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NUS EVALUATION PROJECT PHASE TWO

INTRODUCTION
&
SUMMARY

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1. THE PROJECT

THE NEIGHBORHOOD URBAN SERVICES project strengthens local government in Cairo and Alexandria by funding activities at three levels: four urban governorates, twenty-three districts, and hundreds of neighborhood private voluntary organizations. These activities are supported by a program of technical assistance and training directed by the American firm, Wilbur Smith and Associates (WS).

Project activity, beginning in late 1981, was under the direct management of the AID mission until the TA Contractor began work in June 1982. The NUS Project is scheduled to end in September 1986.

The philosophy of the project is simple. Local urban government in Egypt had been given authority to carry out a wider range of tasks and take responsibility for provision of basic services, but it had neither the resources nor the experience. NUS provides resources in the form of funding for about two thousand small subprojects, and experience through carrying out these activities with guidance and training provided by Wilbur Smith and Associates. Through the repeated completion of NUS subprojects, Egyptian officials should gain confidence in the abilities of district units to perform important tasks. The result should be a certain devolution of responsibilities and matching financial resources to local levels of an increasingly more competent urban administration.

Although the focus is on public administration, the project addresses the private sector in two ways. First, most of the subprojects are performed under contract by private Egyptian firms. Second, the project supports a large number private neighborhood associations through the PVO program.

2. THE EVALUATION

The language of the Project Paper stressed the flexible and experimental nature of the NUS Project. The repetition of similar subprojects in twenty-three districts over a several year period provides an on-going laboratory for examining the changing processes of Egyptian urban administration. The Project Paper authorized a special external evaluation project to monitor periodically the developments of NUS. This NUS Evaluation Project is carried out by the International Science and Technology Institute (ISTI) with the local support of the American University in Cairo's Social Research Center (SRC).

The Evaluation activities are divided into three phases. The Phase One main report was submitted in December 1983 and was supplemented by a special compendium on district resources in March 1984. The Phase One evaluation provided an across the board review of NUS progress during its first year and a half of operation, and it established the basis for further evaluation work and for the final measurement of the impact of NUS upon urban processes.

Phase Two aims at providing information on specific aspects of NUS rather than repeating the broad overview of the project. This phase is the last opportunity for the evaluation to contribute to the NUS Project's accomplishments and to the planning process for those urban projects to follow the current NUS Project. The aspects to be examined were chosen in consultation with AID project management in Cairo and in Washington, and with the TA contractor. The result is three reports.

(a) Contract Management and Subproject Maintenance

The first of these reports focuses directly on the practical aspects of the districts' management of construction subprojects - selection, design, costing, bidding, construction supervision, completion, and maintenance. This report focuses on the problem areas of NUS implementation and helps identify practical solutions. As part of this process, the evaluation team held debriefings and workshops with GOE line staff in the districts and with AID management and the TA contractor. The key findings of this activity have been translated into Arabic and should become the basis for a series of district level workshops also recommended in the report.

(b) District Decision Making and Community Involvement

The second report is intended to provide a more complete documentation of the operation of district decision making than was previously available. Additionally, it provides case studies of the social context, institutional operation, and human impact of six subprojects. This report documents the tremendous gaps in urban services that are being bridged by NUS, and the very real and pressing human needs that are being served. Although the first and second reports may be read separately, there is much in them that is mutually reinforcing. The study stresses that local government in urban Egypt is not a single entity, but an evolving federation of semi-autonomous institutions. The implication of this for the NUS project are that attention must be given to

