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Egyptian Decentralization Initiative

Contract No. 263-I-01-06-00015-00

Year 2 Annual Report

4th Quarter FY08 Progress Report

July – September 2008

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ACRONYMS AND ABBREVIATIONS

AED	Academy for Education Development
ALDDS	Association for LPC Development and Decentralization Support
AUC	American University in Cairo
BUDC	Beheira Utility Data Center
CAA	Central Auditing Agency
CAMA	Computer Aided Mass Appraisal Systems
CAO	Central Auditing Organization
CAOA	Central Agency for Organization and Administration
CAPMAS	Central Agency for Public Mobilization and Statistics
CDA	Community Development Association
CDS	Center for Development Studies
CO	Contracting Officer (USAID)
CSC	Citizen Service Center
CTO	Cognizant Technical Officer (USAID)
D/G	Democracy and Governance
DIEC	Decentralization, Information, Education, and Communication (strategy)
DTO	Decentralization Technical Office (in MoLD)
EDI TO	Egyptian Decentralization Initiative Task Order
EDI	Egyptian Decentralization Initiative
ERP	Education Reform Program
FAD	Fiscal Affairs Department (IMF)
FinBi	Finance Banking Consultants International
FY	Fiscal Year
GIS	Geographic Information System
GoE	Government of Egypt
GOPP	General Organization for Physical Planning
GSU	Georgia State University
IDC	Inter-ministerial Decentralization Committee
IDDP	Integrated District Development Plan
IR	Intermediate Result
IT	Information Technology
KSA	Knowledge, Skills, Attitude
LADIS	Legislation and Development Information Systems
LAU	Local Administrative Unit
LEC	Local Executive Council
LGU	Local Government Unit
LoP	Life of Project
LPC	Local Popular Council
LSDA	Local Services Development Account
LSDFs	Local Services Development Fund(s) or special accounts
M&E	Monitoring and Evaluation
MLPC	Member of Local Popular Council
MoED	Ministry of State for Economic Development
MoF	Ministry of Finance
MoHUUD	Ministry of Housing, Utilities and Urban Development
MoLD	Ministry of State for Local Development
MoU	Memorandum of Understanding
MSAD	Ministry of State for Administrative Development
NCfD	National Curriculum for Decentralization
NDP	National Democratic Party
NGO	Non-Governmental Organization
NSfD	National Strategy for Decentralization

NTAG	National Training Advisory Group
PARC	Public Administration Research and Consultation Center
PMP	Performance Management Plan (Indicators)
PPG	Participatory Planning Group
REDI	Regional Democracy Initiatives
RfP	Request for Proposal
RfQ	Request for Quotation
SLDF	Services Local Development Fund
SNTI	Sakkara National Training Institute
SoW	Scope of Work
SPAAC	Social Planning, Analysis, and Administration Consultants
STTA	Short-term Technical Assistance
TA	Technical Assistance
TAG	Training Advisory Group
TNA	Training Needs Assessment
ToT	Training of Trainers
TSA	Treasury Single Account
UNDP	United Nations Development Program
USAID	United States Agency for International Development
WBI	World Bank Institute

EXECUTIVE SUMMARY

The Egyptian Decentralization Initiative (EDI or the “Project”) is a five-year project financed by USAID to support the decentralization efforts of the Government of Egypt (GoE). As stated in the Project task order this will be accomplished through “technical assistance, training, and policy support to improve the effectiveness, transparency and accountability of local government in pilot governorates to respond to citizen priorities. This objective will be addressed through the achievement of:

- Increased Egyptian financial resources available to local governments for responding to community priorities;
- Enhanced participatory mechanisms to plan, allocate, and monitor the use of revenues; and
- Strengthened administrative capacity and legal framework for local governments to effectively and transparently manage resources.”

EDI is working toward the goal of Egyptian decentralization at both the national and local levels of government seeking to achieve a number of concrete results as further described in this report.

EDI ACTIVITIES AT THE NATIONAL LEVEL

EDI assembled a strong cadre of policy experts that successfully raised awareness of the issue through research, training, policy roundtables, conferences, and networking...well before decentralization would achieve the attention it enjoys today. As a result, the chances of a national consensus on decentralization have improved significantly.

