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THE ENHANCEMENT OF LOCAL ADMINISTRATION IN EGYPT

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THE ENHANCEMENT OF LOCAL ADMINISTRATION IN EGYPT

CHEMONICS LD II

**LG4-04(E)
Revised February 1992**

FOREWORD

This report was prepared by Monte Palmer, Ph.D. The level of effort specified for this report was less than three person-months.

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Introduction

BACKGROUND

Local administration has traditionally been the weakest link in the Egyptian administrative system. This is unfortunate, for most of the services vital to the health and welfare of Egypt's citizens are delivered at the local level.

Reflecting this concern, the enhancement of local administration has ranked among the foremost priorities of the Government of Egypt (GOE). This priority emphasis has been supported by the United States Agency for International Development (USAID).

During the course of the past decade, the joint efforts of the GOE and USAID have produced formidable improvements in the institutional capacities of local governments and in the quality of services provided thereby. Collectively, the BVS and LD II programs have resulted in the implementation of some 16,000 local development projects.

Much, however, remains to be accomplished. The GOE emphasis of the past decade was on the provision of vital services. Urgency dictated that the construction of water, building, and transportation facilities take precedence over concerns of maintenance, evaluation, and master-planning. These latter concerns have only recently come to the fore.

Essentially, local administrations are mid-stream in the development process. Many critical infrastructure projects are either in place or are well along in the implementation process. Other than roads and some buildings, however, the majority of these projects will not be sustainable without parallel effort in the areas of operation, maintenance, and institutional development. This topic is discussed at length in Chapter 2.

USAID is now re-evaluating its mode of involvement in the local government sector. Current LD II contracts terminate in approximately nine months. The LD II program, in its entirety, will terminate in less than two years.

The sustainability of local development projects implemented during the past decade depends largely upon two factors: 1) the smoothness of the transition from LD II to the GOE and 2) the ability of the GOE to improve the institutional capacity of its local units in the areas of maintenance, evaluation, monitoring, and planning.

It is within this context that this report examines practical steps for enhancing the institutional capacity of local governments in Egypt and the delivery of services thereby.

PURPOSE AND CONTENT OF THIS REPORT

Recommendations presented in this report have two basic objectives:

- Objective 1:** To provide USAID, its contractors, and the GOE with strategies for improving the quality of provincial local government in Egypt as presently constituted.
- Objective 2:** To outline basic considerations that must be addressed in the transition of LD II technical assistance programs to the GOE.

This report is divided into an introduction and ten additional chapters, each of which examines a specific strategy for enhancing the quality of local administration in Egypt. Chapters 2 through 11 each contain two types of recommendations: general recommendations and implementation recommendations. Each general recommendation is accompanied by requisite background information.

Recommendations contained in the report are based upon five sources of information:

- Reports prepared by USAID and its contractors
- Interviews with members of the Chemonics staff (Egyptian and expatriate)
- Results of the Al Ahram project on Egyptian bureaucracy and related empirical studies conducted by Monte Palmer and his colleagues
- Local press and media
- Interviews with approximately fifty individuals representing diverse perspectives of the problems of local government in Egypt.¹

ADDITIONAL COMMENTS

Several observations are in order before moving to the general body of the report.

- Local administration has many facets. It includes the GOE and its local units. It includes residents of the local communities. It includes private sector firms on which local governments depend for services and support. It includes Egyptian universities and research institutes. And, it includes USAID and USAID-supported contractors. Each has a part to play in the enhancement of local

¹The agencies represented in the interviews include the Ministry of Local Affairs and its local units, ORDEV, the University of Cairo, the American University in Cairo, the Sadat Institute, the Al Ahram Center for Strategic and Political Studies, the Higher Technology Institute, USAID, the Wilber Smith Organization, Arabsoft, the American Research Center in Cairo, and the senior management of several private sector firms.

administration. The more these parts are integrated, the better the final product.

- Improved evaluation procedures are central to any sustained improvement in the quality of local administration in Egypt. It is hard to know where you are going if you do not know where you have been.
- Local administrative units are dependent upon LD II funding for a major portion of their development budgets. This dependency can be used to enforce enhanced performance in the areas of planning, evaluation, monitoring, and maintenance.
- Most of the recommendations contained in this report are not new. Rather, they appear with distressing regularity in the LD II/USAID literature. This suggests that the problems in question are multi-dimensional in nature. They are not amenable to a quick fix.

The report does not address broad questions of administrative reform in Egypt. The reader should note, however, that major enhancements in the quality of local administration in Egypt are dependent upon such reforms.

Protect Your Investment

Work with the GOE to Ensure the Sustainability of Local Development Projects and the Transfer of Technical Support Programs

RECOMMENDATION 2.1

Stress the sustainability and institutionalization of LD II provincial projects. It makes little sense to support projects that will sit idle or be severely underused.

Discussion

The sustainability of LD II provincial projects requires that one of two conditions be met:

Condition 1: LD II projects be institutionalized with the support of USAID contractors prior to the termination of the LD II program, or

Condition 2: Adequate measures for the institutionalization of local development projects be undertaken by the GOE and its local units

Institutionalization/sustainability as used herein implies that:

- The project has been completed by the local unit and is operational.
- The local government possesses the capacity to operate the project at reasonable levels
- The project is being used effectively by the local unit.
- The project is being maintained by the local unit

Compelling evidence suggests that few LD II supported projects at the provincial level are capable of being institutionalized by Egyptian local governments at the present time. Factors influencing this assessment include the following:

Factor 1: Serious problems exist in the area of project maintenance. LD II has made progress in this area, but much remains to be done

Factor 2: The technical/management capacity of village governments remains inadequate.

- Factor 3:** Existing training programs are inadequate to meet the technical needs of local governments. It will be several years before these needs can be adequately met.
- Factor 4:** Technical support services available to local governments remains inadequate.
- Factor 5:** Popular participation in the local government process is just beginning to take root. As yet, the public remains an ineffective source of control over local activities.
- Factor 6:** The Government of Egypt lacks the financial mechanisms to continue many LD II projects without further assistance from USAID.
- Factor 7:** The capacity of local units to fund projects from local sources remains underdeveloped. The problem is a complex one that involves legal obstacles, a lack of administrative technology, mass resistance, and poverty.
- Factor 8:** Legal constraints obstruct the ability of local governments to institutionalize many LD II and Bab III projects.
- Factor 9:** Few local units have made maintenance a priority item.
- Factor 10:** Pilot studies have only recently (1991) designed indicators for assessing the quality of services delivered by provincial local governments. Indicators of institutional capacity have yet to be approached.²
- Factor 11:** The sample design for assessing project performance on a national basis was not completed until September 1991. It is not entirely clear what works and what does not work.³
- Factor 12:** Many of the experts interviewed indicated that providing block grants to local units without the accompanying technical assistance results in delays, waste, and the shifting of funds to secondary priorities.
- Factor 13:** Many planners at the local level assume a continuation of USAID funds in one form or another. They have yet to consider strategies for alternate funding.

