

LOCAL DEVELOPMENT II -- PROVINCIAL

مشروع التنمية المحلية LDII-P

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SUBPROJECT MONITORING

Report on Findings in Sharqiya Governorate

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Table of Contents

Introduction	1
Purpose	1
Contents of this Report	1
Section 1: Methodology	2
Sample Selection	2
Initial Sample Selection	2
Sample Adjustment	3
Field Survey	4
Data Collection Instrument	4
Pre-Survey Meetings	6
Survey	6
Post-Survey Meetings	6
Section 2: Findings	8
Problem Subprojects	8
Non-operational Subprojects	10
Large-scale Subprojects	12
Probability Sample Subprojects	13
Discussion of Problem Subprojects	16
QPR Accuracy	18
Section 3: Recommendations	21
Implementation Recommendations	21
Action on Specific Projects	22
Administrative Procedures	22
Additional Surveys	24
Fourth-Cycle Subprojects	25
Village Workshops	26
Planning Recommendations	26
General	26
Recommendations for Markaz Officials	26
Recommendations for Governorate Officials	28
Final Comments	29
Appendices	
Appendix A: Data Collection Instructions and Form	31
Appendix B: Descriptions of Problematic Subprojects	37
Appendix C: Comparison of Operational to Problem Subprojects, by Sector, in Six Marakez	46

List of Tables and Figures

Table 1: Classification of Subprojects Surveyed	4
Table 2: Problem Subprojects Requiring Follow-Up	9
Table 3: Sharqiya Subproject Sample Comparison of Local Accounting Records to QPR as of June 91	19
Figure 1: Subprojects by Markaz	5
Figure 2: Subprojects by Sector	5
Figure 3: Projects by Size of Allocation	11
Figure 4: Total Subprojects by Sector	15

Introduction

During August 1991, a combined team of Chemonics LD II-P and USAID personnel undertook an intensive survey of LD II-P subprojects in Sharqiya Governorate. This survey involved on-site visits to 122 subprojects.

PURPOSE

On-site monitoring of first-, second- and third-cycle subprojects in Sharqiya was intended to accomplish two basic objectives. The first was to design intervention strategies to prevent or correct problems with poorly constructed, uncompleted, or non-operational subprojects. The second objective was to determine the accuracy of information being entered in the QPR by Sharqiya Governorate.

CONTENTS OF THIS REPORT

This report is divided into three sections: methodology, findings, and recommendations. *Section 1, Methodology*, explains how the sampling and survey for the study were conducted. *Section 2, Findings*, includes specific results, an analysis of problem subprojects, and an evaluation of the QPR accuracy.

Section 3, Recommendations, includes implementation recommendations to assist Sharqiya Governorate in improving the management of subprojects and correcting specific problem subprojects. It also includes planning recommendations for improvements to the governorate's subproject planning process, and a brief epilogue to the study.

Section 1

Methodology

Sharqiya was selected for the monitoring project because it consistently has one of the biggest allocations of LD II funds in each cycle. This has resulted in a substantial number of subprojects in the governorate. Because of the quantity of subprojects, the experience gained in Sharqiya is readily applicable to other governorates.

SAMPLE SELECTION

Initial Sample Selection

Sample selection for the field test included three parts: a randomly selected "probability sample," a 100 percent sample of all of the "large-scale" projects in Sharqiya, and a selected number of previously identified "non-operational" subprojects. The selection process is described below.

Probability sample

The Monitoring and Evaluation (M&E) staff of the Chemonics LD II project developed a two-stage cluster sample design consisting of 87 subprojects located in 12 randomly selected villages in six randomly selected marakez. These subprojects were restricted to the potable water, roads, and building sectors.

During discussions about the survey, Chemonics staff and USAID personnel agreed to include an additional 12 environmental subprojects located in the villages already selected for the 87 subprojects mentioned above. This brought the total for the probability sample to 99 subprojects.

100 % sample of large subprojects

All "large-scale" subprojects in Sharqiya were earmarked for inclusion in the survey. This sample population, all of which had LD II allocations exceeding LE 200,000, consisted of four water subprojects and five road projects. The subprojects were located in six marakez, three of which represented additions to the list. This increased the number of marakez included in the survey to nine (out of 14 marakez in the governorate).

Selected non-operational subprojects

Fourteen subprojects known or suspected to be non-operational were also included in the survey.¹ To keep field logistics manageable, these subprojects were purposively selected from marakez already targeted to be visited as part of the previously outlined sampling program.

Total Survey

A total of 122 subprojects were surveyed. The subprojects can be categorized by sector as follows:

- 41 water
- 10 road
- 59 building (includes nine village workshops and nine workshop tool subprojects)
- 12 environmental

The number of governmental jurisdictions involved in the survey totalled 39, as follows:

- 9 marakez
- 8 cities
- 22 villages

Sample Adjustment

Following the completion of the survey, the team decided to drop the nine village workshops and the nine accompanying tool subprojects from the survey results because their problems were restricted to operations and maintenance (O&M) concerns, which require a different type of treatment. A brief discussion of these subprojects is included on page 24 in Section 3.

Table 1, which reflects the elimination of the workshop and tool subprojects, shows the number of selected subprojects by sector.

¹These subprojects had been previously identified in a December 1990 list of non-operational subprojects compiled from governorate reports.

Table 1: Classification of Subprojects Surveyed

Sector	Random Sample	Large Subprojects	Non-Operational Subprojects	Village Workshop Excl.	Village Workshop Tool Excl.	Total
Water	36	4	1	0	0	41
Roads	5	5	0	0	0	10
Environment	12	0	0	0	0	12
Buildings	24	0	10	0	0	34
Maintenance Centers	4	0	1	0	0	5
Village Workshops	(9)	0	1	9	0	10
Village Tools	(9)	0	1	0	9	10
Total	81	9	14	9	9	122

Exclusion of the village workshops and their accompanying tool subprojects reduced the size of the building subproject sample (including the city maintenance shops) by 31 percent, and resulted in a sample size of 81 for the random sample.²

Figures 1 and 2 on the following page show the distribution of the 81 survey sample subprojects by markaz and by sector.

All nine of the large subprojects (over LE 200,000) were included for analysis.

FIELD SURVEY

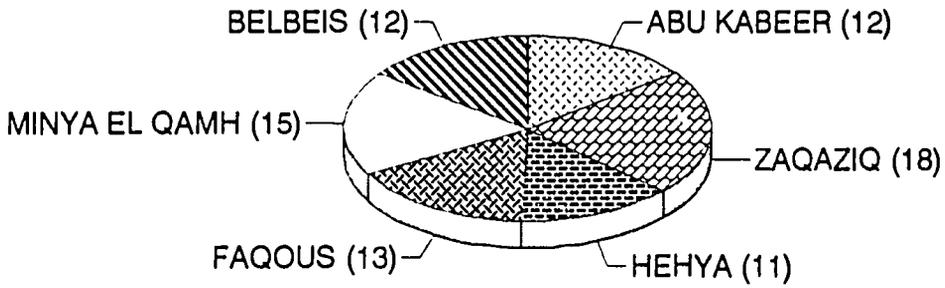
Data Collection Instrument

The Chemonics M&E and Information Systems (IS) staff, in close cooperation with Local Government (LG) and engineering staff from other Chemonics' sections, developed a survey instrument to be used for collecting field data concerning the subprojects. The form used for recording these data together with the accompanying instructions, is included as Appendix A.

²The original 87 randomly selected subprojects, plus the 12 additional environmental subprojects, minus the 18 village workshop and tool projects.

FIGURE 1

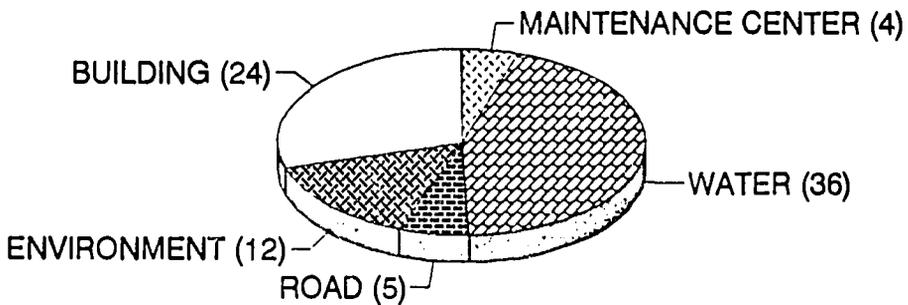
SUBPROJECTS BY MARKAZ



BASED ON SAMPLE = 81

FIGURE 2

SUBPROJECTS BY SECTOR



BASED ON SAMPLE = 81

Pre-Survey Meetings

The survey was preceded by two meetings: one to explain the survey and obtain the approval of the secretary general, and the second to explain the process to the participating local officials. A meeting was held with the secretary general and the two assistant development directors on 29 July 1991, at which time they approved of the proposed survey. On 5 August 1991, Chemonics and USAID representatives met with governorate and markaz officials to explain the details of the survey, to request that necessary records be made available, and to plan the itineraries.

Survey

Two five-person teams were formed, consisting of Chemonics and USAID engineers plus two LG personnel. A third LG staff member managed on-site logistics. The teams were joined at various times by other Chemonics and USAID management staff.

Survey work began on Sunday, 18 August 1991 and was completed on Tuesday, 27 August 1991. All 122 subprojects were visited and the information necessary to complete the survey form was obtained. LG personnel reviewed all of the financial information and planning documents at each of the markaz development offices. After the initial visits, Chemonics engineering staff made several additional visits to Sharqiya to gather information regarding selected problem subprojects.

Post-Survey Meetings

On the final day of the intensive survey work, team members met with the secretary general and his staff to review the survey and agreed to hold additional meetings to keep the secretary general, his staff, and the markaz chiefs informed of the study findings.

At the first meeting on Monday, 16 September 1991, team members reported orally on the preliminary findings and recommendations resulting from the survey and obtained feedback from the governorate local officials prior to the completion of the written report. Governorate officials were provided with a list of problem subprojects identified during the survey. Comments from the markaz chiefs and the governorate village development department staff indicated that some of the subproject problems had

been corrected following the earlier visits of the survey team.

The second meeting with the secretary general and the village development department staff was held on 7 October 1991. The team presented recommendations contained in the draft report for improving the governorate's management of subproject planning and implementation, and invited feedback from these officials prior to completing the report.

A third meeting will be held following distribution of the written report to governorate officials. This meeting will provide a forum for answering questions, providing additional information, and facilitating implementation of the recommendations.

Section 2

Findings

To fulfill the objectives of this study, two major types of data were obtained during this survey. The first type concerned problematic subprojects; the second pertained to the accuracy of information reported in the governorate QPR.

PROBLEM SUBPROJECTS

Any subproject not fulfilling the objectives set out in the planning form in a fully satisfactory manner is considered a problem subproject. Thus, if a post office has been constructed but no postmaster has been assigned, the subproject is considered problematic. Likewise, if a water network has been constructed and all the components listed in its planning form have been supplied, but the water pressure in the houses is low due to inadequate flow in the main line, the subproject is designated as a problem subproject.

Of the final survey size of 104 subprojects, 40 were identified as problematic.³ None of these were from the first funding cycle, 26 were from the second cycle, and 14 were from the third cycle. These 40 problem subprojects can be categorized as follows:

- 9 of the 14 non-operational subprojects
- 4 of the 9 large (over LE 200,000) subprojects
- 27 of the 81 subprojects in the random sample

Table 2 provides a list of the subprojects and indicates the type of problem(s) encountered. Appendix B discusses individual subprojects in more detail, in the same order as presented in Table 2.