Approximately fifty original policy papers, research reports, analyses, assessments, presentations and technical notes were prepared by EDI staff, subcontractors and grantees to support the GoE decentralization effort.

Two major national conferences assembled hundreds of the most renowned experts on Egyptian governance, finance, economy and politics to debate the core issues affecting implementation of decentralization in the country. The dialogue and discussion that emerged at these events are an important part of the input for development of the national strategy for decentralization.

For example, the paper “Capacity Building under Decentralization” delivered at the June 2008 Conference by Dr. Saleh Abdel Rahman Ahmed, Assistant Professor of Public Administration at Cairo University, is being applied to develop the training needs in the three national pilot Governorates.

The principal counterpart for EDI at the national level is MoLD. However, in coordination with the Ministry Technical Office, the project also works closely with other key partners on the decentralization agenda, including the Ministries of Finance, Administrative Development, Housing and Social Solidarity, as well as the General Organization for Physical Planning and the Central Authority for Organization and Administration.

EDI ACTIVITIES IN THE FIELD

Any national strategy for decentralization in Egypt must be supported and implemented on the ground through practical structures and methodologies that clearly demonstrate an improved system and services for the citizens, including all stakeholders such as women, youth and the disadvantaged. That is why EDI efforts have been built around community mobilization activities in the four Governorates where the Project is conducting pilot activities: Assiut, Beheira, Qena and Minia.

Through its unique design and field office presence, EDI plays a distinctive role in supporting the Egyptian model for decentralization. EDI approaches the problem from multiple aspects including policy reform, citizen participation, financial management, and revenue enhancement at the local level, coordination with sectoral efforts such the Education Reform Program and improvement of citizen services.

EDI activities at the local level are intended as a preparatory stage for future implementation of the national strategy on decentralization.

As this report is being written, the GoE is embarking on pilot decentralization activities in three new Governorates...Fayoum, Ismailia and Luxor. EDI is working closely with the technical office of MoLD to contribute the extensive field experience of the Project to support the effort of the Ministry in these three Governorates.

Participatory Planning and Local Popular Councils (LPC)

Increased citizen participation in governance is critical to the success of decentralization. The Project is promoting and strengthening the role of citizens and their interaction with LPCs in a number of important ways as described below.

The primary focus of this effort is the capacity building of local popular councils at the Governorate, district and village levels, especially with respect to preparing them for a leading role in community development. This new emphasis on the popular councils is vital to the success of any decentralization strategy as they represent the only elected bodies at the local level.

Among the results of this work is the highly successful and rewarding integrated district development planning process (IDDP) in six pilot districts in Assiut, Beheira and Qena. EDI developed the innovative IDDP model that has participatory planning as its centerpiece. Although participatory planning has been used in several other donor-supported projects, the EDI model is unique in that it:

- (i) Focuses the planning process on the elected LPC at district, town, and village levels rather than concentrating on executive councils or by creating new entities
- (ii) Provided extensive training in use of participatory planning concepts and mechanisms prior to initiating the IDDP process so that LPC planners could use those mechanisms to engage citizens in debates about their priority needs
- (iii) Engaged marginalized groups, such as women, youth, and daily workers, as well as natural leaders and non-governmental organizations (NGOs) so that their priorities are reflected in the final plans
- (iv) Also involved local executive council (LEC) officials, particularly at village and district levels.

In short, the EDI participatory process prepared local officials for real decentralization responsibilities in the future when the national level devolves functions to lower tiers of government.

The IDDP innovation introduced by EDI involves extensive training and numerous meetings and events involving heads of service directorates, LPC and LEC members, and citizens in the pilot districts. These activities strengthened the participatory process at village and town levels, and provided a role for citizens in decision-making.

In Beheira the process culminated with citizen meetings in Shubrahkeet and Abu Hommos pilot districts, each attended by hundreds of stakeholders and led by the Governor who formalized the plan for each district. In Abu Hommos alone the Governor approved a commitment to provide 25 million Egyptian pounds for the district IDDP, exclusive of sanitation projects. The latter will be funded through a separate mechanism, also promoted by EDI, which supports 30 percent of costs from community contributions and 70 percent from Ministry of Housing budget allocations.