²*Indicators for Rural Development in Egypt: A Pilot Study*, Chemonics, June, 1991.; *Report on the Construction of Service Delivery Indicators*, Chemonics, June, 1991.

³*Sample Design Alternatives for Subproject Field Visitation System (ME 4-02)*, Oct. 1991.

Implementation Strategies/Recommendations

1. Units of local administration should be encouraged to focus on project sustainability during the transitional period. New projects should not be initiated. They will merely detract from the sustainability effort.
2. USAID contractors should increase their emphasis on evaluation. It is difficult to develop strategies for sustainability without fundamental information concerning the status of projects and their effectiveness.

RECOMMENDATION 2.2

Take whatever measures are necessary to assure the transfer of LD II technical support programs to the Government of Egypt.

Discussion

Inadequate planning for the termination of LD II technical assistance programs will severely undermine the substantial accomplishments of the LD II Program. Rolling stock could break down, pipes could silt up, maintenance facilities could be converted into offices, and management procedures could revert to traditional patterns.

Precisely how much of the LD II effort would be lost as a result of the inadequate transfer of LD II technical support programs to the GOE is a matter of conjecture. An educated guess is that at least 70 percent of the effort involved in projects designed to improve the institutional capacity of local government units would be cancelled. Also, around 70 percent of all projects would require more than incidental maintenance. A number of Egyptian experts find these assessments to be optimistic.

Several factors suggest that it will be exceptionally difficult to successfully transfer LD II technical support services to the GOE prior to the end of the LD II Program.

- Factor 1:** Problems with sustaining projects and institutionalizing the process will compound the difficulties of the transition process. The lack of adequate information concerning the state of the projects to be maintained and the projects' effectiveness will be particularly problematic.
- Factor 2:** Discussions of "program transition" within USAID appear to be in their infancy. The goal has been set, but details have yet to be worked out.
- Factor 3:** The Government of Egypt possesses imperfect information concerning the transfer of the LD II program. Neither the Ministry of Local Administration (MLA) nor its component units have begun the planning process in the absence of detailed information from USAID.

Factor 4: Egyptian contractors are not currently organized to provide the technical assistance and other secondary support services required to assure the sustainability of a continued local development program.

One of the successes of the LD II Program has been the development of a highly skilled cadre of Egyptian experts in the areas of local government and rural development. Provided the proper institutional support, these cadres possess the capacity to facilitate both the sustainability of LD II projects and the smooth transition of the LD II program to its successor agency. That institutional support is currently in question.

Implementation Strategies/Recommendations

1. Begin the program transition process immediately. The longer the wait, the more will be lost. The transition from BVS to LD II is a case in point.
2. Make the MLA an integral part of the transition process. It is this organization which will have to assure the sustainability of LD II projects.
3. Make Egyptian personnel currently associated with LD II an integral part of the transition process. They should be encouraged to join or form private sector corporations for that purpose.
4. Retain a limited number of expatriate technicians to facilitate the transition process. Expatriate technicians should serve as resource personnel for the Egyptian agencies assuming responsibility for the provision of technical assistance to LD II projects.
5. Assign a full-time individual to monitor the transition process. The role of this individual should include coordinating, trouble-shooting, monitoring, and evaluating. This individual should have the confidence of all of the parties involved in the transition process.
6. Hold a series of conferences with the MLA, the governors, and the markaz chiefs to discuss the transfer of LD II and the sustainability of LD II projects. Such conferences will force local officials to confront the reality that LD II is ending.
7. Focus the work plans of USAID contractors on the transition process, as these contractors are familiar with the program.

Help Revise the Local Administration Law

RECOMMENDATION 3.1

Seize the present opportunity to assist in the revision of the Local Administration Law. Such an opportunity may not come again for a long time.

Discussion

Current local administration laws and regulations impair the process of local government in five key areas:

- Area 1:** They limit experimentation and flexibility at the local level.
- Area 2:** They establish patterns of responsibility, authority, and accountability that are simultaneously fragmented and overlapping.
- Area 3:** They dampen effective popular participation in the local government process.
- Area 4:** They make local officials reluctant to make decisions for fear of either breaking a rule or offending a senior official.
- Area 5:** They provide local officials with a shield against innovation and change.

Revision of the Local Administration Law is currently being discussed by the GOE. The Local Administration Committee of the Majlas Al Shab (Parliament) is holding hearings on suggested reforms and anticipates issuing a report in mid-December. (A more realistic date is probably the end of January.) Action by the Majlas Al Shab on the proposed reforms will be completed during the present legislative session. *This will be the last opportunity to substantially alter local government procedures for some time. It is essential to act now.*

The prognosis for the passage of a substantially reformed local administration law is quite favorable. Proposed reforms possess the strong support of the governors, many of whom are active in the hearings. The GOE also appears committed to limited reforms in the areas of decentralization and privatization.

Legislators and senior officials are busy people. They do not have either the time or the resources to make a detailed analysis of the complexities of local government reform. *They want reliable information presented in a coherent manner. USAID and its contractors possess that information.*

Implementation Strategies/Recommendations

1. Provide legislators, the MLA and other interested parties with a clear summary of the major problems extant in the present Local Administration Law. For each major issue, the summary guide should provide three types of information:
 - A clear reference to the offending articles
 - Simple and persuasive examples of the problems that the offending sections of the law cause for local administrator
 - Alternative language that would cause minimal conflict with interests opposing the law.
2. The summary guide should place particular emphasis on three issues:
 - Issue 1:* Increasing financial autonomy for the local units
 - Issue 2:* Clarifying authority, responsibility, and accountability patterns
 - Issue 3:* Providing locally elected councils with more specific authority
3. Encourage the MLA to engage a senior constitutional lawyer to assist with technical legal issues.
4. Discuss the desired reforms with the Minister of Local Administration, his staff, and other senior Egyptian leaders who have direct access to the legislative process.
5. Increase public awareness of the local reform law and its implications. A conference bringing together reporters, academics, legislators, and local officials would be a major step in the right direction. Such conferences do have an impact on decision making. (The last such conference was held in 1986.)

Chapter 4

Decentralize!

Local Governments Need Room to Breathe

RECOMMENDATION 4.1

Find ways to provide local governments with increased budgetary flexibility.

Discussion

It will be difficult to strengthen the institutional capacity of local units without some increase in budgetary authority. Increased budgetary flexibility appears to be the number one priority of local officials, regardless of their rank or position. If properly informed, these officials will provide a strong base of support for decentralization efforts.

Delegation of increased budgetary flexibility to local governments may not necessarily require a major restructuring of the Local Administration Law. A decree of the Minister of Finance or the Prime Minister may be sufficient.

