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BASIC VILLAGE SERVICES

مشروع الخدمات الأساسية للقرية

**BVS**

FINANCED BY U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

مصدر التمويل : الوكالة الأمريكية للتنمية الدولية

ORGANIZATION FOR THE RECONSTRUCTION AND DEVELOPMENT  
OF  
THE EGYPTIAN VILLAGE  
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT NUMBER 243-0103-J-00-1014

LOCAL DEVELOPMENT II - PROVINCIAL  
GENERAL GUIDELINES

PREPARED BY  
CHEMONICS INTERNATIONAL CONSULTING DIVISION  
CAIRO FIELD OFFICE

SECOND EDITION

FEBRUARY 1987

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**CHAPTER ONE**

**LOCAL DEVELOPMENT II - PROVINCIAL**

## INTRODUCTION

This Egyptian-U.S. partnership in local rural development was designed to support GOE policy and efforts toward decentralization of government, increased popular participation in decision making, and improved availability and access to basic services and facilities.

The first formal agreement of this partnership, called the Decentralization Sector Support Program I (DSS I), was signed in August 1982 by the GOE and the U.S. This agreement grouped together five different activities (or projects) some of which had been in operation since 1978.

Rural villages in Egypt have benefited directly from three of the five activities of the Decentralization Sector Support Program (DSS I). Rural villages have had the opportunity to:

Use the Basic Village Services Project (BUS) to plan, obtain funds for, build, and put in operation new or improved water systems, roads, small bridges, and many other types of locally-chosen public facilities and services.

Use the Loan Development Fund (LDF) to plan, obtain loans, implement and put in operation productive projects for poultry production, bee-keeping, transportation, etc.

Benefit from improved access to equipment supplied through the Decentralization Support Fund (DSF) such as graders and bulldozers, for use in building and maintaining rural infrastructure.

What are the results of the DSS I Program agreement (1980-86)? The following are a few examples :

Over 6,000 subprojects have been implemented in 24 governorates by units of local government including 860 local village units and 20 neighborhood associations.

Over 1,200 pieces of heavy equipment have been delivered (bulldozers, graders, pipecutters and the like.)

More than 775 small loans have been made from the Local Development Fund.

More than 60,000 employees of village councils and markaz and governorate development offices have participated in training courses for the planning, construction, and maintenance of infrastructure projects, as well as training in the operation of computer systems.

## PART A

### GENERAL DESCRIPTION THE LOCAL DEVELOPMENT II PROVINCIAL PROGRAM (LD II-P)

A new agreement, for Local Development II (LD II), was signed in September 1985 between the Government of Egypt (GOE) and the United States of America (USA), continuing the partnership between the two countries to support the program for decentralization. The Ministry of Local Government and the Ministry of Finance have the responsibility to implement the agreement for the GOE. The United States Agency for International Development (USAID) represents the USA in the agreement.

#### GOAL OF LD II:

The major goal of the second stage of the Local Development program is to improve the quality of life for low income residents in rural and urban Egypt through the provision to them of essential basic services.

#### OBJECTIVES OF LD II:

Within the framework of this goal, the two major objectives of the LD II Provincial program agreement are :

1. To raise the capacity of local government organizations to:
  - assess local community needs, set priorities, and plan their basic service projects;
  - manage the financing and monitoring of their projects;

- supervise the technical implementation of their projects; and,
  - establish maintenance programs for their village infrastructure projects and the maintenance equipment that services them.
2. To improve the capabilities of both popular and executive local government organizations to mobilize local resources to finance infrastructure projects, as well as to operate and maintain them efficiently.

#### PARTICIPATION IN LD II-P AND TIMING FOR INITIATING THE PROGRAM

Nine provincial governorates are participating during the planning years 1986-88. Twelve more will be added during the second planning period, 1987-89, for a total of twenty-one provincial (rural) governorates. All of these governorates will receive financial and technical assistance for a period of two years. In all governorates a Governorate Local Development Committee will develop policies, strategies, and procedures for the participation and phasing in of their own local units.

#### MANAGEMENT ORGANIZATION FOR LD II-P

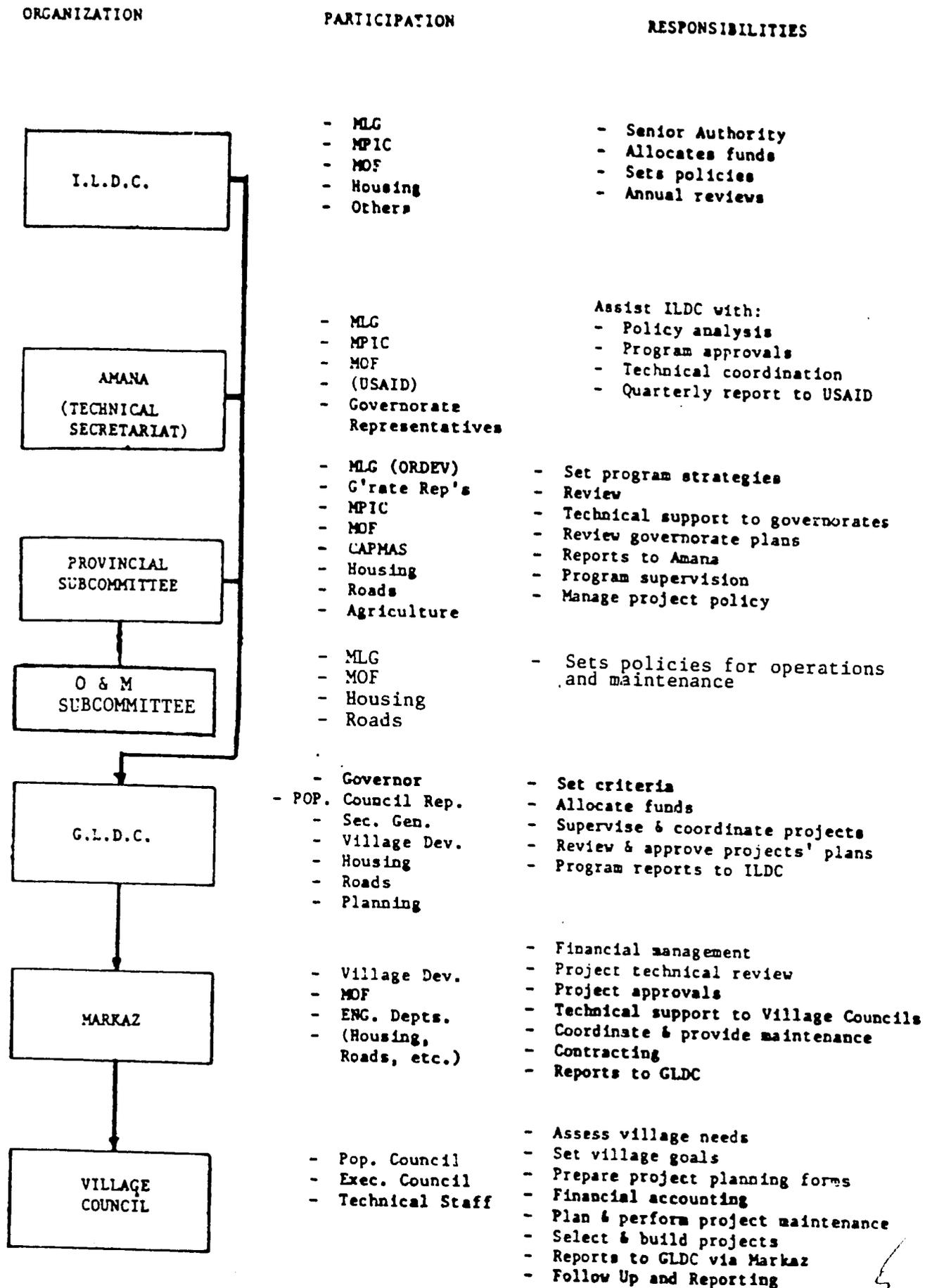
Chart #1 shows the management organization and responsibilities of committees at various levels.

The Minister of Local Development has, in this regard, issued the following:

- o Decree No. 6 of 1986 established the Interministerial Local Development Committee (I.L.D.C.) which is concerned with the following:
  - a. management and control of general policies related to LD II;
  - b. supervision and coordination of all LD II committees;

CHART #1:

RURAL LD II ORGANIZATION AND MANAGEMENT STRUCTURE



- c. evaluation of progress achieved towards the program's goals, and identification of obstacles and problems which hinder implementation of the program, and their solutions;
  - d. execution of all powers and duties specified in the program agreement.
- o Decree No.7 of 1986 established the Urban Local Development Subcommittee which will execute all the powers and duties called for in the Agreement pertaining to the urban governorates.
  - o Decree No.8 of 1986 established the Provincial Local Development Subcommittee which will execute all the powers and duties called for in the Agreement pertaining to the rural governorates.
  - o Decree No. 9 established the AMANA (The Technical Secretariat to the High Committee for Management and Direction of the Local Development Program) which is commissioned to:
    - a. execute the decisions and instructions of the ILDC for managing and directing the LD II program;
    - b. monitor the implementation of the LD II program and submit periodic reports on the results of this monitoring to the ILDC;
    - c. assist the two subcommittees for urban and provincial local development in a technical advisory capacity;
    - d. carry out all those powers and duties assigned to it by the project agreement; and,
    - e. study and research those topics assigned to it by the Minister of Local Government and the ILDC.
  - o The AMANA likewise takes responsibility for:
    - a. conducting those studies and research projects the ILDC requires, and presenting their results;

- b. proposing to undertake studies and research in local development topics, and carrying out those agreed upon by the ILDC;
  - c. carrying out those studies and investigations requested of it by the presidents of the Urban and Provincial Subcommittees;
  - d. identifying specialized and expert departments of Egyptian universities and research institutes appropriate for performing the forementioned studies and investigations, after they examine the proposals for this work; and
  - e. authorizing those preliminary studies proposed for the specialized and expert departments, following up on their performance, and presenting one by one the results of the review to the ILDC.
- o The Governorate Local Development Committee (GLDC)

Each governorate will establish its own Governorate Local Development Committee (GLDC), which will have both popularly elected as well as executive branches. Its special functions will be to manage and control the local development program for the governorate. The ORDEV governorate director will act as rapporteur for this committee.

## ELIGIBLE PROJECTS

The same types of projects which were eligible for funding during the Basic Village Services program remain eligible under the LD II-F program. Additionally, the establishment of maintenance workshops is a primary priority of the new program. These eligibilities remain subject to change by action of the ILDC.

## SPECIAL CONDITIONS AND EXCEPTIONS

- o Before any new water projects can be approved it is necessary that the plans take into consideration the project's negative effects with regard to increased per capita water consumption and the resulting level of groundwater, as well as pollution of canals, and that provisions be made for the necessary solutions.
- o Wastewater projects will be approved only on the condition that necessary preliminary technical studies are prepared beforehand, specifying the method of treatment, how this method was selected, the amount of land required, and the extent of the local population participating in the project.
- o All projects costing LE 100,000 or more in total cost must be accompanied by written technical review and justification.
- o During the first year of this Agreement no projects can be approved that require importing capital equipment. In the second year, governorates may utilize up to 25% of the USAID grant funds, using hard currency exchanged at the official rate, to import equipment which is not locally available.
- o No electricity generation or distribution projects in governorates covered by the national power grid are eligible. In other governorates such projects can be approved only as exceptions with full written technical justification.
- o No other kinds of projects will be approved without the prior approval of the Interministerial Local Development Committee.

## PRIORITIES

Because decentralization is one of the main purposes of the LD II program, sub-project approval will also depend upon certain priorities which reflect program objectives:

1. In general, sub-projects of smaller size (i.e. less than LE 100,000) will be encouraged in order to assure maximum dispersal of limited funds. Sub-projects costing LE 100,000 or more must have technical studies prepared before they can be approved. They must be public in nature and serve a large number of beneficiaries. Selecting projects that produce material profit is prohibited.
2. To comply with joint USAID/GOE program agreements, the following criteria are mandatory. Sub-projects for villages will be approved according to the following priorities:
  - a. Establishment of a village maintenance workshop at every local village unit. In the absence of such a facility no other sub-projects will be approved until one is developed. Sub-project funds can be used for this purpose, and it merits first priority in project selection.
  - b. Second priority belongs to sub-projects which:
    - i) replace, rehabilitate, and/or expand existing infrastructure;
    - ii) lead to completion of an earlier sub-project which requires additional investment; or
    - iii) are part of past multi-year projects (i.e. asphaltting of an existing road or completing a water pipe network).
  - c. After the preceding special requirements for funding are fulfilled, new projects can be built.

3. In each governorate, depending upon its own social and economic planning objectives, those kinds of sub-projects which contribute most to local objectives will be given preference. Village officials will be notified by the GLDC of any such criteria to be applied to sub-project planning and selection.
4. The level of financial support provided by local units for proposed sub-projects will be a factor in final selection of those to be funded. In general, the greater the portion of the project's cost which is provided by the local community, the better will be its chances for getting approval, taking into consideration the economic and social levels of various locations. Each governorate may develop a plan for such resource sharing and/or matching grants consistent with Interministerial Local Development Committee policies.

Depending upon the priorities a governorate sets for projects, this plan may also require different levels of local financial participation for different types of sub-projects.

#### PROCEDURES IN PROJECT SELECTION

1. The Village Local Units should:
  - o Follow those guidelines for sub-project needs assessment, planning, maintenance and documentation prescribed in the Orientation Training Handbook for LD II-F.
  - o Take necessary actions to comply with the essential LD II investment and maintenance pre-conditions.
  - o Apply the supplementary technical and administrative guidance and instructions received from concerned departments at the markaz and governorate levels and the GLDC, for sub-project preparation.
  - o Have the village popular and executive councils approve sub-project proposals after technical review of the projects at the village and markaz levels, and approval by the markaz engineering department.

- o With assistance from the markaz or the governorate, or both, two or more villages may jointly develop sub-projects which will serve the villages concerned, as long as attention is paid to the adjustments necessary for serving all the local units participating in the project.

2. The Markaz should:

- o Provide technical support and assistance to village officials in sub-project preparation.
- o Have concerned technical departments review and approve sub-project proposals in consultation with markaz departments, and, when it is necessary, with markaz executive and popular councils.

3. The Governorate should:

1. Prepare supplementary (in addition to LD II orientation guidelines) policy and procedural instructions for sub-project development including:
  - o Governorate planning priorities indicating kinds of projects which should be encouraged.
  - o Methods for allocation of sub-project funds within the governorates, and notification to markaz and village officials.
  - o Instructions which make it clear that subprojects must be carefully chosen because of limited resources. Village officials must understand that their proposals must compete with others for limited resources, and that final selection will depend upon adherence to guidelines, the proposed projects' priority, and the quality of the proposal.
  - o Criteria for the level of financial participation by local units in sub-project planning.

2. Provide technical and administrative support to markaz and villages in sub-project implementation.
3. With the review and approval of Governorate Local Development Committee, the Governorate Popular Council will give final approvals of sub-projects less than LE 100,000 in cost, and submit those of higher cost, after review of their technical justifications, to the Interministerial Local Development Committee for final approval.
4. Obtain required documentation from markaz and village officials, and provide the certifications required from the Interministerial Local Development Committee (as described later in this Orientation Training Handbook).

#### IMPLEMENTATION SCHEDULE

1. After a governorate is notified (by USAID and the MPIC) of the program allocation specified for it, it will provide its local share of financing (apart from any popular contributions which may exist.)
2. The villages send their plans to the local development committee at the markaz as a preliminary step toward forwarding to the Governorate Local Development Committee.
3. The GLDC grants approvals for projects costing less than LE 100,000, and notifies the Provincial Subcommittee in Cairo of these approvals. At the same time it submits, with the required certifications, those projects budgeted to cost LE 100,000 or more to the Provincial Subcommittee for approval.
4. The Governorate receives the project grant funds and distributes them among the villages, in accordance with the approval by the ILDC of the local development plan, and in conformity with the standards determined by that committee.

## PART B

### LD II-P FINANCIAL RESOURCES

Three kinds of funds are available under this Agreement:

First: Investment funds for projects included in each governorate's plan.