Therefore, not only do citizens have a say in the plans of their government, but they must also assume some responsibility for the cost of implementing these plans, thereby encouraging them to prioritize and shape their requests to fit funding realities. The IDDP process has succeeded because of the EDI-promoted partnership between the citizens, local popular councils, and executive branches of government.

The Project works with fifty-two local units (at district, town, and village levels) in the six pilot districts. This resulted in six integrated district development plans representing the priorities of each district, together with those of its town and villages. In all, over 250 projects, with a value of approximately LE 285 million were identified in the six plans produced for 2008–09. When implemented, these projects will improve the quality of life for thousands of Egyptian citizens in the EDI pilot districts.

Public participation is also promoted through the convening of a number of public hearings in the pilot Governorates to discuss local services such as bread distribution, beautification and improvement, urban transportation and other priority development issues. The hearings cover the quality of services, pricing, and proposals for improvement. Reports from the hearings in Assiut, including recommendations, were forwarded to the head of the Governorate LPC and the Governor for follow-up.

Data provided by EDI field offices indicate at least a two-fold improvement in the pilot districts between fiscal years 2007 and 2008 in the indices used by the Project to measure the reliance on participatory mechanisms.

These unprecedented results mark a significant achievement in the decentralization agenda. The involvement and buy-in of these citizens represents for many their first opportunity to participate with real input into the functioning of their government. Most important however, is that thousands of citizens no longer are disenfranchised from the planning and decision-making processes within their communities.

Increased Local Revenues

Other EDI activities support and reinforce this participatory planning process and further contribute to the readiness and capacity building of the pilot Governorates for decentralization reforms. Of primary importance are EDI efforts to increase the financial resources for local government.

Significant progress in local revenue generation is being realized in Assiut Governorate where the fees and charges for local services were updated for the first time in twenty-five years with the direct assistance of the EDI field office staff. The Project, working with two pilot districts, helped guide the process to improve local revenue and assisted in developing the justification for adoption throughout the entire Governorate by the LPC. Governorate-wide, it is estimated that these actions will result in nearly a seventy percent increase in locally generated revenue in the first year.

This increased revenue provides resources to LPCs in Assiut to help them support important community projects identified during the integrated district development planning process. Because of this EDI effort, projects are being implemented that otherwise would have atrophied in the face of insufficient state budget allocations or donations.

In the broader context, all districts in Assiut (not only the two pilots where EDI works) are now better prepared for the coming phases of decentralization. The EDI pilot districts in Qena and Beheira are working with Project staff to emulate this successful Assiut example. Without question, the Project is making an important difference in these pilot Governorates.

The Project is working to increase local revenue in a number of other ways, in order to facilitate self-help for financing community needs. Technical assistance is being provided to improve the financial and operational administration of various public projects, such as parking lots and gas bottling facilities, which contribute to local special development funds (LSDF).

EDI also provides training to LPC members and other stakeholders on maximizing local revenue and the Project is automating the accounting units at the district level in order to improve financial management, reporting and internal controls. Training in financial analysis is targeted at members of Planning and Budget Committees and LEC members responsible for management of projects that support LSDFs.

Overall, EDI is providing an extensive menu of training at the local level aimed at LPC and LEC members, and civil society. EDI has reached nearly 6,600 individuals on such diverse topics as information technology; activities of participatory planning groups; financial planning and budgeting; leadership and management skills; customer service orientation; LPC responsibilities, functions and legal mandate; media and public awareness; and local project management. The result of this effort, at least within the EDI pilot locations, is increased awareness of and preparedness for the coming responsibilities that will devolve to these officials and citizens.

Improved Citizen Services

Local government should be a transparent and efficient provider of services for the citizen. Otherwise frustration, apathy, and disengagement will naturally result and there will be no popular constituency for decentralization.

To improve services in the EDI pilot districts, the Project is supporting development of six citizen service centers (CSC), four of which have been completed and are in operation. These centers offer a one-stop-shop where the citizen can conduct any number of official transactions (from building permits...to applications for candidacy for local elections) in a transparent, efficient and customer-oriented environment.