MINISTRY
OF LOCAL
GOVERNMENT

MINISTRY
OF
HOUSING

GOVERNOR

DIRECTORATE OF
HOUSING

DISTRICT
CHIEF

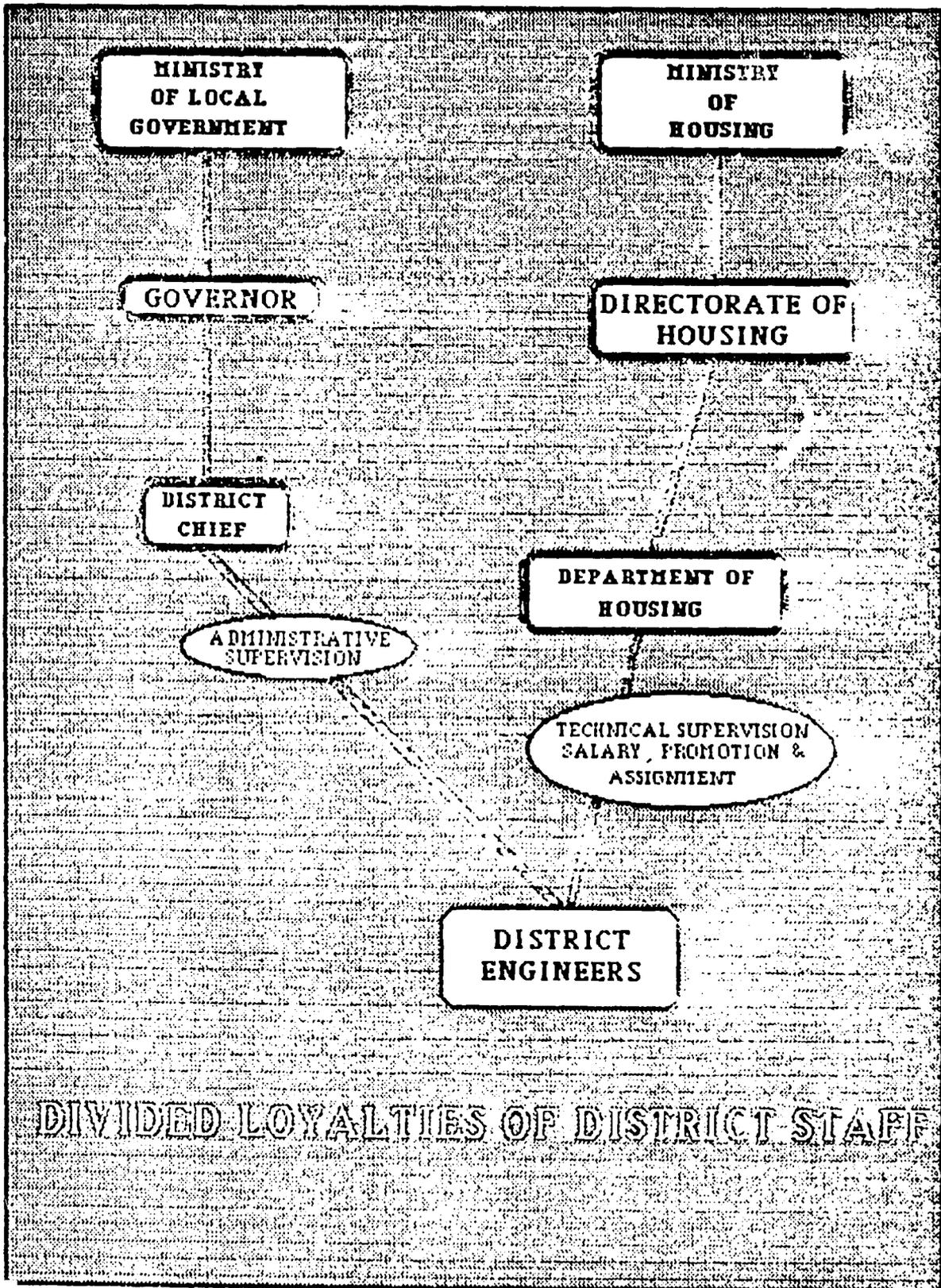
DEPARTMENT OF
HOUSING

ADMINISTRATIVE
SUPERVISION

TECHNICAL SUPERVISION
SALARY, PROMOTION &
ASSIGNMENT

DISTRICT
ENGINEERS

DIVIDED LOYALTIES OF DISTRICT STAFF



strengthening lateral communication and organizational links as well as the vertical links of rules, forms, and procedures. The study also finds that the "Popular Council" often plays an important role both formally and informally. The distinction which is often made in documents between this "elected" and the "appointed" Executive Council is an over-simplification. More accurately, Popular council members are local residents with connections to the national political party which nominates them for the office.

