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Country Development Strategy Statement

FY1985

ANNEX C
DEVELOPMENT ADMINISTRATION CONSTRAINTS TO AID'S WORK IN EGYPT

Egypt

FEBRUARY, 1983

Agency for International Development
Washington, D.C. 20523

BEST AVAILABLE

COUNTRY DEVELOPMENT STRATEGY STATEMENT

FY 1985

ANNEX C

DEVELOPMENT ADMINISTRATION

CONSTRAINTS TO AID'S WORK IN EGYPT

EGYPT

USAID/CAIRO

FEBRUARY, 1983

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DEVELOPMENT ADMINISTRATION: CONSTRAINTS TO AID'S WORK IN EGYPT

The following analysis was made in order to improve the USAID's design and implementation of its varied activities. We will attempt to apply the "lessons learned" in our future Egypt program efforts.

For simplicity, USAID/Cairo's problems in "development administration" have been divided into two major categories--design and implementation. Both of these categories present a number of constraints to maximum success in AID's involvement in Egyptian development.

Project Design:

In a recent reading of ten USAID evaluation reports written in the last two years, five of them were found to state explicitly that the original project design was a major reason for project implementation problems and consequent constraints on progress. (Only one of the remaining five reports specifically mentioned a good initial design; the other four reports do not consider design in relation to project progress).

Design problems fall into three major groups that can occur singly or in combination within any one project: (a) overambitious scope; (b) lack of clear, linear logic; and (c) lack of agreement on project objectives between the GOE and USAID.

(a) Overambition - The plethora of AID objectives -- economic/social/political, explicit/implicit, short-run/long-run -- often have led to overwrought and overdone projects. Everything is included, in an effort to meet everyone's pet interests and concerns. The result is an impossible task, a multi-headed, multi-limbed monster that no one could reasonably manage and control, let alone push forward to successful completion in five years. (Other problems that derive from this design problem include implementation delays from the schedule as designed, project components that move out of sequence with one another, contractor or other implementor tendency to concentrate on one aspect of the project to the detriment of all other aspects, and loss of direction -- the real objective of the project no longer is in focus. The matter of implementation timing needs to be stressed here. As a project's scope grows, its implementation schedule is rarely, if ever, expanded accordingly.)

(b) Lack of Logic - Many AID project designs do not appear logical, in the sense that there is no clear articulation of how one element of the project will lead to another necessarily (in logical framework terms, how inputs lead to outputs lead to purpose and on to goal). The problems under this heading usually fall into three or four major groups:

First, and most common, are the "leaps of faith" where important links between one level of project and another are left understood; this most typically occurs between the purpose and goal levels (where the goal

is often wildly unrealistic and unachievable), but the phenomenon can be found at all levels in several USAID projects. Such gaps in the logic of a project's design leaves the mechanism by which project objectives are to be achieved open to some question and interpretation by implementors, which consequently may sidetrack the project from its actual purpose. I would estimate that two-thirds to three-quarters of USAID projects suffer from gaps in design logic to at least some extent.

Second, and more serious, are the designs that are not logically articulated; for example, the stated purpose actually may need to be achieved before some of the stated outputs can be attained, or the outputs may be targeted at improving economic efficiency while purpose is targeted at greater socioeconomic equity for the poor. While not as common a problem as the first one mentioned, an estimated half of the USAID's projects could be considered illogical to some degree.

Third, very critical aspects of a project often are left as assumptions, when they should either be known or within the project's sphere of influence. For example, a project designed to train Egyptians should not assume sufficient numbers of qualified trainees will be available. The availability of the trainees must be ascertained before the project is initiated. Similarly, a project designed to increase the amount of investment capital available to the private sector should not assume that investable savings will increase independently of the project. Practically all USAID projects have stated assumptions that should not be assumed; this problem is far more serious in a few projects than in most, however (and the problem becomes one of poorly articulated logic in its extreme).

Finally, there are designs that include as project elements components that do not appear to fit (at least not easily) into the overall project concept. However, this can be seen as a combination of the overambition and lack of clearly articulated logic problems mentioned earlier.

(c) Lack of GOE/USAID Agreement - Several recent evaluation reports have noted that the GOE objectives for a project differed markedly from the USAID objectives for the same project. The result is often lack of clear direction and authority for the implementor (usually a third party taking instructions from both sides) and lack of project progress as disagreements, distrust, and stalemates ensue. Alternatively, one party is sorely disappointed at the project's outcome, however pleased the other party is at project progress.

This problem sometimes may be a corollary to problems of both overambition and lack of logic, where a design attempts to address both U.S. and Egyptian agendas by expanding the project beyond an initially simple concept to one that includes something for both -- but then fails to prioritize or integrate the two agendas adequately. At other times, however, this problem may be entirely independent, when a design is vague

enough to leave room for wide interpretation or where one party or the other fails to articulate hidden agendas it intends to pursue.

Nearly all of these design problems would seem to be within the USAID's realm of control. Improvement in any or all of them could ease constraints to AID's work in Egypt significantly.

Project Implementation:

Once a project has been designed, a number of implementation constraints can emerge to impede project progress. Many of these are actually design problems that come back to haunt a project under implementation. Some of these constraints are within the USAID's realm of control; some it can only seek to avoid or minimize.

(a) AID Regulations and Procedures - A number of recent evaluation reports have stated that project implementation was inhibited by lack of understanding of and/or difficulty in complying with AID rules, regulations, procedures, etc., on the part of the GOE and/or the contractor. In some cases, this problem seems attributable to poor communications -- AID simply has not articulated its requirements adequately. In other cases the requirements may be understood, but in and of themselves they serve as an inhibitor to project progress (e.g., where regulations require commodities be procured from U.S. sources when other sources would be cheaper for the targeted beneficiary).