The initial results from this effort are extremely encouraging. For example, during the first four months of operation of the CSC in the Dayrute district of Assiut, the volume of recorded transactions is ninety percent higher and complaints are sixty-one percent lower than the comparable period one-year earlier.

A pilot project in geographic information systems (GIS) is being developed in Beheira Governorate to test modern, state of the art solutions for local development processes, and to help increase local revenue generation. EDI is supporting a portion of the equipment costs within the Governorate and two pilot districts and will assist in establishing and implementing the Urban Planning and Utilities Networks Data Center in Beheira.

EDI Activities in Minia

In July 2008 EDI assumed some of the activities of the former USAID REACT project in Minia Governorate. During the two years of REACT intervention, enormous advances were achieved in citizen participation in local governance. The results are impressive and EDI is working to sustain that momentum. Because of REACT:

- (i) Citizens and members of local popular councils were brought together in a unique partnership of government and civil society in a number of self-help initiatives ranging from waste management to drinking water to bread quality and distribution.
- (ii) Quality of life is improved for thousands of residents in nine villages (one in each Minia district).
- (iii) Importantly, the achievements were realized through the activism, participation and often the sweat equity of the beneficiaries themselves, leading to a sustainable, bottom-up orientation for citizen/government interaction.
- (iv) A heightened awareness of opportunities for women and youth to participate in local governance was achieved (and is continuing under the EDI activity).
- (v) Citizens are prepared through the train-the-trainers program to further leverage the interest of community leaders in developing strong, competent local popular councils in Minia.

EDI will be working in this Governorate through June 2009 to sustain and build upon this successful model.

The following section of this report discusses progress against expected results as outlined in the USAID Task Order for EDI. The expected results recited in the contract are to some extent repetitive or overlapping. Accordingly several of the explanations in the following section may appear to be duplicative because they often apply to multiple tasks.

OBJECTIVES AND EXPECTED RESULTS

Contract requirements for EDI are set forth in the USAID Task Order, which anticipates achievement of sixteen “expected results” categorized under the three primary objectives of the Project and reflecting more-or-less concrete outcomes expected to be accomplished by the end of the Project.

The Phase II work plan now pending approval from USAID proposes simplification of these expected results into four broad categories or targets within the same primary objectives. These new intermediate results (IR), which are consistent with the thrust of the USAID Task Order, are detailed below in italics under the respective objective.

Henceforth, the EDI quarterly progress report will include a brief snapshot of the activities related to attainment of these various results and the status thereof.

Objective I: Increased Egyptian financial resources available to local governments for responding to community priorities

IR Key elements of intergovernmental fiscal relations system implemented

I. Increased financial resources available to the different administrative levels within the pilot governorates.

EDI inputs

1. Training modules:

- √ “Impact Assessment of Fee Restructuring on Self Revenue”
- √ “Costing and Pricing Policies of Public Services”
- √ “Introduction to Increasing Local Revenue and Improving their Allocation”

2. Other interventions:

- √ Development of citizen service centers in each pilot district.
- √ Introduction of geographic information system (GIS) technology in Beheira (in progress)

Accomplishments

- √ A total of 350 LPC, LEC and other civil servants attended the three trainings listed above.
- √ Four of six planned citizen service centers (CSC) are now open and serving the public.

Interim Results

- √ The first Governorate-wide update of local fees in 25 years was adopted in Assiut on February 28, 2008. It is estimated that in the initial year, the new fees will generate more than a 70 percent growth in local revenue over the prior period. Villages and towns will receive 75 percent of the increase and the Governorate will get 25 percent.
- √ At the Dayrute CSC (Assiut) collection of selected revenues during the most recent calendar quarter, exceeded that of every one of the four preceding quarters and was 24 percent above the comparable period one-year earlier.

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective I: Increased Egyptian financial resources available to local governments for responding to community priorities (continued)

IR Key elements of intergovernmental fiscal relations system implemented

2. Increased fiscal autonomy for different administrative levels within the pilot governorates to be able to make independent decisions about the use of these financial resources.