(c) Six Private Voluntary Organizations in Cairo Neighborhoods

The case studies on Private Voluntary Organizations are intended primarily to inform AID decision makers as they plan for post NUS urban projects. Their purpose is to provide qualitative documentation of the capabilities and weaknesses of a few of the more than one thousand neighborhood organizations eligible for NUS support. The NUS project is the first donor project to allocate large resources (\$11.4 million) to a large number of private Egyptian development associations. These six case studies suggest that the next round of urban AID projects could do more to support these private efforts at community development, and in so doing could increase the direct impact of AID on poor urban communities.

3. NUS UPDATE

Phase Two does not conduct a review of all NUS Project activities, but our evaluation interviews allow an update on project issues raised in the Phase One report of December 1983.

GENERAL

The NUS project is a success of which the AID mission, the GOE, and the TA contractor should be proud. The pattern remains much the same with tremendous success in the rate implementation of district and special governorate subprojects as the strongest point, and the lagging training activities and lack of specific targets for capacity building and decentralization as problems.

DISTRICT SUBPROJECTS

According to the TA contractor's documentation, 80% of the district subproject funding category has been disbursed and almost 800 district subprojects have been completed. Many others are in progress and there is no doubt that NUS will surpass its

numerical target of 950 district subprojects before the end of the project.

SPECIAL PROJECTS

The Phase One report noted that 22% of the district funds had been reallocated to special projects. This trend has continued and increased until at present, 42% of the district subproject funds have been reallocated for special projects such as office equipment, street paving, sidewalk construction, solid waste management, and vehicle maintenance. Whereas the original design of NUS focused strongly on the districts, the special projects have emphasized a partnership between governorate and districts, between the need for local decisions, on the one hand, and city-wide planning and coordination, on the other. For example sidewalk reconstruction was identified as a general need by the Cairo governorate. Individual Cairo districts chose which sidewalks and arranged for the work.

PVO SUBPROJECTS

The Phase One report worried that the PVO program was oriented toward larger and better established PVOs. The broad coverage that has taken place since then shows no such preference. Seventy-five percent of eligible PVOs are receiving NUS grants.

During the last year the TA contractor has carried out additional surveys of the PVO community in the governorates of Cairo, Alexandria, and Giza. These reports provide a much more accurate assessment of the types, distribution, characteristics, and financial structures of Egyptian urban PVOs than was previously available.

A major change in the PVO program is the creation of four relatively large community centers, one in each urban governorate. Approximately one million dollars is being reallocated from the PVO budget for the construction of these centers.

INCENTIVE AND MAINTENANCE FUNDS FROM GOE

Problems of GOE provision of incentive and maintenance funds remain, although there has been progress in both of these areas.

TRAINING

In Phase Two, we did not conduct an evaluation of the training program. It was felt that as it is only now moving into the implementation stage, close evaluation would be premature and counterproductive. From discussions with AID project management and TA contractor personnel, we venture the following assessment.

The nine courses are beginning - five for government personnel and four for PVO personnel.

The course are institutionalized in Egyptian government training institutions. Whether the Egyptian Government will be willing to finance the continuation of these courses after NUS is not clear, however.

From the evaluations of the pilot training courses and from a review of some of the training manuals, the programs seem relevant to the Egyptian and NUS context, using cases drawn directly from NUS experience.

We are concerned about training numbers. For instance, although hundreds of district engineers receive training, it is difficult to make sure they are the right engineers. Most districts employ between ten and thirty "engineers", but only two or three are actually involved in subproject management. Since attendance at training sessions is reported to be a problem (generally running at 50%), the key two busiest district engineers may be among the absent. The next phase of the evaluation will need to consider not only in the numbers of training person days delivered, but who was trained and how it affected their work.

We have also recommended the addition of team building type district workshops to the training program in order to address organizational issues of lateral communications, shared objectives, and motivation. These are being planned by AID project management and the TA contractor.

