

**Building Capacity
For
Decentralization
In Egypt:
The Pilot Project
And Beyond**

An IRD Field Report

Edited by Tjip Walker

From field documents by Jerry Silverman, John Hannah,
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PREFACE

This report is intended to serve two purposes. First, it describes the activities undertaken by the pilot project on Development and Training for Decentralized Planning Management in Egypt from June to December 1981. Second, it is a sequel to an earlier document (Walker, 1981a). Together these two reports document a complete journey through the pilot project cycle: concept formulation, design, implementation, evaluation and distillation of lessons learned, and redesign.

The first report, "Building Capacity for Decentralization in Egypt: Some Perspectives," contains a number of papers that were part of the concept formulation phase, as well as two designs, one of which (Lewis, 1981) became the basis for the pilot activities described in this report. Besides describing the pilot project implementation, this report also documents the lessons learned and provides a preliminary design of a long-term follow-on project.

The 13-month journey through the pilot project cycle (December 1980 through December 1981) was funded by USAID/Cairo and the project on the Organization and Administration of Integrated Rural Development (IRD), a four-year contract that Development Alternatives, Inc. has with the Agency for International Development's Office of Rural Development and Development Administration. With USAID funding the IRD project provided all of the expatriate technical assistance for the design of the pilot project and approximately two-thirds of the expatriate technical assistance involved in implementation, evaluation, and redesign.

In the six months since the pilot project ended the process of turning the long-term description into a full-fledged project has continued. A project identification document (PID) was completed in January 1982 and approved the next month. In April, USAID/Cairo assembled a team to write the project paper. That document was completed in late May and is currently under review. Though this process has involved more people and the project design has been altered somewhat, the emphasis of the pilot project on action-oriented training to increase management capacity remains.

Like the earlier report, this one has been compiled from a variety of project documents. The original reports were written by the members of the IRD-sponsored field team: Jerry Silverman, John Hannah, Jay Rosengard, David Stanfield, and Edwin Charle. Tjip Walker was responsible for editing those documents to produce this report. The authors of the annexed papers are indicated in the table of contents.

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SECTION ONE OVERVIEW

Beginning in 1960, but proceeding more rapidly and more dramatically in the late 1970s, a policy of decentralizing decision making was being formulated and legislated in Egypt. Among other things, these laws established legislative and executive bodies at the local and markaz level and provided for increased governorate authority in economic planning, project implementation, and local finance (see Fowzi Yunis, 1981). While these laws are quite precise about the powers, duties, and interrelationships between the bodies they establish, the laws are far less clear about how these functions are to be put into practice.

One area where there is considerable ambiguity and resulting poor performance is in planning at the governorate level. It is quite evident that the existing governorate-level agencies are not able to absorb and carry out the increased responsibilities placed on them. However, though the deficiencies are clear, the reasons for the problems and the appropriate response are not. For instance, is the problem a lack of trained personnel, and if so, is retraining the best response; or alternatively, is the problem more structural, and is the appropriate response an examination of existing incentives, procedures, and the like.

Given the uncertainty about both the problem and the response, the Government of Egypt (GOE) and USAID/Cairo, which supports the Egyptian decentralization policy through a number of programs (BVS, LDF), agreed to initiate a pilot project, following the classic five step model:

- Concept formulation. Certain approaches are developed as the basis for the project predicated on the best available information.
- Design. A pilot project is designed, incorporating the underlying concepts, but tailored to the particular requirements of the sites in which the pilot project is to be implemented. Given the short time frame of a pilot project, it is important that the activities designed can be accomplished and the results assessed within that abbreviated period. If this does not occur, the pilot project is no longer useful as an applied research tool.
- Implementation. The design is implemented in the established sites using the particular approach relevant to the site. If the pilot project is to be replicated it is important the pilot sites represent a good sample of the sites to be used in the larger project. It is also important that the implementation be well documented to provide records needed for careful evaluation.

- Evaluation/Distillation of Lessons. After completion of the implementation phase, the activities are analyzed to determine successful and unsuccessful approaches, clarify the implementation environment, identify potential problems, and so forth.
- Redesign. After incorporating the lessons and experience of the implementation, the project is redesigned with a far wider scope.

Clearly the advantage of a pilot project is that a number of approaches can be attempted, or a number of sites can be used, and practical knowledge can be generated with a minimum of time and expense.

In this instance, the pilot project cycle took 13 months, from December 1980 through December 1981. The first two steps in the cycle were completed in May 1981 and are documented in the first of this set of two reports (Walker, 1981a).

The concept underlying the pilot project stressed the importance of devolving authority [1], linking participation with decentralization, and the crucial role of an action-oriented training approach that focused on building institutional capacity rather than developing individual skills. Of these concepts the emphasis in the design of the pilot project was on training approaches for project planning and management. This particular activity was selected because this was not a well understood subject in the Egyptian context, but at the same time a subject where insights could be yielded through short-term activities.

This report documents the three remaining steps in the pilot project cycle: implementation, evaluation/distillation of lessons, and redesign. Section two provides a summary of the activities undertaken during implementation. Section three describes some of the lessons, emphasizing those learned about implementing decentralization in Egypt, sponsoring action-oriented workshops, and administering a pilot project.

Based on the lessons, a preliminary design for a long-term follow-up project was developed. A description of the long term program is contained in section four.

In addition to documenting the completion of the pilot project cycles, this report also contains four annexes. Annex A provides some background to the decentralization strategy in Egypt, the problems to which the strategy was a response, and some unresolved issues for the future.

Annex B, an excerpt from a longer paper, raises the issue of how to measure the effectiveness and extent of decentralization, and then suggests a method of measurement. This paper was written to fulfill the requirement in the scope of work for developing a

monitoring and evaluation system within the already established Basic Village Services program, a USAID-funded project to provide basic village infrastructure such as feeder roads, potable water sources, and the like.

Annex C supplements the description of the Sakkara Center provided in section four. The Sakkara Center for Integrated Rural Development was selected as the focal point for several of the proposed long-term activities.

As noted above, one key element in a successful pilot project is extensive documentation of activities, insights, and lessons. Annex D lists the 31 memorandums and longer reports prepared by the IRD-sponsored field team, including those in annexes A, B, and C. It is from this extensive documentation that the information and report excerpts contained in this summary report have been culled.

NOTES TO SECTION ONE

- 1 Devolution entails greater decentralization of decision making authority than deconcentration or delegation. For further discussion of the differences see Morss (1981) and Rondinelli (1980), as well as section three of this report.

SECTION TWO THE PILOT PROJECT

THE SCOPE OF WORK

The first scope of work for the pilot project (Lewis, 1981) proposed a series of skills development workshops to be conducted for governorate and markaz officials emphasizing generic planning and management skills as well as a set of needs assessment surveys, an executive planning and orientation seminar, and time for assessment and preparation of documents to be incorporated into the design of a long term follow-on project. The final scope further specified eight activities as part of the pilot project:

- Assessment of needs to improve decentralized planning;
- Sponsorship of executive planning workshops to review and clarify needs and establish training priorities;
- Training of Egyptian trainers in skills needed to lead planning skill development workshops;
- Sponsorship of executive briefing workshops to review, modify, and approve the proposed workshop activities and schedule;
- Sponsorship of skills workshops for officials at the governorate, markaz, and local levels;
- Evaluation of pilot activities;
- Development of a strategy to improve planning performance based on the lessons learned from project activities; and
- Development of a monitoring and evaluation system for the Basic Village Services project.

These activities were to be accomplished in six months.

To undertake the pilot project activities, USAID/Cairo contracted for 28 person-months through the project on the Organization and Administration of Integrated Rural Development (see table 1) and 9 person-months through the Managing Decentralization Project at the University of California/Berkeley (UCB).[1] Both projects are funded by AID's Office of Rural Development and Development Administration. In addition, DAI provided home-office logistic and administrative support.

Although no provision was made for Egyptian consultants in the original budget, arrangements were subsequently made for inclusion of professional staff from the Sadat Academy of Management.

Table 1. IRD Field Team

Member	Duration Of Service		Participation by phase *	Responsibilities
	Dates	Person months		
Jerry Silverman	July 5-December 17	4.5	I, II, III	<p>Managed DAI project resources.</p> <p>Coordinated activities of all DAI, SAMS, and INP services during phases I and II.</p> <p>Provided liaison with USAID/Cairo, ORP, SLG, INP, and SAMS.</p> <p>Conducted needs assessments in Assiut, New Valley, and Qalyubia.</p> <p>Coordinated design and implementation of the executive planning seminar in Port Said.</p> <p>Served as subteam coordinator for design and implementation of the Qalyubia workshop.</p> <p>Wrote 17 reports/papers for submission to USAID.</p>
Jay Rosengard	June 17-December 21	5.0	I, II, III	<p>Managed all DAI local project administration and logistical support; including the executive planning seminar (Port Said) and all three workshops (Assiut, New Valley, and Qalyubia).</p> <p>Administered project budget.</p> <p>Provided liaison with USAID/Cairo on contract management issues.</p> <p>Participated in design and implementation of Qalyubia Workshop as member of the subteam.</p>
John Hannah	June 17-July 15, August 14-October 8; and November 11- December 10.	3.0	I, II, III	<p>Provided liaison with USAID, ORP, SLG, INP, and SAMS.</p> <p>Conducted needs assessment in Assiut.</p> <p>Served as subteam coordinator for design and implementation of Assiut workshop.</p> <p>Wrote 5 reports/papers for submission to USAID.</p>

(continued)

Table 1. (Continued)

Member	Duration Of Service		Participation by * phase	Responsibilities
	Dates	Person months		
David Stanfield	August 1-August 31; November 6- December 2.	2.0	I, III	<p>Provided liaison with USAID, ORP, SLG, ORDEV, CAPMAS, INP, and several universities.</p> <p>Observed the executive planning seminar (Port Said).</p> <p>Provided an assessment of information system requirements and design of information system methodology for BVS.</p> <p>Wrote 11 reports/papers for submission to USAID.</p>
Edwin Charlie	August 1-August 31	1.0	I	<p>Observed the Executive Planning Seminar (Port Said).</p> <p>Contributed to team's consideration of workshop evaluation criteria and recommended procedures.</p> <p>Contributed to team's consideration of BVS monitoring and evaluation system assessment.</p>

Note: * Phase I is pilot project planning, phase II is implementation, and phase III is evaluation/lesson distillation and redesign

Sciences (SAMS) and the Institute for National Planning (INP). Thus, in addition the expatriate consultant services provided by DAI and UCB, 18 person months of Egyptian consultant services were also provided; 13 person months by SAMS and 5 person months by INP.

ACTIVITIES

The eight activities required for the pilot project seemed to fall naturally into three phases: a planning phase, an implementation phase, and an evaluation/redesign phase. The remainder of this section provides a summary of project activities undertaken during each phase. Table 3, at the end of this section, lists the outputs under each of the eight activities in the scope of work.

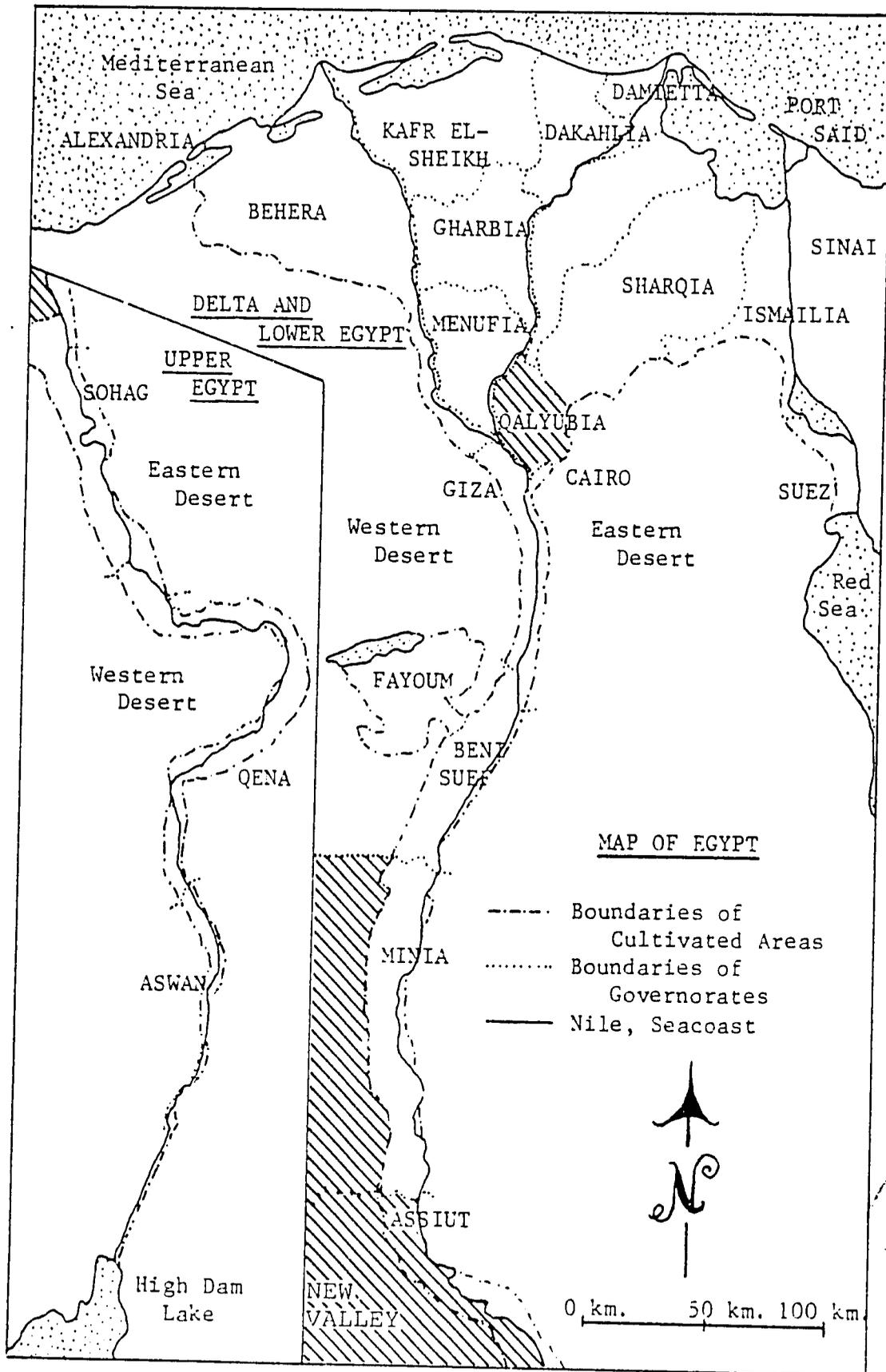
Planning Phase

The planning phase lasted 12 weeks, from June 17 to September 9, 1981. During this phase the emphasis was on consultations with central and local government officials and regional planning personnel to understand the perceptions and intent of decentralization in Egypt, to identify the major problems in translating legally defined policies into practice, and to develop the necessary political and administrative support for the planning workshops.

