member of the NDP Policy Secretariat
Amina Ghanem, Deputy Minister for International Relations, Ministry of Finance
Mohieldin, Mahmoud, Minister of Investment
Nabli, Mustafa Kamel, Senior Adviser, Development Economics, World Bank
Roberts, Hugh, independent academic
Saleh, Osama, Chairman, General Authority for Investment and Free Zones
Sawi, Ali al, Faculty of Economics and Political Science, Cairo University
Yilmaz, Serdar, Senior Social Development Economist, Social Development Department, The World Bank, Washington D.C.

USAID Egypt

Delaney, Kim, Director, Office of Democracy and Governance
El Serafy, Hala, Education Officer
Gamal El Din, Ahmed, Senior Local Governance Specialist, Democracy and Governance Office
Kamel, Ali, Senior Economic Advisor, Policy and Private Sector Office
Rodriguez-Perez, Evelyn, Director, Education Office
Toballa, Salwa, Project Management Specialist, Democracy and Governance Office

Egyptian Decentralization Initiative (EDI) Team

Cairo Office

Aly, Fouad Abd El Fattah, Finance Specialist
Amin, Khaled Z., Decentralization Policy Advisor

Assad, Mokhles, Training Manager
El Shawy, Mohamed, Public Finance Specialist
Fahmy, Khaled Mohamed, Deputy Chief of Party
Hassan, Naggi, Senior Translator
Lindabury, Lance, Advisor
Morcos, Nabil, Participatory Processes Specialist
Rashid, Mohamed, Translator and Interpreter
Runko, Rudy F., Chief of Party
Slingsby, Ernest, Senior Advisor
Zakaria, Yahya, Capacity Building Specialist

Beheira Field Office

Awad, Mohamed Abd El Moniem, IT Project Manager
Hassan, Nadia Aly, Head of Accounting
Kahla, Ahmed Mohamed Amin, Capacity Building Specialist
Ragab, Mahmoud Mostafa, Local Administration Specialist
Ragab, Mohamed Reda, Senior Program Manager

Ismailia Field Office

Eid, Habiba, Head of the Technical Support Unit

Fayoum Field Office

Helmi, Salah, Head of the Technical Support Unit

Qena Field Office

Abdel El Fattah, Fouad, Financial Affairs Specialist
Abdel El Rady, Mahmoud, Training Coordinator
Ahmed, Mohamed Kamel, IT Project Manager
Hassab, Mohamed, Participatory Planning Coordinator
Hassan, A bd El Aaty, Senior Program Manager

Luxor Field Office

Khalil, Khalil Ahmed, Research Assistant
Isaaq, Aida, Head of the Technical Support Unit

Assiut Field Office

Al Amir, Mahmoud Eid, Participatory Planning Coordinator
Awad, Mohamed Abd El Moniem, IT Project Manager
Mofeed, Fayed, Public Finance Specialist
Mounir, Eshak, Participatory Planning Coordinator
Osman, Farouk, Program Manager
Salah El Din, Fathy, Training Coordinator

Sakkara Local Development Center (SLDC), Giza

Azouz, Hussein, Head of Research and Studies
Omar, Hazim, Head of the Training Directorate
Zayed, Khalid, Director

Beheira Governorate

Abbas, Amir, Deputy Governor
Shaarawy, Mohamed Sayyed, Governor

Shabrakheet District

LEC

El Bana, Ragab, Deputy Head of the LEC
El Nahal, Ahmed Abdel Maksoud, District Chief and Head of the LEC
El Neklawy, Mohamed, Head of the Financial Affairs
Kandeel, Mostafa, Head of Purchasing and Procurement
Omar, Abdel Megeed Fahmy, member of People's Assembly, Shubrakheet District
Salim, Mohamed, Head of the LPC

MLPC, Coordinating Committee

Abo Issa, Azhar Basiouny
El Kaheel, Ibrahim Hamdy
El Nagar, Sayyed Ahmed Gebreel
El Sayyed, Abdel El Moneim Ahmed
El Sayyed, El Sayyed Ibrahim
El Segeeny, Abbas
El Tohfa, Maha
Issa, Mohamed Fawzy
Khayyat, Goma Tohamy
Zein El Deen, Bilal Khalid

Laqana Village

El Ansary, Mostafa Kamil, Principal of Kafr El Saby School
El Shamy, Nyazi Ahmed, Mayor
Gantoush, Fathy, Head of the LPC

Abo Hummus District

LEC

Ahmed, Hamdy Abdel Gelil, Head of the Budget and Planning
Emara, Nabil, Head of Local Popular Council
Halawa, Ezzat Abdo Abo, Accounting Inspector
Harhash, Usama, Head of Administrative and Financial Affairs
Kedeiha, Mohamed Hassan, Head of Purchasing and Procurement
Samoun, Mohamed Mokhtar, Head of the LEC

Ismailia Governorate

El Fakharany, Abdel Geleel, Governor

Ismailia Headquarters

Abdel Aziz, Kamal, Head of Financial Affairs
Abdel Megeed, Mohamed El Mahdy, Head of Social Solidarity Supplies Sector

Abdo, Ahmed Sayyed Aly, Head of Administration and Organization Directorate
El Bindary, Ahlam, Deputy Governor
El Sharkawy, Mohamed Abdel Moneim, Head of Health Directorate
Khattab, Salah, Planning, Development, Follow Up and Decentralization Governor's Counselor
Marei, Mohamed Gabr El Sayyed, Head of Education Directorate
Mohamed, Ismail Ibrahim, Head of Housing Directorate
Salim, Ibrahim, Head of Accounting
Samaan, Maria Nasry, Head of Budget