NUS OBJECTIVES

The Phase One report stressed that in an evolving project such as NUS the final goals regarding local government responsibility, competency, and resources remain unspecified. At the end of NUS, what levels of administration should carry out which tasks to what degrees of effectiveness? These are issues which the Egyptian government must decide on the basis of its experience with NUS. The Phase Two reports suggest that such decisions might be negotiated within a framework of planning for the next

round of urban projects, and incorporated within a planned program of phaseover from the current NUS to its successor project or projects.

ATTITUDES

The evaluation team observed important changes in attitudes toward NUS. Local Egyptian officials now discuss NUS and problems of urban administration in a more pragmatic way. In Phase One interviews, many local officials spoke of NUS as being unnecessary and troublesome and expressed unrealistic views of the relationship between district government responsibilities and resources. AID officials and contractor personnel also demonstrate much more realistic and better informed attitudes toward the problems of urban Egypt. On all sides and at all levels, the discussion is now considerably more practical and better informed than in 1983. The evaluation benefits from this increasingly sophisticated climate of discussion. Conversely, our presence, the evaluation process, and the information collected, also contribute to this increasing maturity of thought and discussion.

Neighborhood Urban Services Evaluation Project

Phase Two Report on District Contract Management and Maintenance

Executive Summary

December 1984

1. Introduction

The Neighborhood Urban Services Project includes an evaluation activity which is divided into three phases. The first phase was completed in late 1983 and early 1984. This second phase began in September 1984 and finished in December. The purpose of this second phase is to generate useful information and highlight important issues in order to help NUS achieve its project goals by mid 1986.

The Evaluation Team from the American University in Cairo's Social Research Center (SRC) and from the International Science and Technology Institute (ISTI) of Washington, D.C. visited several urban districts of Cairo and Alexandria during October to study the issues of contract management and maintenance of NUS subprojects. The team is grateful for the cooperation and help we received from the many officials in the districts. Their appreciation of the usefulness of this work makes this report possible. We also wish to express our appreciation for the assistance from AID project management and from Wilbur Smith Associates.

The basic success of the NUS Project in providing new and improved facilities for urban services is well known. Everything we saw during this current evaluation study confirms that the project's accomplishments are impressive.

It is not our role during this middle phase of the evaluation to either praise or criticize the Project or any of the parties involved, but to contribute to its continued success. The nature of this study is to focus on real problems and consider practical solutions. Our understanding of the problems and possible solutions rests on the thoughtful analyses of officials dealing with the issues in the field. Real problems are by definition complex and do not benefit from simplistic summary. We present here sections of the report which focus on the main technical and organization issues facing NUS. Although the issues and problems are well known, presenting the different facets of them can help show the way towards at least partial solutions and improvements.

2. Three Critical Activities

Supervision, design, and maintenance procedures are three critical problem areas which detract from the quality and durability of NUS subprojects. These activities are the focus of much of the technical assistance to the project to date. A review of these problems reveals the complexity of the NUS task and helps provide a realistic basis for the assessment of whether current NUS programs are likely to improve significantly the local capacity for project management by the time of the currently scheduled end of the NUS endeavor in 1986.

2.1 Design

Problem:

NUS calls for the design of about one thousand buildings and structures of a certain size - i.e. at under LE 80,000 (average LE 31,000). The evaluation team observed several projects designed in ways that are inefficient, inappropriate, or inadequate. In some cases, old standard designs are used with little or no adaptation to the special circumstance or to recent changes in availability and prices of materials. The plumbing and electrical aspects of many designs are inadequate. Often foundations are built to support future expansion that may never take place at the expense of providing immediate badly needed extra rooms.