One of the first issues to be resolved was the final determination of which governorates were to be included in the pilot project. Ultimately three governorates were selected by the joint USAID/GOE steering committee: Assuit, Qalyubia, and New Valley (see map 2).[2] Together the three provinces provide a good cross-section in terms of wealth, population, ecology, and previous contact with donor projects. Furthermore, Assuit and New Valley together make up one of the eight supra-governorate regional planning areas. Thus the three pilot project sites provided a good sample environment against which to test various approaches to increasing local planning effectiveness.

In fact, given the differences between the three sites, it was somewhat surprising to find almost unanimous scepticism about the effectiveness of a training program based on the teaching of generic planning skills. The view that emerged during preliminary consultations in each of the governorates and was made most explicit during the three-day (August 11-13) Executive Planning Seminar for senior officials from both the three governorates and the central government was that the more appropriate approach was one based on identifying planning system deficiencies through action-oriented workshops. Thus the focus shifted from the more

Map 2. Central Egypt Showing Governorates



Source: El-Togby (1976)

Legend:  Governorates participating in the pilot project.

conventional training methods suggested in the scope of work to an action-oriented approach which addressed the problems faced by workshop participants in their actual working environment.[3]

This action orientation is very much the approach advocated by IRD project members in earlier conceptual documents (Honadle and Hannah, 1981; Mayfield with Charle, 1981). The retreat to the more conventional had been based on perceptions of what the Egyptians would accept. Obviously, those perceptions were wrong.

Out of the preliminary discussions and those at Port Said came agreement that the deficiencies in local government planning and implementation performances occurred at three levels:

- At the system level, the absence of planning and management system that related resource of functions to outputs;
- At the institutional level, a limited management and administrative capacity to maintain systems once they are installed; and
- At the individual level, limited skills and the mismanagement of existing skills to perform the new tasks of decentralized planning and management.

It was also recognized that these deficiencies were systemic and interrelated. Hence, a strategy that addressed skills development in isolation from institutional development would have only a limited impact on improving local planning performance. The action-orientation and the systems approach thus became the model as attention turned from planning the workshops to implementing them.

Implementation Phase

The implementation phase lasted 9 weeks, from September 10 to November 10. The focus during this phase was on completing the negotiations for the content and scheduling of the workshop in each governorate, orienting the eight Egyptian trainers who would actually conduct the workshops, and finally holding the workshops.

Given the emphasis on addressing those issues of particular importance to the participants in each workshop, it was not surprising that negotiations led to the design of three different, yet compatible, formats, each stressing different areas. In Assuit, the workshop was to focus on project identification, in Qaluyubia on project planning, and in New Valley on area-based planning and resource inventory. Table 2 provides a synopsis of each of the three workshop designs.

Table 2. Workshop Synopsis

Element	Assiut	New Valley	Qalyubia
Objectives	<p>Reach preliminary consensus among governorate and markaz officials as to what planning functions to be performed at what levels.</p> <p>Develop framework for organizing and coordinating planning functions at governorate level.</p> <p>Develop and test system for project identification and preparation.</p> <p>Develop skills in project identification and preparation.</p> <p>Identify specific requirements for follow-up and long-term support to local government in planning and management.</p>	<p>Develop information base for governorate/regional planning.</p> <p>Introduce, test, and refine preliminary planning framework for governorate/regional planning.</p> <p>Clarify planning roles and functions within context of planning framework.</p> <p>Initiate preparation of regional plan.</p>	<p>Distinguish between cross-sectorial program-level planning and specific project-level planning, between area development programming and location-specific projects.</p> <p>Establish and initiate the work of governorate, markaz, and village cross-sectorial program planning teams.</p> <p>Develop skills for effective integrated planning, including plan-oriented resource mobilization and creative public.</p> <p>Complete one integrated, area-focused program plan.</p>
Participants	<p>Approximately 40</p> <p>Governorate:</p> <ul style="list-style-type: none"> . General directors . Executive Department planning directors . Chairman, deputy chairman, and chairman of the Budget and Committee of the Local Popular Council . Directors general of central services; <p>Markaz/Village:</p> <ul style="list-style-type: none"> . Markaz managers . Markaz planning directors 	<p>Approximately 45</p> <p>Governorate/regional:</p> <ul style="list-style-type: none"> . General directors . Executive department planning directors . Chairman, vice-chairman of the, Popular Council, and chairmen of Popular Council Committees . Governorate and Regional planning officer. <p>Markaz/Village:</p> <ul style="list-style-type: none"> . Executive and Popular Council chairmen 	<p>Approximately 35</p> <p>Governorate:</p> <ul style="list-style-type: none"> . Planning Office staff . Organization and Training Office staff . Executive Department planning officers . Finance and Budget Office staff . Budget, planning, technical staff of the Popular Council <p>Markaz/Village:</p> <ul style="list-style-type: none"> . Executive and Popular Council staff

(continued)

Table 2. continued

Element	Assiut	New Valley	Qalyubia
Content/ timetable	<p>A major assumption of the workshop design is that much of the knowledge and expertise for effective local government planning already exists among planners at the governorate and markaz levels. However, major deficiencies exist in how this knowledge and expertise interrelates within a planning system and in methods for organizing and applying this knowledge and expertise within an organizational environment and planning framework. Thus, much of the content of the workshop will be drawn from the participants own knowledge, supplemented by techniques for problem analysis, organizing and carrying out planning activities, project identification and project preparation.</p> <p>The approximate time periods and phases of the two-week workshop are:</p> <ul style="list-style-type: none"> • Clarification of planning roles and functions (2 days). • Introduction of planning framework (4 days). • Project identification and preparation (6 days). <p>The actual schedule will take into consideration time demands of the senior level personnel who will be participating.</p>	<p>Orientation to local government laws and policies.</p> <p>Data collection.</p> <p>Planning systems development.</p> <p>Clarification of planning roles and functions.</p> <p>Area planning.</p>	<p>Introduction of objectives, specified outputs, content, methods, schedule and evaluation. Secure agreement (with modifications as desired/necessary)(1 day).</p> <p>Orientation. Review of laws, regulations, problems already identified. Nature of the system training as only one response--not comprehensive--to problems. (2 days).</p> <p>Cross-sectoral planning, problem identification, causes, operational responses. Need for local level cross-sectoral planning team. (2 days).</p> <p>Team design of planning formats, identification of specific skills required to prepare plan using formats. (3 days).</p> <p>Training in specific skills required but not yet acquired to prepare plan using formats (3 days).</p> <p>Assignments for implementing planning tasks to specific individuals within each program planning program team (1 day).</p>
Methods/ material	<p>The workshop will be conducted in Arabic, using materials adapted from sources within and outside Egypt as well as others developed specifically for this project. The primary criteria will be their direct relevance and practical application on the job. Included in the materials will be worksheets for project identification and preparation.</p>	<p>Material:</p> <ul style="list-style-type: none"> • Preliminary planning framework. • Source books ("gazateers") • Problem workbooks. 	<p>Discussion/working groups engaged in problem identification and structural/functional design work using consultation rather than lectures.</p> <p>During follow-on planning implementation phase (Oct. 31-Nov. 19), the emphasis on "learning by doing".</p>

Table 2. continued

Element	Assiut	New Valley	Qalyubia
	<p>Methods will emphasize individual and group problem-solving techniques, and learning through immediate application to actual planning activities.</p>	<p>Methods:</p> <ul style="list-style-type: none"> . Brainstorming. . Individual and group problem solving. . Objectives setting. . Case studies. 	
Evaluation	<p>A baseline evaluation will be established through:</p> <ul style="list-style-type: none"> . Individual interviews among selected workshop participants prior to the workshop; . Self-assessment on the first day of workshop on planning functions and planning activities. <p>A group evaluation will be conducted midway through workshop to assess progress toward workshop objectives and to identify areas of modification.</p> <p>End of workshop evaluation will include:</p> <ul style="list-style-type: none"> . Individual evaluation of workshop and extent to which objectives were achieved; . Formal written statement by participants as a group outlining results of workshop. <p>Follow-up evaluations are proposed after two and six months.</p>	<p>Self-evaluation by participants.</p> <p>Evaluation by Senior Governorate workshop.</p> <p>Follow-up evaluations by workshop participants.</p>	<p>Self-evaluation and workshop evaluation interviews with trainees at mid-point and at the completion of the workshop.</p> <p>Follow-up evaluation interviews with trainees at completion of program planning document.</p> <p>Evaluation by consultant team of Program Plan Document.</p> <p>Evaluation of program planning document by governor, chairman of the Popular Council, secretary-general assistant secretary-general, director-general, technical officers of Markaz/town and village Executive and Popular Councils. (December)</p> <p>Evaluation by Steering Committee</p>
Performance criteria	<p>Identification of planning functions throughout governorate and markaz levels.</p> <p>Design and acceptance of planning framework, including specific formats for project identification and preparation.</p>	<p>Systematic resources summary.</p> <p>Acceptance and application of planning framework.</p> <p>Initial development of a regional plan.</p>	<p>Establishment of cross-sectoral program planning teams at governorate, markaz/town, and village levels with specified memberships.</p> <p>Specification of functions in the form of written guidelines for planning teams at each level.</p>

Table 2. continued

Element	Assiut	New Valley	Qalyubia
Performance criteria (continued)	<p>Effective application of specific problem-solving and planning skills as evidenced by improved quality of plans prepared by governorate and markaz officials.</p> <p>Specific recommendations for long-term program design.</p>		<p>Design and acceptance by GOE Executive and Popular Council officials of specific formats for planning.</p> <p>Effective application of skills introduced in training program and use of formats to the preparation of an integrated program plan (as evidenced by the quality of the completed plan).</p> <p>Identification of potential funding sources, and potential plan subprojects.</p>

Source: Compiled by the project team.

To ensure that the workshops involved participants from the markaz and local level as well as those from the governorate, regional, and central levels, the scope of work specified the workshops were to be held in Arabic. It was also felt that strengthening the capacity of existing Egyptian training institutes made more sense than bringing in outsiders. Thus, an important element in the implementation phase was the identification and orientation of trainers from SAMS and INP. These trainers, schooled in the conventional lecture-based format, had to be thoroughly briefed to the action-oriented approach. If the positive response from workshop participants is any indication, the Egyptian trainers learned the concepts well and were able to adapt them to the particular workshop context.

The workshops themselves were each two weeks long and were held in the respective governorate's capital over a seven week period:

- Assuit, September 20-October 3;
- Qalyubia, October 24-November 8; and
- New Valley, October 31-November 10.

The delay between the first workshop and the second and third was due in part to the assassination of Egyptian President Anwar Sadat on October 6 and the ensuing governmental disruption.

In all, approximately 110 senior and mid-level regional; governorate- and local-level planning personnel participated in the three workshops. Data describing the nature of problems in local government planning were generated by the participants themselves. These data indicated that the problems were primarily internal to the local organizations themselves, but were evident in all local organizations irrespective of the sector in which they were involved. Further, the problems were identified as being the result of deficiencies in: planning systems, information and monitoring systems, coordination, and effective resource utilization.

Follow-up action plans were developed in each workshop which established priorities and defined activities to be carried out as part of possible interim and long-term programs. Further, action planning teams responsible for implementing follow-up activity were established in Qalyubia and New Valley.

Additional observations about the workshops are presented in section three. The detailed reports on each workshop, including overview descriptions and summary analysis, outline of the process and explanation of techniques used, copies of materials used, analysis of data on nature of local government problems in program and project planning and implementation in each governorate, and

participants' evaluations are included, in English and Arabic, as annexes D through I to the end of project report (Development and Training for Decentralized Planning and Management, 1981).

Evaluation/Redesign Phase

The last phase lasted for five weeks, from November 10 to December 17. The major activity during this phase was to complete the pilot project cycle: to evaluate the implementation experience, to distill lessons, and to redesign the project incorporating the experience and lessons learned. In all, 24 papers were prepared by the DAI team during this phase. Out of these papers came several lessons and the outline for a long-term program to carry-on and expand the activities begun during the pilot project. The lessons relating to decentralization, training, and project administration are examined in some detail in section three. Section four provides an outline of the long-term program.