³This total excludes the nine village workshops and nine tool subprojects, some of which were problematic. These subprojects are discussed separately on page 25

TABLE 2

Problem Subprojects Requiring Follow-Up

NUMBER	DESCRIPTION				REASON								STATUS		
	SERIAL NUMBER	TYPE OF PROJECT	LEIP FUNDS LE	MARKAZ	INADEQUATE DESIGN	INADEQUATE CONSTR MGMT	UNDER FUNDED	CONTRAFACOR PROBLEMS	DISPUTE WITH VILLAGERS	CHANGES WITHOUT APPROVAL	INADEQUATE O & M	COMPLETED NON OPERATIONAL	NOT COMPLETED	FOURTH CYCLE ALLOCATION	
1	422/2	WATER SOURCE & NETWORK	153,000	ZAQAZO											
2	120/3	FIRE STATION	30,000	ZAQAZO	X	X									
3	401/2	POST OFFICE	8,500	ZAQAZO	X		X						X		
4	128/3	SCHOOL FENCES	25,000	ZAQAZO		X							X	X	
5	400/2	POST OFFICE	8,500	ZAQAZO			X					X			
6	447/2*	TELEPHONE OFFICE	12,000	ZAQAZO		X	X						X		
7	399/2	LATRINES	9,500	ZAQAZO		X	X						X	X	
8	398/2	WATER SOURCE	21,300	ZAQAZO			X			X			X	X	
9	110/3	WATER SOURCE	47,178	ZAQAZO			X					X			
10	403/2	TELEPHONE OFFICE	12,700	ZAQAZO			X						X		
11	130/3**	ROAD	1,300,000	ZAQAZO		X	X						X		
12	127/2*	TELEPHONE OFFICE	18,000	ZAQAZO			X	X					X		
13	*	TELEPHONE OFFICE	8,000	ZAQAZO			X						X		
14	101/3**	WATER NETWORK	850,000	MINYA EL QAMH		X	X						X	X	
15	364/2	CLINIC FENCE	8,200	MINYA EL QAMH				X					X	X	
16	398/2	MAINTENANCE CENTRE	80,000	MINYA EL QAMH			X						X		
17	365/2	CLINIC OFFICE	5,000	MINYA EL QAMH						X			X		
18	268/2	WATER NETWORK	20,000	HEHYA			X						X		
19	77/3	WATER SOURCE	28,587	HEHYA	X								X		
20	292/2	MAINTENANCE CENTRE	80,800	HEHYA			X					X			
21	290/2	WATER SOURCE	103,000	HEHYA	X		X						X	X	
22	279/2*	LATRINE	5,000	HEHYA							X		X	X	
23	281/2*	POST OFFICE	10,000	HEHYA			X						X		
24	282/2*	POST OFFICE	10,000	HEHYA			X						X		
25	243/2**	ROAD	370,920	FAQOUS						X			X		
26	62/3**	ROAD	597,898	FAQOUS		X		X					X		
27	71/3*	LOCAL UNIT HQ	27,500	FAQOUS		X		X					X		
28	69/3	GULF COVER	18,000	FAQOUS		X	X						X	X	
29	37/3*	POST OFFICE	19,445	FAQOUS		X							X		
30	283/2	MAINTENANCE CENTRE	80,000	FAQOUS		X	X						X	X	
31	90/2	WATER FENCE	10,000	BELBEIS		X	X						X	X	
32	171/3	WATER FENCES	15,098	BELBEIS	X	X	X		X	X			X		
33	172/3	SCHOOL CLASSROOMS	4,700	BELBEIS	X	X	X		X	X			X		
34	297/2*	SCHOOL FENCE	5,000	BELBEIS	X		X			X			X		
35	25/3	WATER FENCE & SHELTERS	44,800	BELBEIS			X						X		
36	68/2	MAINTENANCE CENTRE	40,000	ABU KABEER					X				X		
37	17/3	POST OFFICE	18,800	ABU KABEER	X						X		X		
38	65/2	WATER SOURCE	104,800	ABU KABEER	X							X	X		
39	20/3	WATER NETWORK	140,000	ABU KABEER	X						X		X		
40	16/3	TELEPHONE OFFICE	25,800	ABU KABEER							X		X		
TOTALS					10	13	23	4	3	5	4	7	31	10	

* SUBPROJECTS SELECTED FROM DECEMBER 1980 NON-OPERATIONAL LIST

** LARGE SUBPROJECT OVER LE 200,000

An analysis of the data gathered during the survey process indicates that the problem subprojects fall into one or more of the following categories based on their status and/or the causes for the problems:

Status of Problem Subprojects	No. of subprojects
Complete but not operational	7
Incomplete	31
Completion funds provided in the 4th cycle	10

Reasons for Problems	
Inadequate design	10
Inadequate construction supervision	13
Underfunded	23
Problems with contractor	4
Disputes with villagers	3
Changes made in subprojects w/o approval	5
Inadequate operation and maintenance	4

Some projects may fall into several of the above listed categories. These figures do not include the nine village workshops and their accompanying nine tool subprojects, some of which had difficulties in terms of adequate O&M.

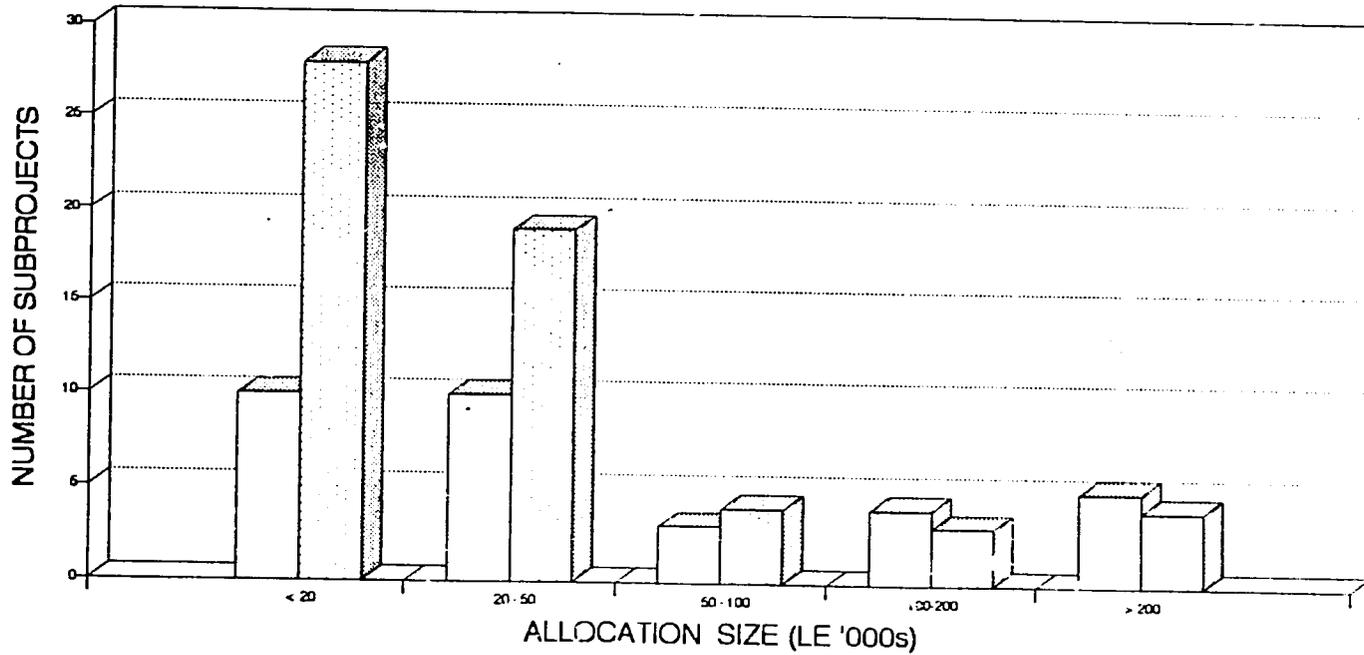
Figure 3 compares operational to non-operational subprojects on the basis of allocation size. This figure shows that as the size of the allocation increases, the number of subprojects dwindles, and the ratio of non-operational to operational subprojects increases.

A general discussion of the problem subprojects, by sampling category, follows.

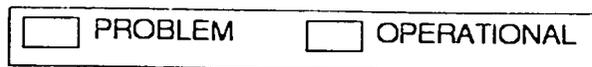
Non-operational Subprojects

Fourteen subprojects were selected from the December 1990 list of non-operational subprojects. Nine of these were buildings, three were central maintenance centers, and the remaining two were a village workshop subproject and its accompanying tool subproject. Visits to these subprojects showed that nine of the 14 (64 percent) remained non-operational in August 1991.

FIGURE 3
PROJECTS BY SIZE OF ALLOCATION



BASED ON SAMPLE = 31 + 9 LARGE



All of these were building subprojects, as follows:

- 3 post offices
- 3 telephone offices
- 1 local unit headquarters
- 1 latrine
- 1 school fence

Of these nine, five had already received fourth-cycle allocations for completion, and the remaining four were designated to be completed from the service fund of the marakez in which they are located.

The only common problem was that the finishing work (plastering, painting, flooring) had not been done because of underfunding. In four of the nine cases, excessive amounts of reinforced cement were used in the foundations. This might have contributed to the shortfall in the budget, and points out the need for better design and/or construction management to avoid similar waste in the future.

Two of the projects had floor plans different from those specified in their planning forms. This causes problems since the building must correspond to the original plan for it to be accepted by the occupying agency. Discrepancies usually mean delays due to the need for a new approval and/or building revisions. The secretary general has indicated that he will contact the occupying authority in these cases to get new approvals for the subproject, and will have the employees moved in and operation started.

Large-scale Subprojects

Of the nine large subprojects costing LE 200,000 or more, four (44 percent)—three road and one water network subprojects—were non-operational.

The implementation of the three road subprojects was the responsibility of the Sharqiya Governorate roads directorate. These subprojects were handled by the same public sector contractor, the Nile Company for Paving and Contracting. This may indicate that the problems stemmed from the contractor, rather than from their large size.

One of these road subprojects has been turned over to the legal department at Sharqiya Governorate. In a

second subproject, the time required for completion was less than the time required for the legal action to take place, so no investigation was undertaken. In the third and most pressing case, the original contract has been cancelled and will be re-tendered. A more detailed analysis of these subprojects can be found under Nos. 11, 25, and 26 in Appendix B.

The fourth large problematic subproject, a water subproject, is currently stopped because of a legal dispute between the contractor and the Qalubiya housing department. The court ruled that all funds due to the contractor should be frozen, and as a result the firm cannot currently resume work on any of its other projects. The Governorate of Sharqiya has turned the matter over to the legal department for investigation; this might result in withdrawing the contract from the contractor and re-tendering it.

Cancelled
as per
the
court

Probability Sample Subprojects

The probability sample list was composed of 99 subprojects (87 original randomly selected subprojects and 12 environment subprojects). After eliminating the nine village workshops and nine accompanying tool subprojects, this survey population included 81 subprojects. Of these, 27 (33 percent) were non-operational.

In four cases, the operationalization of subprojects was contingent on other subprojects. If these four cases are set aside, only 23 out of 77 subprojects, or 30 percent, are problematic. The standard error of the estimated proportion of non-operational projects (30 percent) is 4 percent, so that an approximate 95 percent confidence interval is 30 percent \pm 8 percent. This means that there is a 95 percent chance that the actual (true) proportion of projects is between the limits of 22 percent and 38 percent. There is a 5 percent chance that the actual proportion falls outside these limits.

Analysis of the data collected during the survey highlighted certain factors that could be linked to the non-completion of the subprojects. These factors include the allocation cycle, the markaz involved, the allocation size, and the sector or type of subproject. The relation of problematic subprojects to allocation cycle was noted earlier (none of the problematic subprojects were from the first cycle, 26 were from the second cycle, and 14 were from the third cycle), as was the link between subproject size and problematic subprojects (see Figure 3). Appendix C contains bar

graphs comparing operational to non-operational subprojects, by sector, from the six marakez in which the probability sample was made.

The final factor that can be linked to the non-operational status of subprojects is the sector to which the subproject belongs. Figure 4 compares the ratio of non-operational to operational subprojects by sector. Problem subprojects are discussed below by sector, with other causes mentioned where relevant.

Water Sector

Excluding the one non-operational water subproject and the four large water subprojects, the total for this sample sub-population is 36.

Of these 36 water subprojects, 31 were source or network subprojects and the remaining five included two fire hydrant subprojects and three water facility fences. Both fire hydrant subprojects were operational.

Eight (26 percent) of the source and network subprojects were problematic. For a detailed analysis of these problem projects, refer to subproject Nos. 1, 8, 9, 18, 19, 21, 38 and 39 in Appendix B.

All three fences around water facilities were non-operational. These fences were delayed owing to disputes with villagers, because construction of the fences would block off entrances to houses or to the village market.

Environment Sector

Although the analysis combines all environment subprojects under one heading, there are in fact two basic types of environment subprojects: sewage evacuation vehicles and the covering or filling of canals.

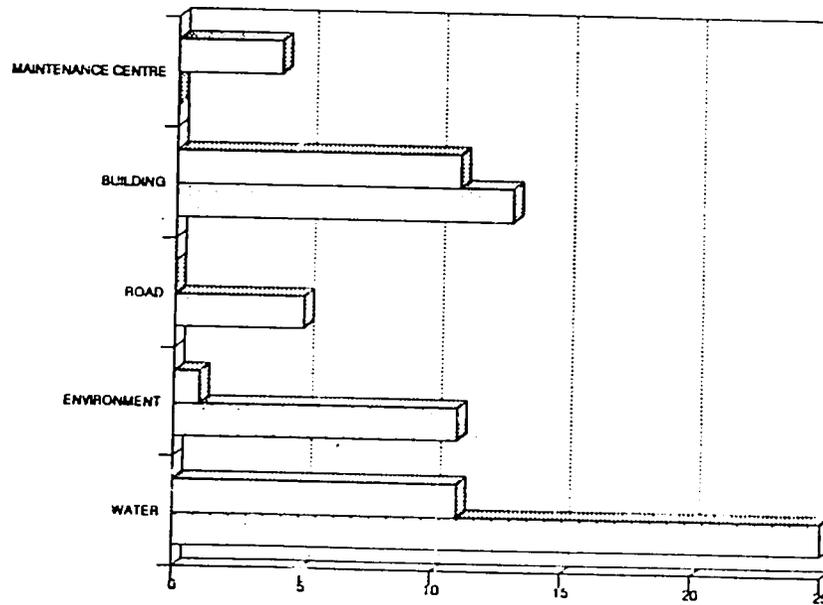
Five subprojects for sewage removal vehicles were included in the survey. Generally, their services were being hired out to the villagers at a fee ranging from LE 2.75 to LE 3.75 per removal.