Second: Operations and maintenance funds.

Third: Incentive fund.

#### FIRST: FINANCING FOR PROJECTS INCLUDED IN EACH GOVERNORATE PLAN

Under the terms of this Agreement, the American partner will provide 90% of the required project capital. The Egyptian partner, represented by the Ministry of Planning, will provide 5% of the project capital through Bab III of the national budget. Units of local government will provide the remaining 5%, from the Local Development Service Fund.

Other sources of funds, in addition, will typically be from the value of popular participation presented by the local unit, whether material participation, such as land given to the local unit for project sites, or cash contributions given by local citizens for building these projects.

The popular contribution is an important element of project financing. Projects with the larger shares of this kind of participation will be given preference for approval.

Other additional financial resources may include performance fines imposed on contractors who deviate from contractual obligations. The Agreement approves of adding such fines directly into the project capital funds instead of transferring them to the government.

Interest which accrues on the deposit of 70% of the fund allocations, for a maximum of 90 days, can also be utilized. Such interest should be added directly to the project's capital.

Project financial resources can therefore be summarized as follows:

- The grant amount which represents 90% of the capital.
- The MPIC 5% contribution (Bab III).
- The local unit contribution, 5% or more of project capital (out of the LDSF).
- Popular contributions both in-cash and in-kind.
- Fines imposed on contractors.
- Interest on the 90-day deposit funds, 70% of total available funds.

The Agreement stipulates that no more than 25% of these funds will be utilized for governorate and marakez projects. No less than 75% is to be used for local village units, in accordance with those priorities of the Agreement mentioned in Part A of this chapter.

## SECOND: FUNDS GRANTED FOR OPERATION AND MAINTENANCE

The Egyptian Partner's contribution in the First Agreement was equal to 10% of the American contribution. It was included in Bab III of the State General Budget and allocated for infrastructure project maintenance, and the purchase of necessary maintenance tools and equipment. In the past, these funds could be carried over from one fiscal year to another, due to the shortage of current O & M funds and to the inability of local unit budgets to meet these expenses.

Under the new Agreement, discussed here, the MOF will include the necessary O & M funds in Bab II of the General State Budget. Beginning in the fiscal year 1986-1987, these funds should be spent on operating and maintaining infrastructure and service projects for the local units.

In this current fiscal year, 1986-87, the MOF included LE 14.7 million in Bab II of the Local Government budget. This fund was allocated to governorates that, in turn, are distributing it to marakez and local units. These funds are being disbursed to cover Bab II line item expenses. Actual expenditures must be made according to Egyptian financial laws and regulations. Accumulated unspent funds cannot be carried from one year to the next. These credits expire at the end of the fiscal year.

Local units should spend these operation and maintenance funds during the year, because current expenditures will be used as the basis for determining the O & M allocations for the next year and future years.

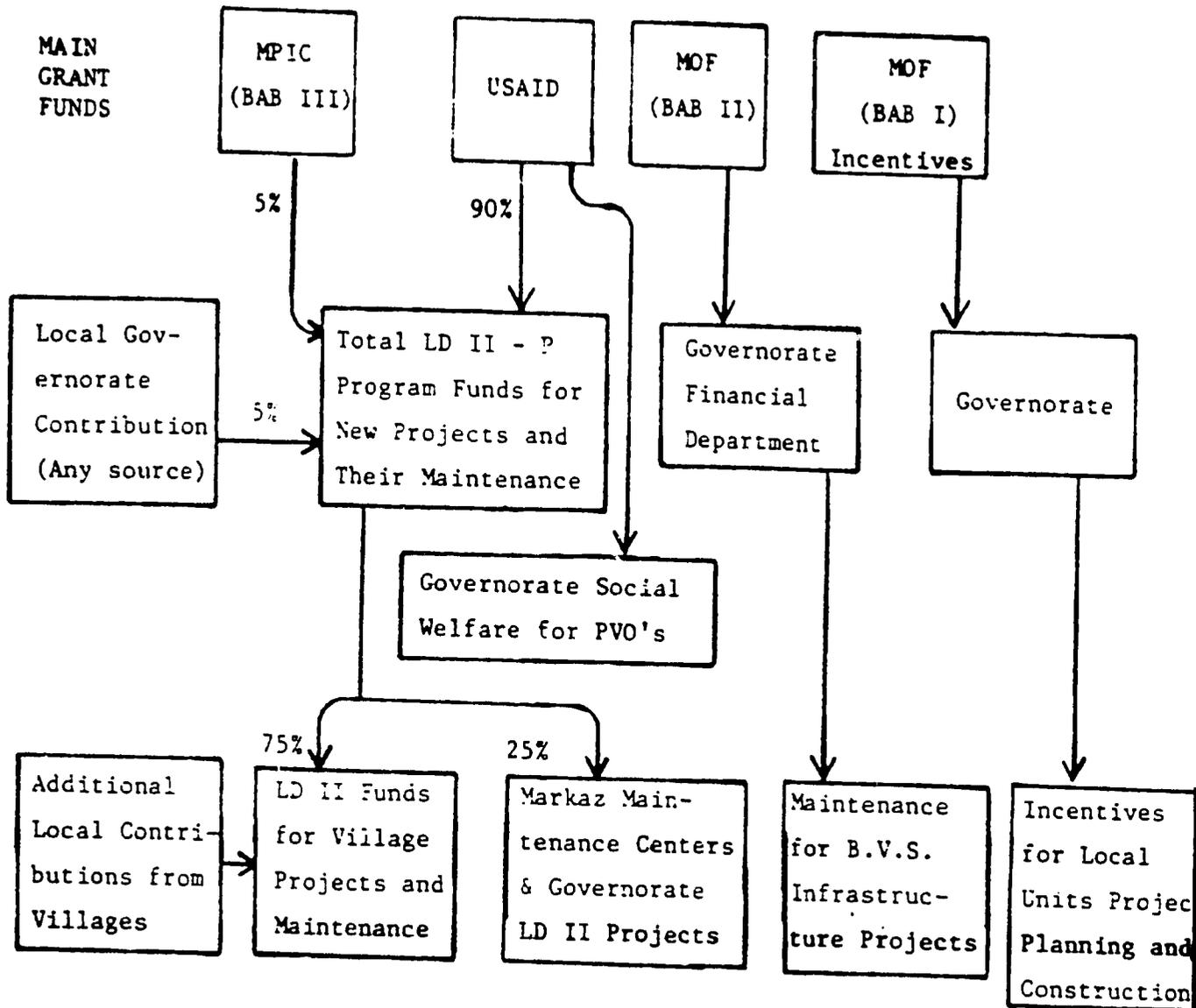
### THIRD: INCENTIVE FUND

The new Agreement supplements the existing incentive fund for rewarding those who work on project planning and implementation. This fund was included in Bab I of the Local Government Amana Budget (1986/87) and amounts to LE 1,042,000. It will be distributed throughout the year according to instructions from the Central Organization of Management and the MOF.

These various funds and financial resources granted by this Agreement provide for all aspects: investment, operations and maintenance, and personnel incentives.

The Prime Minister has recently issued a decree approving the opening of special project accounts into which all funds available for a project should be deposited. These accounts should be closed when the project is completed.

SOURCES OF FUNDS FOR LD II - P



## FUND ALLOCATIONS FOR LOCAL UNITS

1. The ILDC will allocate governorate funds according to certain criteria, such as population, needs, the governorate's past accomplishments, etc.
2. The GLDC will distribute the available funds among local units according to its own criteria.

Accordingly, the amount allocated to each local unit will depend on the total amount received by the governorate as a whole, the number of local units, the population in the village districts, its needs as specified in the plan, its past performance, and the strategy determined by the ILDC. For all these reasons it is impossible to estimate an average allocation per village council.

## POSSIBILITY OF EQUIPMENT IMPORTS

As mentioned above, no project equipment can be imported during the first year of the LD II program. Local units must select projects that do not require imported equipment.

During the second year, governorates will be able to utilize up to the equivalent of 25% of the USAID financing to import equipment which is not available in the local market. These amounts will be deducted from the governorate annual LD II allocation. They will be paid directly to the American suppliers by a letter of guarantee issued from USAID.

CHAPTER TWO  
LD II-P PROJECT PLANNING  
GUIDELINES AND FORMS

## LD II-P PROJECT PLANNING Guidelines and Forms

The materials presented here are intended to help local government officials do the necessary preparatory work, and to complete the formal documents required for new LD II village projects.

### Who Uses These Guidelines and Forms?

Village unit presidents and the members of the executive and popular councils will use these guidelines and forms with the help of markaz level officers in the village development and technical departments. These departments will explain the necessary documentation and forms, and will provide the technical assistance required for executing the local rural development project planning forms.

Governorate level officers will authorize these planning forms prior to their submission to the GLDC for approval.

### What are These Guidelines and Forms?

- A. The Needs Identification, Problem Analysis and Project Identification Form, the Indicative Multi-Year LD II Planning Form, and the explanatory guidelines presented here with them, are provided to help local government officials, especially village council executives, to prepare their project planning forms. These materials also form a useful basis for gathering and recording the information required for planning the projects.
- B. The LD II Rural Project Planning Form is a formal requirement. It must be carefully prepared and approved for a village unit to qualify for LD II-P rural project funding. This requires obtaining the approvals of the concerned authorities as explained in the last page of the form.
- C. The Sub-Project Data Summary is a form which sums up the most important data of the project: funds, number of beneficiaries, etc. This form is an important requirement. It should be attached to the planning form. After it is approved, the data recorded on this form will be entered into the computer information system for monitoring the rural development project.

## STEPS IN THE LD II RURAL PROJECT PLANNING PROCESS

The explanatory materials presented with these forms provide specific guidelines on the procedures which village council officers must follow in preparing their village project plans. These guidelines also will be useful for governorate and markaz officers responsible for forming the more general regional LD II-P rural development plans.

The necessary steps and procedures for planning a LD II-P project are:

1. Determine the community's actual needs and set goals to meet these needs;
2. Assign priorities to these needs;
3. Determine the problems which create the community's needs, and their causes;
4. Identify the project (or projects) which could solve the problems already identified. This is done by: (a) identifying alternative solutions to the problems; and, (b) eliminating those proposed solutions which are not reasonable considering the community's environment, financial resources, etc.
5. Establish a list which ranks the projects in order of their priority.
6. Prepare a general, multi-year plan to clarify future aims for the projects proposed.
7. Prepare the LD II Rural Project Planning Form for the most urgent and beneficial project(s).

## IDENTIFICATION OF NEEDS AND PROJECTS

The village executive and popular councils should, as the first step in planning their rural projects, gather information on the problems and needs of their local community. This community includes the "mother", or main, village and its satellites. Particular attention should be paid to the desires of local residents, their needs and requirements, and the opinions of elected popular council members.

A joint meeting of the popular and executive village councils should be held to suggest and discuss ideas for projects to address community needs, and rank them by priority.

The village councils should consult markaz engineering departments to determine the technical feasibility of their projects.

The project selection process should follow this sequence:

- Identify the village community's problems and needs.
- Assess the village's maintenance facilities, maintenance workshops, storage for tools and spare parts, and maintenance equipment.
- Decide what is needed to perform good preventive maintenance on village service projects.
- Identify needs and specify solutions for problems, and their causes, and choose projects accordingly.
- Record this information onto the Needs Identification, Problem Analysis, and Project Identification Form.

NEEDS IDENTIFICATION, PROBLEM ANALYSIS AND PROJECT IDENTIFICATION FORM

Step (1) : Is there a need for a maintenance center (buildings)? Yes (1), No (0)

Step (2) : When the answer is NO, we follow this form to determine needs and projects.

Rank the main problems in order of priority	Main causes of the problem	Alternative solutions proposed to solve the problem or meet the need. (Proposed basic services project)	Number of beneficiaries if the problem is solved	Degree of importance of the need or problem (if the appropriate be)		
				Very Important	Important	
Problem # 1		1. 2. 3.				
Problem # 2		1. 2. 3.				
Problem # 3		1. 2. 3.				
Problem # 4		1. 2. 3.				

## INFORMAL MULTI-YEAR INDICATIVE PLANS

### Reasons for Planning Ahead

Approval for LD II-F subproject plans is given on an annual basis. The reasons for this practice are two-fold. First, American AID funds are allocated on an annual basis. Second, the yearly plans make it possible for the localities, the markaz and the governorate, to prepare yearly plans for multiple time periods, and this provides a chance to improve the standards of the preparation.

There are, in addition, a number of reasons to justify the preparation of an indicative multi-year plan. Among the important reasons and justifications are :

First, there are types of complex projects that need to be built in stages.

Second, it is difficult to cover all the needs, for a particular service, of the mother village and satellite villages in one year. A multi-year plan can show that the different villages of a village unit will be covered in succession in the course of further years.

Third, it is unlikely that all the important infrastructure and service projects needed by a village unit can be accommodated in one year. The multi-year plan can show that the projects will be built successively in stages, according to their degree of importance.

Fourth, some projects require a long time for the necessary studies and plans. These types of projects should be entered in the second year of the Indicative Multi-Year Plan so that the studies and plans can be completed during the plan's first year.

## Some Observations On Multi-Year Plans

First, it does not need to be a detailed plan. It needs only to give a general description of projects and their components. Details can be left until annual plans are made.

Second, a multi-year plan should be flexible, and should be reviewed and revised each year in conjunction with the preparation of the annual plan. It is useful to take account of the experience gained in the implementation of each annual plan, to accommodate any changes in priorities by the village popular council, and to identify any new and urgent need or any unforeseen changes in the conditions of the village unit.

Third, although multi-year plans should be kept flexible and be revised each year, they still need to show some degree of stability in the following cases :

- o When infrastructural facilities are started in one year but can not be completed with that year's grant allocations, these facilities should be kept in the multi-year plan as projections, unless they prove technically infeasible.
- o If the village popular council commits itself to covering some villages of the village unit with a particular service in one year and the other villages in subsequent years, this commitment should be kept.

Fourth, foreign aid agencies such as USAID usually prefer that small-scale rural development projects be completed and operational within a relatively short period, in order to provide benefits as soon as possible. Therefore, if certain infrastructure facilities are big, and too expensive to finance from one year's LD II-P allocation, they should be divided into stages, and each stage funded by year.

INDICATIVE MULTI-YEAR LD II-P PLANNING FORM

(The local village unit keeps the original of this form, and sends a copy of it to the governorate village development office after it is technically reviewed by the relevant markaz technical department.)

Governorate:

Markaz:

Village Unit:

TYPE OF PROJECT:

Project's Phases	Planning Year	Expected Capital Costs For Each Phase	Brief Description of Of Each Phase Of The Project

Total Expected Capital Costs of the Project

Approval by Technical Department at Markaz:  
 Name: Position:

Signature:

Date

## Guidelines For Using The Project Planning Form

### THE OBJECTIVE:

The Project Planning Form was designed to help you prepare, plan and get approval for planning, monitoring and operating projects.

The information indicated in the form is important for gaining approval from the Rural Subcommittee. It will also help you to determine the project's phases, and to distinguish tasks.

Each project needs a separate form.

### INSTRUCTIONS:

1. Project type :
  - a. Mark with a check (✓) the number of the project type. If it is not given, specify the type of project in writing.
  - b. Note that some types of projects are not eligible for LD II-P funding, such as profit-making projects (trucking, electricity other than for water projects, office buildings, commercial stations, etc.).
2. Project utility and the number of expected beneficiaries of the project :
  - a. In giving current population size, use official statistics and the officially estimated rate of population growth.
  - b. Number of beneficiaries: This should indicate the actual number of persons expected to benefit from the project. It is not necessarily the same as the population size since, in most cases, not all residents will be served.
3. Project's main goals :
  - a. Defining the project's main goals is important for determining whether or not the project conforms with the goals of the Agreement. It is also important to assess subsequent effects, such as increased water use measured by liters per day. In the case of roads: will the road facilitate communications? or is the road being built to accommodate the transportation of passengers and equipment? etc.