The consequences of incremental increases in financial flexibility are predictable, manageable, and reversible. As such, they represent a non-threatening starting point for efforts to decentralize authority to local administrative units.

Implementation Strategies/Recommendations

1. Begin to provide local units with gradually increasing, unrestricted funds.
2. Increase the ability of local units to initiate local taxes.
3. Allow the local units to place GOE funds in interest-bearing accounts.
4. Allow local governments to retain all fees and user taxes at the local level.
5. Give local governments the authority to implement revolving funds for specific purposes.
6. Make all efforts to include enabling legislation for the above recommendations in the Local Administration Law currently under discussion by the Egyptian Parliament.

RECOMMENDATION 4.2

Continue direct USAID funding to the local governments.

Discussion

USAID funding to local government is the primary force in the decentralization process. If funding stops, this process will lose its momentum.

Implementation Strategies/Recommendations

1. Continue to earmark funds for local governments. General allocations to the Ministry of Planning or the Ministry of Finance may not reach the local level.
2. Make efforts to assure that the decentralization process does not stop at the governorate level. Decentralization must proceed at all levels.

RECOMMENDATION 4.3

Link increased budgetary flexibility to improved performance in the areas of planning, performance, and accountability.

Discussion

Decentralization is a two-way street. It makes little sense to provide additional resources to units that lack the capacity to allocate those resources effectively. In fact, rushing the decentralization process could well be counter-productive.

The ability of local units to benefit from increased financial autonomy varies considerably both between and within governorates.

Indicators required to assess the capacity of local units to benefit from the decentralization process have yet to be developed.

Implementation Strategies/Recommendations

1. Do not force the decentralization process. Many local units are not ready for decentralization.
2. Develop reasonable indicators for assessing the capacity of local units to effectively utilize greater autonomy.

3. Tie increased financial autonomy to the demonstrated capacity of the local units to improve the mobilization of local resources. The enhanced mobilization of local resources will both strengthen the independence of the local units and ease the GOE's burden of local administration.
4. Make continued project funding contingent upon the ability of the local units to sustain new and existing projects.
5. Provide strong support for decentralization in those areas in which the GOE is anxious to decentralize. Decentralization in one area will stimulate decentralization in parallel areas. The important thing is to get the decentralization process started.
6. Increase fiscal autonomy at a pace that allows adequate opportunity for monitoring, technical assistance, and the adjustment of decentralization strategies.
7. Clarify the functions that the local administrative units are expected to perform. Assure that they possess the authority, resources, and technical assistance to execute those functions.

Make Maintenance A Top Priority

RECOMMENDATION 5.1

Tie funding to maintenance.

Discussion

Deficiencies in the area of maintenance represent the single most important obstacle to the sustainability of I.D II projects. This continues to be the case despite the tremendous emphasis placed on maintenance by both USAID and its I.D II contractors.

The reasons for the continuing problems in the area of maintenance are complex. From a fiscal perspective, O & M funds are inadequate. Most of the currently available O & M funds are provided from the special account.

From an administrative perspective, maintenance is difficult. Local staffs either lack the necessary maintenance skills or are disinclined to use them. Skilled technicians are scarce, expensive, and difficult to monitor.

From a political perspective, new projects engender greater popular support than do maintenance projects. It is also difficult to persuade popular councils to allocate funds for maintenance projects.

Thus, in one way or another, maintenance occupies the bottom rung of local government priorities. This will not change without drastic action.

Implementation Strategies/Recommendations

1. Tie MLA funding for future local projects to the successful maintenance of existing projects.
2. Establish adequate maintenance evaluation procedures. These procedures should be simple to apply and easily understood by all parties.
3. Intensify the monitoring of maintenance projects, with particular emphasis on quality control.
4. Encourage the MLA to increase its level of funding for maintenance projects.

RECOMMENDATION 5.2

Work with the governorates to develop or improve centralized supply systems in the areas of water, wastewater, rolling stock, and buildings.

Discussion

Most local governments attribute their maintenance woes to a lack of adequate spare parts and supplies. Critical parts, the absence of which may cripple a project for months, are difficult to obtain. Many must be imported from abroad.

Implementation Strategies/Recommendations

1. Increase technical assistance to the governorates and marakez in the areas of procurement and warehousing
2. Extend existing networks designed to facilitate the inter-governmental distribution of spare parts. Increased computerization might be a helpful step in this direction. Parts needed by one unit are generally available somewhere in the administrative system. Private sector dealers might also be encouraged to establish such a network.
3. Encourage integrated sector programs to use equipment provided by a single contractor or a single country. As things currently stand, spare parts for the same sector are imported from four or five countries. They are not always compatible.

RECOMMENDATION 5.3

Launch a public education campaign to focus attention on the importance of maintaining public property.

Discussion

In this regard, the effective maintenance of development projects requires the active support of the local population. The maintenance of local government projects in Egypt suffers on two counts. First, the Egyptian population is disinclined to treat public property with respect. Second, there appears to be little inclination on the part of the local councils to allocate funds for maintenance purposes.

This is a deeply rooted problem that will be solved only with time and education. It is, however, a critical problem. Efforts to alleviate it must begin immediately.

Implementation Strategies/Recommendations

1. Curriculum materials at all education levels should place greater emphasis on the importance of maintenance.
2. Efforts to build maintenance awareness should be tied to current GOE efforts to build environmental awareness. The two issues are inseparable.
3. Efforts to build maintenance awareness should also be tied to on-going GOE efforts to increase worker productivity. Again, the two issues are inseparable.

Stress Project Impact

RECOMMENDATION 6.1

Avoid proliferation and fragmentation.

Discussion

Political pressures have inclined local councils to expend their LD II and Bab III funds on a proliferation of small projects. This has fragmented resources, made planning and coordination difficult, overwhelmed the limited management/maintenance capacities of the local units, compounded already severe problems of accountability and evaluation, made it difficult to attract qualified contractors, and diluted the ability of the general population and its elected councils to monitor the development process.

Restricting the decision-making capacity of local councils could well threaten progress that has been made in the areas of democratization, decentralization, and privatization. A difficult choice must be made between the goal of greater administrative efficiency and the goal of political and economic liberalization.

Implementation Strategies/Recommendations

1. Stop funding small and fragmented projects. Local governments have adequate resources to fund small projects. They need help with the big ones.
2. Terminate stalled or inoperable projects and encourage governorates to transfer funds, if available, to completing other projects or starting new ones.
3. Seek a reasonable balance between the goal of efficiency and the goal of decentralization. This can be achieved by improving the level of planning coordination between the local units and the GOE. This theme is elaborated in Recommendation 7.1.
4. Revise the interim planning criteria outlined in the *Interim Planning Guidelines* (Chemomics I.G 5-02) to reflect these concerns. The revised guidelines should also be adjusted to meet the needs of the new MLA program.

RECOMMENDATION 6.2

Do not try to cover the waterfront. All of Egypt cannot be served the time allotted if a high quality of performance is to be maintained.