One tractor had experienced several breakdowns and had required frequent maintenance.⁴ However, it was operational by the end of the survey and is

⁴Basically there are two sewage tractor models: one has a separate engine powering its pump, and the other has a pump run by the tractor's drive shaft. The first model is the one that had problems, while the second model was so efficient that many marakez are using it in their cost-recovery schemes for the fourth-cycle.

FIGURE 4

TOTAL SUBPROJECTS BY SECTOR



BASED ON A SAMPLE = 81

OPERATIONAL PROBLEM

therefore not included in the list of problem subprojects. As a result, the percentage of operational subprojects for this sub-population is 100 percent.

The other type of environment subproject is the canal covering or canal filling subproject. Seven of these subprojects were included in the survey, and all but one were operational at the time of the survey. The exception was a canal covering subproject in Faqous that had not been implemented since the work can be done only in December, when no water is flowing in the canal. The allocation had not been received in time to start implementation in December 1990; therefore implementation must wait until December 1991. The percentage of operational subprojects for this subpopulation is 86 percent.

Buildings Sector

Out of the original sample survey, which contained 24 building subprojects, 11 are problematic. This makes buildings the largest single contributor to problem subprojects (28 percent of the 40 identified and listed in Appendix B).

In most cases, underfunding resulted in the non-completion of the painting, plastering, flooring, and other finishing operations on the building. There were, however, three cases where the quality of the concrete work was inadequate. All three occurred in Zaqaziq Markaz.

Central Maintenance Centers

The original sample design included four maintenance centers, all four of which were problematic. These are detailed in Appendix B (Nos. 16, 20, 30 and 36). Two had problems similar to those of the building sector: lack of funds resulting in the non-completion of the finishing work and poor design.

Discussion of Problem Subprojects

From a positive standpoint, the Sharqiya survey of the 81 sample subprojects indicated that 67 percent of the subprojects undertaken in the first three LD II-P cycles were complete and operational, including all of the first-cycle subprojects.

However, the fact that one-third of the second- and third-cycle subprojects were problematic indicates a need for Sharqiya Governorate to improve the management of the subproject implementation process and to conduct its own monitoring. The

survey findings also stress the need for immediate action by governorate officials to correct some specific problem subprojects.

Some marakez appear to do a better job than others with regard to monitoring and managing of subprojects. The secretary general and the director of the village development department need to examine specific markaz subproject management procedures to determine the reasons for better performance. Such knowledge will enable the governorate to supply effective technical assistance to its marakez.

Overall, many of the problems with subprojects seemed to stem from one of the following causes: poor allocation of funds, inadequate technical capacity and coordination, and insufficient planning.

Allocation of funds

Although not intended to document such findings, the survey showed that allocation of funds within the governorate, in many cases, is based on population and concerns for parity rather than on analysis of prioritized needs. Many small scattered village subprojects are underfunded and do not appear to reflect basic priorities or the best use of funds. To the outside observer, it often appears that villages are assigned a budget figure, after which they try to define subprojects that are feasible with the funding received.

Technical capacity and coordination

Another issue is the question of whether some of the marakez have the technical and engineering capacity to properly handle design, cost estimating, and construction supervision of subprojects. In some instances, problems with coordination between the markaz officials and the governorate technical departments were indicated. Subproject design and construction management responsibilities for some markaz projects were assigned to governorate-level departments and the markaz chief and staff were not always kept advised regarding the progress of and problems with the subprojects.

Subproject planning

Governorate officials indicated concern regarding the complex and detailed nature of the information required in the planning forms and the fact that the LD II guidelines changed from cycle to cycle. They noted that the uncertainty of future funding made it difficult to plan ahead effectively, and to obtain village and markaz agreement to long-term planning rather than annual allocations based on parity.

QPR ACCURACY

The second objective of this study was to determine the accuracy of the information reported in the Quarterly Progress Report (QPR). A comparison of the financial data reported in the QPR with those found in local accounting records for the subprojects visited in Sharqiya Governorate revealed financial discrepancies for 52 of the 122 subprojects in the sample.⁵ Table 3, on the following page, details this comparison. These discrepancies ranged from minor to serious in terms of both the amount and the apparent cause of the differences.

An analysis of the information presented in Table 3 shows that the most commonly encountered problems with QPR reporting were:

Type of Problem	No. of cases	Comment
In-kind contribution	29	In-kind counted as cash contribution; for 19 cases this was only discrepancy
Unreported Local Development Fund cash infusion	17	Results in actual expenditure exceeding that reported in the QPR
Unreported contractor penalty	2	Same as above
Leftover funds erroneously reported spent	6	Available project funds not reinvested

In-kind contribution problems arise because of a change in reporting practice. In the previous version of the QPR, in-kind contributions were reported with cash contributions; the current version of the QPR does not allow for this. Sharqiya has not consistently implemented the change in reporting procedures, although QPR operators were instructed in September 1990 to separate in-kind and cash contributions.

⁵In addition, there were six subprojects that did not have up-to-date financial information because of the timing of the QPR.

TABLE 3
SHARQIYA SUBPROJECT SAMPLE
COMPARISON OF LOCAL ACCOUNTING RECORDS
TO QPR AS OF JUN. 91

Plan Year	Serial No.	Markaz	Village	Block Grant	QPR Spent	Actual Spent	Popular Cont.	Cmnt *
86	20	ABU KEBEIR	EL RAHMANIYA	20,000	25,000	20,000	5,000	1
89	15	ABU KEBEIR	EL RAHMANIYA	28,633	25,433	28,633	0	5
89	16	ABU KEBEIR	EL RAHMANIYA	25,600	20,960	23,960	0	5
89	17	ABU KEBEIR	EL RAHMANIYA	18,600	17,048	18,048	1000	5
86	31	BELBEIS	EL BALASHOUN	22,840	29,840	22,840	7,000	1
86	32	BELBEIS	EL BALASHOUN	20,000	23,000	15,000	5,000	1
86	33	BELBEIS	EL ZAWAMEL	22,868	28,868	22,868	6,000	1
86	34	BELBEIS	EL ZAWAMEL	15,000	20,000	15,000	5,000	1
88	84	BELBEIS	EL BALASHOUN	39,800	44,800	39,800	5,000	1
88	86	BELBEIS	EL BALASHOUN	21,900	21,900	21,150	0	4
88	87	BELBEIS	EL BALASHOUN	9,600	9,500	8,492	0	1
88	91	BELBEIS	EL ZAWAMEL	5,000	5,300	5,000	300	1
89	25	BELBEIS	EL BALASHOUN	44,600	22,500	20,302	0	1
89	28	BELBEIS	EL BALASHOUN	11,998	11,998	14,437	0	5
86	90	FAQOUS	SAWADAH	97,247	107,247	101,627	10000	2
86	91	FAQOUS	SAWADAH	20,000	25,000	18,966	5000	4,1
88	243	FAQOUS	EL SAMAANA	370,900	582,100	397,700	211200	2,1
88	258	FAQOUS	SAWADAH	32,000	37,000	32,000	5,000	1
88	259	FAQOUS	SAWADAH	8,000	14,000	8,634	6000	3,1
88	260	FAQOUS	SAWADAH	5,000	5,000	6,641	0	2
88	261	FAQOUS	SAWADAH	11,200	11,200	12,535	0	2
88	262	FAQOUS	FAQOUS	15,000	25,000	19,426	10000	2,1
88	263	FAQOUS	FAQOUS	60,000	60,000	67,683	0	2
88	264	FAQOUS	FAQOUS	175,000	281,400	285,699	106400	2
88	268	FAQOUS	SAWADAH	20,000	25,000	19,798	5,000	1
89	72	FAQOUS	FAQOUS	140,000	152,900	151,617	12900	4,1
89	73	FAQOUS	FAQOUS	10,000	10,000	57,741	0	2
89	74	FAQOUS	FAQOUS	50,000	50,000	53,975	0	2
88	94	HEHIYA	EL MAHOIYA	20,773	25,773	21,364	5000	3
88	290	HEHIYA	HEHIYA	103,000	115,000	103,000	12,000	1
88	292	HEHIYA	HEHIYA	60,600	60,600	29,488	0	4
89	77	HEHIYA	EL MAHOIYA	28,582	37,087	28,582	8,500	1
89	83	HEHIYA	HEHIYA	162,500	105,515	135,515	0	5
88	121	MINYA EL QAM	BANI HELAL	28,450	30,700	28,450	4,250	1
88	122	MINYA EL QAM	BANI HELAL	15,000	20,000	16,686	5000	2,1
88	132	MINYA EL QAM	TELEIN	23,000	28,500	23,000	3,500	1
88	134	MINYA EL QAM	EL TELEIN	20,000	23,000	21,409	3000	2,1
88	334	MINYA EL QAM	BANI HELAL	52,800	69,000	52,800	13,200	1
88	338	MINYA EL QAM	BANI HELAL	9,400	9,400	11,535	0	2
88	337	MINYA EL QAM	BANI HELAL	10,900	10,900	11,594	0	2
88	358	MINYA EL QAM	TELEIN	20,000	28,000	20,000	20,000	1
88	148	ZAQAZEIQ	BANI AMER	20,000	23,600	18,132	3600	1
88	155	ZAQAZEIQ	EL ASSLOGI	15,000	20,000	15,269	5,000	1
88	399	ZAQAZEIQ	BANI AMER	9,500	9,500	11,337	0	2
88	400	ZAQAZEIQ	BANI AMER	8,500	9,000	8,082	500	4
88	404	ZAQAZEIQ	BANI AMER	12,700	12,535	13,854	0	2
88	405	ZAQAZEIQ	BANI AMER	12,700	12,700	13,089	0	2,1
88	408	ZAQAZEIQ	BANI AMER	8,500	6,500	4,069	0	4
88	423	ZAQAZEIQ	EL ASSLOGI	22,200	28,200	22,127	6,000	1
89	119	ZAQAZEIQ	BANI AMER	47,178	33,417	47,178	5022	5
89	120	ZAQAZEIQ	BANI AMER	30,000	33,500	30,041	3,500	1
89	127	ZAQAZEIQ	EL ASSLOGI	18,000	23,000	18,082	5,000	1

* Refer to table 1

Unreported cash infusions result from a failure to enter additional governorate cash contributions to the reported QPR sources. Such contributions range from a few hundred LE to over LE 100,000.

From the perspective of the governorate, whose subproject implementation progress is measured in part by expenditure rates, reporting these amounts could imply slower implementation. In fact, underbudgeting during subproject planning is probably indicated in these situations.

Unreported contractor penalties are similar to unreported LDF cash infusions, except the amounts are smaller.

Leftover funds reported spent generally involve small amounts. The situation occurs when the subproject is apparently completed and the full amount of QPR sources is reported as spent, but the accounting records indicate an amount left over. No mechanism appears to exist for recovering and reprogramming these residuals. In one case, a large difference exists between the QPR amount reported spent (LE 582,100) and the actual spent (LE 397,000). This is unlikely to be accidental or the result of a misunderstanding, and requires a satisfactory explanation.

Other discrepancies noted include subprojects noted as completed that were not actually finished. This situation arises when the term "complete" is used in one of the following ways.⁶

- For a subproject that is not operational, but whose total allocation has been spent.
- For a subproject that is part of a larger system, whose individual components have been satisfied although the larger system is not operational.

⁶The term "complete" should only be used for reporting a subproject for which all the components specified in the planning form have been satisfied and service is being delivered satisfactorily.

Section 3

Recommendations

As was pointed out in Section 2, many of the problems with subprojects seemed to stem from poorly allocated funds, lack of technical capacity and coordination, and inadequate subproject planning. This section provides recommendations that are meant to address these problem areas. A few additional recommendations are included that evolved from discussions with governorate and markaz staff during the survey. Specific recommendations for individual problem subprojects are included in Appendix B.

The recommendations presented in this section are divided into two basic categories: implementation and planning actions.⁷ Both categories are directed toward the original goal of designing strategies to correct or prevent problematic subprojects.