4. Negative effects the project may cause :

The planner is expected to determine the likely negative effects. This will help him to determine the measures necessary to limit them.

Draw a circle around the number in front of the appropriate item, and write other potential effects by the number 5.

5. Describe how it is proposed to eliminate or reduce possible negative effects of the project.

6. Project description :

The following information should be included as far as possible:

a. Water projects:

- Pipes:	Type	Length	Dimensions
	----	-----	-----
	----	-----	-----

- Description of junctions and valves: types, quantities, dimensions.

- Water pumps (diesel/or electric).

- Engine (Kilowatts. Volts. Amperes).

- Pump capacity (liters/second).

- Water tank capacity.

b. Road projects:

- Road length, width and type.

- Will it be necessary to install drains or build small bridges?

- Will the road be paved using other resources? What are they?

c. Other projects:

For these projects details should be given in numbers.

7. Anticipated Capital Costs:

This requires estimating these costs, distributed according to the official line items.

- a. Estimate these amounts carefully and seek assistance, when necessary, from the expertise or specialists at the marakaz or governorates.
- b. Note that the cost of land cannot be paid out of LD II-P funds.
- c. Construction and building costs include site preparation and leveling, as well as the prices for necessary materials, equipment and labor.
- d. Equipment and tool costs include the price of motors, pipe fixtures, and electric generators.
- e. Other tasks include earthworks, landfilling, opening canals for drainage ....etc.

8. Recurrent Costs (Operations and Maintenance)

During the planning stage it is important to compile these estimates so that it is possible to gauge the funds required to cover such expenses. It is advisable to make use of the expertise at the markaz and governorate.

9. Defining and distributing responsibilities.

10. The Project Schedule:

This helps to maintain control over the various project planning and construction tasks.

11. Required approvals from the individuals and offices concerned.

### Note Bene

1. Each local village unit, local town unit, or markaz should use Planning Form No. 3 when requesting a new project. When a markaz uses it, the statements specifically regarding the village unit should be omitted, but the rest of the statements maintained.

2. Fill out completely the Subproject Data Summary Form and keep a copy of this in the separate project file.

The Governorate Information Office will enter this data in the computer. This is considered the first step of the monitoring operation.

3. In case the type of project is changed, use planning form No. 5, which then must be submitted to the GLDC.

LD II VILLAGE PROJECT PLANNING FORM  
 (Each project needs a separate form)

Governorate: \_\_\_\_\_ Markaz: \_\_\_\_\_

Local Unit: \_\_\_\_\_ Project Type: \_\_\_\_\_

● Type of Project (Please check  the type of project proposed)

Priority 1 : Maintenance Center (buildings)\*

Priority 2 : Completion of basic service project (designate type \_\_\_\_\_)

Priority 3 : New Project

- |   |   |
|---|---|
| 1 <input type="checkbox"/> Potable Water          | 6 <input type="checkbox"/> Clearing or lining canals      |
| 2 <input type="checkbox"/> Roads                  | 7 <input type="checkbox"/> Small slaughterhouse           |
| 3 <input type="checkbox"/> Sewage (network)       | 8 <input type="checkbox"/> Public latrines & public baths |
| 4 <input type="checkbox"/> Sewage (treatment)     | 9 <input type="checkbox"/> Bus Shelter                    |
| 5 <input type="checkbox"/> Drainage               | 10 <input type="checkbox"/> Small bridge                  |
| 11 <input type="checkbox"/> Other : Specify _____ |   |

---

\* Tools and equipment must be purchased with maintenance funds.

■ Project Coverage and Beneficiaries

Name of main villages and/or satellites served by project	Total Population	Total Number of Beneficiaries
---	---------------------	----------------------------------

- 1
- 2
- 3
- 4

Total

List Main Project Objectives:

- 1
- 2
- 3

List Negative Effects the Project May Create:  
(Circle the appropriate number or fill in the item.)

- 1. Loss of agricultural land.
- 2. Releasing wastewater into canals.
- 3. Higher water table.
- 4. Stagnant water pools.
- 5. Other (Specify).....

What has or will be done to reduce these negative effects of the project:

- 1.
- 2.
- 3.

Detailed Project Description :

Describe the project and its components in detail:

- a. Road Project : Length - width - components - location - ... etc.
- b. Water & Sewage : (Pipes: type, length, diameter, .... etc - Pumpsets: power, discharge, type, ... - Water-source - Tanks - Treatment plant.)
- c. In case of extension or completion of existing project, the previous details should be given for both existing and new projects.

- Will the project be completed in one year .
- two years
- three years

What are the expected total costs of the project?

LE _____	First year	
LE _____	Second year	

	Total
--	-------

=====

■ Preliminary Cost Estimate of the Project:

(This should include all project items in detail . The unit price should be calculated according to local market rates, taking into consideration fluctuation, inflation, and reserve labor.)

Items (Work Description)	Unit	Qty.	Unit Price	Value	Remarks
-----------------------------	------	------	---------------	-------	---------

---



---

Total Costs

---

Name:  
Date:

Position:

Signature:

Expected Capital Costs of Project: (LE)

# P3

Cost item	LD II Funds	Local Contributions				Total
		Government Share		Popular Share		
		Inkind	Cash	Inkind	Cash	
1. Land (cannot be financed from LD II funds)						
2. Building & structure						
a.						
b.						
c.						
d.						
e.						
3. Equipment & tools (include transport costs to site)						
a.						
b.						
c.						
4. Other capital costs						
5. Costs for non standard project designs & studies						
<b>Total</b>						

(Take inflation into account when calculating each cost item.)

Annual Recurrent Costs (operation & maintenance): (LE):

Annual Operation Costs  
Annual Maintenance Costs

Total \_\_\_\_\_

(These figures must be based on the particulars given in the Operations and Maintenance Budget.)

Project Planning and Management Functions:

CHECK APPROPRIATE COLUMN OR COLUMNS WITH (✓)

	Village Popular Council	Village Executive Council	Markaz	Governorate
Needs Assessment	-----	-----	-----	-----
Project Preparation & Preliminary Design	-----	-----	-----	-----
Project Appraisal	-----	-----	-----	-----
Project Selection and Approval	-----	-----	-----	-----
Technical Assistance	-----	-----	-----	-----
Preparation of Specs, Designs Tender Documents	-----	-----	-----	-----
Cost Estimation	-----	-----	-----	-----
Request for Bids	-----	-----	-----	-----
Evaluation for Bids/ Choosing Contractor	-----	-----	-----	-----
Project Execution	-----	-----	-----	-----
Supervision & Monitoring	-----	-----	-----	-----
Technical Inspections During Implementation	-----	-----	-----	-----
Preparing Progress Reports	-----	-----	-----	-----
Payments to Contractor	-----	-----	-----	-----
Project Completion	-----	-----	-----	-----
Project Operation	-----	-----	-----	-----
Maintenance & Repair	-----	-----	-----	-----

Project Schedule: PROVIDE THE EXPECTED DATES  
The project time schedule begins after funds arrive.  
Determine the time required to perform each step of the implementation.

Provide the Time Necessary for Each Task:	Expected Period (Months)
. Arrival of Funds	-----
. Letting Tenders	-----
. Bids Evaluated & Contractor Chosen	-----
. Construction Period	-----
. Expected Date to Begin	-----
. Completion of Construction	-----
. Start of Operation	-----

What is the required period for implementation? Months-----

APPROVALS

Date the Popular Council approved the project: \_\_\_\_\_

Chairman of Village Popular Council:  
Name: \_\_\_\_\_  
Signature: \_\_\_\_\_

Chairman of Village Executive Council:  
Name: \_\_\_\_\_  
Signature: \_\_\_\_\_

Technical Person Responsible for Supervising the Implementation of  
the Project:  
Name: \_\_\_\_\_  
Position/Dept. \_\_\_\_\_

Approval by Technical Department at Markaz  
Name: \_\_\_\_\_ Position: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approval by Technical Department at the Governorate Dept. \_\_\_\_\_  
Name: \_\_\_\_\_ Position: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approval by Director of Rural Development at Governorate:  
Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature: \_\_\_\_\_

Date of Approval by the Governorate LDC: \_\_\_\_\_

If possible attach a map showing location of the project.

Comments: \_\_\_\_\_

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The Sub-Project Data Summary To Accompany Planning Form.

After the GLDC approves the subproject this form should be filled out at the Governorate. After the Provincial Subcommittee in Cairo approves the subproject it should be sent to the governorate computer center. If there is not one then it should be sent to the ORDEV computer center.

For Use Only by  
Computer Center

1. Governorate	_____	_____	_____
2. Subproject Serial No.	_____	_____	_____
3. Plan Year	_____	_____	_____
4. Markaz	_____	_____	_____
5. Local Village Unit	_____	_____	_____
6. Local Village Unit Population	_____	_____	_____
7. Subproject Type	_____	_____	_____
8. Venue: Governorate (M) Village (G)	_____	M	G
9. Subproject is completion (A) Expansion (I) New (J)	_____	I	J
10. Location: Mother Village (Q) Satellite Village (R)	_____	Q	R
11. Name of Satellite village (if case B)	_____	_____	_____
12. Number of Users	_____	_____	_____
13. Estimated Subproject Cost	_____	_____	_____
14. Date of GLDC Approval	_____	_____	_____
15. Date of Provincial Subcommittee Approval	_____	_____	_____
16. Date Project begun	_____	_____	_____
<u>Funding Sources</u>			
17. U.S.A.I.D.	_____	_____	_____
18. Bab III (MPIC)	_____	_____	_____
19. Governorate Grant (Service Fund)	_____	_____	_____
20. Popular Participation	_____	_____	_____
21. Transfer from Other Projects	_____	_____	_____
22. Other Shares	_____	_____	_____
Total Original Grant _____			

LD II RURAL PROJECT AMENDMENT FORM

CHANGE OF PROJECT TYPE OR TRANSFER OF UNUSED FUNDS OF COMPLETED PROJECT TO A NEW PROJECT TYPE

- Instructions:
1. Use this form to cancel a project and use its funds for a new project, or to use the surplus funds of one project for starting another project.
  2. This form and the LD II Project Planning Form for the new project must be submitted to ORDEV.
  3. For the new (proposed) projects, an LD II Rural Project Planning Form should be completed and attached.

	OLD (CURRENT) PROJECT	NEW (PROPOSED) PROJECT	Old Code	New Code
Governorate	_____	_____	_____	_____
Markaz	_____	_____	_____	_____
Village Unit	_____	_____	_____	_____
Location	_____	_____	_____	_____
Planning Year	_____	_____	_____	_____
Project Type	_____	_____	_____	_____

Serial: \_\_\_\_\_

FUNDING SOURCES AND AMOUNTS	OLD (CURRENT) PROJECT	NEW (PROPOSED) PROJECT	ORDEV GOVERNORATE USE
• LD II Funds	_____	_____	Date of SLDC approval ----- Date Village Council notified of SLDC Approval or Refusal -----
• Governorate Funds	_____	_____	
• Local Contributions	_____	_____	
• From Other Projects	_____	_____	
Specify which project	_____	_____	
TOTAL COST OF PROJECT	_____	_____	

- Implementation status of current old project:
- Reasons for change:
- Approvals:

## TECHNICAL REVIEW FOR PROPOSED PROJECTS

ESTIMATED TO COST LE 100,000 OR MORE

In order to guarantee smooth progress in construction, and to insure the project's greatest possible utility after construction, any project estimated to cost LE 100,000 or more requires detailed technical studies before its construction begins. Therefore, the governorate is expected to present a petition to the ILDC for designating a part of the grant especially for the project, according to the rules and regulations in force in Egypt.

The following must accompany this petition:

1. The Indicative Multi-Year Planning Form (# P2)
2. The Sub-Project Data Summary (# P4)
3. The Sub-Project Planning Form (# P3)

Presentation of this petition indicates that the responsible markaz and the governorate departments have examined and approved the forms mentioned above, and that they agreed that the project merits the technical review requested.

This requires the signature of the governorate general secretary or of the governor.

## LD II-F GOVERNORATE PLAN

The LD II-F program requires filing a summary of projects so that it is possible for the ILDC to approve the plan and disburse the governorate's share of the grants.

The governorate plan must contain copies of the following:

- A. All maintenance planning precondition forms.
- [FORMS] # M[aintenance] 1, # M3 from the governorate.
  - # M2 from the markaz.
  - all parts of # M4 from the village councils.
- B. Project planning forms, as follow:
- # P4 - Subproject Data Summary, for all proposed village projects.
  - # P2 - the Indicative Multi-Year Planning Form for projects costing LE 100,000 or more.
  - # P3 - all the project planning forms, filled out.
  - also # P6, the request for technical examination of those proposed projects estimated to cost LE 100,000 or more.

The governorate plan must also contain the complete information it requires, including a summary of the projects proposed under the LD II-F program, and a summary of project funds, as explained in these pages.

GOVERNORATE PLAN  
SUMMARY OF PROJECTS PROPOSED FOR LC 11-P

Governorate \_\_\_\_\_

Plan Year \_\_\_\_\_

Project Type	Number of Projects	LC11-P Funds	Local Participation				Total Costs
			Government Share		Popular Share		
			Inkind	Cash	Inkind	Cash	
Maintenance Projects							
Total:							
Completion of Projects							
Total:							
New Projects							
Total:							
Governorate Total:							



**CHAPTER THREE**

**MONITORING AND ACCOUNTING GUIDELINES**

## MONITORING AND ACCOUNTING GUIDELINES

Project monitoring and financial controls are essential components in the LD II Project follow-up. They provide local government officials, as well as the central managers of the program, with the tools necessary to supervise sub-project implementation and financial expenditures. The procedures involved also provide early warning signals for actual or potential problems of a technical, managerial, financial or contractual nature. The proposed village monitoring system is one part of a complete system for the various local levels of local government. Only the village level sub-system is explained here.

### A. Components of the Village Level Reporting Sub-System

The village level reporting sub-system consists of three documents: (1) The Cash Receipts and Disbursements Report; (2) The Funds Flow Statement; and, (3) The Quarterly Progress Report.

#### 1. The Cash Receipts and Disbursements Report: (FORM # A1)

This is basically a ledger account to track cash proceeds and payments for a specific project. Receipts and expenses are recorded on it in chronological order. The worksheet is self-explanatory. However, two points should be noted: (a) it is to be filled out every three months for each funded project separately; and, (b) the cash balance to be carried forward should match that of the Funds Flow Statement (FORM # A2) explained below.

The Cash Receipts and Disbursements Report should always be accompanied by a copy of the sub-project bank statement for this period. It is worth mentioning here that the balance of funds on the bank statement may differ from that on the statement of financial position, due to pending transactions.

#### 2. The Funds Flow Statement: (FORM # A2)

This document serves to allocate receipts and disbursements quarterly and cumulatively to various sources and uses of funds. It aims to provide local officials and auditors with a clear breakdown of the origins and amounts of funds made available to each sub-project, together with a categorized listing on the uses of these funds for the various components of the sub-project.

This form is filled out every three months separately for each project. This, including the quarterly financial report, contains three kinds of accounting information:

- a) A compilation of funds according to their sources and uses up until the end of the preceding quarter;
- b) A summary of financial activity during the period, accounting for the sources of financing and the line item categories of expenditures; and,
- c) Cumulative balances of receipts and disbursements along the same categories of sources of funding and line items of expenditures.

With regard to the financial activity described above in point (b), the funding, expenditures and balances carried forward should match the total quarterly receipts, disbursements and net balances, respectively, according to the line items in the Funds Flow Statement.

### 3. The Quarterly Progress Report (QPR): (FORM # A3)

This document combines quantitative and qualitative data dealing with sub-project finances, physical implementation, current status, and accrued costs based on levels of physical completion. While the above data are quantifiable, and ultimately will be incorporated into the computerized LD II-P Project Monitoring System (PROMOS) of the governorates, the village level reports also contain descriptive information on the stages and status of implementation, together with a brief checklist of problems that may be encountered. In addition, village level QPRs provide means by which village officials may request assistance in engineering, finance and other sub-project management areas. Space is provided at the end of the QPR forms for marking and governorate officials to record actions they have undertaken in response to information received and requests submitted.