Discussion

Early phases of LD II attempted to provide a uniform level of development across Egypt's 26 provinces. This effort strained the capacity of USAID contractors. It also undermined efforts to monitor the quality and effectiveness of LD II projects.

Implementation Strategies/Recommendations

1. Stress projects that can be rendered sustainable during the remaining period of LD II.
2. Concentrate on the implementation of LD II projects in administrative units manifesting a high level of cooperation with LD II contractors. These projects have the best chance of being sustained.
3. Stress the extension of successful projects. It will be easier for the GOE to build upon the experience of successful projects than it will be for them to start from scratch.

Take Practical Steps to Increase the Productivity of Local Units

RECOMMENDATION 7.1

Improve organizational procedures within the context of the present law.

Discussion

Productivity in local government units is depressed by a variety of organizational practices that originate in precedent rather than in law. Alteration of these practices is possible through informal negotiations. An administrative revolution is not required.

It is essential to distinguish between organizational changes that can be treated informally and organizational changes that require either legal sanction or a major revision of administrative regulations. Confusing the two issues will prevent action from being taken on those adjustments that can be made at the informal level.

Implementation Strategies/Recommendations

1. Simplify reporting procedures. An inverse relationship exists between the number and length of forms on one hand and the quality of information provided on the other. The following steps would make a good beginning in this direction.

Step 1: Simplify the number and complexity of reporting forms.

Step 2: Eliminate demands for information that is not essential to the planning/accountability process

Step 3: Extend the length of reporting periods, where appropriate.

Step 4: Work with various international development agencies to attempt to simplify and standardize reporting forms ⁴

2. Simplify routine administrative procedures. The recent LD II-1² report on cash management procedures provides an excellent example of

⁴This includes agencies such as the World Bank and USAID

ways in which record keeping can be simplified.⁵ Similar procedural simplifications can be extended to other areas of local administration.

3. Clarify inadvertent procedural contradictions that make local officials hesitant to act. Egyptian officials are extremely rule conscious. They will delay action rather than render themselves vulnerable to accusations of misconduct.
4. Extend and simplify information systems currently being designed by LD II contractors. Sector planning is wonderful if there is communication between the sectors. Unfortunately, housing directorates sometimes operate in considerable ignorance of markaz water and wastewater activities and vice versa. A similar information vacuum sometimes exists between planning offices and finance offices.
5. Encourage the ministries of finance and planning to provide governorates and marakez with better information on how much money they will receive in their Bab III (planning) budgets. The markaz chiefs also need better Bab III estimates from the governorates. In current practice, villages make estimates in ignorance of the funds available. This encourages them to overbid for fear of losing available funds. Such overbidding makes village officials appear unrealistic in the eyes of the governor, who picks and chooses among the projects presented with little reference to the needs of the villages. Obtaining budget information in advance will not solve all of the problems faced by local planners in Egypt, but will clearly be a step in the right direction.

RECOMMENDATION 7.2

Stimulate Individual performance.

Discussion

Productivity in local bureaucracies is depressed by problems of overstaffing, by the inability to fire non-productive employees, by a salary scale that is prohibitively low, by an incentive system that rewards longevity rather than performance, and by personnel procedures that place minimal emphasis on matching skills with positions. Given these circumstances, achieving substantial increases in unit productivity will be difficult, at best. Some progress, however, can be made.

Implementation Strategies/Recommendations

1. Work with available incentives. The incentives listed below have proven to be at least marginally effective within the Egyptian bureaucratic context. Their utility would be markedly enhanced by the existence of a reasonable salary base.

⁵*Manual: Cash Management Procedures* (Chemonics LF 5-01)

- Link individual productivity to recognition and status. Prestige is a particularly powerful motivator among Egyptian officials.
 - Find ways to provide differential salary increases. Some local government officials have been exceptionally innovative in this regard.
 - Encourage participation in training programs, which will stimulate productivity to the extent that training is linked to performance. Training programs represent prestige. They also provide allowances and other opportunities for side payments.
 - Utilize prestige incentives that have been adopted successfully by the Egyptian private sector. Such incentives might include special awards for employee of the month as well as prizes for exceptional productivity. Nominal prizes could be awarded by the popular councils or by local merchants. To be effective, prestige awards must be made on the basis of demonstrated merit.
 - Give productive employees computers. It will increase both their productivity and their prestige.
 - Devote extensive field research to examining the manner in which local officials have experimented with informal incentives.
2. ***Reinforce skills provided by the Advanced Seminars and related training programs.*** The Advanced Seminars have been very effective in upgrading the skills of local officials. Skills, however, extinguish rapidly if they are not used or reinforced. The Sakkara Training Center could be upgraded for this purpose. Indeed, the Sakkara Center could be made the central unit in coordinating MLA training.
3. ***Provide regular on-the-job training programs.*** Regularized on-the-job training programs serve a number of functions in stimulating productivity. For example, they:
- Reinforce off-site training programs
 - Assure that employees actually possess the practical skills they are assumed to possess. This is a particularly important consideration since technical training facilities in Egypt place limited emphasis on field experience and lack adequate laboratory facilities.
 - Provide training to employees assigned to positions outside of their skill areas. Such training provides misassigned employees with the skills necessary to do their job. In so doing, it helps reduce the insecurity and indecision that accompany working out-of-field.
 - Facilitate the gradual introduction of new technologies. This is an important consideration as many local officials currently possess minimal technical skills and cannot absorb everything at once.
 - Make training a normal part of local government, thereby overcoming the initial resistance that often accompanies ad-hoc training programs.

4. Make on-the-job programs profitable. This is a good way of rewarding productive employees.

RECOMMENDATION 7.3

Strengthen the position of the "workhorses"—those individuals who get things done.

Discussion

An interesting aspect of bureaucracy in Egypt is that things are accomplished. Most of what gets done, unfortunately, is done by a limited number of individuals. These individuals, sometimes referred to as the *workhorses*, are the backbone of local bureaucracies and the key to improving local administration in Egypt. Accordingly, every effort must be made to increase the size of the workhorse group and to facilitate the activities of the individuals in the group. Steps should also be taken to retain their services in the public sector.

Implementation Strategies/Recommendations

1. Find out what makes a workhorse tick. What motivates the workhorses? How can the workhorse group be extended? How can more workhorses be recruited into local units?

Very little information exists on the nature of workhorse groups. Given the importance of these groups (and individuals) to the enhancement of local government in Egypt, urgent attention should be devoted to their identification, their characteristics, and their motivation. The more such information is available, the easier it will be to facilitate the performance of highly motivated individuals and to recruit and promote individuals with similar characteristics. Preliminary efforts in this direction were undertaken as part of the Al-Ahram project.