Fayoum Governorate

Saeed, Galal Mostafa, Governor

Fayoum Headquarters

Abdallah, Ahmed, Deputy Minister of Housing and MLEC
Abdel Ghani, Abo Bakr, Head of Budget and Planning Committee
Abdel Ghani, Safeyya, Head of the Planning
Abo Bakr, Tawfeek, Deputy Head of the LPC

Qena Governorate

Ayoub, Magdy, Governor

Governorate's Headquarters

Aly, Abdel El Fattah Mohamed, Head of the Associations Committee
Ismail, Fikri Al Rasheedy, Head of the Budget and Planning Committee
Oraby, Ahmed, Governor's Assistant General Secretary
Rashwan, Tohamy, Deputy Head of the Budget and Planning Committee
Sabry, Mohamed, Governor's General Secretary

Naga Hamadi District

LEC

Ahmed, Fakhry Sharkawy, Head of Planning
Dawood, Kamal, Financial Inspector
El Sayyed, Mansour Rashid, Head of Budget
Ibrahim, Abdel Raouf Mamoud, Chief of the District
Selim, Ahmed Hamdy, Head of Accounting
Yousef, Abdel Aziz Mohamed, District's General Secretary

LPC

Abdel Razik, Abdel Aal, Head of Budget and Planning Committee Awlad Nejm Village LPC
Abdel Wahab, Nasr, Head of Budget and Planning Committee Bahgoura Village LPC
Hassan, Mohamed Bhey El Deen, Head of Budget and Planning Committee
Hilal, Adel Bassit Mohamed, Head of Bahgoura Village LPC
Mitri, Shabaan, Head of Budget and Planning Al Sallameyya Village LPC
Nasr, Ahmed, Head of El Halfaneyya Village LPC
Osman, El Sayyed Mahmoud, Head of Awlad Nejm Village LPC
Osman, Osman Mohamed, Head of the Local Popular Council

Osman, Shahata Mohamed, Deputy Budget and Planning Committee
Reyad, Romani, Head of Budget and Planning Committee El Halfaneyya Village LPC
Seleem, Khalid Abdel Hamid, Head of Budget and Planning of Naga Hamadi City LPC
Shahat, Fayez, Head of Al Sallameyya Village LPC
Shamroukh, Abo Zeid Mohamed, Head of Naga Hamadi City LPC

Local Unit at Hew Village

Hasanein, Mahmoud Mubarak, Youth Forum Representative
Mahmoud, Abdel Mohsen Hassan, Head of the Budget and Planning Committee
Mahmoud, Hekmet Abdeen, Associations Representative
Mahmoud, Mohamed Ahmed, Head of Local Unit
Mohamed, Safeyya Solhy, Women Forum Representative

MLPCs

Abdel Hafeez, Ahmed
Abdel Wahid, Algamal Mostafa
Abo Bakr, Ramadan Abdel Shafi
Bakr, Abdel Basit Mohamed
Boraai, Abdel Aziz
Girgis, Nouvel Ezzet
Ibrahim, Ahmed Mohamed
Ismail, Mousa Abdallah
Khalifa, Abdo Mohamed
Mohamed, Abdo Ibrahim
Mohamed, Ezz El Deen Abbas
Mohamed, Hindi Abo Zeid

Isna City

LEC

Aly, Zein El Abdeed Fahmy, Head of Council
Hameed, Abdel Moneim Mohamed Abdel, Head of Inventory
Hassan, Mohamed Badr, Head of Procurement
Ibrahim, Kheir Abdel Radi, Head of Budget and Planning Committee LPC
Mohamed, Bahaa El Deen Ahmed, Head of Special Accounts
Mostafa, Mohamed, Head of Revenues
Naguib, Mohamed, Financial Inspector
Selim, Mahmoud, Head of Accounting

Luxor City

El Ammary, Emad El Deen Abdel Zahir, Head of Luxor City LPC
El Tayyeb, Mohamed, Head of Luxor Supreme Council
Hassan, Abdel Rahman Abo Wafa, Head of the Budget and Planning Committee LPC
Tawfeek, Madani Mahmoud, Head of the Planning Committee LEC

Assiut Governorate

El Ezzaby, Nabil, Assiut Governor

Governorate's LPC

Ammar, Abdel Basit, Media Counselor
Amr, Yasser, member of People's Assembly Abnoub District
Fahmy, Mohamed, Head of Assiut's LEC
Habeel, Eva, Mayor of Kambouha Village
Khalil, Mohamed, Head of Environment Committee
Leithy, Youssef, Head of Supplies Committee
Monazea, Abdel Raziq, Head of Education Committee
Yousef, Omaima, Head of Motherhood and Childhood Directorate

Abo Teeg District

LEC

Abdel Aal, Abdallah Bakr, Head of Accounting
Ahmed, Ahmed Rabea, Chief of Abo Teeg District
Fakhir, Refaat Agban, Head of Inventory
Mohamed, Omar Hosny, Head of Planning
Salama, Raesa Ahmed, Financial Inspector
Salim, Salim Ahmed, General Secretary of Abo Teeg LEC and Head of Administration and Finance
Shakir, Mona Philip, Head of Revenues

Dayrout District

LEC

Mohamed, Mohamed El Mahdy, Deputy Head of the Council
Molahiz, Medhat Mohamed, Head of the Council
Osman, Osman El Kilani, Head of Budget and Planning