Table 3. Project Activities and Outputs

Activity	Output
Assessment of needs for improved decentralized planning performance.	<p data-bbox="707 279 1037 314"><u>Meetings/Discussions</u></p> <ul style="list-style-type: none"> <li data-bbox="715 351 1318 449">• Numerous meetings with governorate and markez officials in Assuit, New Valley, and Qalyubia. <li data-bbox="715 487 1367 690">• Numerous meetings with Government of Egypt (GOE) officials in Secretariat of Local Government; Office of Regional Planning, Ministry of Planning, ORDEV, CAPMAS, Central Audit Agency, SAMS, and INP. <li data-bbox="715 727 1367 958">• Discussion with Egyptian professional consultants with expertise in local government: Ibrahim Abbas Omar; Abdel Salam, Haamdi Affifi (SAMS); Faculty of Commerce, Mansoura University; and Faculty of Agriculture, Assiut University. <p data-bbox="707 995 931 1030"><u>Reports/Papers</u></p> <ul style="list-style-type: none"> <li data-bbox="715 1067 1367 1126">• Progress Report #1: Weekly Summary of Pilot Activity (June 28, 1981). <li data-bbox="715 1164 1367 1223">• Progress Report #2: Weekly Summary of Pilot Activity (July 14, 1981). <li data-bbox="715 1260 1367 1428">• Progress Report #3: Strategy and Plan of Work For Implementing Pilot Project of Training of Decentralized Planning and Management (July 17, 1981). <li data-bbox="715 1465 1318 1500">• Progress Report #4 (July 24, 1981). <li data-bbox="715 1537 1301 1572">• Technical Report #1 (August 1981). <li data-bbox="715 1609 1367 1734">• Assessing Problems and Potentials of Decentralization Through the Basic Village Services Program (August 1981). <li data-bbox="715 1771 1367 1902">• Report to the Steering Committee on the Completion of the Planning Phase and Proposals for Implementation (September 9, 1981). <li data-bbox="715 1939 1339 2009">• Development Through Decentralization in Egypt (November 1981).

(continued)

Table 3. Continued

Activity	Output
Sponsorship of executive planning workshops to review and clarify needs and establish training priorities.	Executive Planning Seminar, Port Said, August 11-13, 1981.
Training Egyptian trainers in skills needed to lead planning skill development workshops.	<p>Eight Egyptian professionals were introduced to, and used, new training techniques:</p> <ul style="list-style-type: none"> • <u>Sadat Academy of Management Sciences:</u> <ul style="list-style-type: none"> Zarif Bourtros Mikahail (New Valley). Ibrahim El-Ghamry (Assiut and New Valley). Hosseini Badr (Qalyubia). Zohair Abdel Salam (Assiut). • <u>Institute for Natural Planning:</u> <ul style="list-style-type: none"> Moharram El-Haddad (Assiut and Qalyubia). Abdel Khader Diab (Assiut and Qalyubia). Mohammad El-Khalawi (Assuit and New Valley). Ahmed Sharkawy (New Valley).
Sponsorship of executive briefing workshops to review, modify, and approve the proposed workshop activities and schedules.	<p>Briefing sessions with senior government and markez officials, as follows:</p> <ul style="list-style-type: none"> • <u>Assuit:</u> <ul style="list-style-type: none"> June 30-July 2, 1981 July 20-21, 1981 August 22-26, 1981 October 28-30, 1981

(continued)

Table 3. Continued

Activity	Output
• <u>New Valley:</u>	July 18-19, 1981
	August 22-27, 1981
	September 30-October 3, 1981
	October 28-30, 1981
• <u>Qalyubia:</u>	July 16, 1981
	August 26, 1981
	August 28, 1981
	September 23, 1981
	September 28, 1981
	October 15, 1981
	October 19, 1981
	October 21, 1981
Sponsorship of planning skills workshops for governorate, markez, and local officials.	Workshops conducted, as follows:
	• <u>Assuit</u> , September 20-October 3, 1981.
	• <u>Qalyubia</u> , October 24-November 8, 1981.
	• <u>New Valley</u> , October 31-November 10, 1981.
Evaluation of pilot activities.	• End of project report.
	• GOE participant evaluations reported in workshop reports.
Development of a strategy to improve planning performance based on lessons learned from pilot activities.	<u>Reports/Memorandums:</u>
	• Thoughts Concerning the Long-Term Project Strategy (October 31, 1981).

(continued)

Table 3. Continued

Activity	Output
	<ul style="list-style-type: none"> • Relationship of the Long-Term Project with Other Decentralization Projects (November 8, 1981). • Arena II: Regional Planning (November 11, 1981). • Resource Implications of Effective Project Planning at Local Levels (November 14, 1981). • Monitoring and Evaluation Information Systems (November 14, 1981). • Local Government and Regional Project Implementation Information Systems (November 14, 1981). • Training for Ministry of Planning Personnel (November 14, 1981). • The Possibility of Incorporating CAPMAS into the Long-Term Project (November 15, 1981). • Regional Planning: #2 (November 16, 1981). • The Sakkara Center for Integrated Rural Development (November 16, 1981). • The Process Consultation Approach to Training for Decentralized Planning and Management (November 17, 1981). • Thoughts on the Pilot Project and its Implications for the Long-Term Project (November 18, 1981). • Funding of Locally Designed Projects (November 18, 1981). • Number of Governorates to be Included (November 18, 1981).

(continued)

Table 3. Continued

Activity	Output
Development of an operational plan for a monitoring and evaluation system for the Basic Village Services Project.	<ul style="list-style-type: none"> • A Proposed Summary Program Description for Planning and Management Development In Egypt (November 19, 1981). • PID: Issues List (November 20, 1918). • The Markaz as a Client for the Long-Term Project (November 28, 1981). • A More Extensive Idea for the Sakara Center for Integrated Rural Development (November 26, 1981). • Capacity Building in the Regional Universities: Research and Training Centers for Continuing the Activities Initiated Under the Long-Term Project (November 27, 1981). • Assessing Local Government Planning and Implementation Capacity: Management and Administration Audits (December 9, 1981). • Multi-Level Program and Project Planning in a Decentralized Context (December 10, 1981). • Preliminary Description of a Decentralized Planning and Management Development Project (December 12, 1981).
	<p><u>Report:</u></p> <ul style="list-style-type: none"> • Assessing Problems and Potentials of Decentralization Through Egypt's Basic Village Services Program (October 1981); excerpts presented in annex B of this report.

NOTES TO SECTION TWO

- 1 Though the pilot project was implemented jointly, this report describes only the scope of work activities, accomplishments, and insights of the IRD-sponsored team. Joint responsibility for project activities led to administrative complications which are described in more detail in section three of this report.

- 2 The Steering Committee was composed of: Ali Fowzi Yunis, general secretary for local government; Mohamed Fag El-Nour, deputy minister for regional planning; Adel Ezz, director of the SAMS; Hassan Ibrahim, director of training and chairman of SAMS; Saad Barghout, first undersecretary of state, Ministry of Economy; Fouad Iskander, senior undersecretary of state for economic cooperation with the United States; Hussein Refaat, director general for U. S. cooperation, Ministry of Economy; Ahmed El Diffrawy, under secretary of state and general director of ORDEV, Ministry of Local Government; Kamal El Ganzouri, director of the INP; Abdel Fattah Nassef, director of Regional Planning Center, Institute of National Planning; John E. Roberts, director of the Office of Local Administration and Development, USAID/Cairo.

- 3 In brief, an action oriented approach means:
 - Persons who normally work together are trained together as a team.
 - Real problems provide the subject matter for workshops.
 - Workshops demonstrate the application of methods to actual problem situations.
 - Multiple organizational levels are involved including participation of critical decision makers.
 - Activities are usually conducted on the project site to lower costs, focus on local performance constraints, allow participants to return to their homes at night and introduce action-oriented training as an integral part of project management.
 - Workshops are treated as activities which blend into day-to-day planning, counselling, coordination and evaluation functions.
 - Real decisions, commitments and actions are emphasized.

- An examination of the organization's incentive or disincentives for targeted behavior changes is incorporated into group discussions, exercises and decisions.
- The focus is on enhancing the knowledge and skills participants bring with them to the workshops rather than on the transfer of trainer knowledge and skills to trainee.

SECTION THREE

LESSONS LEARNED FROM THE PILOT PROJECT

A number of lessons were learned as a result of the pilot project activities described in section two. In brief, those lessons are:

- Decentralization is, and will remain, a loosely defined concept among Egyptian officials. Efforts to impose a rigid structure or precise objectives on what is perceived as an evolving process will be strongly resisted.
- Local government officials actively seek greater involvement in planning and implementation. At the same time they regard the involvement of central and regional offices as both legitimate and necessary.
- The major deficiencies in local government planning and implementation performance are the:
 - Absence of well-defined planning and management systems which relate resources to functions to outputs;
 - Limited management and administrative capacity to maintain systems once they are developed and installed;
 - Limited or ineffective use of management skills among local government personnel compatible with the new decentralized planning and management requirements.
- Efforts to address these deficiencies require a recognition of their systemic and interrelated nature. A strategy which addresses skills development in isolation from systems and management/administrative development will have only a limited effect on increasing local government planning and implementation performance.
- A monitoring and evaluation process is an essential part of a long-term program. Such a process provides an ongoing review of the strategies used to improve local government performance as well as the impact of decentralization.
- Action-planning workshops were well received by participants and provided an effective way to bring local government planners and managers together to identify broad problem areas and determine appropriate strategies for response. Action-planning workshops also reinforce decentralization objectives. However, such workshops do not ensure follow-up implementation. Thus an efficient and cost-effective strategy for improving local government performance needs to include ongoing consultation and support, skills training, and specialized technical assistance in addition to action-planning workshops.

- Much of the expertise essential to improving local government planning and implementation performance exists within Egypt and can be effectively used if assisted in the identification and design of new approaches.
- Although the pilot project focused primarily on units of local government, regional planning officers are important participants in the long-term program in order to relate local initiatives to national parameters and priorities, address area-based needs and resources, and effectively utilize specialized expertise.

Of these, the lessons relating to decentralization, training, and project administration are discussed in more detail in the rest of this section.

LESSONS LEARNED: DECENTRALIZATION

Decentralization is an often used and often misunderstood concept. Recent efforts to impose some precision on theoretical discussions (Rondinelli, 1980; Cohen and others, 1981; Landau and Eagle, 1981; Morss, 1981) have yet to have an impact on discussions on how to "implement" decentralization. All too often in such discussions there is the presumption that the desired goal is the complete transfer of all but coordinative activities from the central government to lower levels.

This complete devolution of authority is at one extreme of a continuum of decentralization strategies. Further complicating the discussion, as several theoretical writers have argued (Landau and Eagle, 1981; Walker, 1981b), the nature and kind of activity in question must be considered in determining the appropriate degree of decentralization. It is not an all or nothing decision. Some activities such as the establishment of agricultural pricing policies, the setting of tariffs and duties, and the like are usually more efficiently handled by the central government while others are better suited to local control.

Given that decentralization strategies fall along a continuum and that each activity must be considered individually, the question is not at what level should all or most functions be performed, but, rather, what functions are most appropriately performed at what levels. In the case of Egypt the question can be restated as what functions need to be performed at the central, regional, governorate, markaz, and village levels to achieve particular decentralization objectives. This perspective is generally shared by Egyptian planners and managers.

Framed in this way, the appropriate emphasis is given to the fact that decentralization is not an end in itself, but rather is a means to achieve certain development objectives. It becomes

necessary, therefore, to determine what development objectives are best achieved in a decentralized mode, rather than simply developing projects to "achieve" decentralization. Put another way, planners need to determine the appropriate degree of decentralization to build into any particular program or project in order to achieve its objectives most efficiently and effectively.

The experience gained during the pilot project suggests that decentralization legitimately is, and will remain, a loosely defined concept among Egyptian officials and that efforts to impose too rigid a structure or too precise an objective upon what is essentially an evolving and continuously changing process will be strongly resisted. While present laws call for a greater degree of local involvement (Fowzi-Yunis, 1981) and local officials actively seek greater participation, everyone clearly regards central organizations as having a legitimate and necessary role in planning and implementing local development activities. Thus, it would be more accurate to define decentralization in Egypt as the effort to open up the decision-making process in order to achieve greater effectiveness and efficiency in the use of development resources at all levels of government.

The problems to be addressed by any future activities need to be placed within the broader context of GOE efforts to move from highly centralized economic planning to more flexible approaches which encourage greater initiatives from the public and private sectors (see annex A). It is clearly recognized that the tasks of raising national productive outputs and standards of living are too large and locally varied to be achieved by a centralized approach to resource management. It is further recognized that overly centralized direction severely inhibits local efforts to find effective alternatives. For example, local officials believe that their initiatives are often stymied by the imposition of centrally determined sector targets which give too little attention to regional or local circumstances.

Administratively, overcentralization has resulted in an increasing share of the national budget going to support the operations of central offices at the same time limiting the funds available to develop the capability of local government. Thus, at a time when local government is expected to take a more active role in planning and implementation, resources for building that capability are largely being absorbed to maintain current levels of central operations. This limits the capacity of local government to participate meaningfully in development, and it also severely affects the utilization of existing aid resources. For example, it has been estimated recently that as much as \$2.4 billion of the \$5.4 billion in aid to Egypt has not been absorbed largely because of the currently limited administrative capacity.[1]

At the program level, there is concern within USAID/Cairo that the present low level of planning capacity unnecessarily delays the disbursement of funds and commodities which are not a part of decentralization support projects.

Experience from the pilot project suggests that major deficiencies in local government planning and implementation performance fall within the three principle areas:

- The absence of well-defined planning and management systems which relate resources to functions to outputs.

Present governorate plans are often simply sector line-item budgets which do not evaluate objectives or relate sector-specific activities to area-based needs and priorities. Thus projects become aggregations of discrete activities selected by town or village executive departments and popular councils from lists of standard projects designed by central ministries.

- The limited capacity of local government agencies to maintain planning and implementation systems once they are developed and installed.

The dimensions of this problem include defining performance indicators, addressing incentive issues, and overcoming the numerous inefficiencies in existing administrative support operations which are essential to maintain planning and implementation functions.

- The limited skills of local government personnel, as well as the limited capacity of local government to utilize the skills and expertise that are presently available within central or regional government offices, specialized institutes, and universities.

Participants in the earlier workshops identified numerous analytical and decision-making skills which they are presently lacking but which are an essential for efficient and effective planning and management. The development of these skills needs to be directly related to actual planning and implementation operations, rather than "taught" without reference to the systems to which they relate.

A related, but equally important, aspect of this problem is the limited capacity to involve local, non-governmental expertise, including neighborhood associations and other non-formal groups, in planning and implementation.

LESSONS LEARNED: TRAINING

Content

The action planning workshops were well received by participants and provided an effective way to bring local government planners and managers together for purposes of identifying broad problem areas and determining appropriate strategies for responses. Action planning workshops also reinforce decentralization objectives. However, such workshops do not ensure follow-up implementation. Thus, an efficient and cost effective strategy for improving local government performance needs to include, in addition to action planning workshops, on-going consultation and support, skills training, and specialized technical assistance.