## B. Responsibilities

The village level reporting system is a required activity for all village councils that receive LD II-P project allocations. Under normal circumstances, the village accounting unit should maintain the records and accounts for the projects and produce the Cash Receipts and Disbursements Report and the Funds Flow Statement. The Executive Council Chief is responsible for the Quarterly Progress Report on each sub-project.

However, because most village councils still lack their own accredited village accounting units, this program recommends that, initially, they appoint an interim finance committee of three persons to assume these responsibilities. This committee's members, from the village council staff, will report to the village executive council chief. It should include at least one person previously trained on local accounting procedures by the BVS Project.

## C. Report Submission Schedule (Periodicity):

The Cash Receipts and Disbursements Reports, the Flow of Funds Statements, and the Quarterly Reports, should be submitted to the Markaz Department of Village Development within the first five (5) days following the end of the quarterly reporting period.

Two copies of the Quarterly Progress Report will be submitted to the Village Development Department at the markaz for review and appropriate action. Project problems will be referred to the competent financial, technical, or administrative departments. Problems that are beyond the authority or capability of the markaz technical departments will be referred to the governorate level. Such cases and their appropriate action will be reported in the QPR.

In any case (whether governorate level support is required or not), the second copy of the Quarterly Progress Report should be forwarded to the Governorate Information Department no later than seven (7) days after it is received by the Markaz Development Director. The Information Department will review the information from the Quarterly Progress Report and enter its data in the computer (if and when a computer is available) then transmit it together with other QPRs to the Governorate Local Development Committee (GLDC) for its review and appropriate action, as required.

If the Governorate does not yet have a computer it will forward the reports, through the governorate Village Development Department, to the Information Center at ORDEV Cairo (c/o ORDEV's Follow-Up Department) within seven (7) days from their receipt. Furthermore, the Governorate Village Development Department must also submit these reports to the GLDC so that it may review them and take appropriate action.

Governorate Village Development Departments which are already using computers must submit both written hard copy and magnetic disc copies of their reports to the Follow Up Department at ORDEV/Cairo within seven (7) days after receiving the reports from the marakaz.

CASH RECEIPTS AND DISBURSEMENTS  
REPORT

8 A  
\*\*\*\*

FOR THE QUARTER ENDING \_\_\_\_\_ '9

GOVERNORATE \_\_\_\_\_  
MARKAZ \_\_\_\_\_  
VILLAGE UNIT \_\_\_\_\_

LOCATION : \_\_\_\_\_  
PLAN YEAR : \_\_\_\_\_  
PROJECT TYPE : \_\_\_\_\_  
S. Number : \_\_\_\_\_

DEPOSIT BANK \_\_\_\_\_ ACCOUNT No: \_\_\_\_\_  
LOCATION \_\_\_\_\_

Page No: \_\_\_\_\_ of \_\_\_\_\_

Date	Transaction Check Number	Description of Transaction	Payment (Debit)	Deposit (Credit)	Balance
/ / '9	XXXXXXXX	Opening Balance	XXXXXXXX	XXXXXXXX	

End of Mon XXXXXXXX Totals and Balance Forward

Account Reconciliation:

Project Funding:

Previous Balance: \_\_\_\_\_  
- Total Credits: \_\_\_\_\_

Previous Project Funding: \_\_\_\_\_  
- Total Additions (Credits): \_\_\_\_\_

= Cash Available: \_\_\_\_\_  
- Total Debits: \_\_\_\_\_

Sub-Total: \_\_\_\_\_  
- Returns: \_\_\_\_\_

= Balance Forward: \_\_\_\_\_

Total Project Funding: \_\_\_\_\_

FLOW OF FUNDS STATEMENT  
FOR THE QUARTER ENDING 17 /19..

# 42  
\*\*\*\*

GOVERNORATE: \_\_\_\_\_  
MARKAZ: \_\_\_\_\_  
VILLAGE UNIT: \_\_\_\_\_

LOCATION: \_\_\_\_\_  
PLAN YEAR: \_\_\_\_\_  
PROJECT TYPE: \_\_\_\_\_  
SERIAL No.: \_\_\_\_\_

	PREVIOUS BALANCES	MONTHLY FLOWS - / / -	BALANCE FORWARD
	=====	=====	=====
1. LD :: Project Funds :	-----	-----	-----
Other Funding:			
-----			
Services and Development Fund :	-----	-----	-----
Local Population Contributions :	-----	-----	-----
Other Contributions (Specify)			
----- :	-----	-----	-----
----- :	-----	-----	-----
2. SUB-TOTAL OTHER FUNDING :	-----	-----	-----
=====	=====	=====	=====
3. TOTAL AVAILABLE FUNDS (1 + 2):	-----	-----	-----
=====	=====	=====	=====
Expenditures:			
-----			
Land :	-----	-----	-----
Buildings :	-----	-----	-----
Equipment :	-----	-----	-----
Civil Works :	-----	-----	-----
Other :	-----	-----	-----
4. TOTAL EXPENDITURES :	-----	-----	-----
=====	=====	=====	=====
5. BALANCE FORWARD (3 - 4) :	-----	-----	-----
=====	=====	=====	=====



PROJECT COMPLETION FORM

Governorate: -----

Markaz : -----

Village Unit:-----

This Form is required in addition to the Project Final Accounts. It is to be submitted by the Village Unit, to the Governorate Development Office when the LD II Project Funds are completely spent, or Project Construction ends, & is required before applying for a second project grant.

Date Project Selected by the Village Councils: -----

Date First Project Funds Received from the Governorate: -----

Date Project Construction Began: ----- Ended: -----

Date This Form Submitted to Governorate Development Office: -----

Type of Project Built: ----- Total Cost: -----

(Circle the Correct Answer)

1. As now built the project is what percentage complete as compared to its original plan?

Very incomplete less than 75%	incomplete 75% to 90%	almost complete 90% to 99%	complete 100% or more
----------------------------------	--------------------------	-------------------------------	--------------------------

2. To what degree was the budget sufficient to build the project as it was planned?

very insufficient less than 75%	almost enough 75% to 90%	just enough 90% to 100%	extra 100% or more
------------------------------------	-----------------------------	----------------------------	-----------------------

3. Is the project working well? How effectively is it working?

not effective less than 75%	almost effective 75% to 90%	effective 90% to 100%	better than planned 100% or more
--------------------------------	--------------------------------	--------------------------	-------------------------------------

4. Did the contractor who built the project do a good job?

no	not too bad	good	excellent
----	-------------	------	-----------

5. Was the procurement of materials difficult, slow, or more costly than you expected?

yes, very bad many problems	not too difficult	no problems	very easy
--------------------------------	----------------------	-------------	-----------

6. Was your maintenance supervisor and his staff involved in building the project?

yes, very active	yes, active	involved some	not his job
------------------	-------------	---------------	-------------

In this space or on the back of this page please note any unexpected benefits, unusual costs, or special problems incurred while building this project:

-----  
-----  
-----  
-----

President of the Local Unit: \_\_\_\_\_

(Signature)

(Date)

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CHAPTER FOUR  
PROVISIONS FOR OPERATION AND MAINTENANCE  
IN THE LD 11 AGREEMENT

PART I  
FUNDING AND PLANNING FOR  
OPERATION AND MAINTENANCE

The LD II Agreement places great importance on the operation and maintenance of infrastructure projects and equipment. This concern applies to those projects already installed or completed, as well as to those that will be constructed or finished in the future, especially those projects done in cooperation with USAID, but also includes common infrastructure projects.

Among the most important features of this concern are the following: financing; the operations and maintenance systems; planning; managing maintenance centers; and the organizational structure for operation and maintenance.

A. FINANCING

1. The Agreement specifies that the MCF will allocate credits from the general national budget, by increments in Bab II, to the governorates' budgets for operations and maintenance. Starting with the current year budget (1986/87). The MCF began to carry out this provision, starting with the current year budget (1986/87). An increment of LE 14.7 million was included in Bab II of the Local Government Amara budget (these funds are incorporated into the Amara budget, as opposed to the governorate budget, in this year only, as a transitional procedure).
2. The Agreement provides that up to 25% of the annual grant may be used to establish, support, or complete maintenance facilities at the governorate and markaz level. Where equipment import is necessary, several sub-provisions apply:
  - the equipment must be of American origin and source,
  - therefore a claim for this equipment will be made out of the second year allocations, and
  - the maintenance system must be set up and any technical studies must be done in the first year as a pre-condition for importing equipment in the second year.

3. The Agreement stipulates that those local village units that will benefit from the LD II-P Agreement must have a maintenance workshop. Therefore, the first project priority of a local unit which has no maintenance workshop definitely must be only the construction of a workshop building out of grant funds. Small equipment and tools can be procured from the designated Bab II credits, or from the residual 10% maintenance funds from the first Basic Village Services project agreement.
4. The Agreement requires that before a governorate requests any financing from LD II-P funds it must send a certificate to the Rural Development Committee informing it that the governorate has distributed, the remaining 10% funds, set aside by the Basic Services agreement for maintenance, among the village according to the projects they set up.
5. Some of the funds required must have been allocated for training technical and administrative staff, especially for operations and maintenance.

It further confirms and accentuates the importance of maintenance in the LD II Agreement that the number of maintenance projects that the Rural Development Subcommittee approved for the nine governorates included in the first year of the Agreement amounted to about 42% of the total number of first-year projects: 522 maintenance projects at the village, markaz, and governorate levels.

## B. THE OPERATIONS AND MAINTENANCE SYSTEM

### The Required Tehnical Crews:

The Agreement requires that before any request can be made for LD II funding maintenance coordinators and supervisors must be appointed at all levels of local government:

#### At the Governorate Level:

The Agreement specifies the requirement that an experienced engineer be appointed as a general coordinator for maintenance and operations. He will be accountable to the Governorate Secretary General. He will be assisted by a water and sewage maintenance engineer from the Housing Department, and a road maintenance engineer from the Roads Department. Together, the three engineers constitute the organizational nucleus for establishing a maintenance system at the governorate level, in order to:

- Propose a plan for operations and preventive maintenance of infrastructure projects and heavy equipment at all local levels, and determine allocations and responsibilities at all levels; (This plan must be approved by the Local Development Committee.)
- Arrange the operations of the main equipment maintenance centers for water projects and roads to meet the maintenance needs required at the various local levels;
- Prepare clearly defined standards for measuring the efficiency of operations and maintenance, and the system for recording and monitoring at each level;
- Deliver training programs suited to the actual needs of various local levels, and take part in supervising their performance;
- Submit periodic reports on O & M activities for review by the GLDC;
- Investigate the problems and difficulties that obstruct performance, and propose solutions.

At the Markaz Level:

The Agreement stipulates that water/sewage project and road maintenance engineers will be appointed at each markaz maintenance unit. These two will be accountable to the markaz Engineering Department, whose director will act as general maintenance coordinator for the markaz level. These engineers will have the following duties:

- Developing an O & M plan and budget for all the infrastructure projects (water, sewage, roads, and the like), including equipment, at the local village council level;
- Supervising the technical, administrative, and financial aspects of carrying out the O & M plan;
- Initiating the required training program and supervising its performance and evaluation;
- Preparing periodic reports including observations on obstacles and problems that hinder performance.

- Transmitting the plans, the schedules, and the reports to the counterpart maintenance engineer at the governorate.

#### At the Village Level:

The Agreement stipulates that a maintenance supervisor will be appointed at each local village unit to supervise the operation of infrastructure projects (water, sewage, roads, etc.) at the local village unit and its satellites, in order to:

- Collaborate in drawing up the plan for maintenance and its funding;
- Supervise operation and preventive maintenance; and
- Make periodic reports listing the problems and difficulties that hinder performance, and submitting them to the markaz.

### C. MAINTENANCE PLANS

The village local units will draw up proposed plans for operations and maintenance, and the use of required funds distributed according to the various Bab II O & M line items on the relevant forms. These will be submitted to the markaz, which will, as its part, review them, collect them, and submit them to the governorate. There they will be collected and reviewed by the Maintenance Coordinator and submitted to the Secretary General for approval preliminary to their approval by the S.L.D.C.

#### General Remarks on the Maintenance Plan:

With regard to the plan for operation and maintenance, and the funds designated for it, compliance with the following considerations is expected:

1. Funds are considered public assets, and they are subject to all the laws and the regulations of the Egyptian Government.
2. Because Bab II funds cannot be carried over from one year to another these credits expire at the end of the fiscal year. Accordingly, available Bab II funds must be utilized first, and then the residual 10% fund balance.

3. Funds designated for operations and maintenance by the LD II Agreement are primarily for infrastructure projects funded in the past or the future by USAID.
4. Tools or equipment purchased (with these funds) from the local market must not be from countries of the Eastern Bloc - neither by source nor origin - and if specially imported from outside the country they must be by source and origin from the United States of America.

#### D. MANAGEMENT OF MAINTENANCE CENTERS

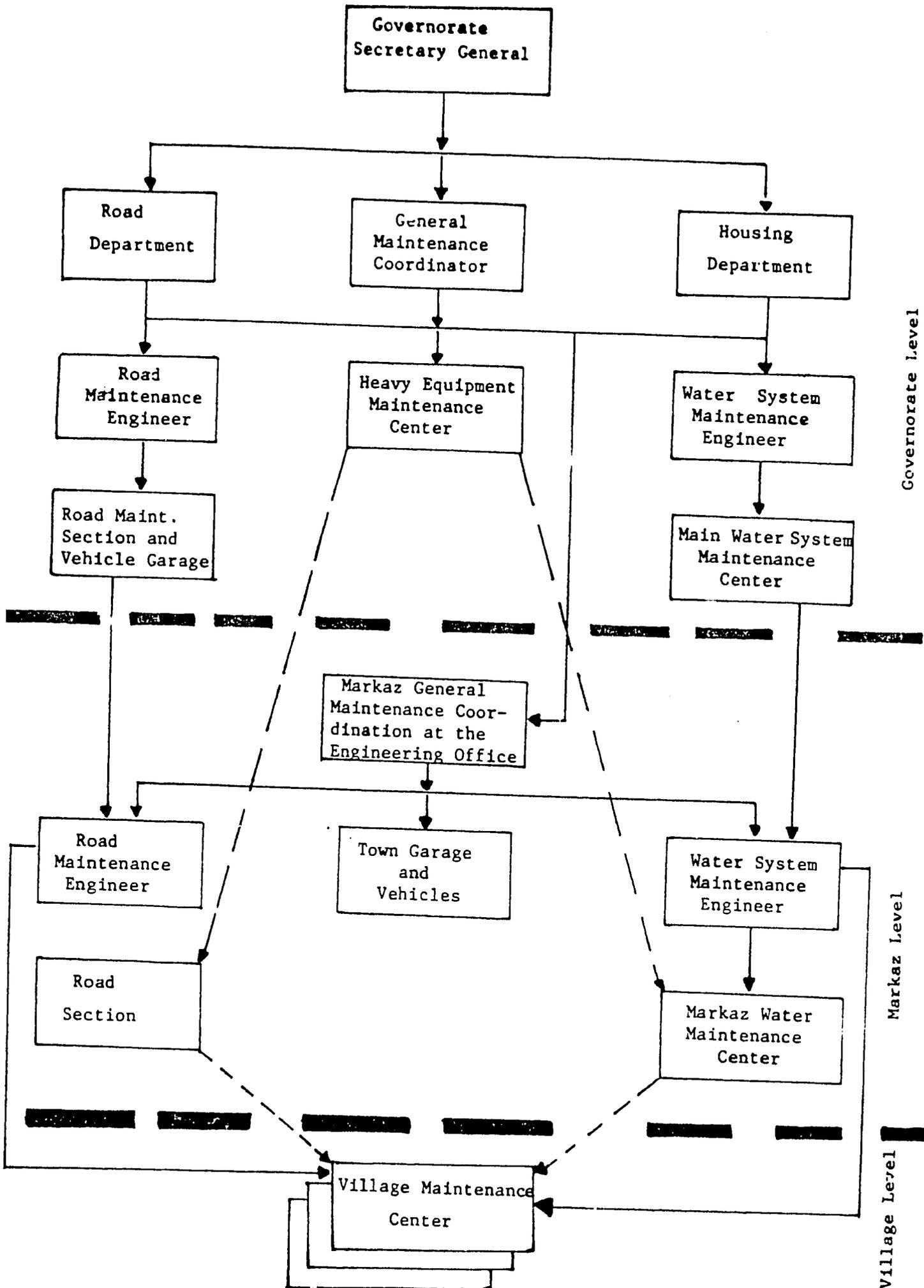
The main heavy equipment maintenance center at the governorate level should be equipped with modern devices to adjust equipment, measure its performance, and determine present and potential defects.