Dayrout El Sherif Village

Abbas, Gamal, Head of the Village's LPC
Abdrabbo, Abdrabbo, Mayor
Hassanein, Kamal Mohamed, Deputy of the Village's LPC
Sabry, Mohamed, Principal of Om El Mo'meneen Elementary School

ANNEX F. FINANCE BASELINE AND CURRENT LAWS

2006-2007: Status of Local Development and Finance in Baseline Year

- State budget preparation in accordance with IMF Government Financial Statistics Manual 2001 for first time;
- First phase of an “e-governance” budget automation project was implemented (MoF website); Government Financial Management Information System (GFMS) groundwork laid out by USAID’s TAPR II Project;
- Plans introduced to restructure the National Investment Bank (NIB) into a local development bank; and
- MOED begins pilot of Medium Term Expenditure Framework (MTEF)

Applicable Laws (none of which have been amended since the inception of EDI)

- State General Budget Law (Law 53 of 1973);
- Local Administration Law (Law 43 of 1979, as amended) and its executive regulations; this law includes local revenues (tax and non-tax), as well as provisions that govern the operation of the special funds and accounts established and operating at the local level;
- Accounting Law and Regulations (Law 127 of 1981, as amended);
- Audit Law (Law 144 of 1988, as amended);
- Procurement Law (Law 89 of 1998); and
- Treasury Single Account (TSA) Law (Law 139 of 2006): A single treasury account is created yet some 48,200 government bank accounts are still not covered by the TSA

ANNEX G. OTHER DONOR ACTIVITIES

- IMF – key partner to provide blueprint for initial phase of fiscal decentralization
- USAID-RTI Education Project – examines formula-based transfers and training methodology
- USAID TAPR II Project – provided valuable input to MOF with respect to the TSA, commercial/sales taxes and budget law but assistance suspended in April 2008 due to a “lack of support” from the MoF
- WB – assisting MOLD with LAL amendment and technical assistance to support an upcoming US \$200 million governorate lending program, primarily for rural roads
- GTZ – demonstrated that project costs can be reduced by up to 70% when procured locally compared to central government managed projects
- UNDP – working with MOLD and MOF to set up a local development fund
- UN-Habitat – assisted more than 50 cities develop their own capital investment plans

ANNEX H. NEW FEES IN ASSIUT

Assiut Governorate

Directorate General of Legal Affairs

Resolution No. (271) for the year 2008

Assiut

Having reviewed the decision of the President concerning Law No. 43 of 1979 Promulgating the Law on local administration system, as amended and its implementing regulations.

And the governorate's decision No. 1313 of 1983 concerning account of services and local development in the governorates and resolutions amending it.

And the decision of the Local Popular Council 67 issued in the session of 28/2/2008 amending categories of fees collected for the benefit of local development services in the governorate of which the decision referred to.

And the approval of the Executive Board at the Governorate Level in the session on 6/3/2008 was the decision of the Local Popular Council at the governorate level.

Decided

Article (1) First: Modifying categories of fees collected for the benefit of services and local development in the governorate of which decisions No. 1313/1983 and its amending decisions has been issued.

And that the proceeds to be distributed 75% for cities and villages, 25% for the governorate's headquarters "diwan" in accordance with the table as follows:

A list of developed/new fees collected for the benefit of services and local development in the governorate:

#	Fee Category	Assigned to pay	The value of the annual fee	The attainment
1	Internet Services	Business owner	50 pounds	The local unit
2	Sale and maintenance of mobile devices and charging cards	Business owner	100 pounds	The local unit
3	Cleaning services and special guard	Business owner	100 pounds	Real Estate Tax
4	Automated cleaning and pressing of clothing and carpets	Business owner	60 pounds	The local unit
5	Plain/Private car rental	Business owner	200 pounds	The local unit
6	Clubs and wedding halls rental etc.	Business owner	200 pounds	The local unit
7	Real estate and cars brokerage offices	Business owner	200 pounds	The local unit
8	Sound/Light, video and modern appliances equipment rental services	Business owner	200 pounds	The local unit
9	Installing, fitting satellite dishes services	Business owner	200 pounds	The local unit
10	Offices of translation services and the preparation of Theses	Business owner	100 pounds	The local unit
11	Commercial and advertising agencies	Business owner	200 pounds	The local unit
12	Maintenance services for electronic devices, electrical and hospital equipment	Business owner	100 pounds	The local unit
13	Modern catering services	Business owner	100 pounds	The local unit
14	Photocopying services and rapid imaging of Weddings	Business owner	100 pounds	The local unit
15	Takeaway catering	Business owner	200 pounds	The local unit
16	Mills	Business owner	100 pounds	The local unit
17	Pharmacies that sell veterinary drugs	Business owner	50 pounds	The local unit
18	Warehouses that sell timber and cement	Business owner	200 pounds	The local unit
19	The services of selling and repair of gold and precious stones	Business owner	200 pounds	The local unit
20	Training on the use of computer offices	Business owner	100 pounds	The local unit

Article (2) Units of local authorities are to collect the amount of 5000 pounds a year from mobile phone companies that license is renewed annually

Article (3) The Department of Financial Affairs in the Diwan of the governorate completes the procedures and obtains the approvals of the concerned in accordance with the provisions of the law and regulations.

Article (4) the competent authorities are to implement this resolution.

Published 10/3/2008

ANNEX I. INTERVIEW QUESTIONS FOR SENIOR OFFICIALS

“Big Picture” Project Questions

Questions for USAID, key government partners (e.g., MLD, governors, General Secretaries at the district level, EDI staff, relevant donors), relevant civil society partners.