The original scope of work for the pilot project, which provided the basis for this program, proposed that a series of skills development workshops be conducted in generic planning and management skills (Lewis, 1981). While local government planners and managers stress the importance of skills training, the experience during the pilot project suggests the need for a much broader capacity-building strategy. That is, there is little point in training individuals for tasks which organizations do not undertake or for functions that are not expressed in a planning and implementation process. This recent experience in Egypt is supported elsewhere where attempts to treat skills development apart from systems development and organization improvement have largely failed to achieve improved performance objectives (Honadle and Hannah, forthcoming).

Therefore, a narrowly defined training skills development strategy was rejected. Instead, the pilot project strategy, as it evolved, emphasized the need to develop an operational context within which planning and implementation skills can be effectively applied. In this respect, the strategy integrated systems development with the identification of needed organizational support to maintain improved planning and implementation systems, as well as the development of skills. This approach became the basis for the long-term follow-on project.

Process

It is important to note that GOE senior local government officials--at least in Assiut, New Valley, and Qalyubia--have a healthy skepticism concerning the effectiveness of training. That skepticism is based on extensive experience as participants in conventional lecture-based training programs which provide packaged instruction in discrete skills without reference to the actual context within which the trainees perform their work. As a

result, there is no doubt that if GOE officials in the three governorates had been given a choice--and they were not--about participating in a pilot training project, they would have declined. However, as the participants' evaluations of the workshop clearly indicate, the participatory, problem-solving approach is now enthusiastically endorsed in those three governorates. The result represents both an opportunity and a constraint.

The opportunity is that, once exposed to this process of training, significant demand is generated for other workshops of the same type, although with different content as different problems are addressed. The constraint is that not all training needs lend themselves to methods of this type. Some skills simply cannot be taught through a consultation/participatory process approach.

Thus while a consultation/participatory approach should be used in Egypt because it is particularly suited to Egyptian attitudes and behavior, such an approach will not meet all training objectives. In sum, an emphasis on an attractive process should not ignore the fact that training is a means to particular objectives. Consideration of content must take first place over process.

Workshop Administration and Logistics Support

The workshop mode of training makes significantly greater demands on those who administer and support it logistically than do conventional training approaches. Some of those demands are generic and some are particular to Egypt.

Generic Requirements

To begin with, significant advance work is required to assure:

- The client has been fully involved in determining workshop objectives and is willing to support the workshop politically, bureaucratically, and administratively;
- Proper workshop facilities are available;
- A local support structure (typing, translating, materials production, communications, and transportation) can be mobilized upon arrival of the consultant team; and
- Adequate working and living quarters are available for the consultant team and workshop participants if the workshop is residential.

In addition a constant dialogue between the workshop planners/implementers and the workshop client must be maintained from the moment of initial contact through completion of all workshop-related activities (including follow-up reports and fieldwork). Workshops, like those implemented during the pilot project, are but one component of a more comprehensive skills development sequence which is highly dependent on evolving preceptions and a changing environment. As a result, a continuous exchange of information and viewpoints is critical to workshop design and implementation.

Similarly administrative flexibility and a quick-response capability are critical to smooth workshop implementation given that most workshops operate on tight timetables, have a multitude of interested parties and participants, and are readily affected by the unpredictable nature of workshop chemistry and group dynamics.

Egyptian Requirements

Chief among the lessons learned about running training programs in Egypt is that compensation is expected for locally provided governmental administrative and logistical support, regardless of whether these services fall within a department's normal scope of work. It is argued that:

- The requirements of implementing a workshop place extra resource demands (time, personnel, and fiscal) for which the government has not budgeted;
- Workshops divert governmental resources from normal administrative responsibilities during working hours; and
- Workshops encroach on personal commitments when they extend beyond normal working hours.

In addition to compensation, transportation allowances, per diem, and other incentives are expected for workshop participants. Most often, the incentives desired include small gifts presented to participants at a workshop's conclusion and the awarding of a certificates of completion to regular workshop attendees.

Workshop scheduling must conform to the GOE's official working hours (8 A.M. to 2 P.M.) and days (Friday and often one other day during the week are holidays) and the substantially reduced work expectations for attendance. However, participants were not adverse to holding evening sessions after the traditional afternoon rest period (2 P.M. to 5 P.M.). These evening sessions became common and were well received.

Substantial cash availability is necessary when operating outside of Cairo, as transactions are strictly on a cash basis, and often entail large advance payments.

LESSONS LEARNED: PROJECT ADMINISTRATION

Several constraints of an administrative nature affected the implementation of the pilot project. Many of these constraints were unanticipated and, thus, surfaced only as the pilot project progressed.

The pilot project began prior to the signing of the contract amendment which authorized it. One result was an inability to draw on the local currency advance. Another result was that the field team operated in financial and budgetary uncertainty during the first six weeks of pilot project implementation.

After the contract was signed it became clear that the local currency budget provided for the project was inadequate. In this case, budgeting inadequacies were primarily due to a significant underestimation of the costs involved in conducting workshops in Egypt and the omission of budgetary support for Egyptian consultants, without whom implementation of the pilot project would have been impossible. Thus, the field team leader was diverted from his primary substantive responsibilities into extended negotiations with USAID, the Office of Regional Planning, SAMS, and INP concerning the creation of mechanisms to fund Egyptian participation. Those negotiations resulted in the transfer of several thousand pounds from other line items in the local currency budget to pay part of the costs of Egyptian consultants. Even so a deficit of LE 20,237 remained which was to be paid by the Ministry of Economy to SAMS and INP through the GOE/USAID Project Steering Committee.

The pilot project was implemented by two separate American institutions: a private consulting firm (DAI) and a university (UCB) under the terms of two separate agreements with AID. Further, two Egyptian training institutions seconded professional staff to the team: one under a subcontract with DAI (SAMS) and the other in the expectation that the GOE would cover their costs (INP). Although all of the American and Egyptian professional staff were theoretically integrated into a single team for project implementation purposes, management suffered significantly from the hybrid character of those contractual arrangements. The exercise of any significant level of authority was severely limited.

The problems which would normally be expected under such a hybrid management structure were compounded by the division of contractual responsibility among DAI and UCB for different phases of project implementation. Thus, although DAI provided the team leader of the integrated team, it was only responsible for managing phase one (planning) and phase two (implementation). UCB provided a project coordinator who was responsible for phase three (evaluation and design of the long term project). Yet the project

was supposed to progress in a linear fashion through all three phases with each phase directly and programatically linked and dependent on each other. In actuality it was often difficult to determine exactly which activity was more directly the responsibility of the team leader or the project coordinator. This was especially true because:

- All members of the team--whether from DAI, or UCB, SAMS, or INP--were expected to participate in all phases of pilot project;
- DAI was responsible for providing local administrative, logistical, and budgeting support to all personnel, including those from UCB, SAMS, and INP; and
- Although the team leader and project coordinator responsibilities were designated both institutions were collectively responsible for achieving all of the project objectives. The result was confusion; cooperation was not facilitated within this structure.

In addition to the financial and team management problems arising from the speed with which the pilot project was implemented, a number of other oversites led to implementation problems. First, GOE leadership within the three governorates included in the pilot project were not consulted prior to their selection. As a result, their initial reactions to the first visits by the consulting team indicated that they were not sure of the project's intent, misunderstood it as strictly a conventional training program, and were skeptical of the possibility that it provide them with practical benefits.

Second, the planning phase of pilot project activity coincided with Ramadan. The result was that during the crucial initiation phase of the pilot project, GOE personnel were available only on a significantly reduced schedule.

Third, GOE sponsorship of the pilot project and, in particular, the activities of the foreign consultants was not clearly established. Although a steering committee was formed consisting of representatives from six GOE institutions plus USAID/Cairo, that committee had only an ad hoc character and a shifting membership. It was necessary for the consulting team to create clearly define GOE sponsorship and responsibility for the team within the Secretariat of Local Government and the Office of Regional Planning. This was especially important in order for the team to establish legitimacy within the three governorates.

Fourth, the action planning workshops--in spite of initial skepticism among the three governors--were successful and created expectations among GOE participants which should have been expected and planned for from the beginning. However, the result is that planning teams in the three governorates were prepared to begin follow-on activities but lacked the resources to carry them

out. Although it is expected that a follow-on long-term project will enable them to move forward, a gap of perhaps as much as a year will exist between completion of the pilot project and the start-up of a longer term effort.

Finally, the limited time available for the pilot project did not allow for a follow-up review seminar among principle participants in the workshops and interested GOE clients. A seminar of that kind would have been very useful and should be considered as an appropriate activity during the period between completion of the pilot project and the beginning of the projected long-term project.

SECTION FOUR

LONG TERM PROGRAM DESCRIPTION

As was noted in section one, the pilot project cycle was initiated because while there were clear deficiencies in governorate-level planning performance, there was no clearly defined cause of the problems. The experience of the pilot project suggests that much of the problem is structural. In part the planning deficiencies stem from the fact that currently no coherent, shared view of the planning process exists. There is no consensus definition of the stages of planning, how they are to be executed, how the executive and popular council are to contribute, or how the planning activities at the various levels of government are to be integrated into a national planning framework.

As such the problem is not primarily one of limited individual capability to undertake the tasks they are assigned; rather the problem is the failure of the planning system to define, assign, and orchestrate those tasks.

Hence the problem is not only one of insufficient numbers of appropriately skilled individuals, it is also one of the institutional structure in which those individuals interact. Such issues as incentive structures, promotion practices and criteria, and coordination mechanisms also need to be addressed if planning performance is to be improved.

Thus if the problem is one of a lack of planning capacity in both an individual and an institutional sense, then the appropriate response is a capacity building strategy.[1] One element of that strategy will require the establishment of a new planning process in accordance with the decentralization legislation. Another element will require training local level officials in the new skills needed to perform their new tasks. A third element will require the tailoring of the general strategy and skills training to particular governorate-specific deficiencies, demands, and requirements. Meshing these three elements is the aim of the proposed program for Decentralization Planning and Management for Development (DPMD).

THE STRATEGY

As a response to the lack of capacity to undertake decentralized planning, the DPMD program is intended to improve Egyptian capacity for strategic, area-based, and project-specific planning and management by developing national, regional, and local capabilities to support and perform planning and management

functions. The logic is that such decentralized activity will maximize resources for development by better identifying and meeting local development objectives and priorities. The primary focus of the program is the governorate, but, through the governorates, will integrate resources and functions performed at central and regional levels as well as at markaz and village levels.

The program will initially focus on developing planning and implementation capabilities within the present overall GOE planning and budgetary process, but will subsequently move to developing local government capabilities to plan and implement longer term, area-based strategies for development. In this respect, an important part of the program is the development and application of a monitoring and evaluation process to provide the information necessary for ongoing review of planning and implementation performance and for evaluating the effectiveness of the overall decentralization policy.

Thus, the project should be viewed in terms of its direct impact on local government development priorities through more effective planning and implementation as well as its direct effect upon the performance of currently and projected USAID-funded decentralization support projects.

Of course, the DPMD program is predicated on support within the Egyptian government for such a restructured planning process. Also implied in this program is the capability and willingness of planning officials not only to accept a changing environment and changing expectations but to further such change. The experience of the pilot project indicates that the requisite support and capability exist.

As far as capability is concerned, there is demonstrated ability at the governorate level for effective teamwork in the design of planning systems and in problem solving in the context of program/project identification and design. The response to the pilot project indicates that individual capabilities and willingness to accept change in the planning system are not constraints to the development of decentralized planning. While the capability required for the initiation of change and the management of the change process within Egypt needs to be both mobilized and developed, it is not inherently lacking. It is hoped that the program provides the occasion and the means for realizing Egyptian capability to this end.

THE PROGRAM

Overview

The DMPD program will be implemented in three phases over a five year period beginning in 1982. During the first phase (1982-84) technical assistance, training and equipment will focus on building the planning system in two regions (including selected governorates, markaz, and villages), and developing the capability of the ORDEV's Sakkara Center (see annex C) to provide the technical and training support for building the planning capacity of other regions. The second phase (1984-86) will concentrate on assisting additional regions, governorates, markaz, and villages in building their planning, project implementation, and evaluation capabilities. The Sakkara Center will take the lead in providing technical support and training. External technical assistance will focus on solving problems associated with replicating the models developed during phase one. The third phase (1986-87) of the project will involve continued expansion of Sakkara Center services. The foreign technical assistance will have been completed and USAID participation ought to concentrate on training support (through Egyptian consultants) and equipment supply.

The cost will be approximately \$31.4 million of which \$20 million will be contributed by AID.

Project Activities

This project provides financing for long- and short-term technical assistance by both foreign and Egyptian advisers to help the GOE in building planning, project implementation, and monitoring/evaluation systems and in the identification of currently existing programs the design of new in-country and out-of-country training programs, or both. It also includes funding for in-country and out-of-country training of local and regional officials through formal courses, problem-identification seminars, action-oriented workshops, on-the-job training and foreign observation tours; establishment, including, in some cases, construction, of training and information systems centers at regional and governorate levels; and ongoing, interim, and final evaluation of project results.

More specifically, the project will undertake:

- Diagnostic analyses (planning and management audits) of local government development planning, project design and implementation, and administrative support capacities to be used as a basis for formulating comprehensive planning and management improvement programs in each participating governorates;

- Diagnostic analyses of strategic planning issues including area development constraints and opportunities;
- Workshops and technical skill training programs for planning and management for local executive, popular council, and regional planning staff;
- Governorate planning and information centers which: manage and make available information for planning and project implementation from local, regional, and central sources; coordinate the utilization of external (to the governorate) expertise for planning and implementation; and provide on-going, on-the-job consultation and training to executive and popular council staff in planning and management;
- Monitoring system (located at the Sakkara Center) to review the requirements for, and subsequent impact of, effective local government planning and management performance on decentralization;
- Occasional colloquia for members of national- and regional-level supreme councils to review broad-based issues of implementing decentralization policies;
- Out-of-country training and professional study tours to expose local government personnel to current examples of modern planning and management applications of area-based development.