(b) Contractor Deviation from Design- In several instances, project implementors hired to perform work (either on a direct contract or a host country contract) have shifted the focus of the project away from the objectives as originally designed. Often this is the result of hiring someone who is overly specialized in a narrow field of expertise to perform a broader range of tasks; almost inevitably, the focus narrows to the area of greatest competence and interest of the implementor. In other cases, the project's objectives are simply too broad and/or vague and/or poorly articulated (harking back to the previous discussion on project design problems) for the contractor to handle them all. (In fact, it should be mentioned that, in some instances, contractors have perhaps saved a project from complete failure by focusing on some aspect, however small, where progress can be made and pursuing it to successful completion).

(c) Inappropriate Timing and Sequencing - Stemming in large part from problems of overambitious design, many projects quickly fall behind, and remain behind, schedule (as designed). When one project component falls behind more than others, compensation and adjustment in other related components often are not made. While project design (overly optimistic time schedules) is usually to blame, some implementation adjustments could improve many timing and sequencing problems that arise.

(d) Delays in Contract Negotiations and Procurement Action - Almost inevitably, negotiations and procurements take longer than anticipated in the original design. While this seems to be a design problem, and not one of implementation, it is often blamed on poor implementation. Attempting to speed up negotiations/procurements may lead to poor agreements and decisions; therefore, the solution seems to be more realistic scheduling of implementation in the project design stage.

(e) Lack of GOE Staff - Several recent evaluation reports note that project progress has been inhibited by a lack of qualified Egyptian staff assigned to appropriate positions in a particular project. The implication is sometimes that there is not adequate GOE interest in/commitment to the project, i.e., that qualified people may exist but are not working on the project. In other cases, qualified Egyptians simply may not exist in sufficient numbers, whether due to inadequate training/educational facilities or the emigration of certain skill groups. In either instance, these deficiencies have clear implications for AID's potential success in "institution building" and technology transfer activities where Egyptian counterpart staff is insufficient.

(f) Lack of GOE Motivation - Closely related to (e) above is the frequently mentioned problem of low motivation on the part of Egyptian project staff (or potential staff) to become actively and integrally involved in a project. Usually, "lack of motivation" translates into "insufficient financial incentives" -- project involvement ordinarily means increased work loads for a GOE employee, but, unless an increase in salary over the otherwise very low GOE salary is offered, there is little or no incentive to devote time and energy to supporting the project. Again, the prospects for successful institution building and technology transfer are limited by this constraint.

(g) Sociocultural Barriers - American and Egyptian cultures are profoundly different, arising from markedly different historical and geographical influences. What may seem clear and logical to a Westerner may seem unnecessary, impractical or even offensive to an Egyptian. At times it may be difficult for an American to distinguish between "Westernization" and "development". On the other hand, an Egyptian may want Islamic, socialistic and/or nationalistic concepts included in development activities, the combination of which appear to an American as contradictory or heretical to "development." Under such circumstances, "policy dialogue" between AID and the GOE inevitably is slowed and often is subject to confusion and misunderstanding.

(h) GOE Centralization - Several projects' progress apparently has been inhibited by centralized control and decision-making within the Egyptian agency or ministry involved. Lack of delegation of authority and responsibility limits the possibility of institution building, i.e., self-sustaining potential, of a project; it also removes decision-making from those most knowledgeable of project circumstances and needs.

(i) Egyptian Bureaucratic and Management Inhibitors - Due to a number of cultural, historical and political factors, Egypt had developed a very bloated and often inflexible bureaucracy that is frequently dedicated to its own perpetuation and satisfaction rather than to the service of the Egyptian nation and people. Decisions are not made quickly; often they are based on personalities or personal considerations rather than on a "reasoned" (to a Western point of view) assessment of facts and circumstances. This bureaucratic structure affects the management of both projects and personnel, where favored concepts or employees may be advanced over better or more qualified ideas or workers solely on the basis of their personal appeal. Again, institution building and even policy dialogue are hampered by this aspect of Egyptian culture.

(j) Lack of Egyptian Entrepreneurship - At least in part because of the sociocultural and bureaucratic barriers mentioned above, much of the incentive for private citizens to experiment and accept risks is discouraged. After years (millenia) of centralized, bureaucratic authority, many Egyptians have come to expect that the government will dominate their lives. While this problem does not seem to constrain AID's current work too directly (since most projects fit into the bureaucratic structure rather than challenge it), it does have profound implications for the nature and speed of development for Egypt. It also has profound implications for AID's potential progress and success with private enterprise development in Egypt, at least in the short run.

Of the ten implementation problems listed above, it would seem that AID has at least some ability to influence and improve (a), (b), (c), and (d). The remaining six are internal Egyptian problems that AID can discuss with the GOE but cannot directly influence. In the case of (g),the Egyptians themselves may be limited in their ability to influence sociocultural factors, at least in the short run. By working to solve its internal problems (primarily design), AID can make significant strides toward relieving the development constraints that confront us. Nonetheless, AID must remain realistic about the sometimes limited prospects for success in development, given certain cultural, social, economic, and bureaucratic facts of life in Egypt.

The four policy areas* advocated for development strategy at present must be looked at from this perspective; that is, in some instances, their effectiveness may be blunted by the Egyptian context, which cannot and will not be changed -- by AID or anyone else -- overnight.

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* 1)Policy Reform
2)The Private Sector
3)Institutional Development
4)Technology Transfer and Research