These questions should be asked when relevant at the outset of an interview.

1. What in your view are the main accomplishments/successes/impacts of EDI thus far?
2. What factors are most responsible for those accomplishments?
3. Is EDI on track to succeed in meeting its objectives?
4. What have been the principal failures/weaknesses of EDI?
5. What factors explain those failures/weaknesses?
6. What has the working relationship/coordination been like between:
 - EDI and government personnel (central/local);
 - EDI and USAID staff involved in EDI or parallel efforts in other sectors (e.g. education decentralization);
 - USAID and the central government officials involved in EDI;
 - Central and local government officials involved in EDI; and
 - How have these relationships affected the work of the project?
7. What are the major best practices/lessons learned from the EDI experience (and from other decentralization efforts)?

ANNEX J. EXECUTIVE SUMMARY: Arabic Translation

الموجز التنفيذي

إن مبادرة اللامركزية المصرية هي عبارة عن برنامج لمدة خمس سنوات (2006-2011)، بتكلفة تبلغ 21 مليون دولار، لدعم الحكومة المصرية في المجالات الهامة الخاصة باللامركزية القومية. ومنذ إبريل عام 2006 يقوم مشروع مبادرة اللامركزية المصرية بتقديم المساعدة الفنية، ودعم التدريب والسياسات الخاصة بزيادة فعالية الحكومة المحلية وشفافيتها ومسئوليتها في المحافظات التجريبية، حتى تتمكن من الاستجابة لأولويات المواطنين. ويرمي هذا المشروع إلى تحقيق الأهداف التالية: (1) زيادة الموارد المالية المصرية المتاحة للحكومات المحلية حتى تستجيب لأولويات المجتمع؛ و (2) تعزيز آليات المشاركة لتخطيط وتخصيص ومتابعة استخدام الموارد؛ و (3) تقوية القدرات الإدارية والإطار القانوني حتى تتمكن الحكومات المحلية من إدارة الموارد بفعالية وشفافية. وقد بدأ المشروع في ثلاث محافظات تجريبية وهي: البحيرة، وقنا، وأسيوط. وفي إبريل عام 2009 وافقت الوكالة الأمريكية للتنمية الدولية (USAID) على تنفيذ مبادرة اللامركزية المصرية في محافظات ثلاث إضافية تم اختيارها مؤخراً كمحافظات تجريبية وهي: الفيوم، والإسماعيلية، والأقصر ثم في أغسطس 2009 اتخذت الحكومة المصرية قراراً غير متوقعا بتنفيذ اللامركزية على مستوى القطر بالكامل من خلال برامج معينة تدخل ضمن سلطات وزارة التنمية المحلية. وبهذا التطور، أصبح مصطلح "التجربة القومية" غير صالح للاستخدام. وتوقفت مبادرة اللامركزية المصرية عن العمل الذي بدأته في المحافظات التجريبية الجديدة وواصلت عملها في المحافظات التجريبية الأصلية. وفي الوقت الحالي ليست هناك خطة لمواصلة العمل في هذه المحافظات التجريبية. ومن المخطط أن يتم إغلاق مكاتب مبادرة اللامركزية المصرية الثلاث على مستوى المحافظات في نهاية يناير 2010.

النطاق وطرق التقييم: تولى فريق يتكون من أربعة أشخاص تقييم فعالية أنشطة المشروع، والعوائق، والفرص، وكيفية تأثيرها على أداء البرنامج، والتعديل الذي يجب إدخاله على جهود البرنامج خلال تنفيذ الجزء الباقي من المشروع. وقد تم استخدام عناصر الأربعة للتقييم متعدد الطرق: مراجعة الوثائق الإلكترونية، و إجراء مقابلات مفتوحة ومقابلات مخططة مع الجهات الرئيسية، والملاحظات الميدانية، والتحليل الإحصائي للبيانات الثانوية. وقد أمضى الفريق أربعة أسابيع في مصر، فقام بزيارة المناطق الستة في المحافظات التجريبية الثلاث، و"البرامج التجريبية القومية" الثلاث السابقة. وفي هذه الزيارات أجريت مقابلات مع 126 شخص سواء بشكل فردي أو جماعي، وتمت مراجعة 89 مستند. وطلب بعض المسؤولين من ذوي المناصب العليا أن تُجرى معهم لقاءات دون أن تُسجل، وقد حرص الفريق على حماية هذه المصادر.

هناك استثمار كبير من جانب الوكالة الأمريكية للتنمية الدولية في اللامركزية، لكن تأثيرها لا يزال محدوداً. منذ عام 1970 تستثمر الوكالة الأمريكية للتنمية الدولية بشكل مكثف ومتواصل في تعزيز لامركزية الحكم في مصر، حيث أنفقت ما يزيد عن مليار دولار. وقد انتهت الجولة الأولى من المشروعات بقرار اتخذ في عام 1991 بعدم مواصلة العمل، على الأقل بشكل جزئي، حيث أنها لم تسهم بشكل كبير في تعزيز اللامركزية. وتم إلغاء جولتين أخرتين من المشروعات حيث أنها لم تحقق إلا القليل من التقدم في تحفيز الحكومة المصرية على تطبيق لامركزية، أو نشر المشاركة على المستويات المحلية، أو بناء القدرة الإدارية المحلية. وبعد ذلك بوقت قصير، شرعت الوكالة الأمريكية للتنمية الدولية في مبادرة اللامركزية المصرية.