Project Goals

The goal of these activities is to improve the quality and development impact of projects planned and implemented at the local level. To achieve this goal the DPMD program will need to achieve:

- An institutionalized, self-sustaining, participatory process for local development planning in each of the units of local government that participates in the project;
- Operationally defined planning and implementation tasks and the individual and team skills necessary for their fulfillment;
- Development planning offices in the regions, governorates, districts and village units with staff and budgets supplied by the GOE;
- Mutually complementary links between planning efforts at all levels;

- A development information system that collects, processes, and analyses information needed for development planning and management in each governmental unit. These centers will enable the GOE to monitor their entire program to support local government;
- Operationalized supporting functions for the organizations specified in the local government laws, such as the Supreme Council for Local Government, the Higher Committees for Regional Planning (in each region), the Secretariat of Local Government, the Ministry of Planning, ORDEV, and CAPMAS.
- The linking role envisaged for the regional planning offices. These offices will be representing local and regional interests with central ministries, assisting the Higher Committee for Regional Planning coordinate the governorate plans, and ensuring that national and regional concerns are taken into account in local plans;
- Implementation of selected development projects to illustrate the utility of the planning process. They will also be used to develop management techniques and may serve as training models;
- Evaluation studies of the project's impact that test the assumption that promoting local government and decentralized decision making enhances the quality of life of the majority of the people;
- Governorates and markaz plans that integrate their own and USAID decentralization projects.

The Institutional Development Approach

These activities will involve the regular participation of the governor and chairman of the governorate popular council, their respective committees, and their staffs, and the project technical advisers. Popular council members and executives will be involved in similar design work in the districts and villages. The designs will be based upon their area development strategies, their identification of alternative solutions and their selection of the one they wish to implement.

Ideally, each governorate will increasingly analyze its own planning needs and its own response. These processes should be reviewed annually and adjusted to meet new conditions incorporating the lessons of experience.

A similar institution development approach will be used with the Office of Regional Planning. At present this office is short handed and will require considerable staff development as they

assume their responsibilities as regional planning coordinators, technical assistants to the governorates, and representatives of central planners to the region and of the region to the central ministries (see annex A). The Sakkara Center, with technical assistance from the project, will play a major role in organizing the RPO staff training.

Workshops and on-the-job training will be the primary mechanisms for assessing local needs and developing skills. They will be held in each markaz (averaging 8 per governorate) and then in the village units (3-4 per markaz). The training at the markaz and village levels will be done by the governorate staff who will be trained by the advisers in conjunction with Sakkara Center staff.

Long-term training requirements for governorate, regional, and Sakkara Center staff will be determined by the technical advisers and representatives of the governorates, regions, and the Sakkara Center. Areas considered will include regional development strategies and planning; project identification, planning, implementation, monitoring and evaluation; and management and information systems. Trainees will only be sent to appropriate institutions abroad when training is not available in Egypt. It is worth stressing that the emphasis throughout is on institutional capacity building not individual training.

Project Scope

The project will be implemented in three governorates during the first year and will be expanded to include an additional three governorates during the second year. The rate at which new governorates would be included each year thereafter will be based on an assessment of experience during the first two years. The first year's work in each governorate will concentrate upon development strategy, planning system design, general planning skills, and development of the information system. The second and third years will focus on relaying the planning skills to lower levels of government, project identification, implementation management, monitoring and evaluation, with appropriate adjustments being made in the overall planning system, based upon improved skills and experience.

As development projects are identified and approved a small number will be selected as case studies for training in project management. These will be funded through existing USAID projects or directly by the GOE. Appropriate ministries will be involved in their implementation so that management techniques can be developed.

Project Management and Staffing

A sectoral steering committee dealing with all GOE/USAID decentralization projects will meet periodically to review the project and provide policy guidance to the Egyptian project leader and the technical assistance team's chief of party. The committee will include a USAID representative.

There are several potential GOE clients with important interests and/or roles in the proposed project. Implementation of local government planning and management will be handled through the governorates and regional planning will be organized through the regional planning offices. In addition, the Sakkara Center in Sakkara will serve as the GOE organizational support base for continuing the project beyond phase I through phases II and III to self-sustaining capability within the GOE. The selection of the Sakkara Center for this responsibility is based on the expectation that it will expand its mandate by becoming a semi-autonomous institution under the auspices of the Secretariat of Local Government. With that in mind, the resident technical assistance team will provide its consulting services to local governments and regional planning offices, and the GOE agency responsible for the design, establishment through the center.

A resident consulting team of 6 foreign and 10 Egyptian members will assist:

- The primary GOE implementation agencies to improve their performance capacity;
- The Sakkara Center in developing its capacity to provide technical support assistance on a self-sustained basis to the implementation agencies following the termination of the external consulting teams services;

The DPMD program will be headquartered at the Sakkara Center and four of the foreign and--eventually--six Egyptian consultants will be located in the governorates.

Four expatriate advisers will have full-time counterparts from the Sakkara Center staff and functioning together as an eight person consulting team will provide consultant services to designated clients within the COE implementation agencies.

The six expatriate advisers are expected to have the following qualifications and responsibilities:

- Chief-of-Party. A senior planning and management systems adviser resident in Cairo will be assigned on a long term basis as chief of party with responsibility for providing comprehensive strategic conceptual direction to all consultants; coordinating their individual and collective

efforts in a mutually complementary and reinforcing manner. The-chief-of-party's counterpart will be the director of the Sakkara Center.

- Training specialist. A full time adviser resident in Cairo will serve as a consultant to the technical assistance team and collaborate with GOE officials on:
 - Identification of appropriate existing training programs both in Egypt and in other countries;
 - Design of new formal training programs (process and content);
 - Development of formal training skills (training of trainers); and
 - Development of on-the-job consultation skills.
- Infrastructure planning and project implementation adviser (resident in Cairo) to be assigned on a long-term basis to a counterpart within the Sakkara Center. They will be jointly responsible for assisting the Sakkara Center in developing its capacity to provide technical extension support service to local government planning units. The adviser and COE counterpart will be providing overall strategic guidance to the long term resident consultants in the various governorates; assuring complementarity of approach while allowing for adaptive variation in practice. The adviser will also be responsible to the chief of party for integrating long- and short-term technical assistance into the comprehensive project effort.
- Area planning adviser (resident in Cairo) to be assigned on a long term basis to a counterpart within the Sakkara Center. Together they will be responsible for assisting the Office of Regional Planning, in the Ministry of Planning. The adviser will be responsible to the chief-of-party for integrating the project's technical assistance on regional development strategy and planning into a comprehensive project effort.
- Rural development planning adviser (two) will be assigned on a long-term basis; one to Qalyubia governorate and the other to Assiut region. However, although one of those two advisers will be assigned to a regional office, both will have a GOE counterpart who is the head of the project secretariat at the governorate level. Placement of the advisers in the governorate's project secretariat is important because of the central role to be performed by that office in coordinating the planning of cross-sectoral projects and monitoring of implementation.

The qualifications and responsibilities of the ten Egyptian advisers will be of course need to be defined later in the design process. Additional short term technical assistance will needed, though the nature of that assistance will have to be determined early in the implementation phase.

OTHER ISSUES

Though the previous section provides a fairly thorough review of DPMD program activities, a number of unresolved issues remain. These are discussed in the following section and in table 4, at the end of this section.

Relationship to Other USAID Decentralization Efforts

USAID/Cairo presently has four projects in its portfolio dealing in all or in part with furthering decentralization initiatives. Each of these has, in one form or another, a training component and provides for some planning and management systems development. At present these efforts are not effectively coordinated. The best opportunity for such coordination appears to be at the local levels (governorates, markaz, and villages) where the programs are being implemented. However, this opportunity is not being successfully exploited; ad hoc, unintegrated efforts seem to predominate. The DPMD program has the potential for exacerberating the situation further by adding a new set of uncoordinated activities to the mix.

Alternatively, the DPMD can, serve as the mechanism for establishing integration and complementarity among these various planning and management systems design and training efforts. That objective must be an important consideration in further design work.

Budgetary Support for Local Government Planning

Current local government budgets do not allocate funds for planning activities, a constraint which only reinforces aggregation of often unrelated activities into a governorate "plan." As the objective of the DPMP program is to improve planning and management capacity, resources need to be available to support planning activities in order to know the extent to which improved local government planning performance results in development impact. Over time improved performance should result in more efficient utilization of limited resources. However, consideration needs to be given to providing initial budgetary support to local government planning activities.

Financing of Locally Designed Projects

The DPMD program will initially focus on improving planning and implementation performance within the existing planning and budgetary process. However, in order to serve as a catalyst for improving area-based planning and management, further consideration needs to be given to including grant or loan funding for locally-designed projects.

Role of Office of Regional Planning

The Office of Regional Planning is presently mandated to provide technical support to local government planners, coordinate central government resources with local requirements, and "reconcile" local government development initiatives with central priorities and budgetary allocations. The ORP's present capacity is limited, and, therefore, the program includes efforts to address deficiencies. However, a clearer understanding needs to be developed of the long-term role of the ORP in local government planning and how this role will be translated into formal organizational and administrative relationships.

Planning and Implementation Technology

A majority deficiency within local government is the present level of capacity to obtain, manage, and apply information for planning and implementation purposes. A precondition for the meaningful participation of local government is an information system capacity which draws and maintains essential data from markaz and village levels as well as regional and central levels. Thus, the program will include assistance in establishing the already mandated governorate-level information centers. Consideration, however, needs to be given to the appropriate level of information management technology to be introduced. As microcomputer hardware and software is becoming more inexpensive and versatile, consideration needs to be given to its appropriateness within the DPMD program. Studies are now being done by the World Bank and other donor agencies to determine the effectiveness of low-cost "user-friendly," microcomputer applications for development planning and management which should be referred to in further design work.

Because of the attractiveness of such technology to improve planning and management effectiveness as well as its potential positive effect in offering incentives to local government personnel, further analysis should be done--avoiding the impulse to quickly dismiss high technology as inappropriate. Nevertheless, a short-term consultant should be included in the project paper design team to assess the appropriateness of including hardware and software in the funding, and, if so, what would be required for training, maintenance, and software procurement in the program.

Table 4. Issues and Responses Concerning the Decentralized Planning and Management Development (DPM) Program

Issues	Response
<u>Overview</u>	
What definition and understanding of "decentralization" is to be used in the identification of objectives and design of the DPM Program?	Decentralization is, and will remain, a loosely defined concept among Egyptian officials and efforts to impose a rigid structure or precisely defined objectives on what is perceived as an evolving process will be strongly resisted.
How long should the DPM program last?	The program description defines a five-year program with three phases. Specific timeframes are somewhat arbitrary. For purposes of initial project-level involvement in the process of decentralized planning and management development, that timeframe is reasonable. However, it is our considered judgment that inclusion of all governorates in the country in the project within that timeframe is unrealistic given the resources which can reasonably be expected to be available.
How much of the project costs should be contributed by the GOE?	The program description recommends \$11 million.
How much of the project costs should be contributed by USAID?	The program description recommends \$20 million.
What proportion of USAID financial assistance should be in the form of grants and what proportion, if any, should be in loans?	No response.
What are the proper relationships between the DPM program and other USAID/Cairo-assisted decentralization projects? Other USAID/Cairo-assisted sectoral projects? Other GOE decentralization efforts?	The proposed DPM program is designed to complement planning and management system designs and training on projects. It provides for the design for comprehensive local government planning, project implementation, and evaluation management systems, and provides appropriate consultation and training to develop/improve planning, project implementation and evaluation performance. However, responsibility for designing and establishing technically specific subsystem procedures and structures and providing consultation and training which addresses the unique, technical requirements of specific projects would be retained by those projects.
What ought to be the structure and membership of a GOE/USAID Project Coordinating Committee?	The membership of a GOE/USAID Project Coordinating Committee should be limited to a senior representative of each primary client (The Office of Regional Planning and each of the governorates included in the project), plus senior representatives of the Ministry of Economy, the Secretariat of Local Government, ORDEV, and USAID/Cairo. The committee's authority should be limited to: (1) aggregate funding decisions; (2) project monitoring; and (3) serving as a "court of appeals" when reconciliation of conflicts is requested by any one or more of the primary implementation clients.

Table 4. (continued)

Issues	Response
To what extent ought the DPMD program be directed towards changes in GOE decentralization policy over time?	The GOE's immediate need is to improve efficiency of planning and implementation performance within existing decentralization guidelines. Successful accomplishment of a project to address that need will require at least three to four years. That is the intended objective of the program. Based on the experience gained through the implementation of that project and analyzed by that project's comprehensive information system, a future follow-up project might usefully address policy changes to correct fundamental deficiencies.
<u>Conceptual Framework</u>	
What is the proposed goal of the DPMD program?	The goal is to assist the GOE to implement its policy objectives for economic and administrative decentralization. These objectives are premised on the assumption that increased local government involvement will result in a more equitable and self-sustaining development process relevant to both local and national interests.
What is the purpose of the DPMD program?	<p>The purpose is to assist in the acceleration of the process of economic and administrative development by improving planning and implementation performance within rural governorates and the economic regions of which they are a part. Within that overall purpose, the project has three interrelated subpurposes:</p> <ul style="list-style-type: none"> • Improvement of local government capacity (at governorate, markaz, town, and village levels) to: (1) identify problems within the locality; (2) sort out those amenable to locally managed responses; (3) design and plan specific project responses for the amelioration of those problems; and (4) implement those projects so as to achieve the desired result. The emphasis is on the design and implementation of integrated, area-based projects. • Improvement of the Office of Regional Planning's capacity to: (1) review the plans of local governments in terms of their implications for supra-governorate area development allocation of resources; (2) identify problems of supra-governorate area development and plan appropriate area-based program and project responses; and (3) provide information and technical support to governorate-level planning staffs for project design and impact evaluation; especially area development efforts. • Establishment of information systems within the GOE for: (1) improving the information available to decision-makers concerning ongoing project monitoring and evaluation and (2) evaluating the evolution and effectiveness of the GOE's decentralization policy.