IMPLEMENTATION RECOMMENDATIONS

The findings presented in the previous section of this report show that the Governorate of Sharqiya needs to take immediate steps to strengthen the management of its subprojects. Governorate, markaz, city, and village officials in Sharqiya should provide sufficient management and monitoring procedures to ensure that all of the LD II subprojects are implemented according to program regulations and that funds are being spent effectively.

The following recommendations, which deal with specific projects, administrative procedures at the markaz and governorate level, additional surveys, and village workshops, are designed to address both the correction of existing problems and the prevention of future problems.

⁷ Some of the planning recommendations may be found in the *Interim Planning Process Handbook*, which was distributed in May 1991 to governorate, markaz and village officials

Action on Specific Projects

Sharqiya Governorate and markaz officials should follow-up on the list of problem subprojects shown in Appendix B so these projects can become operational at the earliest possible date. In many cases, the problems are not costly to repair, and may only need the markaz chief or the secretary general to obtain action from the appropriate village, markaz or governorate officials.

Administrative Procedures

Markaz Staff

The key people in terms of quality control, follow-up, and problem-solving for LD II subprojects are the markaz officials: the chief, the development director, the engineering director, and their key staff members. These individuals are closest to the scene of the action, are able to visit the subprojects regularly, and know the village officials. If markaz officials do not carefully monitor and evaluate the subprojects, the final results will not be satisfactory.

Markaz officials can *improve the technical quality* of subprojects by:

- Using tender documents that will ensure the adequate preparation of contractor bids and proper construction managements.⁸
- Calling upon governorate-level technical assistance for subproject design and construction management whenever there is a shortage of trained and experienced markaz engineering staff.
- Visiting subprojects monthly during construction to ensure good implementation, and at least twice a year thereafter to ensure satisfactory operation and maintenance.
- Quickly following up on problem projects to ensure that situations are corrected, and promptly report problem subprojects to the governorate village development department when a situation cannot be resolved at the markaz level.

Coordination with other officials and agencies can be improved, if markaz staff:

⁸Model tender documents previously furnished to the governorate should be utilized as a guide.

- Take immediate steps to prepare an application, whenever a change is required for a subproject, and sending it to the governorate village development department and the GLDC for approval.
- Maintain a close liaison with any outside agency for which facilities are being built to ensure that the building satisfies the agency's needs and that the agency moves into the completed facility promptly.
- Close out completed subprojects, and work with the governorate village development department to transfer any remaining funds to appropriate alternative uses, as determined by the GLDC.

Disputes over land use as occurred in some of the surveyed subprojects can be avoided by if markaz officials ensure that adequate rights-of-way or deeds exist for proposed subprojects prior to the start of any construction.

*Governorate
Village
Development
Department*

The governorate village development department has an essential role in terms of coordinating the LD II program and ensuring that each markaz fulfills its responsibilities. The department's functions include not only the planning process, but the continuous monitoring and evaluation of the program during the year. At times, it may have to call upon the authority of the secretary general to obtain the necessary cooperation of governorate department heads and markaz chiefs.

To ensure technical quality, the village development department staff should:

- Ensure that marakez utilize adequate tender documents (such as the model tender documents furnished to the governorate) to obtain bids from contractors, and that subprojects receive satisfactory construction management in order to avoid construction defects.
- Provide markaz staff with the training and/or technical assistance required to enable them to carry out their duties
- Prepare a list of contractors with a history of inadequate construction, delays, or other problems,

and discourage their use by markaz and/or governorate departments for future subprojects.⁹

- Make quarterly visits to each of the marakez and their constituent villages to monitor and evaluate subprojects and to ensure that markaz staff are adequately monitoring and evaluating subprojects.

Coordination with other officials and agencies will improve if departmental personnel:

- Follow-up with markaz officials to ensure that, in the case of changes in subprojects, the markaz provides necessary information promptly, so approvals can be given by the GLDC and ORDEV and Chemonics can be notified.
- Work with marakez to correct contractor problems through the use of penalties, cancellation of contracts, re-bidding, etc.
- Check with markaz officials to ensure that any uncompleted, non-operational, or other problematic projects are promptly corrected.
- Facilitate adequate communication between markaz and the governorate departments involved in the design and construction of subprojects, so that each markaz is fully aware of the status and details of the subproject and can assist in following up problems effectively.
- Ensure that markaz staff are promptly closing out completed projects, so that any remaining funds can be utilized for completing other projects or for undertaking new ones (with the approval of the GLDC).

Additional Surveys

The Sharqiya survey included 122 subprojects located primarily in six marakez. There are seven other marakez and two independent cities in Sharqiya, in which there may be other uncompleted, non-operational, or problem subprojects. The secretary general and his staff should work with the other markaz chiefs and their staffs to undertake their own survey in the remaining marakez.

⁹Software for tracking contractor performance is available through Chemonics and should be considered for this purpose

It is important for the LD II program and the governorate that problem projects be promptly identified and corrected. Chemonics staff are willing to assist Sharqiya officials in organizing and implementing a survey that will help to complete this process throughout the governorate.

Fourth-Cycle Subprojects

Prevention of future problematic subprojects was one of the goals of this survey. Some governorates are reporting financial problems with the proposals from contractors for the construction of fourth-cycle subprojects. The costs for materials and labor have undergone large increases, sometimes as high as 40 percent. This could result in excessive problems with fourth-cycle subprojects unless governorate officials take prompt action.

The governorate village development department, in cooperation with markaz officials, should investigate this problem in Sharqiya to determine if corrective action is needed. *If allocations for some projects are determined to be insufficient*, governorate officials should take one or more of the following actions:

- Identify additional local funds that could be made available to complete subprojects with insufficient fourth-cycle LD II funds.
- Cancel some subprojects and use these funds to complete the remaining subprojects. To avoid prolonging the existence of unfinished subprojects, however, any fourth-cycle subproject needed to complete subprojects from previous cycles should not be canceled.
- Reduce the size and funding of some fourth-cycle subprojects to allow for the inflationary problem of higher costs. However, to avoid ending up with additional problem subprojects, a subproject should not be reduced in scope unless the resulting smaller subproject can be operational when construction is complete.

The governorate should anticipate problems that higher costs may create and should make the necessary adjustments to prevent the emergence of additional problem subprojects from the fourth-cycle implementation process.

Clash / Project

Village Workshops

Although not included in the survey analysis, some village workshops in Sharqiya were noted to have continuing O&M problems. Sometimes, although the buildings were built and the tools delivered, workshops have not been adequately used. Some are not staffed properly, some have inadequate budgets for parts and supplies, some were not well designed for the intended use, and some have staff who lack proper training. Sometimes other government agencies or the private sector supply the same services.

For whatever reason, these workshops are not operational or are operating at a low level of efficiency. EduSystems, under contract with USAID, has been asked to survey village workshops in Sharqiya and to make recommendations for better utilization. Governorate officials should work closely with EduSystems to survey and improve the operations of the village workshops.

PLANNING RECOMMENDATIONS

General

As was pointed out in *Section 2*, poor allocation of funds and inadequate planning were two of the common causes of subproject problems. The governorate should consider taking additional steps to improve the planning process for subprojects to be included in any future funding cycle. By following the recommendations for better planning and evaluation of proposed subprojects, the governorate can reduce the number of problem subprojects, as well as the workload resulting from the constant follow-up necessary to correct the problems.

Recommendations for Markaz Officials

Planning is a continuous process that needs to be done throughout the year. Because they are the closest to the scene of the action, markaz officials can carefully monitor and evaluate the preparation of subproject plans. The markaz chief, the popular council and other appropriate officials should prepare for the planning of subprojects well in advance.

Political pressures often build up among various villages as each attempts to get what it sees as its

proportionate share of the LD II funds. Markaz officials should prioritize the needs of the villages and make allocations on the basis of these overall needs and priorities. Allocations should not be made solely on the basis of population or political connections.

LD II allocations that are too small to accomplish any substantive work should not be distributed to villages only to satisfy the desire for everyone to have part of the action. It is far better to complete a needed subproject in one part of the markaz for one year and then begin another subproject in another area the second year than to have several unfinished projects scattered throughout the markaz because of underfunding.

One of the principal themes of LD II is full participation of village officials in determining their needs and priorities. However, such participation must be responsible in terms of village officials being willing to recognize the overall needs of all villages in the markaz, to discuss the relative priorities, and to develop a consensus regarding a realistic overall allocation of LD II funds.

With this in mind, we recommend that markaz officials take the following actions *to ensure that planning and allocations are adequate*:

- Begin a series of discussions with village popular council and executive councils to list needs (rather than specific subprojects) of villages in terms of public works infrastructure, prioritized by sector.
- Work with the markaz popular and executive councils to develop a list of priority needs for each markaz.
- Coordinate water subprojects with the water utility serving the markaz so that the source of water will be adequate, the proposed network will fit into the overall plans of the utility, and the utility will provide proper quality control over engineering plans and construction.
- Ensure that planning documents are complete and realistic in terms of specifications, cost estimates and contingencies, necessary deeds or rights-of-way, and agreements and/or approvals from agencies to be served by the subproject.
- For large, multi-year, phased subprojects, show the entire series of subprojects, including cost, in the initial application.

- Plan subprojects (or phases of subprojects) that can be operational within the given funding cycle

Recommendations for Governorate Officials

Governorate officials can improve *subproject planning* by:

- Determining that the subprojects submitted from the various marakez reflect the prioritized needs of each markaz and its villages, and are not simply allocations of money distributed on a political basis.
- Analyzing and evaluating all subprojects proposed by the marakez, and prioritizing them in terms of the overall needs of the governorate to ensure that LD II funds are used to serve the needs of all the people of the governorate.
- Using planning and engineering personnel from the local university to work with the governorate village development department and markaz officials in analyzing and prioritizing subprojects.

Overall planning will improve if governorate officials:

- Facilitate effective communication between the governorate technical departments and the marakez regarding the planning, design, and construction management of subprojects.
- Consider holding monthly GLDC meetings, similar to the Beheira practice, to increase communication between the various departments and to treat planning as a continuing, year-around process.
- Ensure that all necessary information is included in planning applications before processing.¹⁰ This includes:

Accurate engineering cost estimates, including contingency funds

Accurate and realistic plans and specifications

For multi-year or phased efforts, the entire series of subprojects, with costs, shown in the first year

An assurance that each subproject (or phase of a subproject) can become operational upon

¹⁰The Technical Review Committee mentioned in the *Interim Planning Process Handbook* could be useful in complying with this recommendation.

completion of the construction in that funding cycle (except for wastewater subprojects)

If the subproject involves a water system in which a water utility or company is involved, the application should include information from the utility or company regarding the adequacy of supply, willingness to participate, cost recovery systems, and quality control over construction.¹¹

An assurance that actual installation and connection of the pipes will be done by the water utility personnel to prevent future leakage problems, even if villagers dig the trenches for water lines

Utilization of information from the sector plan and general conformance with this plan.

- Use interest from LD II fourth-cycle funds or fifth-cycle funds to employ private sector university engineers, as is being done in Ismailia. These engineers could provide supplemental construction supervision and train markaz engineering staff in construction management techniques.

FINAL COMMENTS

Those involved in the LD II-P project appreciate that Sharqiya Governorate is faced with great responsibility in terms of the number and variety of the activities that it oversees. Like many governmental agencies, it has a shortage of technical staff. It also has many other responsibilities besides the LD II program.

However, the LD II program is important to the governorate in terms of helping construct needed public work infrastructure for the people of Sharqiya. Officials have expressed their desire to see the program grow in size.

Sharqiya Governorate and Chemonics have a common need to complete high-quality LD II subprojects to ensure the continued success and expansion of the program. The techniques that will help to improve the LD II subprojects will also be useful for ensuring better quality Bab III projects in the governorate.

¹¹An example of the recommended process can be found in the subproject planning and implementation process for water projects in Asswan.

The LD II program was designed as a learning process to give local officials a more important role in the planning, construction, and implementation of public works infrastructure. Chemonics and USAID personnel understand the problems that Sharqiya local officials face and the limited resources available. They will provide as much assistance as possible in working with Sharqiya local officials to make their jobs easier.

Chemonics plans to hold the advanced seminar training program in Sharqiya at the earliest possible date.¹² This training will assist governorate officials in improving their skills for the planning and implementation of LD II subprojects.

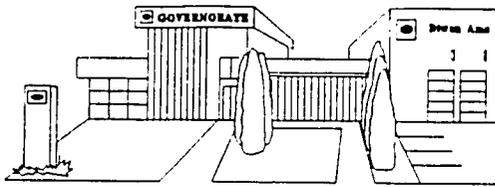
¹² Module I is scheduled to be held during the week of 16 November 1991.