لم يتم تعديل القانون الذي صدر في عهد السادات، والذي ينص على أن يبقى تحصيل الإيرادات بشكل أساسي من رسوم الخدمات و هو من طبيعة الحكومة المركزية، بالرغم من وجود بعض الجهود الابتكارية لاستخدام الإيرادات المحلية. ولا تزال القدرات الإدارية المحلية بحاجة للتعويض. والانطباع الشائع عن الحكومة المحلية في مصر هو أنها الحكومة الأقل فعالية. كما أن المراقبة الشديدة على العمليات السياسية المحلية والافتقار إلى الانتخابات العادلة، بما في ذلك المجالس الشعبية المحلية لتضمن أن تبقى الأحزاب السياسية المعارضة عاجزة عن وضع أي أسس سواء على مستوى المحافظات أو الأقاليم أو القرى. وأدى تقديم الخدمات بصورة غير ملائمة إلى خلق فراغ بدأ يتحرك فيه الإسلاميون.

سياق جديد للامركزية؟ تشير المبادرات الحديثة التي أطلقتها الحكومة المصرية والحزب الوطني الديمقراطي إلى احتمال وجود سياق جديد ومُشجّع للامركزية. وتشمل تلك المبادرات ما يلي: ذكر كلمة "اللامركزية" نفسها من قِبل الرئيس في خطابات هامة؛ وتضمين

النتائج والاستنتاجات على المستوى المحلي:

1. تأثيرات مختلفة على الموارد المالية المتاحة للحكومات المحلية حتى تستجيب لأولويات المجتمع. توصل فريق التقييم إلى أن مبادرة اللامركزية المصرية قد أسهمت في الحوار حول اللامركزية، لكن هذه الجهود لم تُترجم إلى تشريع جديد. وفي ظل غياب الإصلاح القانوني والإداري، لن يتحقق سوى القليل من الاستقلال المالي. ونتيجة لذلك، فقد استطاعت مبادرة اللامركزية المصرية أن تعمل فقط في نطاق القوانين المالية الحالية المتعلقة بالميزانية. وقد تمكنت مبادرة اللامركزية المصرية من زيادة إيرادات المصادر المحلية في المحافظات التجريبية عن طريق تحسين كفاءة التحصيل، واقتراح رسوم جديدة أو إضافية، بالرغم من أن التأثير العام لمشروع ظل محدوداً فيما يتعلق برفع العائد المحلي من خلال تحسين الخدمات في قطاعات محددة، أو تحديثاً أنظمة المحاسبة، أو اقتراح رسوم جديدة أو إضافية و تنوع إيرادات الوحدات الإدارية المحلية. بالإضافة إلى ذلك، فإن العائد المحلي لا يشكل سوى نسبة قليلة من العائد الحكومي ويتسم تحصيله بعواقب سلبية. بالرغم من أن مبادرة اللامركزية المصرية قد أخذت خطوات رائعة في زيادة قاعدة معرفة لخيارات الإيرادات المحلية لوحدات الإدارية المحلية، فإنه من خلال دعم نظام الرسوم المحلي الحالي، استطاعت مبادرة اللامركزية المصرية تعزيز الوضع الراهن، ولكن لم يكن لها سوى تأثير محدود على الإصلاح الهيكلي.

2. تعزيز آليات الشراكة لتخطيط وتخصيص ومتابعة استخدام الموارد. نفذت مبادرة اللامركزية المصرية برنامجاً لتخطيط الشراكة يعمل على تمكين المجتمعات المحلية من إعداد الخطط التي تلبي احتياجاتهم وتعكس تطلعاتهم. وقد ساعدت التدريبات على تزويد الأطراف الأساسية، وخاصة أعضاء المجالس الشعبية المحلية بالمعرفة والمهارات اللازمة لقيادة إعداد الخطط المحلية التي تعكس الاحتياجات الحقيقية بشكل يفوق الخطط السابقة التي كانت تقدمها المجالس التنفيذية المحلية بشكل تعسفي. وقد أدت عملية الخطة المتكاملة لتنمية الأقاليم إلى منهج لتحديد الأولويات. وقد شجعت المشاركة من خلال الخطط المتكاملة لتنمية الأقاليم على جعل استخدام أموال الدولة والأموال المحلية في مشروعات تنمية رأس المال أكثر فعالية. وبالرغم من التسليم بأن عملية الخطة المتكاملة لتنمية الأقاليم تستغرق وقتاً طويلاً، إلا أنه يُرى أن طبيعتها التشاركية قد شجعت على التبرعات المجتمعية (غالباً بشكل عيني) وعززت من فهم المواطنين للعلاقة بين زيادة الرسوم وتحسين الخدمات المقدمة. وقد أصبحت كلٌّ من المجالس الشعبية المحلية والمجالس التنفيذية المحلية على وعي بأدوارهم ومسؤولياتهم، ونتيجة للتدريب أصبحوا في وضع أفضل يسمح لهم بالتعاون في تطوير الخطط المحلية.

لكن هذه النتائج تصبح عابرة ومن الجائز أن ينعكس تأثيرها ما لم يتم مواصلة الجهود لتأسيس القدرة على المستوى المحلي من خلال برنامج تدريب المدربين، وما لم يتم تمكين المجتمع المدني من مراقبة عملية التخطيط التشاركي على المستوى المحلي. ولا يعطي قانون الحكم المحلي الحق للمجالس الشعبية المحلية في الإشراف بشكل ملائم على المجالس التنفيذية المحلية. فحتى وإن كان هناك تحسن في الوعي بالأدوار والمسؤوليات، إلا أن تأثيره لا يزال محدوداً. وفي النهاية، لكي يسهم هذا التدريب في تحقيق اللامركزية، فيجب أن يتضمن تدريب أعضاء المجالس الشعبية المحلية الذين يتم اختيارهم في انتخابات حرة ونزيهة. وعليه، فحتى يكون لهذه المجموعة من أنشطة مبادرة اللامركزية المصرية تأثير كبير ومنهجي، يجب أن تكون مصحوبة بتغييرات قانونية وإدارية.