EDI inputs

1. Training modules:
 - √ “Proposed Modifications for New Local Administration Law”
2. Other interventions:
 - √ Together with the technical office in MoLD, the Project is preparing recommendations and implementation measures for one or more grant commissions to administer intergovernmental fiscal transfers.

Accomplishments

- √ More than 450 individuals attended the above-referenced training module.
- √ Research report: “Fiscal Relations among Levels of Government”.

Interim Results

3. The two results above are incorporated into a legal frame work.

EDI inputs

1. Training modules:
 - √ “Proposed Modifications for New Local Administration Law”
2. Other interventions:

Accomplishments

- √ Note: GoE action on amending the Law has been delayed, appropriately, until a national strategy on decentralization could be adopted to set the framework for the legislative amendments
- √ Research reports:
 - “Comparative Local Administration Laws”
 - “Strategy and Comments for Reforming Local Administration Law”
 - “Principles and Practice in the Design of Intergovernmental Transfers”

Interim Results

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective 1: Increased Egyptian financial resources available to local governments for responding to community priorities (continued)

IR Key elements of intergovernmental fiscal relations system implemented

4. Increased capacity of local stakeholders to make decisions on the generation of local revenue and its utilization

EDI inputs

1. Training modules:

- √ “Financial Training Needs of MLPCS”
- √ “Local Projects: Study of Legal and Financial Framework”

2. Other interventions:

- √ Integrated District Development Planning (IDDP) process.

Accomplishments

- √ Nearly 170 participants attended the two training modules referenced above.
- √ The six EDI pilot districts, with technical assistance and training from the Project, prepared IDDPs that included approximately 250 priority projects selected by community stakeholders. These IDDPs comprise a total investment of LE 285 million.

Interim Results

- √ Reflecting impressive capacity to make decisions on the generation of local revenue and its utilization, approximately 21.7 percent of the funding of the aforementioned IDDPs is being provided from local sources.

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective I: Increased Egyptian financial resources available to local governments for responding to community priorities (continued)

IR Key elements of intergovernmental fiscal relations system implemented

4. Transparent financial management systems in place at the different administrative levels within the pilot governorates.

EDI inputs

1. Training modules:

- √ “Basic and Specialized Computer Skills”
- √ “Introduction to the Automated Accounting System”
- √ “Funds and Special Accounts Budgeting – Planning and Control Tools”
- √ “Financial Control and Gaps Between Law and Application”

2. Other interventions:

- √ Implementation of governmental accounting systems.

Accomplishments

- √ Nearly 1,200 participants attended the four training modules listed above.
- √ Computers have been provided in the three pilot Governorates and six pilot districts for the governmental accounting systems. Installation of the software application is pending.
- √ Research report: “Decentralized Government and Accountability”

Interim Results

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective 2: Enhanced participatory mechanisms to plan, allocate, and monitor the use of revenue

IR *Pilot Governorates and districts implement participatory planning and budgeting systems*

6. National associations and NGOs strengthened/supported to lobby for decentralization and other reforms

EDI inputs

1. Training modules:

- √ “Training of Trainers Refresher Course”

2. Other interventions:

- √ Egyptian Decentralization Network (EDN)
- √ Support in Minia for the Association for LPC Development and Decentralization Support (ALDDS)

Accomplishments

- √ Twenty-five MLPCs in Minia received the training-the-trainer refresher course as part of the EDI effort to build capacity at ALDDS.
- √ Assistance to MoLD in establishing and launching EDN as an advocacy group comprised of parliamentarians, academicians, and NGOs working on decentralization projects.
- √ Over 400 NGO, civil society, woman and youth fora were established to engage in the participatory planning process.
- √ Two national conferences on decentralization were held.

Interim Results

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective 2: Enhanced participatory mechanisms to plan, allocate, and monitor the use of revenue

IR *Pilot Governorates and districts implement participatory planning and budgeting systems*

7. The mandate and capacity of the Local Popular Councils at the different administrative levels strengthened and enhanced to manage and oversee the allocation and use of local government resources

EDI inputs

1. Training modules:

- √ “Leadership, Management of Meetings and Communication Skills”
- √ “Roles and Responsibilities of MLPCs According to LA Law”
- √ “Proposed Modifications for New Local Administration Law”

2. Other interventions:

- √ Integrated District Development Planning (IDDP) process.