APPENDIX A
Data Collection Instructions & Form

LDII-P SUBPROJECT STATUS ASSESSMENT PROCEDURES



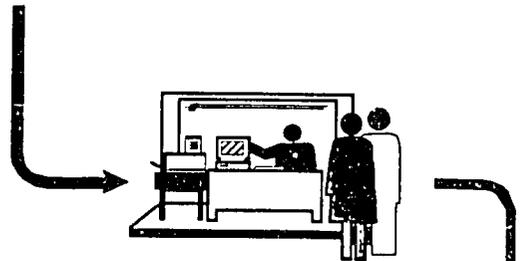
① Select the subproject to be visited.



② Visit the governorate; brief whomever is in charge about the purposes of the current visit and follow-up previous commitments.



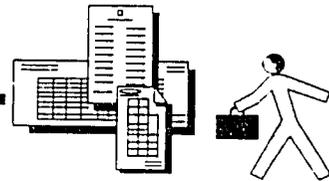
③ Report to related sections on recommended additional review and follow-up of planned actions.



③ Get a printed copy of latest OPA data for the selected subproject based on a predetermined criteria.



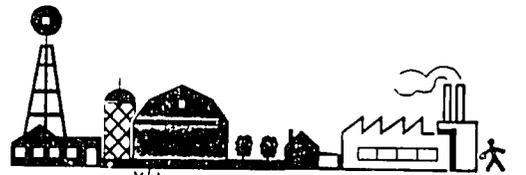
④ Submit 'Subproject Assessment Form' to M&E Section to enter the data for statistical analysis.



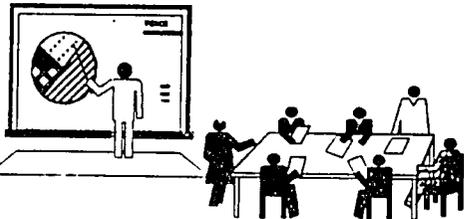
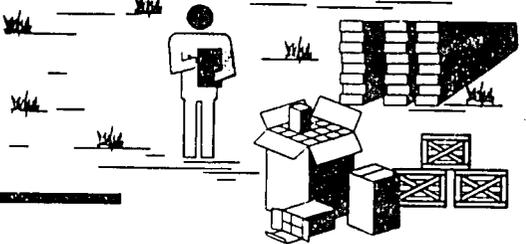
④ Review subproject planning form, documents and payments (wherever available at governorate, markaz, village, or technical departments) and check compliance with guidelines and procedures.



⑤ Study critical problems in detail and develop plan for corrective actions.

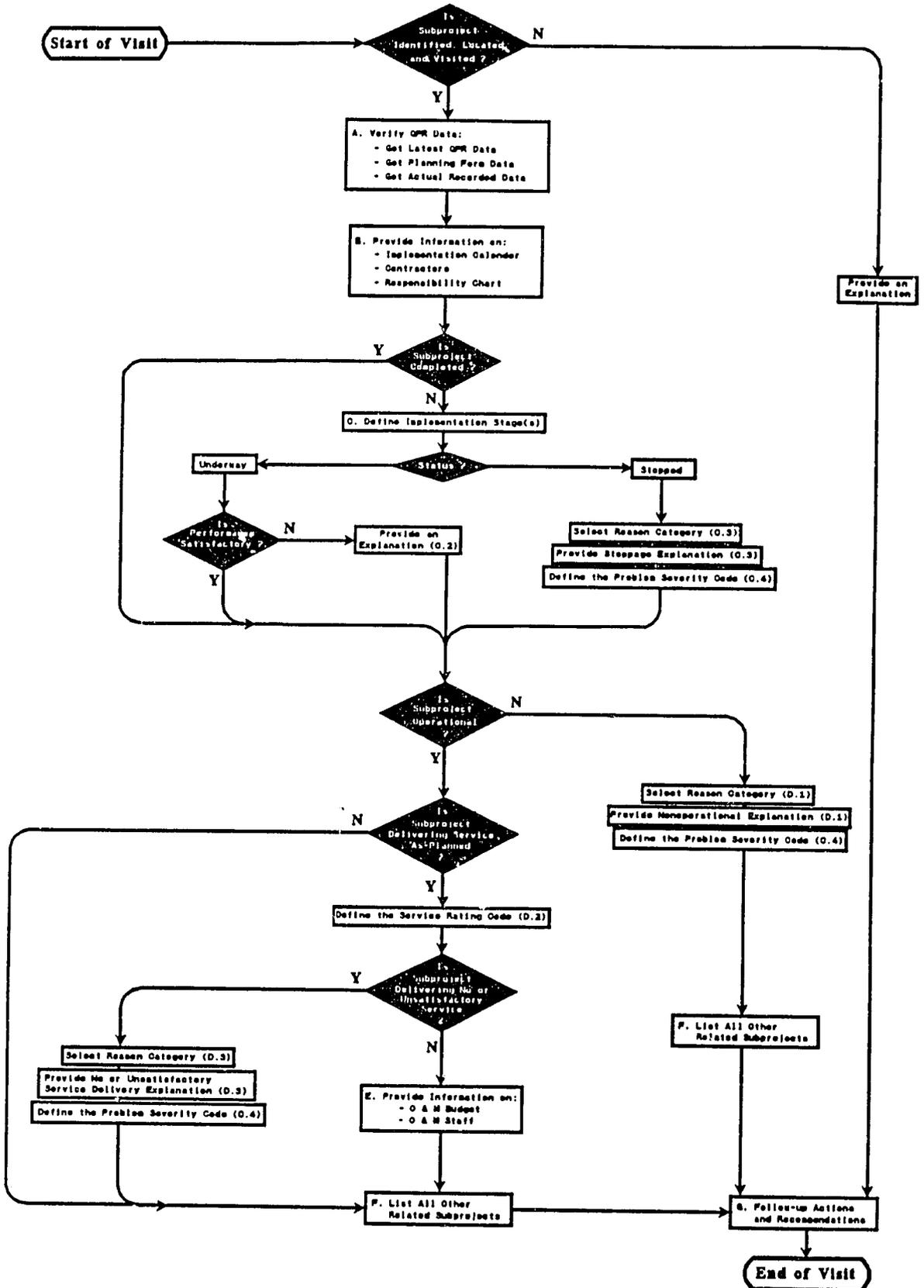


⑤ Visit the subproject site and verify OPA data compared to actual. Identify implementation status, physical completion, level of performance, quality of work, operational status, service delivery rating, O&M budget and staff, and related subprojects.



⑥ Analyze and present observations, findings and trends to subproject team. Discuss the current situation and propose corrective action for better performance.

SUBPROJECT STATUS ASSESSMENT FLOWCHART



SUBPROJECT STATUS ASSESSMENT FORM

Governorate: _____ Village Council: _____
 Markaz: _____ Plan Year: _____ Serial No.: _____

The subproject identified, located, and visited? YES NO
 If "NO", explain why, and do not complete the remainder of this form: _____

A. Subproject QPR Verification:

Identify the subproject and verify the latest QPR data as of ____ / ____ / 19__

Description	QPR	Planning Form	Actual
Sector			
Type			
Nature			
Location			
Sponsorship			
Block Grant (LE)			
Government Contribution (LE)			
Popular Contribution (LE)			
Other sources (LE)			
Total Allocation (LE)			
Actual Spent (LE)			

B. Subproject Implementation Milestones:

1. Subproject Implementation Calendar:

Activity	Plan	Date	Date
PLDC Approval			
Amendment			
Advertisement			
Tender Opening			
Contract Awarding			
Site Acceptance			
Handover			
Final Accounting			
Start of Operation			

2. Subproject Contracting Data:

Subproject Description & Components		
	First Contractor	Second Contractor
Contractor Type		
Contractor Name		
Address		
Contact Person		
Contract Value (LE)		
Contract Period (wk)		

3. Subproject Responsibility Chart:

Activity	Responsible Institution	Level (1)	Responsible Officer	Position
Plan Preparation				
Design				
Tender Preparation				
Tendering / Contracting				
Construction Supervision				
Quality Testing				
Acceptance				
Disbursement Approval				
Monitoring & Reporting				
Operation & Maintenance				

(1) Level Code: '1': Gov. '2': Mzk. '3': Village '4': Committee '5': Private Firm '6': Public Firm '7': Other _____

Remarks: _____

C. Subproject Implementation Status:

A subproject may be in one or more stages at the same time. Implementation status of any stage is either "underway" or "stopped." For all current stages if it is "underway," identify the level of performance (in case of unsatisfactory performance, provide an explanation.) If it is "stopped," identify one or more reason categories and provide an explanation for each.

Stage Code (C.1)	Implementation Stage Description <small>(First row contains O&M data)</small>	Implementation Status			
		Underway		Stopped	
		Satisfactory Performance ()	Unsatisfactory Performance Explain, (C.2)	Reason Code / Explain, (C.3)	Problem Severity Code (C.4)
			1	3	
				4	
				5	
			2	6	
				7	
				8	

C.1. Implementation Stage Code:

- *1: Documentation
- *2: Tendering / Bidding
- *3: Contracting & Work Order
- *4: Site Acceptance
- *5: Construction and/or Purchasing
- *6: Final Test & Handover
- *7: Start-up of Operations
- *8: Service Delivery
- *9: Others (Explain)

C.2. Unsatisfactory Performance Explanation:

Box _____

Box _____

C.3. Stoppage Reason Code:

- *1: Technical Problems
- *2: Financial Problems
- *3: Contractual Problems
- *4: Administrative, Legal, and Planning Problems
- *5: Operational Problems
- *6: Other Problems

Stoppage Explanation:

Box _____

Box _____

Box _____

C.4. Problem Severity Code:

- *1: Minor problem: A problem which, if uncorrected, may result in a significant degradation of the subproject level of performance; loss of the subproject investment is unlikely.
- *2: Serious problem: A problem which, if uncorrected, will likely prevent the subproject or its parent project from working at an acceptable level of acceptance; loss of the subproject investment is unlikely.
- *3: Critical problem: A problem which, if uncorrected, may result in a substantial or total loss of the subproject investment; or substantially diminish the potential level of performance of the parent project.

Subproject Operational Status:

A subproject (completed or uncompleted) is considered operational if it is operating and serving, partially or fully, the original purpose for which it was constructed or implemented as planned, at reasonable cost and effort. Provide the following information on the operational status of the subproject:

Operational Status		Reasons for Nonoperational Status		Service Delivery Status			Reasons for No or Unsatisfactory Service	
Operational ()	Nonoperational ()	Reason Code / Explain, (D.1)	Problem Severity Code (C.4)	As-Planned ?		Service Rating Code (D.2)	Reason Code / Explain, (D.3)	Problem Severity Code (C.4)
				Yes ()	No ()			
		1						
		2						
		3						

D.1 Nonoperational Reason Code:

- *1: Funding Problems
- *2: Material, Equipment, Tool Problems
- *3: Staffing Problems
- *4: Design, Site Location, and/or Construction Problems
- *5: Management Problems
- *6: Other Problems

Nonoperational Status Explanation:

Box _____

Box _____

Box _____

D.2 Service Rating Code:

- *0: No service
- *1: Unsatisfactory service (low quality and/or interrupted delivery)
- *2: Satisfactory service

D.3 No or Poor Service Delivery Reason Code:

- *1: Funding Problems
- *2: Material, Equipment, Tool Problems
- *3: Staffing Problems
- *4: Design, Site Location, and/or Construction Problems
- *5: Management Problems
- *6: Other Problems

No or Unsatisfactory Service Delivery Explanation:

Box _____

Box _____

Box _____

1 You may select the relevant reason(s) for stoppage, nonoperational, or no or poor service delivery from the attached lists.