Analysis of the Problem:

(a) Technical skills. Engineers are in short supply in the public sector. Design engineers are particularly scarce. At the district level, engineers generally lack the experience for designing larger structures. At the governorate level, some service directorates have design units in their engineering departments, but these ministries vary in their degree of competence and creativity. The Ministry of Education appears to be the weakest. Their standard designs are unimaginative and under-detailed. They regularly add classrooms to schools without expanding the WC facilities. The Ministry of Health generally responds better and is more innovative in designing new clinics. However the TA contractor notes that the Ministry of Health's record is less even than Education's. The Ministry of Health produces some of the best designed buildings and some of the worst. The design capabilities of the governorate level service directorates also vary from governorate to governorate. Education is stronger in Alexandria than in Cairo. In any case, the design work for NUS projects is rarely satisfactory. It often consists of very rough sketches with few dimensions. The TA field engineer more often than not must help complete the designs.

R E S P O N S I B I L I T Y C H A R T

KEY R-Principal Responsibility I-Information Only C-Consult./Opinion V-Veto	DISTRICT NUS FUNCTIONS				OTHER GOE	WILBUR SMITH	AID
	NUS COORDINATOR	CONTROLLER	CONTRACTING	ENGINEERING			
1. Sub-Project Selection Sub-Project Review	I→C→R I→R				V Popular Council V Executive Council	C	V
2. Initial Site Inspection				R	C Governorate C Ministry C Utility Authority	C	V
3. Initial Cost Estimate				R		C	
. Exec. + Pop. Council Final Approval	I				V Popular Council		
5. Gov.Pop.Council Approval	I				V Popular Council		
6. Design Costing	I			R	C Min./Directorate C Utility Authority	C	V
7. Bid Prep. & Advertising			R	C		C	
8. Bid Review			R(Committee A)			V	
9. Bid Award & Contract	I		R(Committee B)				
10. Site Inspection/Turnover	I			R			
11. Construction Start				R			
12. Progress Inspections	I			R			
13. Progress Payments		R		C			C/V
14. Change Orders	I			R		V	
15. Change Order Payments		R					
16. Completion/Acceptance	I			R		V	
17. User Acceptance	I				R service Dept. Utility Authority		
18. Acceptance Payment		R				V	
19. Turnover to User/O&M	I/R				C Service Dept. Utility Authority		

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(b) Accountability. Engineers are often reluctant to take responsibility for designs of buildings simply because once the engineer's name is signed to the design he or she may be held responsible for any future mishap. Consequently, there is a strong tendency for engineers, even if competent to do design work, to try to pass the task on to someone else.

(b) Responsibility. One effect of NUS Project has been to diffuse further the responsibility for design work. The district engineers try to get the relevant service directorate to send them a design for an NUS project. The service directorate design engineers are often slow to respond since the district NUS project may not be high on their priority list. Thus it is not unusual to find one NUS clinic largely designed by the health directorate engineers and another NUS clinic largely designed by the district engineer.

Solutions:

(a) Create a small design section in the district engineering office. This would involve persuading the Ministry of Housing to shift some of its better engineers to work in the districts. Another solution would call for an intensive skills training program for engineers at the district level.

(b) Increase the design capacity in the most relevant service directorates so that they can handle the increased demand from districts.

(c) Contract out design work on major district sub-projects to private firms.

(d) Create a small but elite mobile engineering unit in the directorate of housing to provide technical assistance to the districts similar to the support the districts now receive from Wilbur Smith engineers.

Prognosis:

Overall, the solution to the design problem depends on the future arrangement the GOE has in mind for district level construction activity. After NUS, will construction revert largely to the service directorates or will the increased role of the district staff be a remaining legacy of NUS? The work of the TA contractor to date has tried in several ways to strengthen district design capacity and has also had some success in influencing the design approach in some service directorates. The TA contractor has also encouraged some districts to contract out some design work, however it seems unlikely that districts will do this for non-NUS work. Nonetheless, the NUS

experience is slowly having an impact upon the quality of design work in some districts - especially on some of the little details that can make a big difference to the usability and durability of the structure. Combinations of some of the above proposed solutions are doable and GOE engineers at both the local and governorate levels recognize the problem and the possible solutions.