Table 4. (continued)

Issues	Response
<p>What is the <u>scope</u> of the proposed program? Is it a training project?</p>	<p>The <u>scope</u> of the DPMO program should encompass three interrelated areas identified by the pilot project:</p> <ul style="list-style-type: none"> • Improvement of planning and management <u>systems</u> which relate resources to functions to outputs; • Improvement of <u>management and administrative capacity</u> to maintain systems through organizations once those systems are developed and installed; and • Improvement of the <u>skills</u> among individuals necessary to perform required tasks within organizations. Training alone addresses only the third of these three inter-related and <u>interdependent</u> deficiency areas. <p>Thus, the proposed DPMO program is not primarily a training project. Local-level senior GOE officials interviewed during the pilot project were almost unanimous in emphasizing that they do not desire another series of conventional training activities. Although the workshops conducted during the pilot project phase achieved their specific, but limited, objectives and were ultimately endorsed enthusiastically by all concerned GOE officials at both local and national levels, it should be understood that the process used in such workshops was not training in the usual sense.</p> <p>It was emphasized by all participants in the workshops that effective impact of the action planning workshops would depend on a series of programmatic follow-up activities which addressed systems design and organizational efficiency issues and <u>institutionalized</u> recommended improvements. Although, action planning workshops can be an effective vehicle for identifying problems and needs and can contribute to the designing of effective responses, other methods of assistance are required for implementation of such responses.</p>
<p>Who are the GOE clients of the proposed project?</p>	<p>Given the scope specified above, a multitude of GOE clients can be identified for the proposed project. Included among potential clients are:</p> <ul style="list-style-type: none"> • For implementation: <ul style="list-style-type: none"> town/village level inhabitants (ultimate beneficiaries), town/village executive councils, town/village popular councils, marakaz executive councils, marakaz popular councils, governorate executive councils, governorate popular councils, ORDEV at governorate, marakaz, and town/village levels, Office of Regional Planning, Ministry of Planning, Supreme Regional Planning Committee, and various regional universities.

Table 4. (continued)

Issues	Response
<p>What is the proposed GOE management structure for the DPMB program?</p>	<ul style="list-style-type: none"> * For policy: <p>ORDIV, Secretariat of Local Government, the Supreme Council for Local Government, Ministry of Planning, CAMPAS, several sector specific ministries, Central Audit Agency, National Investment Bank, Supreme Council for Planning and Production, Cabinet.</p> <p>As described above, the number of potential clients which can be identified as having a legitimate interest and/or role in the proposed project is very large. The temptation to include as many interested GOE parties as possible in the implementation management structure of the project by creating a broad based coordinating committee should be <u>avoided</u>. The experience of the pilot project provides strong evidence that such mechanisms tend toward deadlock between competing GOE agencies. Rather, the scope of the program should be divided into three arenas <u>for management purposes</u>, with one primary client implementation agency responsible for each:</p> <ul style="list-style-type: none"> * Arena I (Local government planning and management): the governorate; * Arena II (Regional planning): The Office of Regional Planning; and * Arena III (Monitoring and evaluation of decentralization for policy decision making): The Sakkara Center.
<p><u>Arena I: Local Government Project Planning and Implementation</u></p>	
<p>How many governorates should be included in the project?</p>	<p>A reasonable answer to the question of how many governorates should be included is dependent on three interrelated factors: financial resources, size of technical assistance team, and time. It is the considered judgement that a four-year project involving a reasonably sized team costing a total of approximately \$20 million should not include more than 12 governorates: the three governorates (Assiut, New Valley, and Qalyubia) included in the pilot project continuing in the first year with expansion by three additional governorates during each of the next three years.</p>
<p>Which offices/agencies at the local level should be included when considering the identification of beneficiaries who will participate in the program?</p>	<p>The answer to that question should be decided by senior local officials themselves in each of the governorates in the proposed project.</p>

Table 4. (continued)

Issues	Response
<p>Should financing of projects at local government levels be provided through this proposed program? If not, should it be provided through another project or projects?</p>	<p>Substantial financing of projects at local government levels is currently being provided by a variety of other USAID projects (DD-1, DSE, IWS, and NUS). However, limiting funding of projects at local government levels to only those already provided through USAID-financed and other GOE channels would fall short of meeting two of the reasons for providing such funds <u>in the context</u> of the proposed new project. Those two objectives are:</p> <ul style="list-style-type: none"> * Creating incentives for comprehensive planning of unique projects (those not included in standardized project "shopping lists") which respond to locally identified needs; and * Providing a catalyst for improving local government implementation capacity. Therefore, serious consideration should be given to including some additional block grant funds to governorates and markaz councils beyond that provided through other, more narrowly focused, decentralization projects.
<p><u>Arena II: Regional Planning</u></p>	
<p>To what extent should the project address the broader strategic policy question of new roles for the office of regional planning (ORP) and/or the re-definition of regions and regional boundaries</p>	<p>Under current GOE policy, the ORP's responsibilities can be divided into five areas:</p> <ol style="list-style-type: none"> (1) Representing local government planning proposals within the Ministry of Planning. (2) Providing oversight concerning local government plans which have effects beyond governorate boundaries; (3) Initiating plans to respond to problems which are primarily of a regional nature; (4) Providing planning assistance to local governments as needed; and (5) Providing local governments with guidelines concerning development policies and priorities established at the national level. <p>At present, ORP actually performs only the first, second, and fifth functions. The proposed program should provide assistance to the ORP to improve and/or initiate performance of all five functions within its mandate. As the project evolves, it can be expected that two additional areas amenable to ORP responsibility will surface which will require responses to improve local and regional planning and management effectiveness:</p> <p>Providing regional mapping and development data analysis services to governorates; and</p>

Table 4. (continued)

Issues	Response
<p>What are the appropriate linkages between the regional planning process and the organization and roles of the ORP on the one hand and local government on the other hand?</p>	<p>Determining the appropriate boundaries for supra-governorate regions based on socioeconomic, and ecosystem criteria.</p> <p>However, significant expansion of the ORP's role forces toward improved effectiveness in the two areas described above should not be expected during the initial four-year timeframe of the proposed program.</p> <p>As described above, three of the five responsibilities of the ORP relate directly to the planning and management performance of local government agencies and personnel. Therefore, the improvement of existing mechanisms for the appropriate integration of regional planning personnel, especially those at the governorate level--the local government planning process should be explicitly addressed during the implementation of the proposed project.</p>
<p><u>Arena III: Comprehensive Monitoring and Evaluation Information Systems</u></p>	
<p>Should the project help to design and establish a comprehensive information system for monitoring and evaluating decentralized planning, implementation, and evaluation performance in order to generate data and analyses useful for GOE policy-making?</p>	<p>Mr. Ali Fawzi Yunis (Minister and Head of the Secretariat of Local Government), Dr. Fag El-Nour (Deputy Minister for Regional Planning), the Governor and Secretary-General of Qalyubia and several participants in the workshops conducted during the pilot project phases have all stated that the proposed DMD program should include procedures for assessing the effectiveness of the GOE's decentralization policy and provide a basis for review of GOE decentralization laws and guidelines. In order to address these recommendations in the project, it will be necessary to collect, maintain, and analyze relevant data in a systematic manner. Such efforts cannot achieve their objective unless a wide range of activities are programmatically integrated. To do so will require the design and establishment of a comprehensive information system--integrated with, but distinct from, project-level monitoring for management purposes--which directly addresses strategic policy issues of concern to senior GOE decision makers.</p>
<p>Which GOE agencies can be identified as primary users of the data and analysis produced by an such an information system?</p>	<p>A wide range of GOE institutions would be interested users of the data and analysis produced by the information system including the Supreme Council for Planning and Production, the National Development Bank, the Ministry of Planning, Supreme Council for Local Government, the Secretariat for Local Government, and ORDEV.</p>
<p><u>Training</u></p>	
<p>Which Egyptian institution should be included in the implementation of the long-term project to provide training?</p>	<p>An adequately comprehensive survey of available training resources within Egyptian institutions has not yet been undertaken; however, it is not necessary to answer the question prior to the start of project implementation.</p>

NOTES TO SECTION FOUR

1 This capacity building approach is described in more detail in Honadle (1981). In brief, this strategy emphasizes seven elements. Five elements concern the process of building capacity:

- Collaborative style
- Emphasis on learning
- Involvement of multiple levels
- Risk sharing
- Emphasis on demonstration

The other two elements are structural:

- Appropriate incentives
- Adequate resource bases

ANNEX A
DEVELOPMENT THROUGH DECENTRALIZATION IN EGYPT

By

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ANNEX A
DEVELOPMENT THROUGH DECENTRALIZATION IN EGYPT

It now remains to be seen, as we stand at the close of this remarkable age, whether the conflict of local with centralized authority shall exhaust the elemental strength of this ancient people; or whether such a reconciliation can be effected and will again produce harmony and union, permitting the continuance of the marvelous development of which we have witnessed the first fruits (Breasted, 1908: 129 referring to the decline of the old kingdom, 1975 B.C.).

The series of laws enacted during the 1970s which provides the legal and institutional framework of Egypt's decentralization strategy was a response to a set of problems that were identified as symptomatic of an overly centralized bureaucracy. In the three years since the enactment of the last decentralization statute (Law 43 of 1979) there has been a perceptible move toward decentralization. However, at this juncture a number of issues remain unresolved that will have a significant impact on the future direction and scope of Egypt's decentralization policy. This paper provides a brief overview of the rationale behind the decision to decentralize and the current status of decentralization in sections one and two. This provides the background to the current issues that need to be addressed discussed in section three.

THE RATIONALE FOR DECENTRALIZATION

Of the problems plaguing Egypt during the 1970s, three were particularly severe: a stagnant economy; a bloated, inefficient bureaucracy; and a lack of popular access into governmental decision making. To high level Egyptian policy makers these problems had a common root--an overly centralized government. How these problems were manifested is the subject of this section.

A Stagnant Economy

After the 1973 conflict, President Sadat became convinced that a concerted effort had to be mounted to spur development and get the country moving economically. The overcentralization of government was identified as an obstacle to this effort. The

rigidities of the centrally planned economy did not reward entrepreneurial initiative. There was a growing perception that the government's inability to distribute resources equitably, especially to the rural areas, was due to overcentralization.[1]

A Bloated Bureaucracy

The centrally planned economy generated massive public employment [2] along with a comparatively large volume of social services at the expense of profitable, production-related investments. Implementation problems were not resolved in a timely manner, if they were resolved at all. Failure to reorder priorities to accommodate regional and local differences and demands was commonplace and attributed to centralized planning and management.

By 1973-74, the massive, centrally managed administrative apparatus had grown to such an extent that an inordinate proportion of the economic surplus went to finance that bureaucracy.[3] Many resource inputs produced few outputs; the system simply absorbed resources without producing the desired gains.

Another symptom of the bloated economy was that it had become so complex that it was impossible to define responsibility and accountability for failures, or successes for that matter. If initiative went unrewarded, then failure also went unpunished. Such blurring of cause and effect came to be the art of the bureaucrat, much to the discomfort of those who dreamed of a better future for the country. A clear assignment of responsibility, for resolving problems was seen as part of the solution to inaction and unresponsiveness of government.

Lack of Popular Access to Government

The all-pervasive bureaucracy produced yet another problem, the lack of access of the people to the governmental decision-making apparatus. The usual system for organizing and providing for that access is the political party. But the legacy of central planning meant that the technocrats' control over information and resource flow was so complete that it was practically impossible for citizens to influence the general directions of economic and social development, much less to shape the specific program or project objectives, timing, or implementation. Party officials found it very difficult to get around ministry "technicians" or become involved in discussions about the use of resources.

THE RESPONSE

The decentralization strategy devised as a response to these conditions has two parts: a direct attack to increase the authority of lower levels of government and an indirect attack to increase popular access into governmental decision making at all levels.

The effect of the first step in the direct attack--the devolution of certain powers to the 26 governors--has been a weakening of the foreboding bureaucratic structure from within. Devolved to the governors is limited, but annually increasing, power over the budgets and personnel of the respective governorates. This has been accompanied by an increase in the extent and depth of local and regional development planning and management. Already local administration has been introduced in such areas as food security, low-income housing, land-reclamation, the formation of joint-venture investment undertakings, and the creation of locally raised and communally managed funds to support small and medium-size revenue producing community projects.

To date, the forces and incentives for decentralization have coalesced around the governorate. However, there has also been an increase in funds subject to local control. There has been a slow but perceptible increase in the interest of the local level to deliver better public goods and services which should help reduce the demands made on the national government for such services. This shift has been most noticeable in some food production projects, and in low-income housing and infrastructure services.

A potentially significant development was the creation of the Supreme Council for Local Government empowered, at least in a limited way, to formulate national strategy and policies for local governments and reinforce their contribution in development. The introduction of a multi-party system and the recognition of party politics in local and regional development planning and management is yet another potentially significant process. So too is the creation of a quasi-independent local development bank in the governorates. In part the bank's mandate is to channel public sector investment, and in part to stimulate the consolidation of local, private capital to support public and private investments.

The indirect thrust of decentralization is somewhat independent of the direct. The effort is to open doors into the bureaucracy as a means to increase responsiveness to popular needs. In the local government system this "infifah" policy has meant the formation of Local Popular Councils at every tier and in every local unit. Such councils are composed of 18 directly elected members; of whom at least 1 must be a woman and 50 percent must represent farmers and workers. This Popular Council is, in theory at least, intended to monitor and evaluate the action of the Local Executive Council, the executive coordinating body at each level of government.

CURRENT ISSUES

Now that the decentralization statutes and initiation have become palpable policy, a number of issues remain that will determine the extent of decentralization over the course of the next several years. These questions are raised in this section.

Beyond the Governorate?

The decentralization of authority and responsibility to the governorates has been a first major step in restructuring the governmental apparatus, and yet a limited one in itself. A further issue, to a great degree dependent on the orientation of the individual governors and the vitality of the elected councils, is whether decentralization will go so far as to include the markaz and the village.