The Rural Subcommittee has formed a task group to study how best to operate these centers economically, after they are established, so that they can successfully provide outstanding maintenance work, with high standards for technical efficiency and administration.

#### E. ORGANIZATIONAL STRUCTURE FOR OPERATION & MAINTENANCE

The following diagram illustrates the organizational structure for O & M at all local levels (governorate, markaz, and village council). This model clarifies the horizontal and vertical relationships between the different levels from both technical and administrative points of view.

**ORGANIZATIONAL STRUCTURE FOR THE  
OPERATIONS AND MAINTENANCE SYSTEM**



## PART II

### MAINTENANCE PRECONDITIONS FOR LD II FUNDING

#### FIRST YEAR LD II PLANNING YEAR (1987-88)

The new LD II Program places great emphasis on the need for the satisfactory and continuing maintenance of all equipment and infrastructure projects. The program has set aside part of the funding for various maintenance operations at all levels of local government.

It is obligatory that, as a basis for distribution of LD II-P funds, the governorates, the marakez, and the villages draw up and use detailed maintenance plans for proposed LD II projects, as well as for all infrastructure projects and equipment.

But considering the time constraints before the LD II program begins, and the difficulties involved with presenting detailed maintenance plans, in order to bring about the funding for the first year LD II program the only requirement at this time is as a first step, the preparation of a preliminary plan for maintenance.

With regard to the second year of the LD II-P program, project funds will not be transferred until the following conditions are fulfilled:

1. Preparation and submission of a fully detailed maintenance plan for all infrastructure projects and equipment.
2. Complete establishment of village maintenance workshops.
3. Complete procurement of the tools and equipment for V/C maintenance workshops and markaz maintenance centers through a single tender at the governorate level, providing that the source of these be the United States of America or countries of the Western Bloc.

These workshops must have been provided the required technical staff, by training the original personnel to raise the level of their technical skills, or programs for retraining with new skills others to fill gaps for the various tasks, using the credits set aside for training by the Agreement. In a separate handbook for the governorates, the LD II-P program will present some instructions to help them to prepare complete maintenance plans for the coming years, including examples for drawing up the annual maintenance plan for the projects, in addition to the prior experience gained from the trial maintenance program in three governorates (Menoufiya, Beni Suef, and New Valley).

THE MAINTENANCE PRECONDITIONS FOR  
LD II PROJECT FUNDING

Condition 1. Previous and future funding for maintenance activities

- A. Confirmation that the 10% Maintenance Funds for the previous years of BUS funding have been deposited in a separate bank account at the village level, and are being used, or are beginning to be used, in accordance with the Organizational Guidelines for Maintenance Funds Related to BUS Projects, issued September, 1982 by DRDEV.
  
- B. The governorate financial office must present to the G.L.D.C. a formal written statement indicating the distribution of the operation and maintenance funds that the Ministry of Finance included in Bab II. This report must include the amount of the distribution and a description of the particular manner by which these credits are placed at the disposal of the local village councils.

Condition 2. The governorate must appoint an expert engineer to be a Coordinator General for maintenance and operations, and maintenance engineers from both the housing and roads departments at both the governorate and markaz levels to assist him. Likewise a Maintenance Supervisor must have been designated for each local village unit. Specific descriptions must be written for the work of all these positions, with their responsibilities and obligations. Furthermore, those selected must be the most qualified available candidates.

Condition 3. Inventory of the village infrastructure projects requiring maintenance:

Each village council participating in LD II-P must compile a list of all infrastructure projects and components at the mother village and the satellite villages, such as: water works, village access roads, pipe networks, government buildings, and any vehicles and facilities under the control of the local village council, etc. It should be further broken down to include the larger components of these items; for example, in the case of a water distribution system, such components as diesel and electric pump sets, water storage tanks, distribution pipe lines and public taps, etc., should be listed.

Condition 4. Statement of existing village maintenance facilities and practices:

Each village council must submit an itemized list of all physical and human resources that are currently being used to maintain village infrastructure. These resources include any staff, tools, equipment, buildings, spare parts, vehicles, etc. that are utilized in maintenance operations.

The village council should also describe the preventive maintenance and repair activities currently being performed by the village maintenance system.

**CERTIFICATION OF COMPLIANCE WITH  
LD II MAINTENANCE PRECONDITIONS**

The following instructions describe how to use the certification forms which verify that participating governorates and their village councils are actually eligible for LD II-P project funding.

Compliance with all of the preceding preconditions will be considered as met by submission to the ILDC Rural Subcommittee of the Governorate Certificate of Compliance authorized by the Governor, and accompanied by the following documentation:

1. (Form C-2) Concerning distribution to the local units of the special 10% maintenance funds for the Basic Village Services projects' previous three years: This form must be signed by the Governorate Finance Director and the Governorate Development Director.
  
2. A report from the Governorate Finance Office indicating distribution of the Bab II budget, as supplemented by the Ministry of Finance, to all the levels. The report must clarify the amounts of the distribution and where they are deposited.
  
3. (Form C-3) Maintenance management positions: This form will be completed and signed by the Governorate Housing and Roads Department Directors. It includes the names of those engineers selected for maintenance management duties at the governorate and markaz levels.
  
4. (Form C-4: Parts A, B)

Part A of this form should show the organizational structure of existing maintenance personnel at the local village council, including the name of the village Maintenance Supervisor who shall be appointed for each local village council. The names and job assignments of the technical personnel now present at all the local village councils will be written in this part.

Part B of this form should provide a complete inventory of existing infrastructure projects at each local village unit, as already laid out in the sample form. It requires adding or deleting project types according to the existing situation at the villages. The duty of the local village council president and the village maintenance supervisor is to both review and sign this inventory.

5. (Form C-4: Parts C and D)

Part C of this form should provide an inventory for the tools and equipment now available at the village council maintenance workshop. This listing should be reviewed by the village council maintenance supervisor to reflect the actual situation with regard to tools, equipment, vehicles, and facilities such as workshops, store rooms, etc., that are now being used in the implementation or support of maintenance at the village council level.

Part D of Form C-4 contains a description of the current state of maintenance performance at the local unit. It includes the following:

- a description of the village maintenance workshop if it exists
- the tools and equipment called for, which are now lacking, to provide adequate maintenance;
- the current method of period maintenance, if it exists: what are the village workshop's activities? who does them? how?
- the current methods for repair: what type of tasks? who does them? how?
- the current method of recording, and the types of records now being used by the village
- the role of the markaz in maintenance operations and repairs for village projects.

SUMMARY OF MAINTENANCE PRECONDITIONS AND LEVELS OF RESPONSIBILITY

Condition	Local level of Responsibility	Executive Responsible	Responsibilities
#1a	Governorate	Development Director	Submit Form No. 2 concerning distribution of BVS 10% maintenance funds from previous three years to the village councils, to ILDC, with signatures of the government financial officer and development officer
#1b	Governorate	Financial Director	Submit report to ILDC showing distribution to all levels, of the O & M budget; including amounts, directions, and means of payment.
#2	Governorate	Housing and Roads Department Directors	Complete Form 3 concerning designation of maintenance engineers from Housing and Roads at the governorate and markaz levels.
#3	Local Village Unit	Village Council President	Appoint village maintenance supervisor and define his tasks
			Complete Form 4 (parts a & b) the organizational chart of those individuals now available for maintenance, and the inventory of all existing infrastructure projects at the village unit and satellite villages.
#4	Local Village Unit	Village Council President and Maintenance Supervisor	Complete Form 4 (parts c & d) concerning currently available maintenance capabilities at the village council including; tools, equipment, spare parts, etc., describe the order of current procedures for preventive maintenance, repairs, and monitoring at the village council for maintaining infrastructure projects.

FORM C-1

GOVERNORATE CERTIFICATION OF COMPLIANCE  
WITH PRECONDITIONS FOR LD II FUNDING

Governorate of ----- has met the following maintenance preconditions for LD II funding:

1. a. BUS 10% maintenance funds for the previous BUS project years have been distributed to the village councils in accounts that do and/or do not bear interest in the name of the beneficiary villages, as per Form C-2 (attached).
- b. The Governorate Financial office has distributed the MOF Bab II credits to the local councils and the special departments according to particular criteria. An attached report explains these criteria and the way these deposits were made to the different levels.
2. The positions of General Coordinator and Housing Maintenance Engineer and Roads Maintenance Engineer have been created at the governorate and markaz levels and individuals have been appointed to these positions, as per Form C-3 (attached).
3. Each V/C local unit has appointed a Village Maintenance Supervisor and defined his responsibilities, and appointed the maintenance staff. (Form C-4, Part A, attached.) The Village Council has completed an inventory of village infrastructure (Form C-4, Part B, attached).
4. The village maintenance supervisors have submitted village maintenance inventories and a description of current maintenance and repair procedures, and levels of performance.

Governorate ORDEV Director

Governorate Secretary General

Name:

Name:

Signature:

Signature:

Date:

Date:

Governor's Signature

-----

10% BVS MAINTENANCE FUND DISPOSITION

Governorate:

Markaz:

Name of V/C	10% BVS Maintenance Fund						Funds Spent	Balance	Number of Account	Bank	Remarks
	1st	2nd	3rd	4th	Interest Earned	Total					
<b>Total</b>											

Governorate Finance Director: \_\_\_\_\_  
 Governorate Development Director: \_\_\_\_\_  
 Markaz Finance Director: \_\_\_\_\_

FORM C-3  
 MAINTENANCE MANAGEMENT POSITIONS

Governorate General Coordinator for O & M : \_\_\_\_\_  
 Governorate Maintenance Engineer : \_\_\_\_\_  
 Governorate Roads Maintenance Engineer : \_\_\_\_\_

Markaz	Director of Engineering	Water Maintenance Engineer	Roads Maintenance Engineer

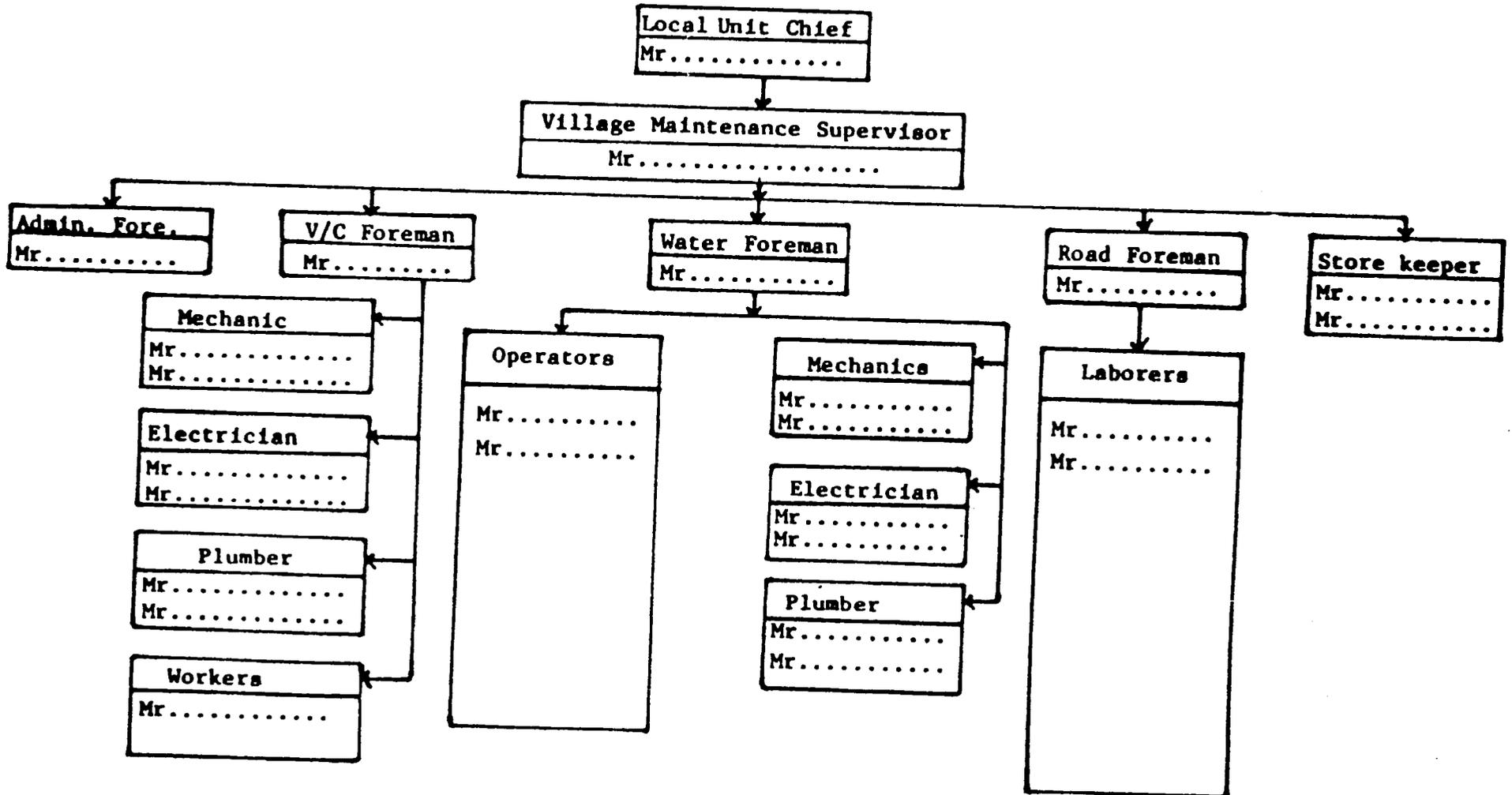
Housing Department Director  
 Name \_\_\_\_\_  
 Signature \_\_\_\_\_

Roads Department Director  
 Name \_\_\_\_\_  
 Signature \_\_\_\_\_

Secretary General  
 Name \_\_\_\_\_  
 Signature \_\_\_\_\_

FORM C-4

V/C MAINTENANCE FACILITIES AND SERVICES INVENTORY  
PART A  
V/C MAINTENANCE PERSONNEL



Signatures:

V/C Chairman: \_\_\_\_\_

Village Maintenance Supervisor: \_\_\_\_\_

INVENTORY OF VILLAGE INFRASTRUCTURE PROJECTS

Governorate \_\_\_\_\_ Markaz \_\_\_\_\_ Village Unit \_\_\_\_\_

Satellite Villages 1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_  
 4 \_\_\_\_\_ 5 \_\_\_\_\_ 6 \_\_\_\_\_

Name of Village Maintenance Supervisor \_\_\_\_\_

1. WATER AND DRAINAGE PROJECTS

NO.	Project	Quantity	Length	Description
1	Total No. of diesel pumps		xxxxxxx	
2	Total No. of electric pumps		xxxxxxx	
3	Water tanks		xxxxxxx	
4	Water pipes - 4 inch - 6 inch - 8 inch - other diameters -----	xxxxxxxxx xxxxxxxxx xxxxxxxxx		
5	Public water taps		xxxxxxx	
6	Fire taps		xxxxxxx	
7	Equipment: - Water or pump truck ----- ----- -----			
8	Other projects: ----- ----- ----- -----			

FORM C-4B  
INVENTORY OF VILLAGE INFRASTRUCTURE PROJECTS

2. ROAD PROJECTS

NO.	Project	Length in meters	Quantity	
1	Dirt roads			
2	Gravel roads			
3	Paved roads			
4	Equipment: Truck or Sprayer ----- ----- -----			
5	Other ----- ----- ----- ----- -----			



FORM C-4  
V/C MAINTENANCE FACILITIES AND SERVICES INVENTORY  
PART C  
INVENTORY OF EXISTING MAINTENANCE FACILITIES AND EQUIPMENT

NO.	Items	Quantity	Comments
1	<u>Hand tools</u> 1 Set of mechanical tools 2 Set of electrical tools 3 Set of plumber's tools 4 5 6		
2	<u>Equipment</u> 1 Work bench 2 Vise 3 Pipe threader 4 Grinding wheel 5 Electric welding machine 6 7 8		
3	<u>Spare parts</u> 1 Oil filters 2 Gas filters 3 V - Belts 4 Ball bearings 5 6 7 8		

V/C Chariman: Name \_\_\_\_\_ Signature \_\_\_\_\_

Village Maintenance Supervisor: Name \_\_\_\_\_ Signature \_\_\_\_\_

FORM C-4: PART D  
CURRENT MAINTENANCE SITUATION REGARDING  
PLANNING AND PERFORMANCE

FIRST: MAINTENANCE CAPACITY

1. Does a building for a maintenance workshop exist in the village?  
..... if yes; describe the buildings dimensions & number  
of rooms. ....  
.....  
.....
2. Tools, equipment and spare parts: Describe current short  
comings and measures required .....  
.....  
.....  
.....