2.2 Supervision

Problem:

There is a chain of inadequate supervision that begins with the relatively low level of training and supervision of construction workers by their employers, followed by inadequate site inspection by the district engineering staff, and weak control over contractors by local government. This lack of supervision is responsible for much of the poor quality work which quickly becomes a maintenance problem. Most of this relates to "minor" issues such as finishing, but occasionally lack of supervision results in possibly dangerous situations.

Analysis of the Problem:

(a) Low skill levels of workers. Due to out migration in recent years and to an expansion in domestic building construction, competent skilled and semi-skilled labor is currently at a premium in Egypt. There is no reason to assume that NUS contractors, generally small firms because of the modest size of NUS subcontracts, can hire and keep the best in competition with larger firms building for the private sector.

(b) Contractor supervision of laborers. Less experienced construction workers need more experienced and more vigilant supervision. The evidence is strong that this is often not provided by NUS contractors. (See section on Site Visit Observations.) It is reasonable to assume that experienced foremen are also difficult to secure at present.

(c) District engineers' site inspections. District engineers do not visit construction sites often enough. Legally, a representative of the district engineering office is required to be present during certain critical procedures such as pouring concrete. Generally for this, the district engineer does not go personally but sends a subordinate technician.

The most often cited reason for the inadequate inspection visits is the lack of transportation. There are other factors. District

engineers expressed the view that it is the obligation of WSA engineers to supervise these NUS projects, since they are highly paid while the district engineers receive no extra pay for this extra work. Engineers also complain that their critical reviews of contractors are usually not acted upon by higher authorities.

(d) The district government has difficulty exercising control over its contractors who appear to have some political influence. Also, once a contractor gets half way into a project, it is expensive and difficult to rescind the contract and turn it over to another firm. Moreover, other firms may refuse to take up such a job. Overall, it is this lack of district government's clout over contractors that creates a climate of lax supervision of daily construction work quality.

Solutions:

Most suggested solutions stress the transportation issue. The GOE personnel often want AID to provide cars. AID maintains that the GOE should make its own plans to solve its transportation problem. AID Management has suggested to the NUS Steering Committee that they should purchase motorcycles with sidecars as an inexpensive way to get its engineers to the field. Engineers may feel that this is beneath their professional dignity. Nothing has been resolved on this.

One partial solution that has been adopted is to write into the district contract a clause that makes the contractor responsible for transporting the GOE engineer to the site for inspection. The engineers complain that this reduces what little clout they have over the contractors and also gives the impression to others that they are under the influence or in the pay of the contractor.

Another solution is for the district to reimburse engineers for taxi fare for site visits. This is done to a limited extent, but there is no standard system that would encourage engineers to make any "extra" site inspections.

Prognosis:

There is no simple solution to this problem of supervision. The TA contractor and AID project management are working to solve four aspects of the problem. First, they are working with the districts to improve the quality of the contractors selected to do district work, mainly by weeding out those who have performed badly in the past. Second, they are trying to address the transportation issue, although motorcycles looks like a non starter of a solution. Third, they are trying to negotiate a system of incentives to recompense district engi-

neers for the additional NUS work. This may help the NUS sub-projects but will not address the long term issue. Fourth, WSA engineers stress repeatedly the importance of site inspection and set an example by taking district engineers to the sites. However, these attempted solutions are limited and not articulated as part of an agreed upon attack on the problem of construction supervision. It is difficult to be optimistic that the situation will be improved in a permanent way by the end of NUS.

2.3 Maintenance Procedures

Problem:

It is no secret that maintenance is poorly performed on public facilities in much of Egypt. Maintenance is complex in that it consists of four different levels or activities: (a) cleaning, (b) routine replacement and minor repair of fixtures, (c) periodic structural repairs and refinishing, and (d) emergency repairs. Furthermore, different kinds of facilities or systems have very different maintenance requirements and very different consequences should maintenance not be performed. All service directorates and districts have small maintenance budgets and some specialized units responsible for such work, but generally the budgets have long been woefully inadequate and the maintenance units understaffed. The habit of deferring maintenance until the point of crisis is now ingrained.

Analysis of the Problem:

NUS projects are largely turned over to the appropriate service directorate for operation and hence maintenance, yet the NUS maintenance funds are distributed to the districts.