3. تقوية القدرة الإدارية والإطار القانوني حتى تتمكن الحكومات المحلية من إدارة الموارد بفعالية وشفافية. أدت الإدارة المالية لمبادرة اللامركزية المصرية إلى تحسين نظام التنفيذ المبرمج للإجراءات المتعلقة بالميزانية والمحاسبة. وقد كشف تدريب مبادرة اللامركزية المصرية عن وجود بعض أوجه القصور في القدرات الحالية، والتي أدت إلى مستوى محدود من تحسين الأداء. وكان من الواضح أن هناك حاجة إلى تحسين القدرة الإدارية على المستوى المحلي، وقد حظيت أنشطة بناء القدرات التابعة لمبادرة اللامركزية المصرية بتقدير كبير. ورغم ذلك، فقد كان لهذه الأنشطة تأثيراً محدوداً على الشفافية. وحتى يأتي الوقت الذي تشترط فيه وزارة المالية أو وزارة التنمية المحلية أن تقوم جميع الوحدات الإدارية المحلية باستخدام نظام التشغيل الذاتي لإجراءات الميزانية والمحاسبة ويتم إعداد التقارير وفقاً لمعيار واحد متفق عليه، فمن المشكوك فيه أن تتبنى الوحدات الإدارية المحلية خارج المحافظات التجريبية لمبادرة اللامركزية المصرية هذه التقنية. وليس من المحتمل أيضاً أن تقوم المجالس التنفيذية المحلية طواعية بنشر معلومات الميزانية للجمهور دون الحصول على توجيه من وزارة المالية أو وزارة التنمية المحلية يصف بشكل واضح كل خطوة لما يجب نشره من ميزانيات الدولة والميزانيات المحلية (العائدات والنفقات

لقد ساهمت مراكز خدمة المواطنين التي أسستها مبادرة اللامركزية المصرية لتقديم الخدمات داخل نطاق مجلس المدينة في جعل تحصيل الرسوم أكثر فعالية وشفافية. ومن بين مشاركات مبادرة اللامركزية المصرية، تبدو مراكز خدمة المواطنين من أكثر الأنشطة التي يمكن أن تستمر وتكرر على مستوى الدولة.

النتائج والاستنتاجات على المستوى الوطني:

المساعدة الفنية ودعم السياسات لقد قَدِّمَت مبادرة اللامركزية المصرية مساعدة فنية على مستوى عالٍ من الجودة لصانعي قرارات اللامركزية، بما في ذلك أشخاص من وزارة التنمية المحلية، وأمانة السياسات بالحزب الوطني الديمقراطي. فقد عقدت المبادرة مؤتمرات قومية وأنشطة توعية في المحافظات التجريبية؛ كما شملت أيضاً المؤسسات الأكاديمية وطلابها في مسعى لزيادة الوعي والالتزام باللامركزية. وتتمتع مبادرة اللامركزية المصرية بالقدرة على المشاركة في فهم وتنفيذ اللامركزية عن طريق عدة وزارات، أهمها وزارة المالية. إلا أنها اضطلعت بمبادرات قليلة نسبياً للمساعدة على اللامركزية عن طريق الوزارات ذات الصلة المباشرة بوزارة التنمية المحلية.

أهم التوصيات

1. ربط الدعم بالتغييرات السياسية: بحث فريق التقييم الوكالة الأمريكية للتنمية الدولية على النظر في وضع معايير لتغيير السياسات يمكن الرجوع إليها عند تحديد موارد مبادرة اللامركزية المصرية التي يجب برمجتها، إن وُجدت. ويمكن أن يكون التقدم الملموس تجاه تعديل السياق القانوني القائم لعمليات وزارة المالية أحد هذه المعايير. وقد تشمل المعايير الأخرى على خطوات نحو تأسيس هيكل وظيفي مهني لموظفي الحكومة المحلية، والخطوات المتخذة لتمكين المجالس الشعبية المحلية لتوظيف وإدارة هؤلاء الموظفين. ويجب أن يكون تحديد المعايير أحد النقاط الأساسية التي يجب مناقشتها على مستويات رفيعة.

2. توسيع دائرة الاهتمام باللامركزية والنقاش حولها وتسهيل التوصل إلى بدائل سياسية يجب أن تُكثف مبادرة اللامركزية المصرية من جهودها لرفع الوعي باللامركزية وتوفير معلومات عنها بين طبقة كبيرة من الجمهور الذي على معرفة بالأمور السياسية؛ وقد يتم ذلك عن طريق الشراكة مع مؤسسة مستقلة مناسبة. ومن النماذج التي يمكن أن يُقتدى بها في هذا الشأن المركز المصري للدراسات الاقتصادية، والذي ساعد في تكوين مجموعات لإصلاح السياسات الاقتصادية من خلال مجموعة من الأبحاث، والمنشورات المتخصصة، والمقالات الافتتاحية الشهيرة، والندوات، والمؤتمرات، والشبكات الشخصية.