E. Subproject Operation & Maintenance

Provide the following information on subproject O&M budget and O&M staff:

O & M Budget			O & M Staff			
Year	Source of Fund	Amount (LE)	Job Title	Name	Qualification & Training	Training Needs
			Institution			
			Supervisor			

F. Subproject Related Physical System:

List all other subprojects to which this one is functionally linked in an integrated physical system, regardless of plan year or implementation status. Use the format (Plan Year / Serial No.):

G. Subproject Follow-up And Recommendations:

1. No follow-up action required because:

- No problem identified
- Unimportant problem, action has been taken
- Additional review will be of little or no help (explain):

Other (explain):

2. Follow-up actions being taken (describe):

3. Additional follow-up action recommended (describe):

Project Contact Person: _____

Title: _____ Tel: _____

Surveyor: _____

STOPPAGE REASON CODES

<p>1 - Technical problems:</p> <ul style="list-style-type: none"> 11 Improper design; unable to complete without design changes. 13 Absence of proper construction and technical supervision. 14 Absence of technical assistance from mktz. or gov. level. 17 Unforeseen technical developments or problems (e.g. topographical or soil investigation). 18 Inefficient level of performance. 19 Other technical problems - explain. 	<p>4 - Administrative, legal, and planning problems:</p> <ul style="list-style-type: none"> 41 Conflict with other subprojects; coordination is missed. 42 Lack of needed permits, inspections, disbursements or approvals. 43 Lack of cooperation from various departments. 45 Land ownership legal problems. 46 Occurrence of accidents, fire, or theft. 48 Unexpected changes in policies relevant to the subproject. 49 Other administrative, legal, or planning problems - explain.
<p>2 - Financial problems:</p> <ul style="list-style-type: none"> 21 Delay in receiving LDH-P funds. 22 Delay in receiving non- LDH-P funds. 27 Unrealistic material inflation factors. 29 Other financial problems - explain. 	<p>5 - Operational problems:</p> <ul style="list-style-type: none"> 51 Unavailability or delay in obtaining parts, equipment, supplies for reasons other than lack of funds. 53 Inability to integrate the subproject with the existing system. 54 Inefficient and ineffective utilization of available resources. 59 Other operational problems - explain.
<p>3 - Contractual problems:</p> <ul style="list-style-type: none"> 31 Unqualified or defaulted contractor. 32 Unqualified or defaulted contractor, new contractor selected. 33 Unable to get bids from qualified contractor. 34 Problems between contractor and subcontractors. 37 Inadequate contractor resources. 38 Nonfulfillment of contractor terms and conditions. 39 Other contractual problems - explain. 	<p>6 - Other problems:</p> <ul style="list-style-type: none"> 61 Inadequate project management. 62 Over-committed resources of governorate, marka, or villages (e.g., transportation, labs, special tools). 63 Conflicting priorities, too many subprojects going on at one time. 64 Poor communication channels. 66 Difficulty in accessing working area. 67 Lengthy procedures. 68 Current subproject is part of multi-year development. 69 Other problems - explain.

NONOPERATIONAL STATUS REASON CODES

<p>1 - Funding problems:</p> <ul style="list-style-type: none"> 11 Lack of operating funds. 13 Uneconomic, ineffective, or inefficient operation & maintenance. 19 Other funding problems - explain. 	<p>4 - Design, site location, and/or construction problems:</p> <ul style="list-style-type: none"> 41 Inadequate design for the function or planned service. 42 Inflexible design. 49 Other design, location, or construction problems - explain.
<p>2 - Materials / equipment / tools problems:</p> <ul style="list-style-type: none"> 21 Lack of adequate materials or tools. 23 Defective units. 24 Inspection approval delays operations. 25 Awaiting permits to operate. 29 Other material, equipment, or tool problems - explain. 	<p>5 - Management problems:</p> <ul style="list-style-type: none"> 52 Poor work definition at the lower levels of the organization. 53 Inadequate integration of planning and control. 54 Lack of technical and managerial know-how to operate. 59 Other management problems - explain.
<p>3 - Staffing problems:</p> <ul style="list-style-type: none"> 31 Lack of trained, experienced, or skilled staff. 32 High turnover in staff. 39 Other staffing problems - explain. 	<p>6 - Other problems:</p> <ul style="list-style-type: none"> 62 Absence of technical manuals and affiliated documents describing how the system is intended to operate. 63 Failure of integration of subproject into existing system. 69 Other problems - explain.

NO OR POOR SERVICE DELIVERY REASON CODES

<p>1 - Funding problems:</p> <ul style="list-style-type: none"> 11 Lack of operating funds. 12 No cost accounting ability. 13 Uneconomic, ineffective, or inefficient operation & maintenance. 19 Other funding problems - explain. 	<p>4 - Design, site location, and/or construction problems:</p> <ul style="list-style-type: none"> 43 Inaccessible site location. 44 Difficult to maintain. 45 Difficult to run safely or to control easily. 49 Other design, location, or construction problems - explain.
<p>2 - Materials / equipment / tools problems:</p> <ul style="list-style-type: none"> 1 Lack of adequate materials or tools. 2 Insufficient inventory, supplies or spare parts. 3 Defective units. 29 Other material, equipment, or tool problems - explain. 	<p>5 - Management problems:</p> <ul style="list-style-type: none"> 51 Poor understanding of total responsibility toward achieving objectives. 54 Absence of supporting procedures, rules and job descriptions. 55 Complex coordination, additional lead time for approving decisions and taking corrective actions. 59 Other management problems - explain.
<p>3 - Staffing problems:</p> <ul style="list-style-type: none"> 31 Lack of trained, experienced, or skilled staff. 32 High turnover in staff. 33 Lack of motivation or incentive system. 39 Other staffing problems - explain. 	<p>6 - Other problems:</p> <ul style="list-style-type: none"> 61 Subproject is delivering services not as-planned. 62 Absence of technical manuals and affiliated documents describing how the system is intended to operate. 63 Failure of integration of subproject into existing system. 64 Harmful impact on environment or society. 65 Too much idle time. 66 Too many breakdowns. 67 Lack of need, demand, or interest. 69 Other problems - explain.

APPENDIX B
Descriptions of Problematic Subprojects

Problem Subprojects Requiring Follow-Up in Sharqiya Governorate

A meeting was held on 16 September 1991 with Sharqiya Governorate officials, headed by the secretary general. Projects which had been identified during the survey as needing follow-up were discussed. For some of the subprojects, immediate solutions were offered; in other cases, subprojects have been extended into the fourth cycle. The following list of problem subprojects includes the information furnished to the survey team at the 16 September meeting.

Projects are listed by location, serial number, type of project, and cost. An asterisk (*) beside the serial number indicates that the subproject is one of the 14 non-operational subprojects highlighted in the December 1990 report. Two asterisks indicates a large subproject (over LE 200,000).

No. 1 Zaqaziq 422/2 Water Source and Network LE 153,000

Entailed the purchase and installation of 600 m of 8" PVC pipes, 1,400 m of 6" PVC pipes, 2 electrical pump units, 1 diesel pump unit and the finishing of the civil works on the water tower in Asloogy. All purchases and installations have been made; however, the engineer commented that the construction quality of the water tower is poor, causing leaks in the tank. Also, the level of groundwater in the pump room is too high and no level indicator exists in the tower, which results in large losses due to overflow. There is no brick work around the tower to protect it from the heat.

No. 2 Zaqaziq 120/3 Fire Station LE 30,000

The Bani Amr village fire station in Zaqaziq Markaz was designed to house four fire trucks. The allocation has been totally spent for completing the concrete frame and the brickwork, but no painting, plastering, flooring or water works have been done. LE 18,750 was allocated for completion in the fourth cycle, but the survey engineer estimates that the funds may not be sufficient to complete the remaining work.

The markaz official explained that extra capacity was added at the request of the central fire department. Due to the geographical proximity of Bani Amr, to central Zaqaziq, the fire station will also service Zaqaziq, and extra space is required to house additional trucks.

No. 3 Zaqaziq 401/2 Post Office LE 8,500

The post office was not constructed according to the specifications required by the postal authority; as a result the postal authority refused to accept the site

or to send employees to work there. Correspondence from the markaz chief to the postal authority has so far been ineffective.

The secretary general indicated he will contact the postal authority to resolve the matter.

No. 4 Zaqaziq 128/3 School Fences LE 25,000

The allocation was split between two school fences. Neither fence is complete; each has finished sections and sections still at the foundation level. The total allocation has been spent.

The subproject will be completed from the service fund, according to the governorate assistant development director.

No. 5 Zaqaziq 400/2 Post Office LE 8,500

The subproject was underfunded and only the foundations and the walls have been completed.

The subproject will be completed using LE 8,500 from the fourth cycle.

No. 6 Zaqaziq 447/2* Telephone Office LE 12,000

Only the concrete and brick work have been completed, because the subproject was underfunded. The building does not correspond to the sketch in the planning form.

The subproject will be completed using LE 11,300 from the fourth cycle. It may also require reapproval by the telephone authority for the plan change.

No. 7 Zaqaziq 399/2 Latrines LE 9,500

The building and the drainage are complete; however, no flooring, painting or plastering has been done.

The subproject will be completed from the service fund, according to the governorate assistant development director.

No. 8 Zaqaziq 398/2 Water Source LE 21,300

LE 4,300 in unanticipated expenses resulted because tests at the well site revealed pollution problems.

The subproject is connected to subproject 119/3 and cannot become operational until that subproject is completed. (See No. 9).

No. 9 Zaqaziq 119/3 Water Source LE 47,178

This subproject (119/3) was to supply the well funded through subproject 398/2 (No. 8) with an electric transformer and necessary pumps. The transformer has been paid for but the electrical authority refuses to deliver it until a shelter is built. The Abbassa Water Utility also requires a shelter for the pumps, and therefore has not installed them. Village officials had been trying to convince the electricity authority and the water utility to use an existing building, but no progress had been made.

Through pressure from the governorate, the building suggested for use as a shelter has been accepted and the work will be completed. This will also solve problem No. 8 (subproject 398/2).

No. 10 Zaqaziq 403/2 Telephone Office LE 12,700

The foundation work done on this building is of poor quality. In addition, none of the painting, plastering, electricity or other finishing work has been done.

The subproject will be completed from the service fund, according to the governorate assistant development director.

No. 11 Zaqaziq 130/3 Road LE 1,300,000**

Work on this road is underway but progressing slowly. Less than a quarter of the length has a base course layer, and less than a tenth has been paved.

The matter is being investigated by the legal department of the governorate.

No. 12 Zaqaziq 127/2* Telephone Office LE 18,000

Only the concrete and brick work are complete. The building floor plan does not correspond to the sketch in the planning form, and an approval is required from the telephone authority for the new design. The subproject was underfunded and the allocation has been totally spent.

The subproject will be completed using LE 15,000 from the fourth cycle.

No. 13 Zaqaziq * Telephone Office LE 8,000

Only the concrete and brick work are complete, and the concrete work is of poor quality. The building's floor plan does not correspond to the sketch in the planning form, and an approval is required from the telephone authority accepting the new design. The subproject was underfunded; all the funds have been spent.

The subproject will be completed using LE 10,500 from the fourth cycle.

No. 14 Minya El Qamh 101/3 Water Network LE 850,000**

Work has been suspended because the contractor has legal problems with another subproject in Qalubiya Governorate, where a court ruling has been obtained to withhold all funds due to him.

The problem will be investigated by the Sharqiya legal department.

No. 15 Minya El Qamh 364/2 Clinic Fence LE 6,200

Only three of the originally planned four sides are completed due to underfunding of the subproject.

The subproject will be completed from the service fund, according to the governorate assistant development director.

No. 16 Minya El Qamh 396/2 Central Maintenance Center LE 80,000

The center was originally built to be used by the markaz. The housing department at the governorate was made responsible for the construction. The department moved its own employees into the building and is now using it for water systems maintenance and repairs (for water lines and pumps). In addition, neither electricity nor water services have been connected and therefore none of the electrical equipment can be used.

Chemonics engineers looked into the matter in some detail. The matter is now being investigated by the governorate's legal department. The markaz is thinking of making the facility a joint operation, however, it will cost LE 100,000 to make the necessary changes and additions. The markaz can formally turn the facility over to the housing department or it can apply for fifth-cycle funds to enlarge the facility for joint use. However, if the decision is made to apply for additional funds, the markaz must show that the enlarged facilities will have proper management, employee training, and budget allocations for parts and supplies. Otherwise, additional funds would not represent a good investment.

Whatever decision is made, the necessary changes should be made in the planning documents and approved by the GLDC.

No. 17 Minya El Qamh 365/2 Clinic Fence LE 5,000

Only two of the originally planned three sides of this fence are completed. The third side has been delayed because of a dispute with the villagers.

The secretary general indicated that a directive will be drafted following which implementation of the third side can be started.

No. 18 Hehya 268/2 Water Network LE 20,000

All planned work has been completed, however the water pressure from the Abbassa Water Utility main line is not adequate. Necessary upgrading was to be achieved through subproject 77/3 (No. 19).

No. 19 Hehya 77/3 Water Source LE 28,587

The subproject entailed the purchase of a 100 KvA transformer and the digging of a well to upgrade subproject 268/2 (No. 18). The well has been dug; however, a shelter for the transformer must also be constructed and the remaining funds are insufficient.

The subproject will be completed using LE 9,800 from the fourth cycle. These funds will probably not be sufficient because of the additional expense of buying and installing 300 m of pipelines to connect the well to the main line. The subproject will be completed from the service fund, according to the governorate assistant development director.

No. 20 Hehya 292/2 Central Maintenance Center LE 60,600

The design is poor and the concrete quantities are excessive, resulting in a great deal of waste and a shortage of funds.

The subproject will be completed using LE 48,000 from the fourth cycle.

No. 21 Hehya 290/2 Water Source LE 103,000

The subproject entailed the implementation of a complete water system. Three well sites were tested, but they all had associated health hazards and therefore no well has been dug yet. The diesel pump has been delivered but not installed and the electrical pump has not been delivered.

A new well site has been located and successfully tested and the subproject is underway again.

No. 22 Hehya 279/2* Latrine LE 5,000

Only the foundation and the walls have been completed. The survey engineer estimates that the completion of the subproject would require an additional LE 7,000. This sum was requested from the fourth-cycle allocation but the governorate rejected the subproject.