2. Concentrate organizational resources such as computers, information systems, and secretarial support in the hands of the workhorses. Since they are the ones doing the work it is important to make it possible for them to succeed.
3. Direct training programs toward proven members of the workhorse groups. This will:

Impact 1: Provide skills to those individuals most likely to use them.

Impact 2: Improve the quality of training sessions by assuring that the trainees are motivated to acquire the skills in question.

Impact 3: Improve the prestige and morale of the workhorse individuals.

Impact 4: Set a precedent for linking training to performance.

4. All efforts must be made to provide workhorses with monetary and prestige incentives. This will have two advantages: it will boost the morale of the workhorse groups and it will stimulate some less productive individuals to work harder.
5. Experiment with organizational arrangements that maximize the effectiveness of workhorse individuals. There is no single organizational framework that will achieve this end. In some cases, the effectiveness of workhorse groups might be enhanced best by insulating them from the confusion of normal bureaucratic routine. The creation of semi-independent agencies would be an excellent mechanism for this process. In other situations, talents of the workhorses might be used better by placing workhorses in supervisory situations. Flexibility is the key.

RECOMMENDATION 7.4

Stress leadership development.

Discussion

The quality of leadership appears to be the single most important variable distinguishing productive units from less productive units. Some leaders are simply more effective in stimulating the productivity of their employees than other leaders.

Implementation Strategies/Recommendations

1. Promote workhorses to supervisory positions. Doing this serves two key objectives. First, it puts highly motivated individuals in supervisory positions. Such supervisors will be more likely to demand quality performance from their employees than less highly motivated supervisors. Second, it establishes merit as the criterion for promotion. This does not require a modification of the law to be implemented, but it does require that production-oriented officials be in charge of the promotion process.
2. Increase both the quantity and quality of supervisory training programs available for local officials. The program for training village chiefs is an excellent step in this direction. This program should be extended to other supervisory officials.
3. Ensure that training of local officials includes motivational skills as well as technical training.
4. Make supervisors accountable for the performance of their employees.

RECOMMENDATION 7.5

Promote Informal communication among local government officials. Such informal communications should occur both horizontally (between similar units) and vertically (hierarchically within units).

Discussion

Egyptian bureaucratic practice stresses the compartmentalization of functions. The advantage of this type of system is that it promotes specialization and responsibility. Its disadvantage is that it makes coordination and information sharing difficult and leads to "turf wars" that preclude effective cooperation between units.

Structural rigidities are compounded by rigidities in informal communication patterns. Conversations between supervisors and subordinates tend to be ritualistic and status-bound.

Increasing informal communications within and between local administrative units will:

- Ease problems of structural rigidity by increasing informal communication and coordination.
- Promote the "brainstorming" of solutions to common problems.
- Strengthen professionalism among technical and senior level employees
- Enhance the dissemination of technology
- Stimulate competition among officials and units. This is an important key to transferring successful pilot projects.

Implementation Strategies/Recommendations

1. Officials should be encouraged to form professional associations at the local and regional level. LD II could provide seed money for such associations
2. Local units should be encouraged to form village and municipal associations. Guidelines for establishing village and municipal associations in Third World countries is discussed in *Cities International*. (Fall, 1991)
3. Build on the experience of the Advanced Seminars in stimulating group problem solving. The success of these seminars in building informal communications was one of the bright spots of the program.

4. Institutionalize the local administration newsletter initiated by Chemonics. Use the newsletter to highlight successful pilot programs and build positive competition between administrative units. Some progress has already been made in this area.
5. Sponsor regular local government seminars and conferences in which local officials are encouraged to discuss common problems and solutions to these problems.

RECOMMENDATION 7.6

Assign excess workers to public works projects.

Discussion

Local administrative units are severely overstaffed. There is simply not enough work to go around. Less productive workers, who make up the majority, compete with their more productive counterparts for office space and equipment, both of which are in short supply.

Assigning excess workers to public works projects would serve to unclutter local administrative offices, accomplish additional tasks, and encourage casual workers to find other employment. It might also serve as an effective training opportunity.

Implementation Strategies/Recommendations

1. Identify simple public works projects that could be implemented by excess personnel. Such projects might range from the cleaning of draining ditches to the tutoring of school children. Particular emphasis should be placed on maintenance projects.
2. Use public works projects to build basic skills. This would enable some public employees to find employment in the private sector.
3. Provide start-up grants to get public work projects off the ground. Long-term funding could be provided by the money saved in salaries and contractor fees.

RECOMMENDATION 7.7

Attempt to reclassify employees into their fields of specialization and interest.

Discussion

The graduate assignment policy has resulted in many employees being placed in positions outside of their area of expertise, where they lack the skills to be effective in their assigned position. They also lack the interest and the motivation required to do a good job.

Implementation Strategies/Recommendations

1. Experiment with informal procedures that allow more highly motivated employees to assume responsibilities within their area of interest. Some on-the-job training might facilitate this process, particularly in areas requiring computer-related skills.
2. Seek formal job reclassifications for employees who have improved their productivity through informal procedures. If at all possible, tie reclassification to promotion and increased salary.

Improve the Technical Support Services Available to Local Governments

RECOMMENDATION 8.1

Make a realistic assessment of the technical support services available to local governments in Egypt. This list may vary from region to region.

Discussion

The ability of local governments to sustain LD II projects is severely handicapped by the weakness of the secondary support systems available to them. This weakness is particularly severe in the areas of training, technical assistance, planning, and project monitoring/evaluation.

Secondary services during the past decade have been provided largely by the GOE and USAID contractors. USAID is phasing out its programs of direct support to the local arena. Support services provided by the GOE (including governorate level) are both expensive and slow.

GOE organizational charts tend to be excessively optimistic in their portrayal of the support services available to local governments. A number of support organizations listed lack both the technical staff and the funds to effectively meet the needs of the local governments.

Many smaller local government units appear to be unaware of the range of secondary support services available to them in the areas of instruction, technical assistance, and planning.

Implementation Strategies/Recommendations

1. Commission a thorough survey of the support services available to local governments. This survey should contain a rigorous evaluative component and the ensuing report should evaluate available secondary services in the following sectors:
 - Government of Egypt and its local units
 - Specialized public administration, planning, and instructional institutions
 - Universities and technical schools

- Private sector firms
- 2. Systematically interview local officials at all levels to ascertain both their needs for support services and the adequacy of existing agencies in meeting these needs.
- 3. Interview the staffs of USAID contractors to ascertain both the needs of the local governments for support services and the adequacy of these services. The Local Administration Development (LAD) program is winding down, and such information will be lost if the appropriate staffs (Egyptian and expatriate) are not interviewed shortly.

RECOMMENDATION 8.2

Improve the access of local governments to secondary support services.

Discussion

Many local governments, particularly village units, are unaware of the secondary services available to them. They also lack basic skills in tendering contracts, evaluating bids, and monitoring contracted services. Progress has been made in this area, but it needs to be extended.