3. إعادة برمجة الأموال المتبقية من الأنشطة التجريبية إلى الأنشطة القومية ودعم مجموعة من الوزارات في جهودها نحو اللامركزية.

- يجب اتمام جميع الأنشطة في المحافظات التجريبية الثلاث وهي البحيرة، وأسيوط، وقنا على النحو المخطط. وتستند هذه التوصية إلى فرق هام بين وظيفة البرامج التجريبية المحلية المتابعة والتقييم على المستوى المحلي الموصى به أدناه. فالهدف الأساسي من المحافظات التجريبية هو السعي إلى توضيح فوائد اللامركزية إلى صانعي القرار، على أمل أن يدفعهم ذلك إلى تطبيق اللامركزية. أما الهدف من المتابعة والتقييم على المستوى المحلي فهو توضيح تأثير إجراءات اللامركزية لصانعي القرار. و بينما أن الهدف الأول مبرراته اضعف حيث ان صانعي السياسات الرئيسيين ليس لديهم الوعي الكافي بالأنشطة التجريبية، ولأن الحكومة المصرية قد أعلنت عن اعترافها نشر اللامركزية على مستوى الدولة، الا ان الهدف الثاني يعتبر أحد المدخلات الهامة للتنفيذ الفعال.
- وإن التوصيف الحالي للامركزية يقدم فرصة للوكالة الأمريكية للتنمية الدولية/مبادرة اللامركزية المصرية للمشاركة في الحوار المتعلق بالسياسة. ويجب أن تشارك مبادرة اللامركزية المصرية بشكل أكثر مباشرة مع الوزارات المستهدفة باللامركزية. ويمكن أن تقوم بذلك جنباً إلى جنب مع المشروعات الأخرى للوكالة الأمريكية للتنمية الدولية مع هذه الوزارات؛ فمن خلال وزارة التنمية المحلية و/أو اللجنة الوزارية المشتركة للامركزية؛ و/أو على مستوى المحافظات، حيث إن الوزارات التنفيذية، مثل وزارة التربية والتعليم، تقوم بتطبيق اللامركزية على جزء من إدارة موظفيها على الأقل، و غير ذلك من المهام الإدارية على هذا المستوى.

4. دعم تنفيذ سياسات اللامركزية، مثل الأنشطة التمهيديّة، والمتابعة، والتقييم، والتدريب

- عندما أعلنت الحكومة المصرية توجهها نحو تطبيق اللامركزية على مستوى الدولة بالكامل داخل قطاع التنمية المحلية في أغسطس 2009، عملت مبادرة اللامركزية المصرية بدأً ببدء مع فريق وزارة التنمية المحلية لإعداد دليل مرجعي يتكون من 160 صفحة، وذلك في وقت قياسي. يجب أن تستغل مبادرة اللامركزية المصرية مكانتها داخل وزارة التنمية المحلية وتوصي بأن تستخدم المجالس الشعبية المحلية في المحافظات معايير إضافية لتمويل المشروعات، بالإضافة إلى مؤشر السكان ومؤشر التنمية البشرية. ومع مراعاة الأهداف المزدوجة لابعاد الموافقة على المشروعات عن سياسات المحسوبة، مع تعزيز إدارة الوحدات الإدارية المحلية، فإن وزارة التنمية المحلية يجب أن تشترط على المحافظات أن تحدد بوضوح معايير اختيار المشروعات التي تُستخدم وتصر على متابعة الأنظمة التي يتم اتباعها لتقييم الشراكة، والشفافية، والمساواة، والعدالة، والجوانب الفنية للمشروعات التي تقترحها الوحدات الإدارية المحلية.
- يجب أن تعمل مبادرة اللامركزية المصرية مع وزارة التنمية المحلية ووزارة المالية من أجل دمج عملية الخطة المتكاملة لتنمية الأقاليم في اتخاذ خطوات محددة على مستوى الدولة لإعداد الميزانية. فإن الشراكة في إعداد الميزانيات يعتبر الآن جزءاً من تعديلات مسودة قانون الإدارة المحلية، لكنه لا يزال هناك الكثير الذي يمكن أن تقوم به وزارة المالية ووزارة التنمية المحلية، مثل اشتراط استخدام نماذج ميزانية بسيطة تحتوي على محاضر الجلسات المصدقة من الجلسات العامة أثناء تحديد المشروعات، وتحديد أولوياتها. وحالياً، لا توجد معايير ومقاييس محلية في مصر يمكن أن تُمكن الحكومة المحلية من متابعة وتقييم الأداء المحلي بشكل منهجي، مثل مؤشرات خدمات البنية التحتية، والصحة، والتعليم، وتخطيط استخدام الأراضي، الخ... ويمكن أن تساعد مبادرة اللامركزية المصرية في تطوير هذه المؤشرات والمعايير والتي يمكن أن تكون على قدر كبير من الأهمية في متابعة الأداء المحلي، سواء أثناء المراحل الأولية من اللامركزية أو بشكل مستمر بعد ذلك. على سبيل المثال، يمكن أن توفر مبادرة اللامركزية المصرية التدريب في متابعة وتقييم المشروعات المحلية التي يمولها برنامج الإقراض المقترح التابع للبنك الدولي.
- وتعمل مبادرة اللامركزية المصرية حالياً مع وزارة التنمية المحلية على إعادة تشكيل مركز التنمية المحلية بسقارة وإعادة صياغة رؤيته ومهمته حتى تتسق مع خطط الحكومة المصرية الخاصة باللامركزية. ويجب أن يتم توضيح المسؤوليات والالتزامات الخاصة بكل طرف من الأطراف المنقّدة والظروف التي تمكن الوكالة الأمريكية للتنمية الدولية في ظلها من دعم هذا النشاط بوضوح في مذكرة تفاهم أو خطاب تنفيذ يتم التوقيع عليه من قبل الوكالة الأمريكية للتنمية الدولية والحكومة المصرية يقوم بربط هذا الدعم بإطار متوافق مع أهداف الوكالة الأمريكية للتنمية الدولية الخاصة باللامركزية، ويحدد مسؤوليات وزارة التنمية المحلية بهذا الخصوص. وبناء على ذلك، فقبل الالتزام بالمساعدة، يجب أن تقوم الوكالة الأمريكية للتنمية الدولية بتحديد أولوياتها: ما الهدف من التدريب؟ إلى أي مدى يسهم التدريب في اللامركزية؟ كيف يمكن أن يتواصل؟ على الأقل يجب أن تتأكد الوكالة الأمريكية للتنمية الدولية أن أي دعم يُقدم في التدريب يجب أن يكون في سياق إطار واضح يتماشى مع أهداف الوكالة الأمريكية للتنمية الدولية الخاصة باللامركزية، بما في ذلك إرساء الديمقراطية، وتحسين الحكم، والتنمية.
- كما هو موضح في تقييم سابق لمبادرة اللامركزية المصرية، هناك بعض التنسيق بين الجهات المانحة، لكن لم تتكون مجموعة من الجهات المانحة تحمل الطابع الرسمي بشكل أكبر حتى الآن. ولا يعمل إضفاء الصفة الرسمية فقط على تعزيز قدرات المجموعة من خلال تسهيل التواصل وتطوير الإستراتيجيات المعززة بشكل متبادل، بل يوضح أيضاً اهتمام الجهات المانحة ورغبتها في تقديم المساعدة. ونظراً لحساسية هذه القضية، فسوف يتم تحجيم دور الجهات المانحة وتيسير الاتصال بينها وبين صانعي السياسات في الحكومة المصرية وأخصائيي الدعم، ولكن لا يتم ربطها بوزارة محددة. وتعتبر هذه التوصية هي الأكثر ملائمة في المرحلة الحالية التي تنتبأ فيها بتحريك من جانب الحكومة المصرية. وسوف تستجيب مجموعة الجهات المانحة بشكل أفضل مع التغيير الإداري والقانوني الذي استعصى على مدى ثلاثين عاماً من الجهود الرامية إلى تطبيق اللامركزية. وسوف يكون أسلوب عمل هذه المجموعة المانحة هو الاتفاق، سواء بشكل رسمي أو غير رسمي، على دعم (س) في حالة حدوث (ص). على سبيل المثال، إذا تم إصدار تشريع بالفعل لتطبيق اللامركزية في تحصيل الإيرادات، فسوف توافق الجهات المانحة على تقديم خدمات المتابعة والتقييم، إلى جانب التدريب وغير ذلك من الأنشطة. فالأصوات الكثيرة تتحدث بصوت أعلى من الصوت الواحد.