The subproject will be completed from the service fund, according to the governorate assistant development director.

No. 23 Hehya 281/2* Post Office LE 10,000

Only the foundations, columns, and walls have been completed. An additional LE 12,000 is needed to complete work on the post office because of underfunding.

The subproject will be completed from the service fund, according to the governorate assistant development director.

No. 24 Hehya 282/2* Post Office LE 10,000

The original plan was changed and the post office was constructed on the second floor of another building; this is not acceptable to the postal authority. Villagers are trying to get the postal authority to accept the ground floor after they rehabilitate it. The estimate for finishing the ground floor is LE 9,500, due to the change of the plan.

The subproject will be completed from the service fund, according to the governorate assistant development director.

No. 25 Faqous 243/2 Road LE 370,900**

Work on this subproject is underway but progressing very slowly for no apparent reason.

It was suggested that the matter be turned over to the legal department of Sharqiya Governorate; however, the subproject may be finished before legal action can be completed.

No. 26 Faqous 62/3 Road LE 597,698**

The subproject is progressing very slowly because of lack of action by the contractor.

The subproject has been withdrawn from the contractor and will be re-tendered.

No. 27 Faqous 71/3* Local Unit Headquarters LE 27,500

The concrete in this building is in bad shape and there is a high degree of waste. The allocation is totally spent and only the concrete and brick work have been completed; no plastering, painting or other finishing work has been done due to lack of funds. The budget shortfall may be owing partially to the waste in reinforced concrete.

The subproject will be completed using LE 13,100 from the fourth cycle.

No. 28 Faqous 69/3 Canal Cover LE 16,000

Work on this subproject can be done only in December, the only month when water is not flowing. Because of slowness in getting the subproject allocation, the work was not done in December 1990.

The canal cover will be implemented in December 1991.

No. 29 Faqous 67/3* Post Office LE 19,445

The entire allocation was spent on the concrete and brick work. Quality of the concrete is poor and there is a large degree of waste, which may have contributed to the budget shortfall. In addition, the subproject was underfunded.

The subproject will be completed using LE 8,500 from the fourth cycle.

No. 30 Faqous 263/2 Central Maintenance Center LE 60,000

All the work apart from the plastering, painting, and flooring is completed.

The subproject will be completed using LE 50,000 from the fourth cycle. An additional LE 25,600 has been allocated for the tools in the fourth cycle.

No. 31 Belbels 90/2 Fence for Water Project LE 10,000

The survey engineer noted that the fence has an excessive quantity of concrete blocks in its foundation. The allocation has been totally spent, but the subproject remains incomplete. A dispute with the villagers has also arisen since the construction of the fence would block the entrances to many houses.

Additional funds were allocated through subproject 171/3 (No. 32), however, the dispute with the villagers has not been resolved.

No. 32 Belbels 171/3 Fences for Water Projects LE 15,096

Part of this allocation (LE 6,000) was for the completion of subproject 90/2 (No. 31). The other part was for the construction of a fence around another water operation which has not been constructed.

The second fence has been cancelled and the funds redirected to the completion of the three classrooms in subproject 172/3 (No. 33). An amendment to the subproject needs to be processed to show the changes.

No. 33 Belbels 172/3 School Classrooms LE 43,700

This was originally planned as four classrooms. The concrete and brick work has been completed in three of them, but excessive amounts of concrete were used resulting in waste. The survey engineer estimates that, had the proper amounts been used, the four classrooms could have been completed within the projected estimate.

The fourth classroom has been cancelled (along with the second water fence from subproject 171/3 (No. 32), to provide the necessary funds for completing the three other classrooms. An amendment to the subproject needs to be processed to show the changes.

No. 34 Belbels 297/2* School Fence LE 5,000

The original estimate for the fence's length was an unrealistic 60 m (10 x 20), although the needed length was 220 m (50 x 60). As a result, the allocation was enough to complete only the base and the columns.

The subproject will be completed from the service fund, according to the governorate assistant development director.

No. 35 Belbels 25/3 Fence and Shelters for Water Projects LE 44,600

The shelters have been constructed and are operational. The construction of the fence would block access to the village market and therefore is not likely to be implemented. There remains LE 26,000 in unspent funds.

The fence has been cancelled and the funds will be redirected towards another subproject. An amendment to the plan needs to be processed to show the change.

No. 36 Abu Kabeer 68/2 Central Maintenance Center Tools LE 40,000

The tools and equipment purchased with the LE 40,000 second-cycle subproject are located in an 8 m x 4 m shop that is part of the city garage. The garage is in poor condition and requires redesign and rehabilitation. Chemonics engineering staff estimate that it will require LE 100,000 to completely renovate the structure so that the new tools can be properly utilized. The other alternative would be to remove the tools and reassign them to other locations where they would be properly used, which would require preparing the necessary forms to show the change.

If the markaz decides to apply for fifth-cycle funds to rehabilitate the maintenance center, the application will need to be accompanied by detailed information assuring that the new facility will be properly managed, the employees will receive training, and adequate funds will be budgeted for parts and supplies. Otherwise, it will be difficult to justify spending an additional LE 100,000 for this subproject.

No. 37 Abu Kabeer 17/3 Post Office LE 18,600

The new building is completed but the officials at the neighboring village, which houses the old post office, wish to retain the post office in their village. They have rehabilitated the old building themselves.

The secretary general indicated that he will contact the postal authority to hasten the subproject's operation.

No. 38 Abu Kabeer 65/2 Water Source LE 104,800

The subproject entailed the rehabilitation of 1,000 m of 8" pipes as well as 4,500 m of 6" pipes . It also included the purchase and installation of 37 water valves of varying diameters. All purchases and installations were completed, but the water pressure in the network is very low because the pump sets need rehabilitation.

The markaz chief disagrees with the survey findings, and an additional visit may be required.

No. 39 Abu Kabeer 20/3 Water Network LE 140,000

This is a completion of subproject 65/2 (No. 38), which included the rehabilitation of 1748 m of 4" pipes, 500 m of 6" pipes and 52 m of 8" pipes. It also involved the purchase and installation of 28 valves of varying diameters. All purchases and installations are completed; however the pressure in the network is very low since the pumps need rehabilitation (as explained in No. 38).

No. 40 Abu Kabeer 16/3 Telephone Office LE 25,600

The telephone authority has accepted the building, but has not installed the equipment necessary for operating it or the employees to use the equipment.

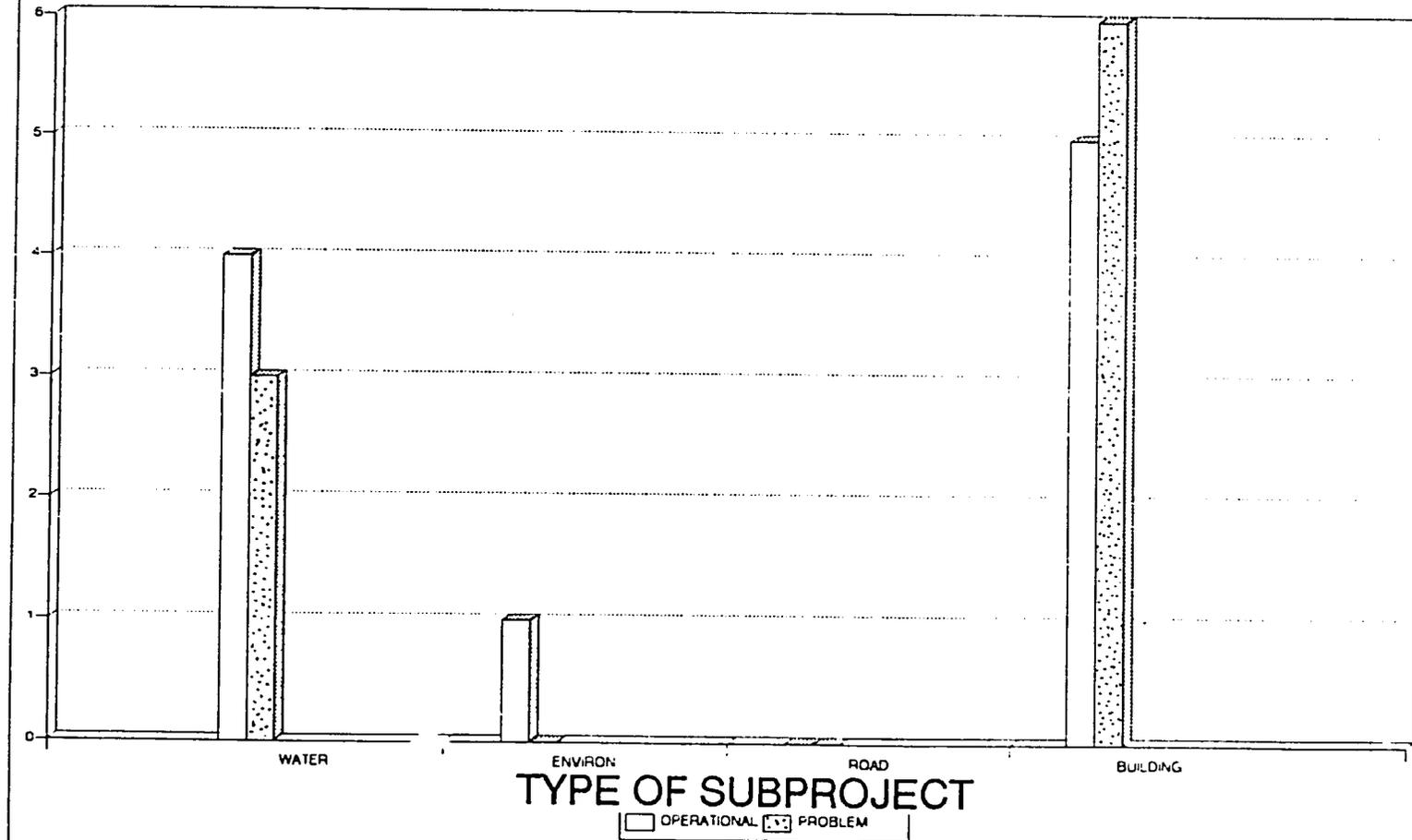
The employees should move into the office within three months, according to the governorate assistant development director.

APPENDIX C
***Comparison of Operational to Problem Subprojects,
By Sector, In Six Marakez***

15/12

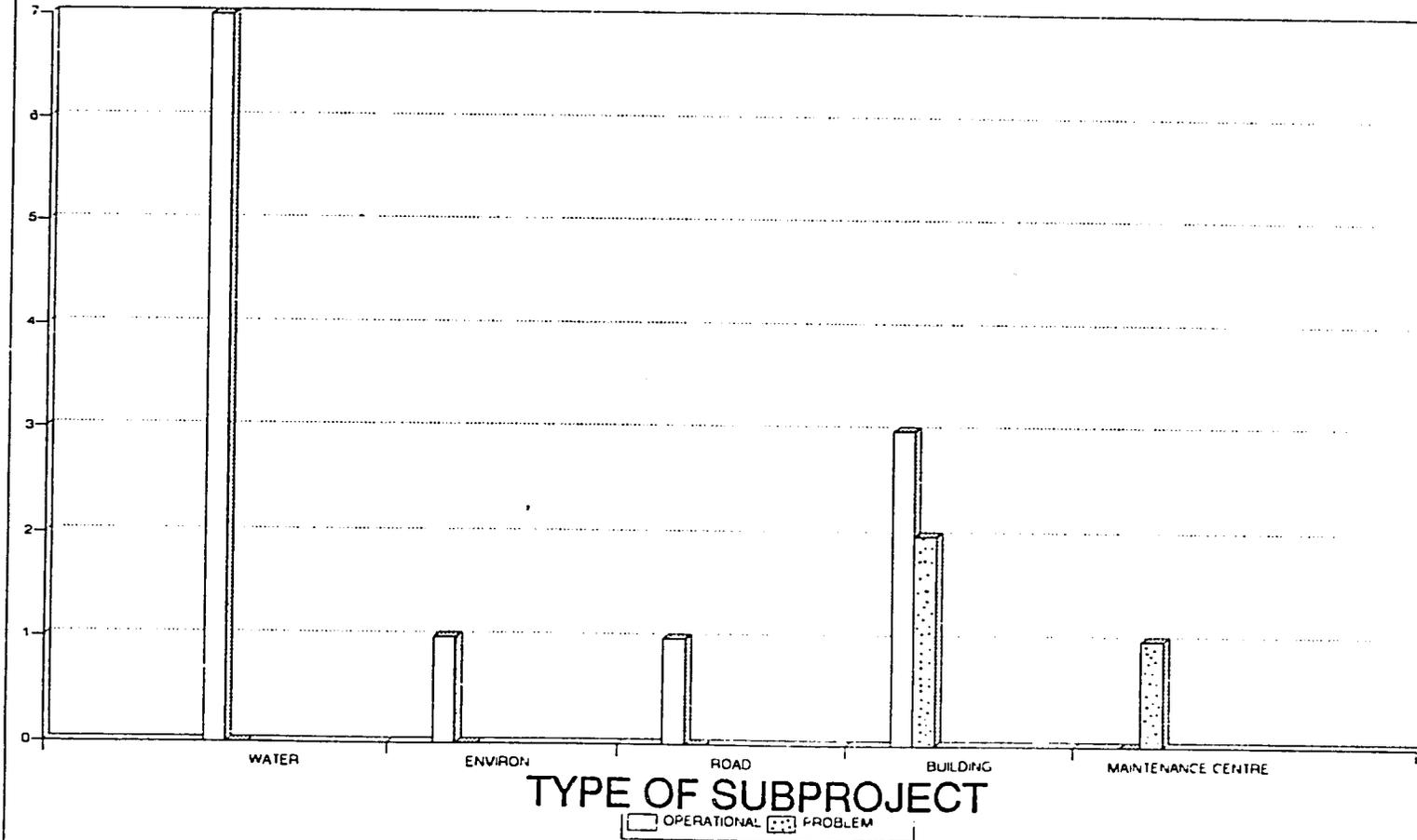
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ZAQAZIQ MARKAZ