Accomplishments

- √ Nearly 3,400 participants attended the three training modules listed above.

Interim Results

- √ The Administrative Capacity Index (ACI), one measure in the USAID performance management plan, substantially exceeded (by 100 percent) the 2008 target established for this indicator, which tracks implementation of targeted good-practices in public administration by local government units.

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective 2: Enhanced participatory mechanisms to plan, allocate, and monitor the use of revenue (continued)

IR *Pilot Governorates and districts implement participatory planning and budgeting systems*

8. Local Popular Councils operate in a more effective manner, including exercising appropriate independence from the local executive in financial and administrative matters.

EDI inputs

1. Training modules:

- √ “Financial Training Needs of MLPCS”
- √ “Activating Authorities and Delegations under the Current Local Administration Law”

2. Other interventions:

- √ Computerization of the local popular councils and local executive councils at the pilot district level.

Accomplishments

- √ Computers and basic and advanced IT training have been provided.
- √ “Research report: “Decentralized Management of the Public Sector”

Interim Results

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective 2: Enhanced participatory mechanisms to plan, allocate, and monitor the use of revenue (continued)

IR Pilot Governorates and districts implement participatory planning and budgeting systems

9. Participatory planning mechanisms developed, implemented and institutionalized at the governorate, district, and village levels

EDI inputs

1. Training modules:

- √ “IDDPs: Introduction to Participatory Planning”
- √ “IDDPs: Capacity Building of Participatory Planning Working Group”

2. Other interventions:

- √ Integrated District Development Planning (IDDP) process.

Accomplishments

- √ Nearly 7,000 participants attended the various IDDP training events (including the two modules listed above) in the three pilot Governorates.
- √ The initial round of the unique EDI participatory planning process (i.e. IDDP) for the 2008-2009 fiscal year has been completed in six pilot districts.
- √ Research report: “Participatory Planning Structures of the IDDP Process”

Interim Results

- √ The process resulted in development plans representing the priorities of each district, together with those of its town and villages. More than 250 projects, with a value of LE 285 million were identified in the six plans produced for 2008–2009. When implemented, these projects will improve the quality of life for thousands of Egyptian citizens in the EDI pilot districts.
- √ The Participatory Mechanism Index (PMI), one measure in the USAID performance management plan, sharply exceeded the 2008 target established for this indicator, which tracks the use of participatory mechanisms by partner LPCs.
- √ An evaluation of EDI training for participatory planning (within the IDDP component of the Project) was performed by an independent consultant, the Center for Development Services (CDS). The findings of CDS were generally very positive, including quoted testimonials from more than a dozen face-to-face interviews with training participants and others.

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective 2: Enhanced participatory mechanisms to plan, allocate, and monitor the use of revenue (continued)

IR Pilot Governorates and districts implement participatory planning and budgeting systems

10. Improved budget allocation systems in place allowing for greater involvement of Local Popular Councils in setting priorities and managing resources

EDI inputs

1. Training modules:

- √ “Funds and Special Accounts Budgeting – Planning and Control Tools”
- √ “Introduction to the Automated Accounting System”

2. Other interventions:

- √ Implementation of governmental accounting systems.

Accomplishments

- √ Approximately 150 participants attended the two training modules listed above.
- √ Computers have been provided in the three pilot Governorates and six pilot districts for the governmental accounting systems. Installation of the software application is pending.
- √ Research reports:
 - “Comments on Proposal for Organic Budget Law – Egypt”
 - “Accountability and Decentralized Government”

Interim Results

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective 3: Strengthened administrative capacity and legal framework for local governments to manage resources effectively and transparently

IR Decentralization strategy adopted, stakeholder work plan implemented

11. National training curriculum established to re-enforce new skills needed to implement decentralization policies
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EDI inputs

1. Training modules:

- √ Note: It is expected that most if not all EDI training modules would become part of the national curriculum.

2. Other interventions:

- √ Working with the technical office of MoLD, the Project is developing a proposal for a national curriculum that envisions a role for the Sakkara Training Institute.