Some NUS projects are additions to existing structures. Does this mean that the four newer classrooms of a school will receive maintenance while the rest of the building is allowed to deteriorate? Or that one room will be painted out of one fund and another room from another fund?

Are NUS Maintenance funds to be used as part of a program of preventive maintenance (if so there is no program), for routine replacement, or saved for major structural repairs and refinishing?

Because of the one year warranty period, there should be no need for maintenance during the first year. Yet many buildings

are accepted in a less than finished state and the Districts are unable or unwilling to force the contractors to complete the task. The result is that future maintenance problems are exacerbated by early neglect of minor details.

The maintenance fund is provided by the GOE as part of its contractual agreement with USAID for NUS. To date, the GOE has been slow to release these funds and relatively uninterested in taking up the responsibility for maintenance.

Solutions:

AID project management and the TA contractor are introducing a system to assure the maintenance of NUS structures and to provide a systematic means of allocating funds from the overall maintenance fund to meet specific maintenance needs. The system is rational in that each district will do a survey of its NUS subprojects and list and cost the needed maintenance activities. This amount will then be requested from the fund and the District will arrange for the work to be done. Most districts will probably contract out the work through a bidding process or have their "annual contractor" perform the work.

Prognosis:

Although this system will probably provide maintenance for NUS projects for a few years, neither this system nor the TA work in general is doing much to institutionalize systems of preventive maintenance for District construction projects. (An important exception is the TA contractor's work regarding the maintenance of heavy equipment.) Nor do we see a program aimed at strengthening the district's capability of handling emergency maintenance.

Maintenance is one area in which NUS is exploring alternative means. However, the alternate means must be carefully assessed in order that they do not weaken the GOE's institutional capacity for maintenance by setting up a temporary, alternate system, outside of the normal channels (which exists but is short of resources).

AID project management and the TA contractor are very aware of the nature of the problem and plan to address it in a more comprehensive way during the next phase of decentralization programming under NUS.

3. Four Organizational Issues

The evaluation team examined ten components which are critical to the functioning of large and complex organizations. Four of these components merit special consideration regarding NUS.

3.1 Linkages

NUS has focused on improving vertical linkages between the governorate and the district chiefs, and to a lesser degree, between the governorate level directorates of ministries and their district level departments. The weakness of NUS to date is that it has had inadequate impact upon improving the horizontal linkages "within" the district organization. Most service department personnel identify with their ministry more than with their district. The ministry is the source of salary, promotion, and professional pride and recognition when that exists. On the other hand, strong district chiefs are able to counteract the centrifugal tendency of the service departments to some degree.

Several activities and factors could improve horizontal linkages and a sense of district unity.

Because the district chief is pivotal, this problem can be partly addressed as another item on the agenda of a management workshop. The TA contractor in the Mid-Project Report (draft) states the intention to focus more attention on the district chief in this regard during the remainder of NUS.

Weak Horizontal linkages also respond to "team building" type workshops. Although our two district debriefing/mini workshops were not designed as team building activities, group discussions of issues cleared some misunderstandings among district staff and resolved some problems of horizontal communication. Much more could be done along these lines using relatively modest training resources.

Some districts have managed to get all or most of the departments under one roof. In other districts, they are scattered in separate buildings often quite distant. If the GOE is serious about an increasingly active and coordinated role for district government, spatial consolidation could be a long term goal.

DIAGNOSTIC PERFORMANCE MODEL

TEN COMPONENTS OF ORGANIZATIONAL CAPACITY

- 1. Conceptual Skills
- 2. Interpersonal Skills
- 3. Technical Skills

Respond to:
Training

- 4. Motivation
- 5. Job Clarity
- 6. Objectives
- 7. Systems + Procedures
- 8. Linkages
- 9. Physical Resources
- 10. Human Resources

Respond to:
Incentives
Reorganization
Team Building Workshops
Reallocation

Constitute

ORGANIZATIONAL CAPACITY

to maintain

BASIC SERVICES AT TARGETED LEVEL

3.2 Motivation

This is a well known major problem facing all branches of the public bureaucracy in Egypt (and elsewhere). Salaries are low, jobs are secure, and advancement is more by seniority than by performance.