SECOND: THE CURRENT METHOD FOR PREVENTIVE MAINTENANCE:

Describe the situation now in the village for preventive maintenance with regard to:

- The kind of maintenance being done: .....  
.....  
The person responsible for doing it: .....  
.....  
How and where is this maintenance performed? .....  
.....

THIRD: THE CURRENT METHOD FOR REPAIR OF VILLAGE PROJECTS:

Describe the system now followed for repairing village projects with regard to:

- Type of repairs: .....  
.....  
The person responsible to make them .....  
.....  
How and where are these repairs made .....  
.....

FOURTH: MAINTENANCE RECORDS AND PROCEDURES FOR FOLLOW UP REPORTS:

Describe here the kinds of records now used by the village for operations, maintenance, and repairs. Also describe the system for monitoring reports, if it exists: who writes reports? what are their contents? recipient? and timing?  
.....  
.....  
.....  
.....  
.....

FIFTH: MARKAZ ROLE ASSISTING THE VILLAGE WITH MAINTENANCE AND REPAIR:

Describe the current markaz role and how it helps the village with maintenance and repairs:

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

Village Maintenance Supervisor: Name \_\_\_\_\_ Signature: \_\_\_\_\_  
Date \_\_\_\_\_

Village Council President : Name \_\_\_\_\_ Signature: \_\_\_\_\_  
Date \_\_\_\_\_

PART III  
GENERAL GUIDELINES  
FOR ESTABLISHING VILLAGE MAINTENANCE WORKSHOPS  
UNDER THE LD II PROGRAM

1. THE BASIC PURPOSE

The village maintenance workshop is to be responsible for supervising the operation and maintenance of all the infrastructure service projects existing in the main village and its satellites. The major types of such projects are: pumpsets, pipe lines, water tanks, public taps, dirt roads, gravel roads, governmental buildings (local unit buildings, community halls, slaughterhouses, bus sheds, etc.). Village productive projects (such as poultry, fattening, carpentry, transportation) are not included in the scope of the workshop's responsibilities, since these projects are supposed to be maintained out of their own revenues.

The village council is also partly responsible for the maintenance of schools and health and veterinary units. The primary source of maintenance funding for these assets is the particular ministerial budget allocation for maintenance, and therefore these establishments should be maintained by these ministries. However, it is conceivable that such funding may be insufficient, or that urgent repairs may need to be undertaken promptly. In these cases, the village chief may allocate Local Service and Development Account funds for the necessary work and request the village maintenance unit to carry it out.

## 2. ELEMENTS OF THE WORKSHOP

The smallest possible dimensions for the village maintenance workshop to have the capacity to provide the obligatory maintenance operations for the projects within its unit boundaries are:

1. One room for the maintenance of water projects and their components, its suggested area twelve square meters (3m x 4m).
2. One room for the use of road laborers and V/C infrastructure maintenance staff responsible for the other types of village projects; suggested area twelve square meters (3m x 4m).
3. One room for storage, suggested area twelve square meters (3m x 4m).
4. One room to be used as an office for the workshop manager (the village maintenance supervisor): suggested area nine square meters (3m x 3m).
5. Toilet : six square meters (4m x 1.5m).
6. Canteen : six square meters (4m x 1.5m)
7. An outdoor fenced area without roof for storing pipes and heavy equipment and for use as a garage for maintenance unit vehicles, where they exist : suggested area seventy-two square meters (6m x 12m), according to Model No. 1, attached.

Accordingly, the minimum total area needed for a workshop in a village is 144 square meters: 72 square meters for the building and 72 square meters for the outside fenced area without roof.

Considering the large number of local units in most of the governorates, and to give these units the chance to use the credits designated for them to meet their infrastructure project needs, it is suggested that these workshops can be built using prefabricated structures. This will lower their cost greatly compared to conventional (reinforced concrete) construction. For building these workshops the maximum amount of the credit proposed for a local village unit is LE 15,000.

If the local unit wants to build its workshop using conventional construction, then it should supplement the fund from the local development treasury, by popular participation,

or from any other source. But if these supplements are not available then the choice of Model No. 2 is suggested, which has a smaller area (52 square meters of building, 48 square meters of unroofed outside area). Both models for the workshop building are enclosed with these guidelines. These are only guidelines. The workshop design is expected to vary among different villages, according to the types of their projects, their populations, and the dimensions of the plot of land available to each of the local units. In each governorate the Housing Department should prepare plans and models for village workshop buildings compatible with the conditions of each local unit.

### 3. SOURCE OF FUNDS

#### A. Land:

The local unit is responsible for providing the land needed for the workshop, and providing the Housing Department with the available dimensions for making the required design. The site for the workshop should be chosen and procured in such a way as to avoid difficulties, such as ownership disputes, so that there is no cause to delay construction of the workshop.

#### B. The Workshop Building:

According to the terms of the Agreement this should be the first priority for project selection. No other projects will be funded unless this building is already available at the local village unit or is proposed as one of the projects in its LD II-F plan.

The credit proposed for construction of the building is between LE 10,000 and LE 12,000 according to the plan prepared by the Housing Department.

#### C. Tools, Machinery, Equipment, and Spare Parts

Procurement of the tools, machinery, and equipment needed for the maintenance workshop should be done for the villages in a single general bid by the governorate. Their source must only be either the United States of America or other countries of the Western Bloc.

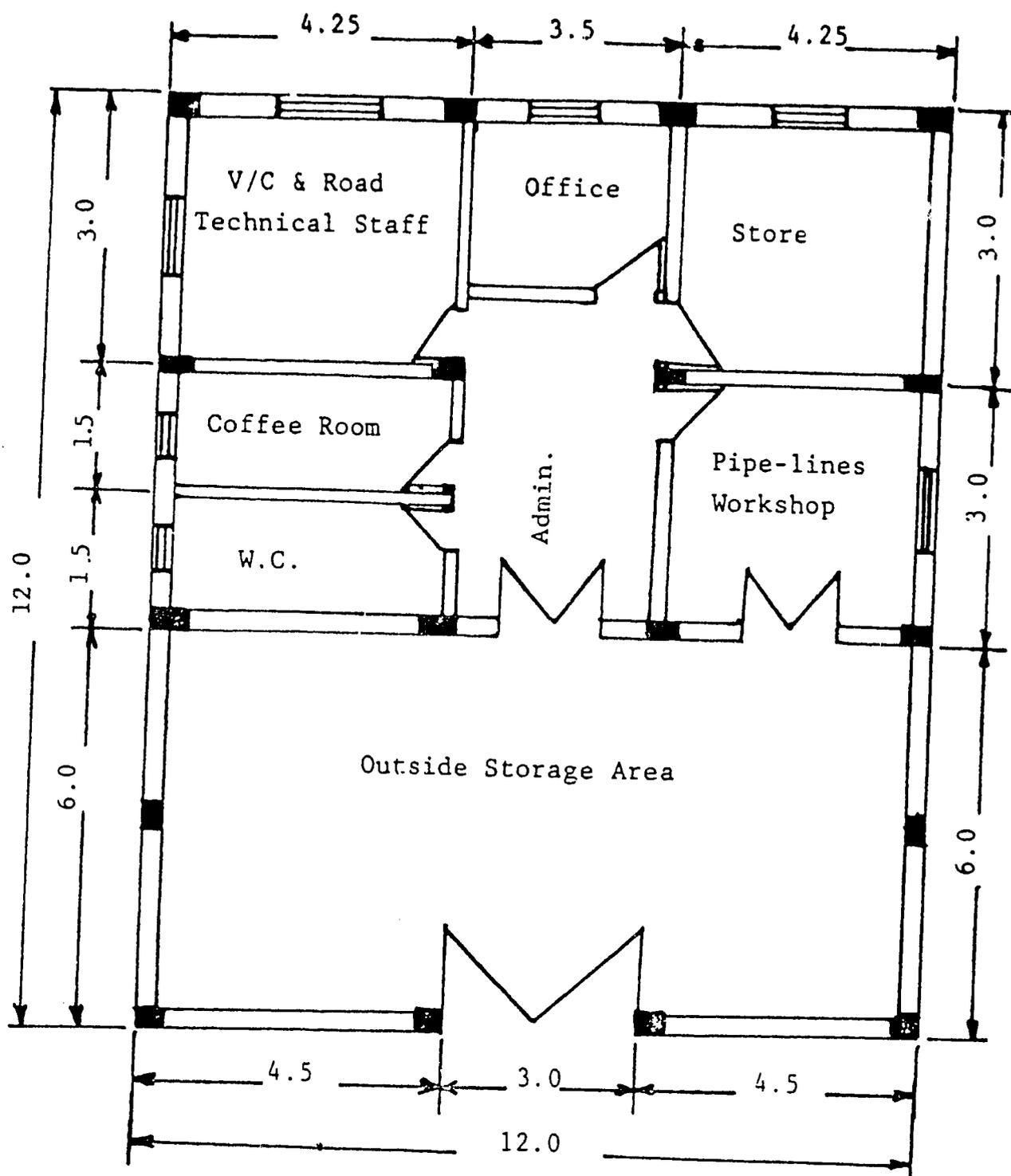
The two funding sources are:

- i) Residual 10% BVS maintenance funds.
- ii) Maintenance funds allocated by the Ministry of Finance in Bab II.

The quantities of tools, machinery, and equipment needed for the workshop will depend on the size of the local units' staff available for each of the different operations, the size of the existing projects, and the maintenance and repair duties defined for that staff. The Markaz Technical Section should assist the village council in determining these equipment needs, and in determining personnel requirements as well.

A specimen list of the tools which should be available at the workshop is included here only as a guideline. As stated before, the needs of the local units are expected to vary.

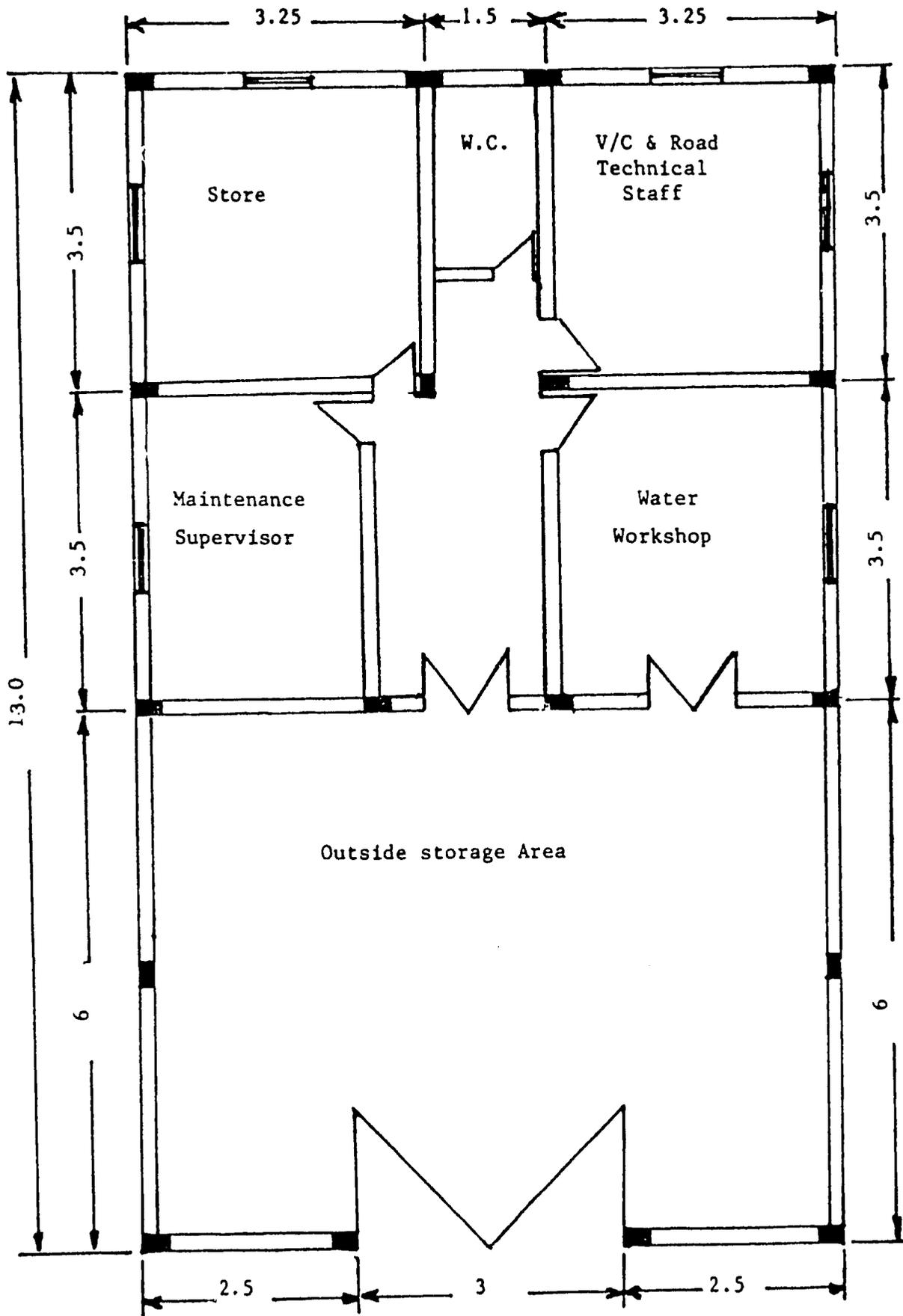
TO BE USED AS A GUIDANCE  
(NOT SPECIFIC RECOMMENDATION)



Model No. (1)  
Village Maintenance Workshop

Total Area : 144 m<sup>2</sup>  
 Building Area : 72 m<sup>2</sup> (Pre-fab building)  
 Proposed Budget : L.E. 15,000

Model No. (2)  
Village Maintenance Workshop



Total Area : 104 m<sup>2</sup>  
 Building Area : 56 m<sup>2</sup> (concrete building)  
 Estimated budget: max. L.E. 15,000

General tools & equipment for the V/C workshop:

No.	Description	Quantity	Unit Price
1	Hydrometer - thermometer graduated from 1.06 to 1.32 specific gravity, and from 0 - 160 °F and includes a quick reference color coded, good, fair, & recharge scales.	1	
2	Vise, jaws width 5", Max opening 5"	1	
3	Work bench ( 2 x 1 x 0.8 meter )	1	
4	Battery charger, charges 12 volt batteries provides 10 amp high rate charge, 50 amp low rate charge - solid state construction with lighted meter showing amperage output & charging conditions.	1	
5	Booster cables with 100% copper stranding fully isolated clamps & with length 30cm, 500 amp clamps capacity	2	
6	Carrier strap 18 inch long	1	
7	Lifting - pulling tool one ton capacity max lift of 6 feet, min distance bet hooks is 2 feet, anchored hook swivels a full 360°. Automatic let down provides easy release.		
8	Storage shelves board ( 2 x 0.5 x 1 )	4	
9	Variable speed reversable drill with powerful motor 220 volts, 4.5 amps, & no load speed from 0 - 1200 rpm, double gear reduction, cord 2.50 meter, chuck size ½ inch, & include chuck key & 360 mounting handle	1	
10	Drill bit set nickel plated high speed, size from 2 mm - 12 mm ( 11 pcs )	1	
11	Portable stand cast steel upper plate for bench yoke vise.	1	
12	Bench yoke vise ( ½ - 1 inch)	1	
13	Adjustable pipe threader ½ - 2 inch with threading dies ( 7 pcs )	1	
14	Adjustable pipe threader 1.5 - 4 inch with threading dies ( 6 pcs )	1	

General tools & equipment for the V/C workshop:

No.	Description	Quantity	Unit Price
15	<p>Storage unit 18 x 12 x 32 inch manufactured from heavy gauge steel, with lock for secure tool protection, reversable doors for left or right opening, &amp; with drawers include precut foam drawer liners to protect tools &amp; storage unit. It contains the following tools:</p> <ul style="list-style-type: none"> <li>● 8 inch pliers</li> <li>● Combination set of screw driver 8 (pcs) includes flat tip 5 (pcs), phillips tip - 3 (pcs) different sizes from 5 - 12 inch</li> <li>● Digital multimeter measures AC &amp; DC up to 500 volts, &amp; 2 Mohms, &amp; DC amperes from 500 MA to 30 amps, with 30 inch leads powered by 2 (AA) batteries.</li> <li>● Open end wrench set</li> <li>● Deep offset box wrench set</li> <li>● 0.5 kg ball peen hammer</li> <li>● Socket set 12 sockets from 10 - 25 mm. with ratchet, universal joint 2" &amp; 4" extensions. In plastic tray inside metal box.</li> </ul>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>	
16	<p>Electric compressor on wheels &amp; stationary with the following specification:</p> <ul style="list-style-type: none"> <li>● Automatic operation starting</li> <li>● Stopping of motor by pressure switch</li> <li>● Regulation value 8 - 10.5 bar</li> <li>● With a pressure reducer &amp; filter</li> <li>● Max pressure 11 bar</li> <li>● Tank capacity 50 liter</li> <li>● Air asperation 125 liter/min</li> <li>● Motor with 220 volts, 50 cycle/sec</li> <li>● With on/off switch</li> <li>● With special tools &amp; spare parts for ½ capital repair.</li> </ul>	1	

Mechanic's Tool Kit

No.	Description	Quantity	Unit Price
1	Storage unit include partitioned tote tray 21 x 9 x 10 inch	1	
2	0.5 kg ball been hammer	1	
3	Deep off set box wrench set ( 9 pcs ) ( 6 mm - 23 mm )	1	
4	Open ends wrench set ends one set at a 15" angle ( 12 pcs )	1	
5	Adjustable wrench ( 8 inch )	1	
6	Set of chisels ( 3 pcs ), 6" flat, 6" flat, 5" rollpin, 6" pin	1	
7	8" pliers	1	
8	Flat, phillips screwdriver set ( 6 pcs ) 3 sizes each	1	
9	Files set with handles ( 4 pcs ) 6" square, 8" mill, 8" round, 8" half round	1	
10	General use feeler gauge ( 1 x 82 mm blades ) 13 blades in sizes ( 0.01, .02, 0.04, 0.07, 0.1 0.13, 0.15, 0.18, 0.19, 0.2, 0.26, 0.3, & 0.4 )	1	
11	Grease gun 0.5 kg cap length 35 cm	1	
12	Small pressure oiler with screw on tip bronzefi- nish ½ kg, 5 cm diameter	1	

Electrician's Tool Kit :

No.	Description	Quantity	Unit Price
1	8" insulated pliers	1	
2	Cutter from steel with clear protective coating, jaws length is 15 mm	1	
3	Combination set of screw driver ( 8 pcs ) includes flat tip ( 5 pcs ), phillips tip ( 3 pcs ) different sizes from 5 - 12 inch	1	
4	Electric test screw driver 6 inchs	1	
5	Multipurpose electrician's pliers 12 different stations handle wire striping, cutting, crimping and bolt cutter crimps insulated wiresize holes 12, 14, 16 mm, bolt size holes 10 - 32 mm	1	
6	Deep offset box wrench set ( 9 pcs ) 6 mm - 23 mm	1	
7	Open end wrench set ends one set at 15" angle ( 12 pcs )	1	
8	Adjustable wrench 18 inch	1	
9	Storage unit included partitioned tote tray 21 x 9 x 10 inch	1	

Plumber's Tool Kit

No.	Description	Quantity	Unit Price
1	Storage unit including partitioned tote tray 21 x 9 x 10 inch	1	
2	Open end wrench set, ends are set at 15° angle ( 6 pcs ) from 15 - 32 mm	1	
3	Punch 6" length, hex - size $\frac{1}{2}$ inch	2	
4	Chisel 8 inch length, edge $\frac{7}{8}$ " flat	2	
5	Ball peen hammer (hickory handle) with head of 2 kg	1	
6	Ball peen hammer (hickory handle) with head of one kg	1	
7	Hack saw, frame designed for 10, 12 inch blades, adjustable to 4 different positions	1	
8	Adjustable wrench 18"	1	
9	External pipe wrench 24"	1	
10	Chain wrench 15" handle length, 19" chain length, and 5" diameter capacity	1	
11	Triple - meter	1	
12	Spirit level with length 25 cm with two bubbles one for vertical direction and one for longi- tudinal direction .	1	

## PART IV

### GENERAL GUIDELINES

#### FOR UPGRADING MARKAZ MAINTENANCE CENTERS (MMCs)

##### 1. PURPOSE

Most marakez have neither a center for the maintenance of water and other such projects, nor a section for the maintenance of road projects, that has the capability to maintain its projects. The present capacities, both human and material (as represented in tools and equipment), are very slight among all of them.

Therefore it is most appropriate for us to pay special attention to maintenance centers and road departments, and work on strengthening them and provisioning them with the tools and equipment required to perform those maintenance and repair operations assigned to them for infrastructure projects and special maintenance equipment.

##### 2. ROAD MAINTENANCE DEPARTMENTS AT THE MARAKEZ

Most of these departments do not have any equipment for road maintenance, and rely on whatever equipment may be available at the City Council (and this is rare). So they depend mainly on whatever equipment exists at the governorate roads administration.

Therefore, it is proposed that the heavy equipment should be distributed among the road maintenance sections whenever there is enough to do so. Where the available equipment is insufficient it should be shared for use by more than a single markaz. This must be done according to a road maintenance plan developed by the director of the governorate roads administration. This plan will be drawn up to allocate equipment where required for maintenance, and should be executed and supervised by the roads maintenance section directors of the cooperating marakez.

It is worth mentioning that, in addition to equipment previously available to the governorates, the DSF program has distributed road maintenance equipment among the governorates.

### 3. MARKAZ MAINTENANCE CENTERS FOR WATER PROJECTS

The LD II-P survey of marakez in the first nine participating governorates has shown that most marakez lack sufficient trained personnel, or buildings, as well as the tools and equipment required for repairing and maintaining the water projects and pipe networks in their villages. Accordingly, the first-year LD II-P plans require the marakez to upgrade or develop existing markaz maintenance center buildings, and to provide needed tools and equipment to the technical sections of each maintenance center. This should be planned and accomplished according to the number and type of water projects served by each center.

Where trained technical personnel are missing, or the level of technical skill needs to be raised by training, it is possible to make use of the special credits in the Agreement's training budget to train them, after assessing the needs and defining the training required.

The attached lists indicate suggested hand tools and equipment to be made available to the various technical sections. They may be used as guidelines while making plans for strengthening these centers.

#### FUNDING SOURCES

Each markaz can be allocated up to LE 50,000, from a maximum 25% share of the total program allocation to each governorate, for the purpose of improving and upgrading existing maintenance centers and civic garages. Setting up new buildings is not permitted, but this fund can be spent to strengthen existing buildings for maintenance centers and civic garages, and to supplement what these marakez have to meet their needs for tools and equipment, which should be purchased by the governorate Housing Department office through a single general tender for the provision of all the marakez being supplied.

Participants in this process are required to purchase only tools and equipment which is produced by American manufacturers or countries of the Western Bloc. No LD II-P project funds may be used to procure tools or equipment manufactured by the Eastern Bloc countries, or India, or Taiwan.

MMC Tools & EquipmentA. Mechanical Workshop:

No.	Description	Quantity	Unit Price
1	Puller, replaceable pressure screw points, multi-position yokes, adjustable clamp bolts, and with spring ball pin. And with, puller jaws set 3 different sizes, puller pressure screw set 3 different sizes.	1	
2	Vise ( jaw width 5", max opening 5" )	2	
3	Work bench ( 2 x 1 x 0.8 meter )	2	
4	Hydraulic crane 2 ton capacity, low height 41-52 inch & max lift 131 - 152 inch. The crane loaded with features & extras	1	
5	Torque wrench metric reading. Flex-ratchet torque range from 5 - 39 kg - mt	1	
6	Electric compressor on wheels & stationary with the same specifications as stated in the V/C workshops	1	
7	Storage unit 18 x 12 x 32 inch manufactured from heavy gauge steel, with lock for secure tool protection, reversable doors for left or right opening, & with drawers include precut foam drawer liners to protect tools & storage unit. It contains the following tools: <ul style="list-style-type: none"> <li>● 8 inch pliers</li> <li>● Combination set of screw drivers; 8 pcs includes flat tip ( 5 pcs ), phillips tip (3 pcs) different sizes from 3 - 12 inch</li> <li>● Open end wrench set ( 12 pcs )</li> <li>● Deep off set box wrench set ( 9 pcs )</li> <li>● Adjustable wrench 8 inch</li> <li>● 0.5 kg ball Peen hammer</li> <li>● Socket set 12 sockets from 10 - 25 mm with ratchet, universal joint, 2 &amp; 4 inch extensions. In plastic tray, inside metal box.</li> </ul>	1	

MMC Tools & Equipment:B. Electrical Workshop:

No.	Description	Quantity	Unit Price
1	Storage unit 18 x 12 x 32 inch manufactured from heavy gauge steel, with lock for secure tool protection, reversible doors for left or right opening, & with drawers to protect tools & storage unit. It contains the same tools as stated in the mechanical workshop.	1	
2	Puller with the same specification as stated in the mechanical workshop	1	
3	Vise (Jaw width 5", max opening 5")	2	
4	Work bench ( 2 x 1 x 0.8 meter )	2	
5	Grawler for testing the windings of the generators & starters of diesel engines	1	
6	Insulated pliers 8 inch	1	
7	Cutter from steel with clear protective coating, jaws length is 15 mm	1	
8	Digital multimeter measures AC & DC up to 500 volts, & 2 Mohms, & DC ampers from 500 MA - 30 amps, with 30 inch leads powered by 2 (AA) batteries.		

MMC Tools & Equipment:C . Fitters Workshop:

No.	Description	Quantity	Unit Price
1	Tap & die set from 6 - 12 mm tap wrench & die stocks in a compartmented storage case	1	
2	Tap & die set from 13-25 mm tap wrench & die stocks in a compartmented storage case	1	
3	Vernier calipers as specified in the turning section	1	
4	Bench grinders with 1 HP motor rating, 220 volts, 50 cycle, 1800 rpm, single phase, wheel diameter 10", wheel face 1", wheel grit 36 - 60 & with water pot	1	
5	Hack saw, specified as in turning section	1	
6	Variable speed reversible portable drill specified as in V/C workshop tools	1	
7	Drill bit set nickel plated, high speed size 2 mm - 12 mm ( 11 pcs )	1	
8	Vise ( Jaw width 5" & max opening 5" )	1	
9	Work bench ( 2 x 1 x 0.8 ) meter	1	
10	Bench drill with powerful motor 220 volts 5.0 amp, 4 speeds, cord one meter, chuck size 15 mm, max work piece high 400 mm and table size of 300 x 300 mm <sup>2</sup> .	1	

MMC Tools & Equipment:D. Turning Workshop:

No.	Description	Quantity	Unit Price
1	Sliding, surfacing & screw cutting lathe with the following specifications: (Dimensions in mm) <ul style="list-style-type: none"> <li>● Swing over bed 360</li> <li>● Height of centers 180</li> <li>● Normal turning length 800 - 1000</li> <li>● Diameter of face plate 360</li> <li>● Width of bed 380</li> <li>● Diameter of through hole in spindle 35</li> <li>● Spindle taper 5 morse</li> <li>● Taper of did center 4 morse</li> <li>● Speed range 18 - 100 112 - 630 450 - 2500</li> <li>● Speed of motor 3000 rpm</li> <li>● 16 longitudinal feeds 0.7 - 1.0</li> <li>● 16 transverse feeds 0.04-0.5</li> <li>● 16 longitudinal feeds for finishing 0.011 - 0.16</li> <li>● No. of spindle speeds 12</li> <li>● Metric threads 0.5 - 7</li> <li>● English threads 60 - 4</li> </ul>	1	
2	Open ends wrench set ( 12 pcs ) 6 - 32 mm	1	
3	Drill bit set nickel plated, high speed size from 2 - 12 mm ( 11 pcs )	1	
4	Hack saw, frame designed for 10" or 12" blades Adjusted to 4 different positions	1	
5	Spring type divider with adjustment nut open and close the legs	1	
6	Spring calipers, for measuring diameters of cylinders, etc, with knurled thumb nut to open and close the legs	1	
7	Tap and die sets from 6 - 12 mm	1	
8	" " " " " 13 - 25 mm	1	

MMC Tools & Equipment:D. Turning Workshop: (cont)

No.	Description	Quantity	Unit Price
9	Disc brake micrometer with friction stops and spindle locking levers from 13 - 32 mm in 0.025 grade from 6.0- 25 mm in 0.025 grade	1 1	
10	Verniercalipers handles inside or outside depth measurements include both metric & U.S. graduations ( 0 - 6 inch and 0 - 150 mm ) U.S. increments are 0.001", metric increments are 0.05 mm calipers feature a thumb lock slide press, and it releases for easy sliding & release and it locks into position.	1	

MMC Tools & Equipment:E. Pipe Fitting Section

No.	Description	Quantity	Unit Price
1	Portable stand cast steel upperplate for bench yoke vise	2	
2	Tubing cutter with capacity 63 mm	1	
3	" " " " 32 mm	1	
4	Bench yoke vise (½ - 4 inch )	2	
5	Adjustable pipe threader (½ - 2 inch ) with threading dies ( 7 pcs )	2	
6	Adjustable pipe threader ( 1.5 - 4 inch )with threading dies ( 6 pcs )	2	
7	Storage unit 18 x 12 x 52 inch manufactured from heavy gauge steel, with the same specifications and contents	1	
	● Hack saw, frame designed for 10" or 12" blades, adjusts to 4 different positions	1	
	● Chain wrench 15" handle length	1	
	● Adjustable wrench 18 inch	1	
	● Stillson pipe wrench with :		
	10 inch long, 1 inch capacity	1	
	18 " " , 2.5 inch capacity	1	
	36 " " , 5 inch capacity	1	
	● Spirit level with length 25 cm with two bubbles, one for vertical direction and one for longitudinal direction	1	
	● Triple meter	1	
	● Chisel 8 inch, edge 7/8 inch flat	2	
	● Ball peen hammer one kg	2	

MMC Tools & Equipment:F. Battery Section

No.	Description	Quantity	Unit Price
1	Battery charger, charges 12 volt batteries provides 10 amps high rate charge, 50 amp boost, and 2 amp low rate charge. Solid state construction with lighted meter showing amperage output & charging conditions.	2	
2	Booster cables with 100% copper stranding fully insulated clamps, 15 feet length	9	
3	Carrier strap 18 inch long	2	
4	8" pliers insulated	1	
5	Set of spanners( 4 pcs ) 10 - 11, 12, 13, 14, 15, and 16 - 17 mm		
6	Battery Charges cables	8	
7	Hydrometer (specified before in V/Cw)	2	
8	Lead box for acid mixing	2	
9	Water distiller	1	
10	Cans for storage of distilled water	4	
11	Voltimeter, range from 0-30 volts	1	