One current issue is how much autonomy to grant the village councils particularly in planning and executing programs and projects. The resources of ORDEV have been used to a certain extent in fostering this further decentralization. A number of experiments in local autonomy have been carried out in villages, with ORDEV income-generating projects and those funded by the Loan Development Fund (DD-I). The BVS program is presenting some new experience with village involvement in infrastructure installation, although that program is just beginning. A great deal remains to be demonstrated about the abilities of the village administrative staff and elected councils before their full potential can be assessed.

Further, the issue of the appropriate role of the markaz needs to be addressed. To date the role of the markaz has been limited to providing a pool of technical expertise to the village councils particularly in program planning and implementation, auditing village accounts, and contributing funds to the town government in which the markaz seat is located.

What Role for Regional Planning?

The creation of a regional planning agency and a Supreme Committee for Regional Planning interposed between the central government agencies in Cairo and the various governorates demonstrates the heightened interest in regional planning.[5] This interest emerged with increased recognition of the importance of coordination for certain programs (water supplies, roads, pest controls, environmental protection, and so forth) and the degree of "inaccessibility" of agencies in Cairo which, in theory, should

have the coordination responsibility. Coordination among administrative levels is indispensable for the economic resolution of many problems, but if the central agencies had continued to be responsible for coordination, they could have effectively excluded the various local groups from participating actively.

The governorates also have begun to develop their own staff abilities to plan and implement programs. The regional structure can offer assistance especially in project evaluation and plan preparation. The regional level can help coordinate development management among governorates and improve the planning abilities of decentralized local units. As a restraint or containing influence on local governmental units in some instances, the regional structure can serve as a way to avoid the excess of "over-decentralization" at the same time avoiding over-centralization".

But, while the Office of Regional Planning can potentially play a significant role in coordination, it remains under utilized. At this point, the office has the capacity to fulfill three of its five mandated activities. What the appropriate role for this supra-government level of government is to be, how to integrate it into present policies focussed on the governorate remain open questions.

Institutionalized Decentralization?

In Egypt there is no single institution providing official support and guidance to decentralization efforts (Sady, 1962). Table A-1 summarizes the "interests" in decentralization as a way of identifying the various pressures impinging of the decentralization process.

In developing programs for stimulating development through decentralization these interests will certainly provide direction and impetus. The vital, but unresolved issue is whether a coordinating institution for advocating decentralization will emerge.

As implied in the above discussion, the task of describing and assessing the extent to which the decentralization policy has evolved at any given moment is fraught with difficulties because of the variety of orientations and the ambiguities of the policy declarations, legislation, and regulations. One has to add to these problems the obvious limitation on that policy to some socially acceptable cost and not interpret it to be so radical a program as to imply the goal as being some sort of extreme individualism without restriction and limitation. Individual autonomy is clearly the most "decentralized" form of action, but

Table A-1: Interest Group Orientation To Decentralization

	Problems identified with centralized management of development	Strategic orientation towards decentralized development
National leaders	<p>Economic stagnation</p> <p>Rigid, unresponsive bloated bureaucracy</p> <p>Imbalanced socioeconomic growth and disparities among governorates</p> <p>Poor adaption of programs to regional conditions</p> <p>Alienation of localities from national policies</p>	<p>Support a variety of approaches to identify those responsible for planned programs</p> <p>Open the governmental management to popular pressures</p> <p>Prefer a viable dynamic coordination process at regional and national levels</p>
Governors	<p>Challenges by central ministries to local initiative</p> <p>Ambiguous linkages with national agencies</p> <p>Lack of personnel under the direction of the governorates</p>	<p>Support greater governorate planning and influence in public programs</p>
Elected council members	<p>Information hidden by the bureaucrats</p> <p>Unclear mandate</p> <p>Mixed constituencies and conflicting orientations produce disinterest when not allowed a role in decision making</p>	<p>Reorient resource allocation to match community objectives</p>
Local bureaucrats	<p>Ambiguous mandate</p> <p>Inadequate incentives and preparation for locally generated projects</p> <p>Popular distrust of government</p>	<p>Prove that local input into programs can improve their performance</p> <p>Prove that local responsibility for program provides greater sense of public service and professional investment</p> <p>Find new ways to build rapport with local people</p>

Source: Compiled by the authors.

not the idea behind Egypt's decentralization policy. What the limits are, what the appropriate degrees of decentralization may be are as yet undefined. The support for the philosophies and intentions of decentralization will undoubtedly evolve into a search for the "appropriate" degrees of decentralization in different programs.

CONCLUSION: LIMITS TO DECENTRALIZATION?

Certainly there are many forces which will oppose even limited attempts to decentralize governmental structures and procedures. Egypt has evolved an integrated economic and political system during a unique historical process. The Nile, invasions and the threat of invasions, and a modern desire to develop the country have combined to create a highly centralized system of government. The inherent logic of that system and the subtle, yet powerful vested interests in maintaining it make the attempts to introduce a more restricted role for the central governmental bureaucracy highly problematic.

One part of the problem is the lack of concensus concerning what institutions will replace that central bureaucracy. Will the governors be able and willing to coordinate to resolve regional problems? There are certain policy areas that are simply more amenable to central governmental versus, local, regional or private initiative and management (national defense, foreign relations), but what is the unnegotiable minimum? How will the irrigation and the electric system be maintained and developed? Are social and economic investments to be the responsibility of, and controlled by, private business; or will local governmental units assume most of the traditional fiscal and revenue roles of the central government to finance such investments? To what extent does the "open door" policy imply the appropriation of public resources for private gain?

The responses to such questions can only emerge over time and within an evolving political and economic debate. Perhaps the drama of that debate today is a little less keen than in previous periods of Egyptian history, but understanding and defining the limits of decentralization is undoubtedly of critical importance to the future of the country.

NOTES TO ANNEX A

- 1 The World Bank (1978) report documents the general economic malaise of the late-1960s. See also Hamed (1981) for the policies emerging from these problems. See also Iksam (1980) and Abdallah (1979).
- 2 Some studies revealed that local bureaucracy constituted more than one-third of the civil service in Egypt and amounted to 1.2 million people in January 1981. For more statistics see Central Agency for Organization and Administration (1981).
- 3 See Sadat (1974), and his series of Messages to the Local Councils from 1975 on. See also Arab Republic of Egypt, Ministry of Planning, The Five Year Plan 1978-82 (1978).
- 4 Critiques of the comparatively weak role of the marakez have already been aired on various occasions, see the proceedings of the Conference on Development of Government Management, Cairo, October 1980, and the Conference on Management of Local Government Units, Cairo, April 1981.
- 5 Presidential Decree No. 495 of 1977 divided the country into eight economic planning regions each comprising a number of governorates. See also Ministry of Planning (1981).

ANNEX B

ADDRESSING PROBLEMS AND POTENTIALS OF DECENTRALIZATION
THROUGH EGYPT'S BASIC VILLAGE SERVICES PROGRAM

By

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* This annex is a revised and excerpted version of a longer paper by the same title. Elipses indicate location of material left out.

ANNEX B

ADDRESSING PROBLEMS AND POTENTIALS OF DECENTRALIZATION THROUGH EGYPT'S BASIC VILLAGE SERVICES PROGRAM

A major objective of Egypt's decentralization policy is the improvement of delivery systems for basic services and utilities such as portable water, roads, irrigation canals, and sanitation networks (Ikram, 1981). The rapidly increasing population places severe physical strains on the existing delivery systems for these services. The combination of high levels of demand and limited resources has also contributed to a sense of political disenchantment in both the rural and urban areas due to the apparent deteriorating quality of life. To begin to resolve these difficulties, local government units are becoming more involved in decisions regarding the expenditure of public funds in the hope of stimulating local contributions to service infrastructure programs. The decentralization strategy is to convert the constraint of limited public resources into greater program vitality through local contributions and citizen's participation (Maddick, 1963).

This reasoning underlies the Basic Village Services (BVS) program of investments in potable water systems, construction of feeder roads, canal lining, sanitary drainage, and other public goods critically needed in most rural areas. BVS uses a "block grant" approach, with a certain amount of money allocated for village use in selected governorates. The dual objective of this program is to strengthen the local decision-making apparatus and to stimulate local participation (money, labor, and material) in projects funded out of annual capital budgets handled through Cairo-based ministries.

In theory, the village chairmen in conjunction with the representatives of the program ministries in the village work with the popularly elected councils to identify local needs and help plan and implement projects that meet those needs. Eligible projects under the BVS program are intended to provide public goods, that is, services accessible to all or nearly all people residing in the local units.

In practice, the ability of the village unit to undertake projects is often limited, leaving substantial project authority in the hands of the governorate and markaz officials. Nonetheless, significant experiments in local and regional involvement in public utilities projects have occurred. By December 1980 over LE 10 million had been authorized in the three initial governorates, as shown in table B-1.[1]

Table B-1. Summary of the BVS Projects in Fayoum, Sharkia, and Sohag Governorates

Governorate	Type of project	No. of projects	Funding amount (LE)	
			Authorized	Disbursed
Fayoum	Potable water	3	437,000	401,250
	Canal repair	50	1,301,718	938,448
	Roads	47	1,150,432	711,568
	Other	18	295,000	95,000
Sharkia	Potable water	56	2,627,710	2,031,922
	Roads	7	1,307,498	547,799
Sohag	Potable water	45	2,288,134	682,716
	Roads	28	1,192,488	198,847
Total		254	10,599,987	5,610,139

Note: LE 1.00=US \$1.42

Source: ORDEV, Annual Report on BVS, summarized by Gardner and others (1981).

Figure B-1. Questionnaire For The Critical Decision Index

Village Unit _____
 Project Name _____

Indicate the level of government at which the following activities took place:

1. SELECTION OF THE GENERAL TYPE OF PROJECT TO BE FUNDED IN THE VILLAGE UNIT AREA (i.e., potable water, drainage, school repair, income-generating project, etc.): _____

2. SELECTION OF THE SPECIFIC PROJECT TO BE FUNDED IN THE VILLAGE UNIT AREA (i.e., a road between villages X and Y; type of water delivery system; number of classrooms repaired; etc.):
 - a. Details of project outlines: _____
 - b. Physical location of project within the village unit determined: _____

3. ALLOCATION OF FUNDS:
 - a. Who participated in the allocation of funds to the village unit area: _____
 - b. Who would be capable of shifting these funds to another project in this village unit? (lowest level): _____

4. TECHNICAL SPECIFICATIONS AND COSTING;
 - a. First technical specifications for project construction given: _____
 - b. First costing of project construction given: _____
 - c. Later technical and/or costing modifications applied: _____

5. TYPES OF PROJECT APPROVAL NEEDED:
 - a. Review and/or approval by administrative authorities: _____
 - b. Review and/or approval of technical soundness: _____

Figure B-1. (Continued)

- c. Review and/or approval for compatibility with regional plans: _____

6. CONSTRUCTION OF PROJECT:

- a. Project funds held at this level during implementation: _____
- b. Permission to draw on these funds to begin implementation: _____
- c. Preparation of tenders: _____
- d. Approval of bid: _____
- e. Contractor contracted by: _____
- f. Technical oversight of contractor's work: _____
- g. Accounting of project construction expenditures: _____
- h. Authorization of contractor payment: _____

7. POST-CONSTRUCTION DECISIONS:

- a. Decision on the use of savings incurred during project construction: _____
 - b. Decision on the allocation of incentive payments to proper participants: _____
 - c. Location of funds used for project maintenance and upkeep: _____
 - d. Performance of project maintenance and upkeep: _____
-

As a structured decentralization incentive, the block grant procedure funnels money directly from the funding source (in this case an interministerial committee administering AID-provided funds), through ORDEV and the governorates, to village councils and their local bank accounts. Such procedures constitute a dramatic departure from those traditionally used in public utility investment projects. In the past, a line ministry, a public organization, or a Governorate Service Directorate (GSD), with a plan for the installation of potable water, roads, and so forth, has carried out projects with the resources made available from the regular national budget. The councils of local government have traditionally had little to do with the design of the projects in the villages and markaz and have practically nothing to do with securing or administering funds, implementing project activities, or monitoring performance and evaluating results.

In the case of the community-based BVS projects, however, the local unit councils can contribute to developing realistic, workable plans for the use of the block grant; the councils may decide to oversee implementation, financed in part from village resources. The councils may also monitor and certify the adequacy of the work done, issue checks to pay for such work, and see to it that the project has succeeded in supplying the needed services.

Thus the BVS program is a direct attempt to explore the viability of decentralization. The usual procedures for carrying out public utility investments in Egypt are relatively centralized--they are administered by line ministries and funded out of the central national budget. The village-based BVS program is potentially more open to local involvement. The expectation is that this more locally managed system will produce more of village-level infrastructure at less cost than the centralized system of management as well as providing evidence as to the potential for locally managed investments.

It is this last expectation which is the concern of this paper. It is extremely difficult to introduce such a new, decentralized, procedure into the traditional administrative system, even on an experimental basis. The lines of responsibility and authority in the housing departments and the roads departments in the various governorates have technical standards to enforce and systems to integrate. Often there is a great unease within such technical departments regarding the capabilities of local units for designing, implementing, and monitoring projects in villages. The natural tendency is for the BVS resources to be channeled into the normal decision-making apparatus and avoid the discomfort and risks associated with opening that apparatus to local input.

There are pressures, however, to persuade the governors to be more experimental in the future and allow more village involvement in infrastructure projects. The village councils, both elected and executive, are learning about the possibilities of direct

access to BVS funds. They almost invariably feel that they could use the resources more efficiently and effectively than the line ministries. This feeling is reinforced by the fact that some villages have already proved themselves successful in managing such projects. As a result, in certain governorates the governor has urged his technical staff to permit experimentation in the BVS program and thus try out a more decentralized management system.