Implementation Strategies/Recommendations

1. Provide all levels of local government with comprehensive information on the variety of support services available to them.
2. Continue to assist local governments in tendering contracts for support services.
3. Assist local governments in clustering their secondary support needs to the greatest extent possible. Larger contracts will enable local governments to attract a wider range of private sector bidders.
4. Stimulate private sector firms to offer local government package services in the areas of training, planning, and technical assistance.

RECOMMENDATION 8.3

Work with specialized public administration centers such as the Sadat Institute and the National Institute of Planning to enhance the quality of technical and training services offered to the local governments.

Discussion

Egypt possesses a large number of institutions designed to improve the quality of public service provided by the Egyptian bureaucracy and its local units. The effectiveness of these institutions varies considerably.

Local governments are often required to use GOE agencies in meeting their needs for technical assistance and training. This is particularly true of Bab III monies. Anything that can be done to improve the quality of these institutions will have a direct impact on the quality of local administration. Particular emphasis should be placed on strengthening the Sakkara Center.

Implementation Strategies/Recommendations

1. Work to improve the quality of the best public sector institutions. This can be done through a variety of mechanisms including specialized training programs, research grants, and the exchange of personnel with U.S. institutions.
2. Encourage cooperation between public sector and private sector service organizations. Public sector service organizations might be encouraged to contract a large portion of their current activities to the private sector.
3. Upgrade the Sakkara Center.

RECOMMENDATION 8.4

Strengthen links between local governments and local universities.

Discussion

Egyptian academics represent the intellectual elite of Egyptian society. As such, they constitute a largely untapped reservoir of talent that could be of tremendous benefit to local governments.

Forging a link between universities and local governments will be a difficult task for a variety of reasons, the most important of which are outlined below.

- Reason 1:** Egyptian universities do not currently possess a strong tradition of public service.
- Reason 2:** The research of Egyptian professors tends to be excessively theoretical. Theory is often valued for its own sake rather than as a mechanism for solving the many practical problems facing Egyptian society.
- Reason 3:** Programs in the area of local government and public policy are underdeveloped. This is particularly true of the regional universities.
- Reason 4:** Many faculty members at local universities do not reside in the local area. Rather, they live in Cairo or Alexandria and commute to the local area two or three times a week. This is less of a problem at the remote universities.
- Reason 5:** Cooperation between universities and local governments is obstructed by a variety of bureaucratic complexities.

Despite these problems, it should be possible to forge a strong link between universities and local governments. Many faculty members are genuinely interested in the improvement of Egyptian society. Egyptian academics are also severely underpaid. Many highly qualified faculty members would be more than willing to work with local governments if remuneration were adequate.

Implementation Strategies/Recommendations

1. A study should be made of the points at which Egyptian academics could best serve the needs of local governments. Both academics and local officials should participate in this process.
2. The format for involving Egyptian academics in the local government process should be tailored to the task required. Several formats suggest themselves:
 - A large number of research grants on local government topics could be made available to Egyptian academics on a competitive basis. The grants should be sufficiently generous to attract quality applicants. Some assistance might have to be provided in grant writing. The Ford Foundation (Cairo) has had considerable experience in stimulating grant participation among Arab scholars.
 - Instructors of engineering could be awarded contracts to conduct periodic inspections of technical facilities. Such inspections should be combined with on-the-job training programs for local personnel. These contracts would be most appealing if offered as private ventures.
 - Local universities could be encouraged to conduct periodic on-site short courses for local personnel. Successful participation in the

short courses should carry tangible benefits such as an increase in salary.

3. Recipients of local government grants should be required to present the results of their research at special conferences and seminars designed to provide practical solutions to local problems. They should also be expected to publish the results of their research. A special series of publications could be established for this purpose.
4. Contact between universities and local units must be institutionalized. It must be something that local units can adjust to and embrace as a resource.
5. Grants should be made to regional universities for the purpose of initiating or strengthening multi-disciplinary local government centers. The development of such centers could play a crucial role in replacing the technical assistance and training currently being provided by USAID and its contractors.
6. Academic departments in the areas of engineering and social services should be encouraged to establish local government internships for their best students. As things currently stand, Egyptian students receive little practical experience in either laboratories or in the real world. Both the local governments and the students would benefit from this arrangement.
7. Local government institutes in regional universities should be encouraged to establish links with local government and university extension centers in the United States and Europe. Such links would increase the prestige of local government centers in Egypt.
8. Faculty members should be encouraged to establish private sector companies as appropriate. This would provide a mechanism for providing them with reasonable compensation for their efforts. Faculty working with local governments via private sector firms would have an added incentive to involve their students in the affairs of local government.

RECOMMENDATION 8.5

Encourage cooperative programs between technical (vocational) schools and local governments.

Discussion

Many of the skills urgently required by local governments are at the skilled and semi-skilled level. This is particularly true of the skills required for the routine maintenance of water, wastewater, road, and building projects. Local technical schools teach these skills, but have little opportunity to provide their students with practical experience.

Graduates of technical or vocational schools are more likely to remain in rural areas than are university graduates.

Implementation Strategies/Recommendations

1. Advanced students in technical schools should be encouraged to spend an internship working on practical problems in rural areas. Small grants to assist students participating in the internship program would facilitate this process. Such an internship program would have two added advantages. First, it would serve as a basis for recruiting skilled individuals into local governments. Second, it would enhance the overall quality of technical training in the local work force.
2. Encourage the spread of technical schools in the provinces.
3. Encourage existing technical schools to concentrate in subjects of particular concern to the local region.
4. Provide graduates of these programs with elegant diplomas. Do whatever else can be done to make semi-skilled occupations seem prestigious. This area requires extensive research.
5. Provide cash awards to interns who discover innovative ways to improve the quality of maintenance in their area of expertise.

Increase Public Awareness of Local Government

RECOMMENDATION 9.1

Stimulate public awareness of local government and its role in the delivery of vital services.

Discussion

Egyptians appear to know very little about the local governments upon which they depend for the delivery of vital services. They also seem profoundly disinterested in the topic. Sustained improvement in the vital services provided by local governments is unlikely to improve without increased popular involvement in the local government process.

Increased popular awareness of local affairs is also central to the process of decentralization. *Little is to be gained by decentralizing authority to units that lack the institutional capacity to use that authority effectively and in which the public possess so little interest.*

The same logic applies to the question of democracy. How can people be expected to get involved in local government if they do not understand what it does or how it works?

Information on local government is not readily available to the general population. A personal survey of Cairo's major Arabic language bookstores failed to produce a single book or pamphlet on the topic of local government. Even books describing the structure of the national political system were difficult to find.

Coursework concerning Egyptian local politics is extremely limited in secondary schools and universities. The American University in Cairo (AUC) has a course in its catalog, but it has not been taught for years.

Implementation Strategies/Recommendations

1. Make a concerted effort to develop and distribute informational materials on local government topics. The materials should target at least three distinct audiences: the general population, secondary school students, and university students.