MMC Tools & Equipment:G. Welding Workshop:

No.	Description	Quantity	Unit Price
1	Oxyacetylene welding set: <ul style="list-style-type: none"> <li>● 2 wheel trolley with carrying capacity 300 kg and room for 2 gass cylinders</li> <li>● Oxygen cylinder</li> <li>● Acetylene "</li> <li>● Oxygen regulator</li> <li>● Acetylene "</li> <li>● Oxygen cylinder valve spanner</li> <li>● Welding blow pipe with 5 tips 50 - 200 liters, spanner, hoses, and 2 male quick coupling</li> <li>● Cutting blow pipe with 2 nozzles and 2 male quick couplings and cutting capacity from 3 - 40 mm</li> <li>● 20 meter blue oxygen 9 x 16 hose and 20 meter red acetylene 9 x 16 hose, with male and female quick coupling</li> <li>● 8 double house clips</li> <li>● One spark lighter</li> <li>● One set of 4 tip cleaners</li> <li>● One strong metal carrying case with handle</li> <li>● One handle swaged nozzle 200 liters</li> <li>● " " " " 400 liters</li> <li>● One nozzle nut</li> </ul>	1	
2	Two goggles with green lenses	2	
3	Leather gloves 5 fingers	2	
4	Four steel raw wire brushes	2	
5	Hammer for chip	2	
6	Welding table made from tubular steel & equipped with a refractory brick of 400 x 400 x 60 mm its length            1110 mm width            500 mm hight            900 mm	1	

MMC Tools & EquipmentG. Welding Workshop (cont)

No.	Description	Quantity	Unit Price
7	<p>Electric arc welding machine specified as:</p> <ul style="list-style-type: none"> <li>● High electric insulation, with strong cooling fan</li> <li>● On/off switch &amp; warning light when it is switched on</li> <li>● Smooth, continuous and progressive adjustment by means of a long cranking arm</li> <li>● high open circuit voltages awarding on easy starting a stable arc</li> <li>● Connection of cables by universal plugs</li> <li>● Quick operation on sites and including a safety device adjusts instantaneously the windings to the mains voltage 220 or 380 volts</li> <li>● Primary cable 5 m long, 3 x 6 mm<sup>2</sup> and earthing cable 3 m long, and 25 mm<sup>2</sup> with earth clamp</li> <li>● Electrodes diameter from 2 - 5 mm</li> <li>● Welding current from 40 - 300 A</li> </ul>	1	
8	Chipping hammer	1	
9	Wire brush	1	
10	Pair of leather gloves	1	
11	Handscarce with filter lens and coverlens	1	

## PART V

### BUDGETING AND ACCOUNTING GUIDELINES FOR OPERATIONS AND MAINTENANCE

#### INTRODUCTION

This section provides special guidelines and criteria for the handling of those operation and maintenance funds allocated to Bab II in the budget of the Ministry of Local Government. It also describes components of the O & M accounting system and its monitoring and recording forms.

#### SECTION ONE

##### PROPOSED CRITERIA FOR DISTRIBUTING THE OPERATIONS AND MAINTENANCE FUNDS ALLOCATED IN BAB II

The Ministry of Local Government distributed O & M funds received from the Ministry of Finance according to the LD II Agreement, in the amount of LE 14.7 million, among all 26 rural and urban governorates, in accordance with the specified uses for heavy equipment, urban infrastructure and basic village services. The purpose of these criteria is, first, to distribute these funds among various levels of local government (governorate, markaz, local units), and among various types of maintenance and operation costs; and, second, to establish a system for recording and monitoring these expenditures.

##### A. Infrastructure Projects Funded by the Basic Village Services Program

The engineering section of Chemonics conducted a systematic field survey of the local village units and markaz maintenance centers in the nine governorates participating in the first year of LD II-P in order to evaluate the current status of infrastructure projects, to assess the available capacities for maintenance, and the present status of the projects.

This survey showed that project maintenance and repair operations come under the responsibility of the markaz and the village units in most of the governorates.

The results of this survey showed a general lack of spare parts, financial resources, and the absence of plans for regular maintenance. These are the primary reasons that the markaz offices are not providing enough maintenance services to the village units. The markaz maintenance role has been limited to only repair of projects which have already broken down.

At the village level, despite the presence of financial resources - the result of accumulated 10% maintenance fund balances - the level of project maintenance remains low due to the following reasons:

- Lack of operation plans and preventive maintenance schedules for those projects.
- Conflicting responsibilities between the village councils and technical departments at markaz and village levels.
- The preference by most village councils to hold onto their remaining 10% maintenance funds as long term deposits earning interest.
- Lack of maintenance workshops in most villages, and absence of designated maintenance supervisors.
- Lack of awareness about maintenance and failure to distinguish between repair and preventive maintenance.

Based on this, as a short term solution, Chemonics proposed criteria for distributing funds to compensate for the problems mentioned above. Long term solutions require a format for preventive maintenance programs using funds allocated from the second LD II year.

1. Proposed Criteria

- a) The sums designated for the basic service projects in the rural governorates and the New Valley should be distributed as follows:
- 25% for provisioning markaz maintenance centers.
  - 75% to the local village units.

- b) In view of the nature of these governorates and the weak development of the village-level as a unit of local government in Ismailia, Matrouh, Red Sea, and the two Sinai governorates, it is recommended that the entire O & M fund be allocated to the markaz in these governorates.

## 2. Distribution Procedure for the Funds

- a) The governorate development office will, in cooperation with the relevant offices, distribute these funds to the local village units in proportion to each one's share of BVS projects during the past years. It should also prepare a register for each of the markaz including the markaz share (25%), as well as the share of the local village units (75%) after the markaz share is deducted.
- b) This register will be sent to the markaz financial department, with a check for the total amount. The markaz financial department will then be responsible for distributing to each V/C its share according to what is shown on the register.

## 3. Budgeting

- a) Each local unit's share of O & M funds should be budgeted according to existing budgetary practices regarding the shares of the various Bab II line-items in the total O & M budget. Allocation to the transportation line-item can only be increased for the purposes of spare-parts purchases and inspection/service visits to the villages by markaz technicians. (Refer to Section Two of this chapter: Special Budget and Accounting Components for Operation and Maintenance.)
- b) Markaz maintenance center O & M funds can be used to purchase hand tools, spare parts, materials, and other items needed in the maintenance and repair of village infrastructure projects, including town-based projects which provide services to the villages.

- c) Village council O & M funds can be used to buy spare parts, oil, fuel, grease, and other items needed to operate and maintain the infrastructure projects.
- d) Each V/C is responsible for submitting to the markaz financial department an inventory of its infrastructure projects (water, roads, buildings, equipment) and a breakdown of estimated operation and maintenance costs for each project according to the O & M items required. Before submission the MMC engineer will review these inventories. The proposed procurements require prior approval.

#### 4. Recording & Monitoring

- a) The procedures for recording expenditures set out in the MOF's Central Department of Government Accounts' periodical letter of Nov. 1986 should be followed, especially items 1 & 2 of that letter, which direct accounting units to register expenditures for each type of item in a separate record.
- b) Each V/C will submit to the markaz financial department a detailed monthly record of the various expenditures made during the month, by Bab II line items just as in the official ledger found at each local unit.
- c) The markaz financial department will transmit monthly expenditure data for the MMC and the constituent V/Cs to the governorate financial department and governorate ORDEV, as per item 4 of the Nov. 1986 MOF periodical letter.
- d) The governorate financial department will submit quarterly reports of local government Bab II O & M expenditures to the MOF Central Department of Government Accounts according to Item 4 of the 1986 letter.

It is worth mentioning that the Amana for local government will determine, within the stipulated fund limits, the amounts it will send to the various governorates, in light of the quaterly monitoring reports, according to the actual expenses shown in each monitoring report. In addition, those reports will be used in preparing the Bab II budget in coming years.

B. Equipment Received from the DSF Project

1. Distribution Criteria

Twenty-five percent (25%) of the fund is restricted for equipment belonging to the Governorate Headquarters, on the condition that it is devoted specifically to the general maintenance service section, and also to heavy repairs that exceed the limits of the [village council and markaz] user authority's budget.

Seventy-five percent (75%) of the fund is designated specifically for distribution in proportion to the value of equipment belonging to the user authority (roads department, housing department: markaz general service equipment such as sprayer trucks, septic pump trucks, five trucks, graders...).

2. Disbursements

- a) It is possible to make contracts for conducting maintenance during a fiscal year, to perform maintenance tasks and regular periodic checking.
- b) Maintenance centers at the various administrative levels pay for the hand tools they need.
- c) Financing for spare parts required for repairs, and for keeping in stock a quantity of spare parts to cover a years' requirements.
- d) Adequate supply of preventive maintenance materials such as motor oils, fuels, grease, and those spare parts necessary for preventive maintainance.

3. Recording & Monitoring

This complies with the same recording and monitoring procedures given in Section A, point 4, the paragraph on the basic service projects.

C.

N.U.S. Projects

(Pertains only to Cairo and Alexandria).

1. The Criteria

The grant funds are distributed to the participating neighborhoods in proportion to the funds designated to each neighborhood during the previous years.

2. Disbursements

Disbursements of these funds are to be made according to Bab II line items, considering that the first priority is paying for equipment and maintenance centers already existing in the neighborhoods.

c. Recording & Monitoring

Complies with the same methods indicated above.

## SECTION TWO

### Components of the Village Level O & M Accounting and Budgeting Guidelines

O & M Accounting and Budgeting components include two sets of records. The first set is for recording O & M aggregate expenses. The second set is to be used for required estimates of these line items. The latter should be accompanied by justifications for requesting these amounts, and submitted to markaz finance officers in order to facilitate their breakdown into line items of Bab II while preparing the project budget.

A. Statement of Expenses for Operational Maintenance (Form # O&M 1)

This record shows the distribution of expenditures according to the main expense line items specified for Bab II. It is used in order to help local officials and rural development officers track monthly and cumulative expenditures so that they can control current and future expenditures. This operation and maintenance report is a useful document since the last column shows expenditures for each line item, separately. It also shows aggregate expenditures of Bab II funds at the end of the year.

B. The O & M Budget Projection Worksheet

The O & M expense report is, as already noted, an important document in two respects. (1) It summarizes all O & M expenses by major line items. (2) It serves also as a basis for projecting future expenditures, and makes it easier for the markaz to prepare O & M projections (Form # O & M 2). It should be prepared by the [markaz] financial department, and subsequently by the financial department at the governorate.

The O & M Budget Projection worksheet contains information about the previous year's expenditures, year-to-date expenditures, projected expenditures for existing and planned infrastructural sub-projects, and a contingency allowance for any increase beyond anticipated expenditures, necessary equipment overhaul or the like, which do not usually occur during the year: in other words, operations that do not recur annually but do come up occasionally, such as the repair of certain machinery.

C. Responsibilities

Under normal circumstances, the O & M Budget projection worksheet should be submitted to the Markaz Financial department by the village accounting unit after it is reviewed by the village executive council and checked by the village popular council.

In the absence of such a village accounting unit, it is recommended that the village council Executive Chief appoint an interim financial committee to maintain the account books. The chief should also submit the O & M budget projections to the village popular council. As for the preparation of the Budget projection worksheet, it is suggested that the maintenance supervisor of the local unit participate in its preparation.

OPERATIONS AND MAINTENANCE  
EXPENSES  
FOR THE MONTH ENDING / /19..

# 00  
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GOVERNORATE: \_\_\_\_\_ VILLAGE UNIT: \_\_\_\_\_ PLAN YEAR: \_\_\_\_\_  
 WARKAZ: \_\_\_\_\_ LOCATION: \_\_\_\_\_ PROJECT TYPE: \_\_\_\_\_

	CUM PREVIOUS EXPENSES	ENDING MONTH EXPENSES	BALANCES FORWARD
	=====	=====	=====
<b>GROUP 1: GOODS</b>			
-----			
1. Materials	: _____	: _____	: _____
2. Energy	: _____	: _____	: _____
3. Transport Fuel	: _____	: _____	: _____
4. Spare Parts	: _____	: _____	: _____
5. Packing Materials	: _____	: _____	: _____
6. Stationery & Books	: _____	: _____	: _____
7. Water & Electricity	: _____	: _____	: _____
8. Small Tools & Equipment	: _____	: _____	: _____
<b>GROUP 1 SUB-TOTAL (1)</b>	: _____	: _____	: _____
-----			
<b>GROUP 2: SERVICES</b>			
-----			
1. Maintenance & Repairs	: _____	: _____	: _____
2. Contractors and Others	: _____	: _____	: _____
3. Research & Testing	: _____	: _____	: _____
4. PR & Advertisement	: _____	: _____	: _____
5. Printing	: _____	: _____	: _____
6. Transportation	: _____	: _____	: _____
7. Equip. & Vehicle Rentals	: _____	: _____	: _____
8. Membership Fees	: _____	: _____	: _____
9. Cultural Ex. & Diplomacy	: _____	: _____	: _____
10. Training	: _____	: _____	: _____
<b>GROUP 2 SUB-TOTAL (2)</b>	: _____	: _____	: _____
-----			
<b>TOTAL EXPENSES (1 + 2)</b>	: _____	: _____	: _____
=====			

OPERATIONS AND MAINTENANCE  
O&M BUDGET PROJECTION WORKSHEET  
FOR THE FISCAL YEAR '9\_ - '9\_

7 0 2  
=====

O&M BUDGET CATEGORIES	Previous Year	Current Year	Projected Growth Due to		Total	Growth in Exp.	Projected Exp. for Existing Projects	Projected Exp. for New Projects	Contin- gencies	Total
	Expenses	Expected	Inflation (%)	Consumption (%)			Exp.	Projects		Projects
	(A)	(B)	(C)	(D)	(E)=(C-D)	(F)=(B x E)	(G)=(F)	(H)	(I)	(J)=(G+H)
<b>GROUP 1: GOODS</b>										
Materials										
Inventory										
Transport Fee										
Spare Parts										
Packing Materials										
Stationery & Books										
Water & Electricity										
Small Tools & Equipment										
<b>GROUP 1 SUB-TOTAL:</b>			XXXXXXXX	XXXXXXXXXXXX	XXXXXXX					
<b>GROUP 2: SERVICES</b>										
Maintenance & Repairs										
Contractors and Others										
Research & Training										
PR & Adv. (Madison Ave)										
Printing										
Transportation										
Equip. & Vehicle Rental										
Membership Fees										
Cultural Ex. & Diplomacy										
Training										
<b>GROUP 2 SUB-TOTAL:</b>			XXXXXXXX	XXXXXXXXXXXX	XXXXXXX					
<b>TOTAL (1+2)</b>			XXXXXXXX	XXXXXXXXXXXX	XXXXXXX					

## GLOSSARY

## GLOSSARY

- AMANA (Technical Secretariat): The GOE authority with primary responsibility for technical aspects of the LD II program. Assists ILDC in policy analysis, technical assistance coordination, project implementation, follow-up, and evaluation.
- Bab I: GOE national wages budget
- Bab II: GOE national operations and maintenance budget
- Bab III: GOE national investment budget
- BSDS (Basic Services Delivery System): The branch of the LD II program which funds local rural and urban development projects.
- BUS (Basic Village Services Project): USAID DSS I program which provided funds for the development of village infrastructure.
- DSF (Development Support Fund): USAID DSS I program which sponsored local purchase of heavy equipment.
- DSS I (Decentralization Sector Support I): Master USAID development assistance program; included BUS, DSF, LDF, NUS, and SDS programs.
- GLDC (Governorate Local Development Committee): The main LD II program authority at the governorate level. Sets governorate-wide program procedures, reviews and approves project plans, and allocates funds. Composed of governorate officials and representatives of several ministerial departments.