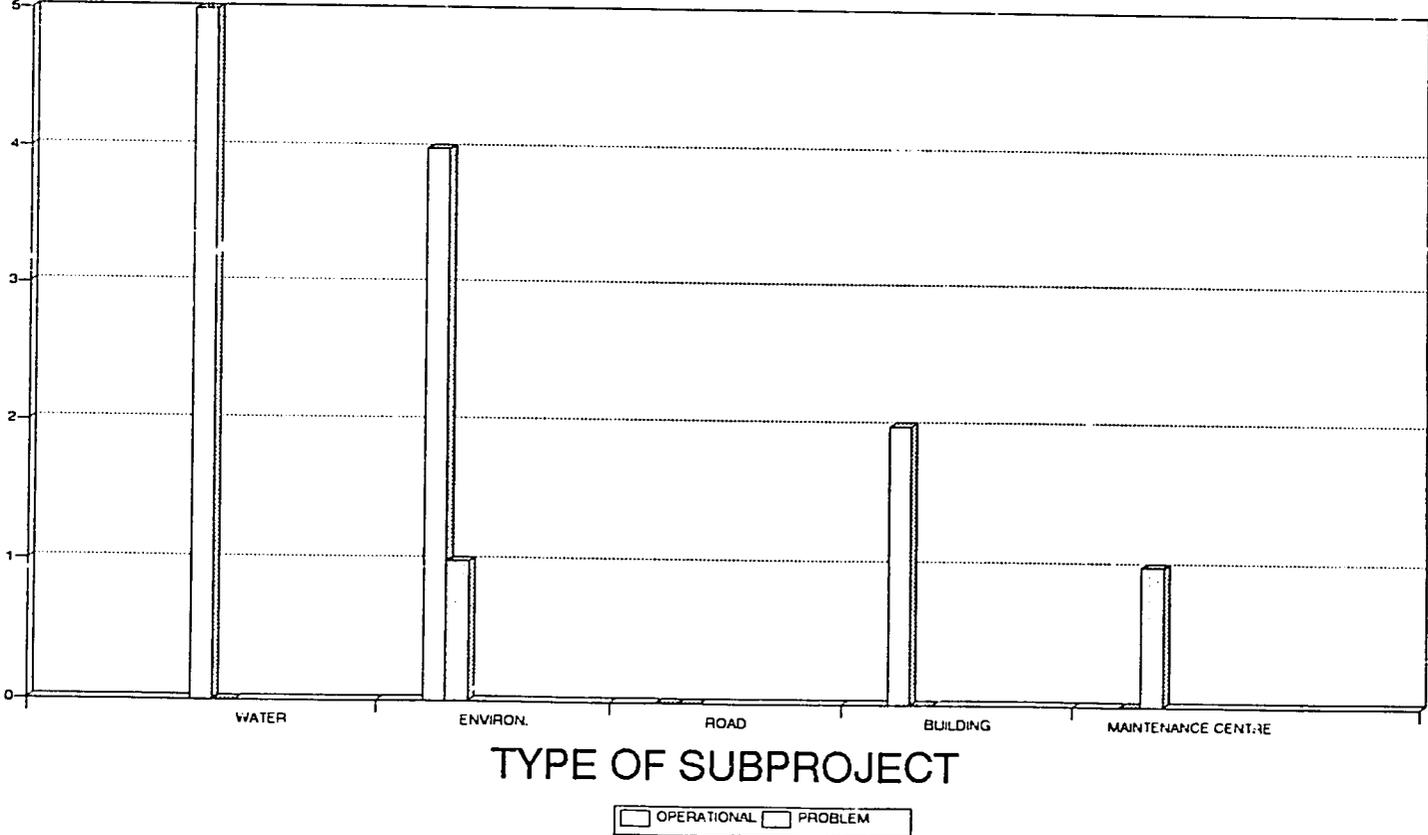
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MINYA EL QAMH MARKAZ



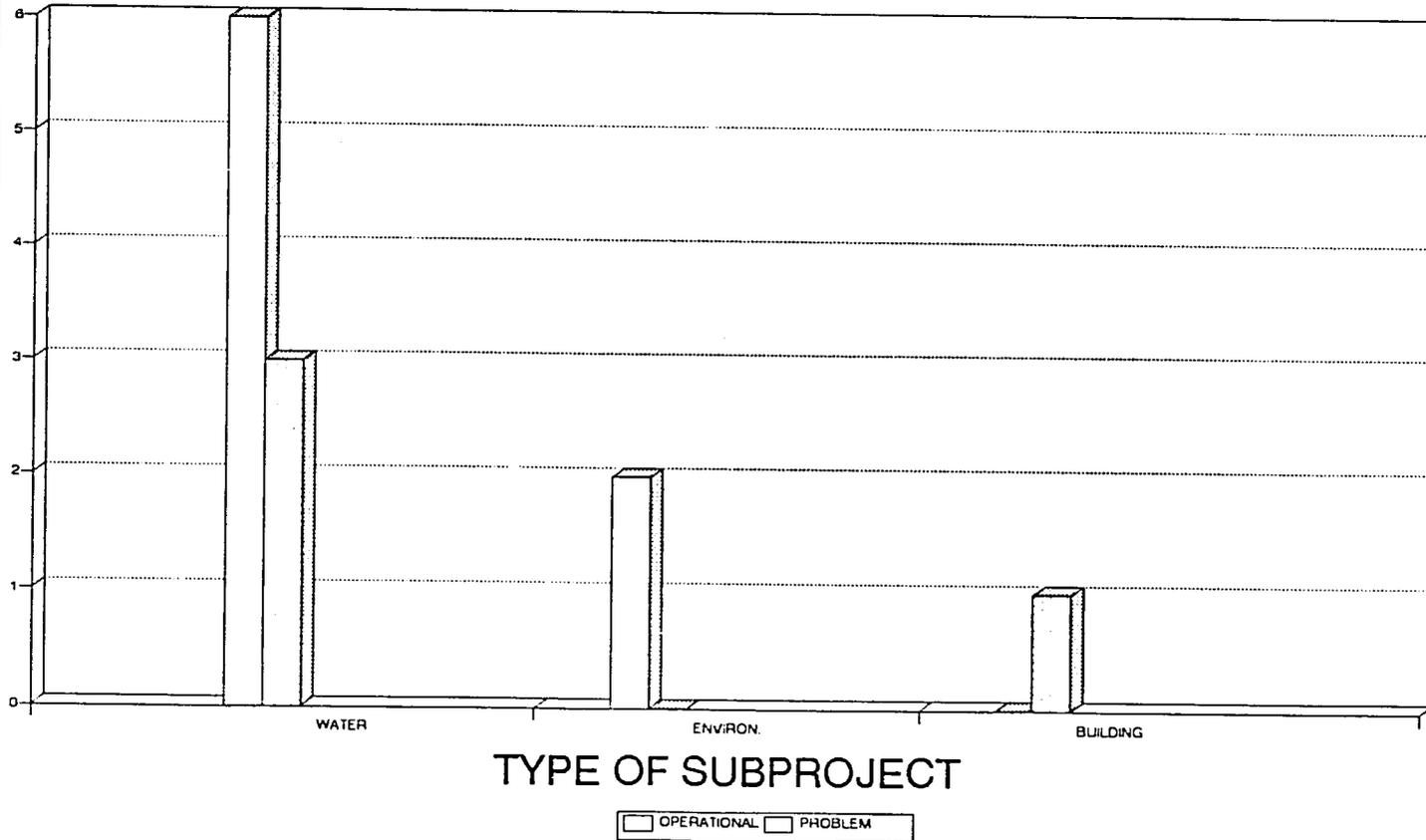
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FAQOUS MARKAZ



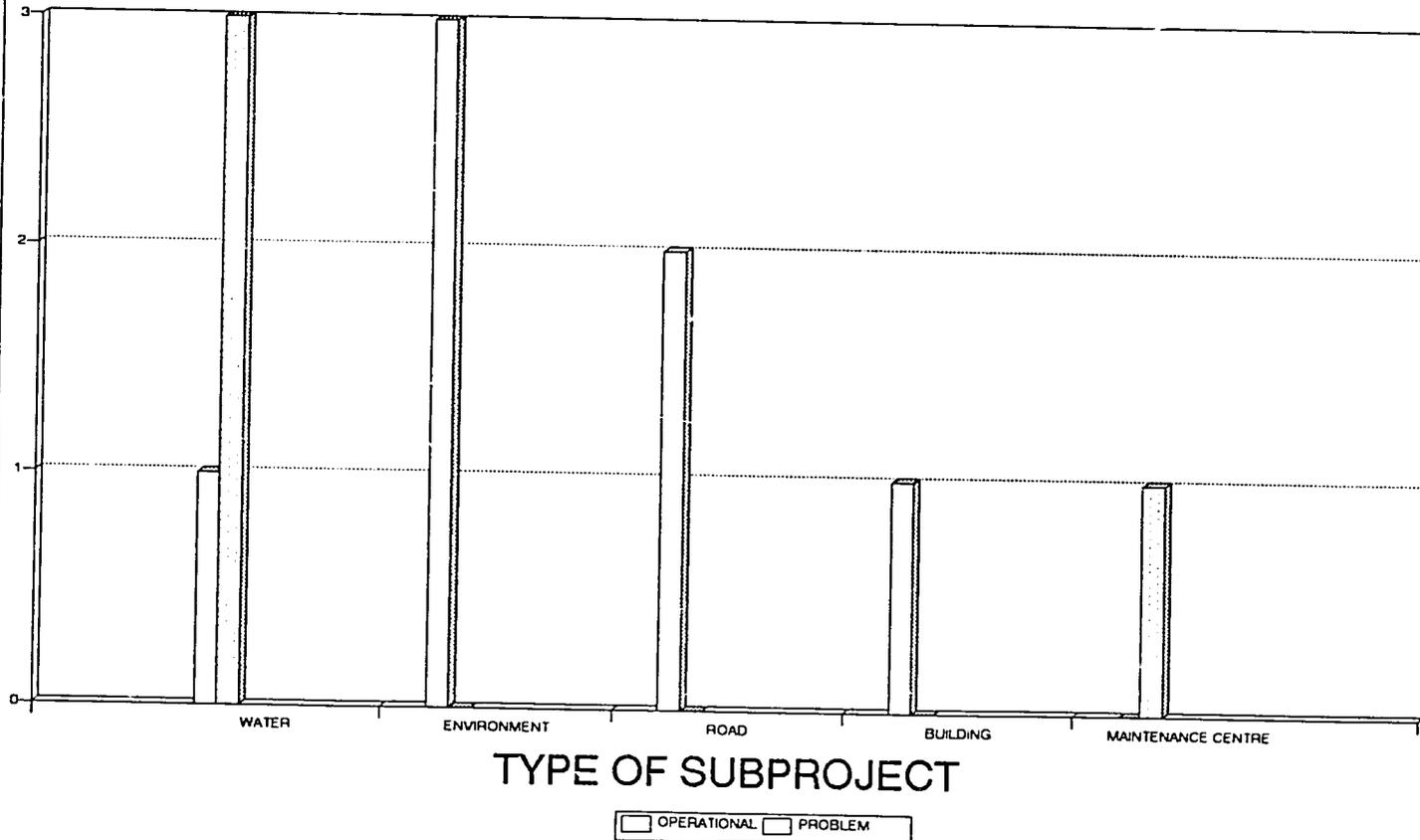
APPENDIX C

BELBEIS MARKAZ



APPENDIX C

HEHYA MARKAZ



APPENDIX C

ABU KABEER MARKAZ