The materials for the general population should be attractive and simple. Graphics and illustrations should take precedence over lengthy written materials. The same is true of secondary school materials.

Secondary school materials should be suitable for brief curriculum units ranging from a few hours to a few days. Students should be encouraged to visit local offices and to interview local officials. They should also be encouraged to take the materials home.

University-level materials should be of limited size and suitable for inclusion in general classes on politics, public administration, and business administration.

2. Ensure that the content of the materials stresses three themes: the relevance of local government to the individual's health and welfare, how local government works, and how it can be influenced. Once developed, the materials should be provided free to schools. They should also be distributed at popular council meetings and made freely available in local government offices. A possible format for distribution in government offices might be "help-yourself" counter displays such as those used by Planned Parenthood.
3. Ask President Mubarak to mention improved local government in his speeches. It fits well with his emphasis on increased productivity and decentralization.
4. Develop films on local government for use in schools and television spots. Egyptian television tends to use a large number of such short topics. High quality spots might attract considerable attention.
5. Provide the media with information about both positive and negative aspects of local government. They will use the materials presented as it makes their job easier.

RECOMMENDATION 9.2

Stimulate "adopt-a-street" and other environmentally oriented programs designed to build community involvement.

Discussion

"Adopt-a-street" and related programs have been implemented in Cairo on a limited basis. They should be easier to organize in the less chaotic environment of the villages. They also cost little and force individuals to come to grips with the problems of local government.

Involving school children in "adopt-a-street" programs would provide the following advantages:

Advantage 1: Build environmental and community awareness among the next generation of citizens.

Advantage 2: Promote awareness of local problems among the parents of the participants.

Advantage 3: Provide a way of linking community involvement to academic curriculum.

Advantage 4: Be politically safe and easy to organize.

Implementation Strategies/Recommendations

1. Provide a small amount of funding to intermediate and secondary schools that implement "adopt-a-street" or related environmental programs.
2. Tie funding for the "adopt-a-street" programs to the introduction of brief curriculum units on local government and ways to influence it.
3. Provide additional cash awards to the schools that do the best job. Competition is a powerful force.
4. Provide prestige awards to the students who are most effective in getting their parents involved.

RECOMMENDATION 9.3

Promote the use of public hearings in the planning and implementation of GOE projects assisted by USAID.

Discussion

Public awareness of local governments is dampened by the lack of opportunities for popular participation in the decision-making process. Limited experience exists with the use of public hearings in the planning and execution of LD II projects. This experience suggests that people will participate in public hearings.

Implementation Strategies/Recommendations

1. Study the use of public hearings at the local level. Such hearings could be a powerful tool in promoting awareness of local governments. They also could have negative impacts if inadequately controlled.
2. Extend experiments with public hearings in non-sensitive areas.
3. Use questionnaire surveys to examine popular attitudes toward proposed GOE projects. Such projects will provide useful information to the GOE staff and will build public awareness of local government activities.

Place Greater Reliance on the Private Sector and Semi-Autonomous Agencies

RECOMMENDATION 10.1

Encourage the private sector to play a more vigorous role in the provision and maintenance of local services.

Discussion

Local governments in Egypt lack both the resources and the authority to effectively execute their assigned responsibilities. Greater reliance on the private sector should alleviate this problem by allowing local officials to concentrate their efforts on a limited range of functions.

Greater reliance on the private sector should also improve the quality of services provided to the local community. Simply stated, the private sector can attract and retain more qualified technicians than the public sector. They pay better.

Implementation Strategies/Recommendations

1. Extend the percentage of GOE allocations tied to private sector contracting. LD II programs have made considerable progress in this area.
2. Facilitate the ability of the private sector to participate in provision and maintenance of local services. This is a complex process that will include:
 - Identifying suitable private sector contractors
 - Making projects sufficiently large to attract competitive bids
 - Providing grants to small firms lacking adequate equipment and staff
 - Developing local vocational training programs
 - Simplifying tender and related administrative procedures
3. Create new private sector firms as discussed in Chapter 2.

RECOMMENDATION 10.2

The private sector should not be viewed as a "quick-fix" for the problems of local government in Egypt. There are no quick fixes for the problems of local government in Egypt.

Discussion

The ability of the private sector to alleviate the problems of local administration is mitigated by several factors.

- Factor 1:** Many local government projects simply are not of interest to the private sector.
- Factor 2:** The private sector suffers from many of the problems that beset the public sector such as a shortage of skilled labor, excessive regulation, and an irregular supply of spare parts.
- Factor 3:** The Egyptian private sector is severely under-capitalized. Few private sector firms possess the financial resources to tackle sizable projects. Those that do often find themselves overextended and unable to deliver contracted services on time. The number of bankruptcies in the past year has skyrocketed.
- Factor 4:** Without careful planning, extensive reliance upon the private sector might well create as many problems as it solves. Four factors are of particular importance:
- Private sector firms tend to hire the most qualified local labor, the workhorse groups described earlier, thereby depriving local governments of their most effective workers.
 - Private sector firms employ fewer workers than public sector agencies. In a country suffering from endemic unemployment and underemployment, local governments have little choice but to retain redundant employees, regardless of the financial and staffing burden inherent therein.
 - The minimal availability of qualified private sector firms creates monopoly situations, which result in delays, flawed performance, and inflated costs. Indeed, one of the main reasons cited for delays in the completion of ID II-assisted projects has been contractor negligence and indifference.
 - Local governments lack the capacity to effectively monitor a wide range of private sector activities.

Implementation Strategies/Recommendations

1. Work with the local authorities to ascertain those functions that the local private sector is best positioned to accomplish effectively. This will vary from region to region.
2. Build upon success. Extend private sector projects that have proven effective.
3. Punish poor performance. Cancel unfulfilled contracts and seek alternative suppliers. This may be difficult in the short run. (Recommendations for improving contractor support services are addressed in Chapter 7.)
4. Concentrate private sector activity in areas in which competition exists. This will also vary from region to region.
5. Provide local governments with enhanced information concerning contractors and contracting procedures. (This topic was also elaborated in Chapter 8.)
6. Upgrade the capacity of local governments to monitor private sector performance.

RECOMMENDATION 10.3

Maximize cooperation between local bureaucracies and the private sector.

Discussion

Relations between public and private sectors are complex. On one hand, private sector growth is stymied by excessive regulation and bureaucratic harassment. On the other hand, local governments are a major stimulus of private sector growth. Both parties have everything to gain from greater cooperation.

Implementation Strategies/Recommendations

1. Explore joint ventures between village councils and local technicians. Local technicians need capital to form private sector companies. Local governments require both services and competitive contractors to perform those services.
2. Experiment with semi-private cooperatives. Such a mechanism could be particularly effective in providing needed services to the rural areas. Egyptians have had considerable experience in this area.
3. Make coordination of the public and private sectors an integral part of the planning process. Current assumptions about what the private

sector can and cannot do are unrealistic. In some instances the private sector is under utilized, while in others the private sector lacks the ability to play the role assigned to it.