5. إعطاء الأولوية للامركزية المالية. النظر في التغييرات القانونية المقترحة كمعايير ممكنة لأي مشروع متابعة.

- يجب أن تُكثف مبادرة اللامركزية المصرية من جهودها لمساعدة وزارة المالية في إصلاح سياسات الخزنة، والميزانية، المحاسبة، والتدقيق من خلال قرارات تنفيذية (أو من خلال تعديل القانون) من شأنه تسهيل تطبيق اللامركزية على خدمة حكومية واحدة على الأقل في محافظة واحدة.
- ويجب أن تقدم مبادرة اللامركزية المصرية المساعدة الفنية إلى وزارة المالية لدعم مبادرات صندوق النقد الدولي، والتي تشمل، ولا تقتصر على، وحدة الشؤون المالية الحكومية الدولية. وبلاستفادة بشكل كبير من مخطط صندوق النقد الدولي (الذي يلقي أعلى دعم من وزارة المالية)، يجب أن تقوم مبادرة اللامركزية المصرية بإعادة تأسيس علاقة مع وزارة المالية لتقييم القضايا المالية الهامة مثل الإنفاق، وتخصيص العائدات، وترتيبات التحويل، والتكافؤ، والتمويل من خلال الاقتراض.

الخاتمة تم تحقيق تغييرات عديدة في ظل مشروع مبادرة اللامركزية المصرية. فهو، من حيث تصميمه، لا يتناسب مع الخطوات الحالية للحكومة المصرية. وعليه، فإن إعادة تصميم المشروع وكذلك الاتجاهات المقترحة في التوصيات من الأمور الملحة. السؤال الرئيسي الآن هو ما إذا كان بإمكان مبادرة اللامركزية المصرية البناء على خبرتها في المناطق التجريبية، وكذلك على المستوى القومي، ونقل الموارد المالية والبشرية لكي تهيأ نفسها للمساهمة في صياغة السياسات وتنفيذ اللامركزية على المستوى القومي المتصور في التوصيات. ولقد أظهرت مبادرة اللامركزية المصرية قدرتها بالفعل على التكيف مع بيئة لامركزية ديناميكية. ونتيجة لذلك، فإن فريق المشروع له حق المشاركة والاحترام من قبل النظراء الفنيين في الوزارات المحورية في جهود اللامركزية، وهي وزارة التنمية المحلية، ووزارة المالية، ووزارة التعليم. ولذا فإن فريق التقييم متفائل لأنه يمكنه الدخول في دور جديد.