The debate between the "centralists" and "localists" is lively, with legitimate concerns on both sides. Those concerns point to a clear need for factual evidence regarding the degree to which program management functions can and should be decentralized. To help generate this evidence and clarify the debate, two types of data from the BVS program can be collected and analyzed: (1) the degree to which the administrative functions for a project cycle have been decentralized; and (2) the relative efficiency and effectiveness of the decentralized management system used. Such data would help identify the problems of decentralized management as well as its potentials and clarify the conditions under which decentralized public management is appropriate.

MEASURING DECENTRALIZATION

Since the BVS program clearly encourages distinctly new levels of involvement of the village councils in the management of funds, some means of documenting the relative success of creating new management forms is essential. But, though some objective procedure is needed, it is not a simple task. Penetrating the surface appearance to determine how decisions are made is never easy and in Egypt with its traditional bureaucracy and its subtle forms of oversight, the problem is that much more difficult. One option is a checklist of critically important decisions in the design and implementation of specific projects within the system (Oates, 1967; Greenwood and Hinnings, 1967). The administrative level at which each of the critical decisions is made would be given a numeric value, and these values would be aggregated across decisions made throughout the project cycle. [2]

The information needed to classify the administrative decisions could come from people with firsthand knowledge of specific projects. In the case of the BVS projects, a combination of the village chairman, popular council chairmen, and the ORDEV officials will ordinarily be able to provide a fairly accurate profile of the actual decision-making process during each project cycle. Figure B-1 shows a checklist which was constructed and tested in several projects in three governorates. Comparisons of such profiles for different projects and programs are possible, including those of the markaz and governorate, in order to describe the relative degree of decentralized decision making in each administrative area.

Formulation of the Critical Decision Index

Three propositions underlie the formulation of the CDI (critical decision index). The first identifies control of decision making as being in some measure a function of where in the bureaucracy the decision is made, irrespective of the quality of that decision. Since decentralization implies a shift in control over resources to lower levels of government, it is possible to define the degree of decentralization, in part, by identifying the changing locus of decisions and actions taken over those resources. The locus of decision making is the specific level of government (village unit, markaz, governorate, and central) from which the official who decides about the allocation of resources is a member.

The second proposition concerns the quality of the decision taken. The amount of control actually manifested in a decision is heavily dependent on several things: whether it is a decision made by one person or many, the personalities involved, the type of decision required, and numerous other variables. Defining under these conditions what is the real nature of the control exercised over resources (whether it is an assumption of unilateral responsibility, a sanction of a decision taken elsewhere, or mere acquiescence to another's decision), is an exercise which can require strenuous inspection and can easily lead to an unworkable task.

One response to this problem in other work on "critical decisions" tools had been to limit the definition of control to indicating only the locus of the last and highest level of government at which the decision is made, sanctioned, or reviewed. However, this approach misses much of the true quality of the decision in eliminating the contributions and weight of lower-level decisions and actions.

The CDI is a compromise between an unwieldy apparatus to measure the quality of a decision and one which records only the last and highest level of decision making. It records all levels and qualities of decision-making according to the perceptions of individuals who are thoroughly familiar with the situation. However, it tries to avoid total subjectivity by relating the decision-making to very specific acts which are both easily identifiable by the respondent and which are easily verifiable.

The third proposition concerns the content of the critical decisions and actions examined. That they be critical (that is, significant points of choice over a set of options) is, of course, essential. In the CDI, these points relate generally to a sequence of planning and implementing which includes as significant steps:

- Needs assessment and agreement on the ranking of priorities;

- Exposition of project details, technical specifications, and costing;
- Execution/contracting of project construction and supervision;
- Accounting of funds received and expended;
- Execution and monitoring of project activities; and
- Repair and maintenance of project facilities and services.

The critical points derived from these steps should also be sufficiently numerous to permit variations to show up among projects, without being so comprehensive as to unnecessarily burden the evaluators with lengthy questionnaires. They should also closely identify specific actions performed at precise moments in time, rather than more general processes, so as to eliminate doubt about where the decision occurs and by whom it is taken.

Content of the CDI

The CDI, as it has been proposed here, will of course benefit from greater experience in its application. The number, content, and phrasing of the critical points will require periodic review and modification. The standard upon which each point should be judged for inclusion in the CDI should continue to be an empirical one in which observed significant variation in planning and implementation procedures (indicating greater or lesser decentralization) is, or is not, able to be detected through existing or new points.

To Use the CDI

For each applicable point, a response is required from a respondent most familiar with the project. The response should indicate from which level of government the executor(s) of the decision or action come(s). For the village level, a point value of 4 is assigned; for markaz level, 3; governorate, 2; and central authorities, 1. Shared decisions for any point are given the average score of the multiple response. The total of these values for a specific project may then be added and divided by the number of responses in order to give an index of decision-making decentralization for the project (see table B-2 for an application of the questionnaire of figure B-1 to four different types of projects.) Further experience may indicate the need to weigh certain points differentially to indicate relatively more "criticality" of certain points than others.

Table B-2. CDI: An Example Over Four Projects

Point*	Ministry of Roads project (Sohag)	RVS road (Fayoum)	BVS road (Sharkeyia)	IDF chicken project (Sharkeyia)
1	1,2	1,4	1,2	4
2a	2	4	2	4
2b	2	4	2	4
3a	1,2	2	1,2	2
3b	2	4	2	4
4a	2	3	2	4,3
4b	2	3	2	4,3
4c	-	2	-	1,2
5a	2	4,2	2	4,2,1
5b	2	3,2	2	1
5c	2	3,2	2	2
6a	2	4	2	4
6b	2	2	2	2
6c	2	3	2	4,3
6d	2	4,3	2	4
6e	2	4	2	4,3
6f	2	3	2	4
6g	2	4	2	4
6h	2	4,3	2	4
7a	2	4	2	4
7b	2	4	2	4
7c	2	2	2	4
7d	2	4,2	2	4
CDI INDEX =	$\frac{43}{22} = 1.95$	$\frac{64.5}{23} = 2.80$	$\frac{43}{22} = 1.95$	$\frac{71.83}{23} = 3.12$

Key: Central Authorities = 1, Governorate = 2, Markaz = 3, Village = 4

Note: * Points refer to questions listed in figure B-1

MEASURING PERFORMANCE: EFFICIENCY

The projects implemented under the BVS procedures as well as the traditional system have observable outputs: certain number of kilometers of potable water pipe are laid, wells are drilled, pumps are installed, roads are improved, canals are lined. The cost of each of the components of these activities is also known either through the terms of the contracts which are let to accomplish these tasks or through the village (or markaz or governorate) records of expenditures. The output level and output goals of these projects are also stated in the contracts or in the minutes of meetings of the relevant councils. With these data concerning goals, physical outputs, and costs, it should be possible to construct indices of the performance of management structures. One such performance index is the degree to which resources are used more efficiently.

The notion of efficiency usually refers to some ratio of input to output for a specified period of time. In the case of BVS projects increased efficiency means the reduction of costs for achieving certain physical outputs, such as the cost per kilometer of pipeline, the cost of each cubic meter of dirt moved for road elevation, the cost of each cubic meter of stone laid for a canal-lining project, and so forth. These ratios could be compared with similar ratios for water, road, and canal projects implemented by line ministries in the recent past.[3]

Other aspects of efficiency which might be measured include:

- The time required for project approval;
- The percentage of funds allocated for a project which is actually disbursed during each year of the life of the project; and
- The time required to complete a project after it has been approved and funds are made available.

The development of these indicators should be possible from the existing record-keeping system and information available in villages.

MEASURING PERFORMANCE: EFFECTIVENESS

The concept of project effectiveness refers to the degree to which a desired result is attained through the application of project resources. The measurement of the degree to which a project is effective, thus involves some comparison of achievements with project objectives [4] as well as the progress which this achievement signifies more general goals. A potable water program is effective in one sense if the planned installation of 2 wells and 2.5 km of pipe actually occur. Another aspect of effectiveness is the extent to which other ends are satisfied by the achievement of more immediate ones; for example, does the consumption of potable water increase? The achievement of the first objective is a necessary but not sufficient condition of achieving the second. Dealing in a coordinated way with these interlinked goals is at the core of administrative effectiveness. Whether or not such coordination occurs conditions another dimension of effectiveness, the level of user satisfaction with a completed project.

The assessment of effectiveness, then, involves monitoring progress toward goal achievement and popular perceptions of those achievements, recognizing that some goals are far more specific and quantifiable than others.

...

PROJECT EFFECTIVENESS AND THE PROCESS OF DETERMINING PRIORITIES

The assessment of effectiveness does not stop with the measurement of goal attainment. The process of defining goals involves the expression of needs, the definition of those needs, the setting of priorities, and the transformation of priorities into some specific operational programs with at least some measureable products. The measurement of effectiveness also involves the assessment of the goal-setting process itself in addition to the development of indicators (and data on those indicators) for measurement of goal achievement.

One of the justifications for the introduction of more decentralized decision making in government actions is to ensure that the goals which are set for programs respond and relate to the needs of the people and not only to some official's idea about what the people need. Another justification for more decentralized management of resources is that once goals are set,

if the village or other local governmental units have direct monitoring responsibilities and if the means for achieving these goals are at least in part in the hands of the villagers, then there will be more local and pressure for achieving the objectives.

But how is one to measure relative effectiveness so as to include this focus on goal definition? The basic expression of goals and priorities in the public sector is the budget. The BVS program was developed to involve the village councils in the setting of project and budget priorities within a fairly restricted set of options and alternatives. The villages are granted a sum of money (in at least some of the governorates) and are asked to make a choice on how they want to spend that money. Their choices may or may not be different from the apportioning of funds according to the traditional system even though this relatively decentralized process potentially deviates substantially from the long-established public administration methods. How well does the decentralized process of making decisions define what projects should be done, at how much cost, and for whose benefit, within a local and area frame of reference?

To help answer these questions, it is instructive to compare the mini-budgets of the BVS in terms of the proportions allocated to water, roads, and so forth with the budget structure of the governorate for similar programs. If the experimental decentralized BVS budgets are similar in structure to the more centrally defined governorate budgets, we might presume that the more centrally managed system is fairly well articulated. If the two budgets are not similar, the governorates might have to rethink their planning and budgetary processes to make service delivery more relevant to the priorities of the local people through decentralizing decision making.

...

CONCLUSIONS

1. A system for collecting and interpreting data regarding the degree of decentralization of public administration in Egypt seems to be possible within the framework of the BVS program and similar non-BVS projects.

2. Using existing project data in the BVS program it is possible to calculate indices of project efficiency (cost-effectiveness, cost-reduction, and cost-saving) and project effectiveness. These indices will permit the comparison of decentralized project management to more centralized styles of management. Of particular importance are data gathered on governorate budgets prior to BVS programs for comparison with the priorities developed out of the consultative, decentralized block grant budgetary procedure of the BVS.
3. The preliminary indications are that there are indeed effectiveness and efficiency gains by decentrally managed BVS projects, similar projects implemented by central ministries. However, the record is only partial and remains ambiguous. New problems are emerging which reduce the theoretical and actual gains of decentralization.
4. The analysis of systematically gathered data could help village, markaz, governorate, regional, and central government decision-makers define the conditions under which relatively decentralized management units can perform more efficiently and effectively than more centralized units. Such information could be useful for guiding future adjustments in public administration practice as well as providing incentives to local units which exceed certain efficiency and effectiveness targets.

NOTES TO ANNEX B

- 1 Nine more governorates were added to the initial three in 1981.
- 2 An alternative is to identify the highest administrative level at which decisions have to be approved. While possibly easier to get agreement, this technique seems to miss the more interesting dynamics and qualities of decentralization. These ministries have also developed standards by which they estimate costs of projects before letting bids, so these standards provide another point of comparison. It should also be possible to compare the projected BVS cost with the actual cost per unit of output obtained to see how estimated efficiency compared with the actual efficiency of the project management. The projected costs are available before the funds are authorized and at times are used as the basis for calculating the incentives for the executive staff.
- 3 Management may be efficient and not effective under two conditions: if input is low but not much output is generated; or if the output which is generated does not solve the problem originally identified. A water line over level ground which goes halfway to a village may cost little per kilometer, but it does not help solve the water problem in that village. A well dug and pump installed rapidly and cheaply are of no benefit until the electric lines deliver power. A water system may serve many people, but if it is not maintained, the benefits will quickly evaporate.

ANNEX C

NOTES ON THE SAKKARA CENTER FOR
INTEGRATED RURAL DEVELOPMENT

ANNEX C

NOTES ON THE SAKKARA CENTER FOR INTEGRATED RURAL DEVELOPMENT

The Sakkara Center is in the final stage of construction and should be operational by the time the long-term project is launched. The objectives and design of the Sakkara Center indicate that the center should be considered for facilitating certain of the long-term projects' activities.

The goal of the center is to stimulate integrated rural development through:

- Training of executive and popular council members;
- Carrying out of field research concerning local development problem; and
- Coordinating various development efforts.

The functions of the center include training, research, information processing and storage, and policy consultations with different administrative units in Egypt as well as in other developing countries.

The physical facilities include ample class rooms and conference areas, living quarters for the staff and trainees, data processing equipment, and a library. The center's location in a rural area of the Giza Governorate provides an opportunity for training and research at the center to include field experiences.

The management of the center is tentatively under a board of directors composed of ORDEV, governorate and village representatives, the Sadat Academy of Management Sciences, the Institute for National Planning, and the Supreme Council of Universities.

A possible disadvantage of the Center is its physical distance from the central governmental agencies in Cairo and certainly its distance from governorates, markaz, and villages. This problem complicates the connection of the center with its primary local government clients as well as more mundane logistic problem of the availability of electricity, water, transportation, educational and health facilities. Such problems are not insurmountable but will need a substantial investment of planning and financial resources.

Assuming that the center becomes functional it would be a useful location for conducting courses for markez and village executive and popular council members. The Sakkara Center could draw on the experienced people in the Cairo area to help in the training efforts as well as the policy oriented research program.

It could serve as a depository and reference service for the various reports and data sets which are produced in various governmental agencies as well as the long term project itself.

ANNEX D
PROJECT BIBLIOGRAPHY

ANNEX D

PROJECT BIBLIOGRAPHY

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