RECOMMENDATION 10.4

Encourage the use of semi-autonomous agencies to provide services in areas of little interest to the private sector.

Discussion

Semi-autonomous organizations offer an effective mechanism for alleviating many of the problems besetting local governments. Over-staffing can be reduced, authority patterns clarified, and accounting procedures simplified.

Egypt possesses experience with a wide variety of semi-autonomous organizations. The experience of the independent water companies in Beheira, Kafr El Sheikh, and Damietta are particularly relevant to the rural communities.

Semi-independent organizations, however, are basically part of local government. They do not possess the flexibility of private-sector firms. Two points are of particular importance in this regard. First, the directors and governing boards of semi-autonomous agencies are appointed by the governor. As such, they are an integral part of the political process. Secondly, the flexibility of semi-autonomous agencies in regard to hiring practices and incentives is constrained by public law. This is also the case in regard to fiscal regulations.

Thus semi-autonomous organizations should be viewed as mechanisms for marginally increasing the productivity and accountability of local governments in selected areas. They are not a panacea for Egyptian society.

Implementation Strategies/Recommendations

1. Extend the use of semi-autonomous organizations to areas in which the private sector enjoys an effective monopoly.
2. Evaluate the experience of existing semi-autonomous organizations, something that has not yet been done. Use that experience to design new pilots.
3. Make approval for semi-autonomous organizations contingent upon adequate staffing and funding procedures.

Stress the Internal Transfer of Technology

Recommendation 11.1

Capitalize on the positive side of Egyptian development. Some units of local government work far better than others. Find out why.

Discussion

It is easier to build upon technologies that have been successfully employed by Egyptian agencies than it is to import technologies from abroad. This objective cannot be achieved without a clear basis for distinguishing between successful and unsuccessful projects.

Evaluations of successful performance are contingent upon a clear statement of the goals to be achieved. LD II contained a variety of goals. These goals are listed below.

Goal 1: To improve the institutional capacity of local governments.

Goal 2: To improve the delivery of vital services.

Goal 3: To promote democratization.

Goal 4: To promote decentralization.

Goal 5: To promote privatization.

Implementation Strategies/Recommendations

1. Develop a research design for comparing the relative performance of local government units in regard to each of the five LD II goals outlined above. Development of the research design should include the following steps.

Step 1: *Develop clear indicators of success for each of the five goals indicated above.*

This will be a difficult task in regard to institutional capacity and democratization. Both concepts are complex and difficult to pin down. In terms of institutionalization, particular emphasis should be placed upon planning,

implementation, evaluation, maintenance, and the mobilization of local resources.

Keep indicators simple and tangible. Subjective evaluations will simply fall apart.

Step 2: *Evaluate each goal independently.*

Treating the five goals collectively will merely lead to confusion. Links between the five goals can be examined statistically at a later point.

Step 3: *Consider the following when evaluating each goal.*
(These considerations have figured prominently in interviews as an important variable in the differential performance of local government units.)

- Leadership, including the skills, aspirations, leadership styles, and political connections of the unit head
- Technical skills and professionalism of the unit staff
- Level of decision-making discretion available to the local unit
- Level of financial and technical resources provided to the unit by either the GOE or foreign donors
- Economic resources of the local community and the distribution of these resources
- Availability of technical support services either from the private sector or the GOE
- Proximity to Cairo or a regional capital
- Attitude of the relevant popular council
- Level of political awareness of among the local residents including their demand for services

Step 4: Apply the evaluation procedures to a random sample of local governments at all levels using sampling procedures developed by Chemonics M&E Section in reference to the overall evaluation of LD II-P programs.

2. Discuss strategies for implementing the results of this research with both the GOE and the USAID community. Informal seminars would provide an excellent vehicle for such discussions.

RECOMMENDATION 11.2

Facilitate the exchange of information and experience within the USAID community.

Discussion

Little effort is made within the USAID community either to share information or to bring the experience of diverse agencies to bear on common problems. The exchange of information between contractors is infrequent and depends largely upon informal friendships. Information and experience remain fragmented, efforts are duplicated, mistakes are repeated.

Implementation Strategies/Recommendations

1. Organize regular seminars between the USAID program officers and the relevant contracting personnel. Quarterly meetings would seem reasonable. The seminars should be informal and focus on four central themes:

Theme 1: What is being done?

Theme 2: What kind of information is lacking?

Theme 3: What similar kinds of problems are being experienced?

Theme 4: What works well and why?

The seminars should be organized both by sector and by region.

2. Commission periodic studies concerning what works and why. This information tends to be project specific and gets lost with the departure of contracting personnel. Such studies would be of assistance to both contractors and the local governments.

RECOMMENDATION 11.3

Attempt to transfer private sector experience to the public sector.

Discussion

Manifest evidence suggests that the productivity of private sector firms is higher than that of their public sector counterparts. Preliminary research in this area suggests that some, but not all, private sector practices may be transferable to local governments.

Implementation Strategies/Recommendations

1. Make a detailed study of the factors that have inhibited the ability of the public sector to play an effective role in the delivery of services at the local level.
2. Examine the extent to which the private sector has been able to overcome these difficulties.
3. Find one or two local units willing to experiment with the application of private sector management techniques to local administration. The Tenth of Ramadan City may be interested in such an arrangement.

RECOMMENDATION 11.4

Improve mechanisms for the informal exchange of information and ideas between the USAID community and all major segments of Egyptian society. This would certainly include government officials, the private sector, and the intellectual community.

Discussion

The Egyptian community and the USAID community possess different types of expertise. The USAID community possesses a wealth of technical experience, but often finds it difficult to expend that expertise within the context of Egyptian society. The Egyptian community, by contrast, understands the needs of Egyptian society, but often lacks the requisite technology to meet those needs. A symbiotic relationship thus exists between the two communities: each can benefit from the other.

Egyptian expertise is vital to the success of USAID projects in at least two key areas.

Area 1: Egyptians have a far greater understanding of the depth and complexity of their problems than do USAID contractors. Egyptian experts can anticipate probable problems and suggest ways to avoid them. They also know how to get things done informally.

Area 2: Egyptians possess considerable technological expertise in solving local problems. They know what technologies have the best chance of being successful in Egypt and they know how those technologies might best be extended.

Current levels of interaction between USAID and Egyptian communities do not promote the effective exchange of information. The termination of LD II makes improved communication of vital interest to both parties.

Implementation Strategies/Recommendations

1. Take time to consult with members of the Egyptian community. Listen to what they have to say.
2. Promote opportunities for the informal exchange of ideas between USAID and Egyptian communities. Periodic seminars might be an effective step in this direction.