NUS addresses this problem largely by trying to negotiate the distribution of the incentive fund by the GOE. Like the maintenance fund, the incentive fund is part of the contractual obligation of the GOE to NUS, and the GOE has been slow to fulfil this obligation. Although these incentive payments will help defray some of the complaints of NUS overwork, they are too little, too late, and too temporary to have a major impact on the morale of district staff.

Good managers have a number of means (positive and negative) to increase the motivation of their people - recognition through awards, personal compliments, making tasks more interesting and meaningful, negative performance reports, hearings, etc. An informal management workshop for district chiefs could encourage them to list, formulate, and discuss the pros and cons of better combinations of these positive and negative management tools.

3.3 Systems and Procedures

This is the area where the TA has been most active and most effective. A number of engineering and accounting forms have been introduced and these are being used for all the NUS subprojects as well as often being used by the district for its own non-NUS budget and projects.

To what extent does NUS build a separate system of procedures and forms and thereby weaken the GOE organization in the long run, or actually strengthen the organization's existing procedures?

In some instances, the new procedures are not new at all but have long been on the books of the GOE regulations. NUS strengthens these by insisting that they be followed. In other instances there were general obligations on paper which had never until NUS been specified and implemented. There is other reporting that is unique to NUS because of the need of AID to account for the expenditure of its funds. So far, the NUS procedures are followed because Wilbur Smith insists upon it. There is some evidence that governors and other senior GOE officials are coming to appreciate the systems and procedures and will themselves insist upon them after the departure of the TA contractor.

3.4 Objectives

The NUS process has helped local government firm up its objectives of providing services to people in the form of increased public facilities and increased responsiveness to local needs. There is a long way to go before there is agreement on the practical objectives of district level government versus governorate and national ministerial levels. The continuing dialogue of governorate and district officials with AID management and the TA contractor is contributing to clarifying these objectives. Senior governorate officials have come to appreciate and rely upon aspects of the NUS approach. The SRC interviews in the districts exhibit a striking improvement in the practical attitudes of district staff regarding their overall task and what they need to accomplish it.

In the Phase I evaluation report, ISTI/SRC noted that the objectives of NUS in terms of capacity building or decentralization of activities are not spelled out with specifications. NUS has now built up credibility. The AID Mission and the GOE are currently embarking upon negotiations regarding the future (post NUS) urban development and decentralization projects. This provides an appropriate opportunity for spelling out practical objectives. What is expected to be in place at the time of phaseover to the next round of projects. What tasks are expected to be carried out by what level of government at what level of efficiency.

General issues such as local revenue generation and budget distribution also need discussion.

4. CONCLUSIONS

Most of the issues mentioned above suggest various lines of action for improving the situations. By way of conclusion, let us review the most important issues and necessary solutions.

4.1 Maintenance

First, those maintenance funds that have been released to the districts must be applied in a systematic way to NUS subprojects in need of work. It seems that this is beginning to happen through the use of the new maintenance checklist. It should continue.

Second, more specific plans must be made for the future use of the maintenance fund.

Third, the TA Contractor has recently added a course on Maintenance to its package of training program. This is important and should be supported.

4.2 Incentive Fund

This is a difficult issue, however it is imperative that an effective program of incentives for district personnel working on NUS be put in place. At the same time, it is remarked that incentive payments alone will not solve a motivation problem.

4.3 Workshops

Management Workshops in the district can help solve problems of weak organizational linkages, motivation, and objectives. Combined with the training and technical assistance already in place, they can add to the effectiveness of local units.

4.4 Objectives and Phaseover Plans

As part of the planning for the next phase of AID urban projects, a plan and timetable for phasing NUS into this next set of activities should be drawn up as a guideline. Such a guideline should attempt to describe what responsibilities and tasks should be assigned to which level of urban government. It should lay out a process for phasing out or changing the role of foreign technical assistance.