Accomplishments

- √ A conceptual framework has been presented to USAID and comments received.
- √ Research report: "Restructuring of MoLD"

Interim Results

12. Viable training institutes in place to implement these training plans/curriculum in a sustainable manner

EDI inputs

1. Training modules:

- √ See number 11 above.

2. Other interventions:

- √ Seven regional training institutes have effectively developed and trained LPC and LEC members through EDI.

Accomplishments

- √ See number 11 above.

Interim Results

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective 3: Strengthened administrative capacity and legal framework for local governments to manage resources effectively and transparently (continued)

IR Pilot Governorates and district capacity enhanced for efficiency, responsiveness and transparency

13. Local government officials effectively and transparently collect, allocate and manage own-source revenue

EDI inputs

1. Training modules:

- √ “Funds and Special Accounts Budgeting – Planning and Control Tools”
- √ “Introduction to the Automated Accounting System”

2. Other interventions:

- √ Development of citizen service centers in each pilot district (see number 1 above).
- √ Implementation of governmental accounting systems (see number 5 above).

Accomplishments

Interim Results

14. Specific administrative authorities assigned and executed between governorates, districts and villages

EDI inputs

1. Training modules:

- √ “Roles and Responsibilities of MLPCs According to LA Law”
- √ “Activating the Monitoring Role of Local Councils”

2. Other interventions:

- √ Research institutes conducting a five-governorate study of authorities that can be delegated and/or devolved to local administration covering local services, irrigation, water resource management and social solidarity

Accomplishments

- √ Comparative study completed of administrative authorities that can be delegated according to existing law.
- √ EDI prepared matrix of central government functions that can be devolved to local administrations

Interim Results

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective 3: Strengthened administrative capacity and legal framework for local governments to manage resources effectively and transparently (continued)

IR Pilot Governorates and district capacity enhanced for efficiency, responsiveness and transparency

15. Performance standards in place for employees at all administrative levels to promote transparency, accountability and responsiveness to citizens

EDI inputs

1. Training modules:

- √ “Customer Service Skills”
- √ “Customer Service Centers Business Orientation”

2. Other interventions:

Accomplishments

- √ More than 150 participants attended citizen service center training modules shown above.

Interim Results

- √ **Initial operating results from the citizen service centers are extremely promising.** For example, in the Dayrute CSC, during this quarterly reporting period total transactions have increased by 90 percent while citizen complaints have declined by 61 percent, compared to the same period one year ago.

The decline in complaints is assuredly attributable and correlated to a strong performance in actual processing time for certain transactions compared to the “optimal” norms set forth in the Executive Regulation of Public Administration Law No. 43 (1979).¹ Dayrute performance in the CSC is besting these optimal timeframes by as much as 70 percent.

- √ The Ministry of State for Administrative Development adopted performance standards and the organization structure recommended by the Project, for use in non-EDI citizen service centers.

¹ As amended by Prime Minister Decree Nos. 2918 and 2440 (1998).

OBJECTIVES AND EXPECTED RESULTS (continued)

Objective 3: Strengthened administrative capacity and legal framework for local governments to manage resources effectively and transparently (continued)

IR Pilot Governorates and district capacity enhanced for efficiency, responsiveness and transparency

16. System in place for coordination among different local administrative levels in the pilot governorates for developing, implementing and monitoring planning processes

EDI inputs

1. Training modules:

- √ “IDDPs: Introduction to Participatory Planning”
- √ “IDDPs: Capacity Building of Participatory Planning Working Group”
- √ “IDDPs: Publishing and Gaining Commitment for the Finalized IDDP”

2. Other interventions:

- √ Introduction of integrated district development planning (IDDP) in three pilot Governorates (see number 4 preceding).

Accomplishments

- √ The IDDP process required coordination of Governorate service directorates along with district, town and village executive and popular councils
- √ More than 5,800 participants attend the training modules listed above.

Interim Results

FY 2008 FOURTH QUARTER PROGRESS AND PLANS FOR THE NEXT QUARTER

OBJECTIVE I: INCREASED EGYPTIAN FINANCIAL RESOURCES AVAILABLE TO LOCAL GOVERNMENT FOR RESPONDING TO COMMUNITY PRIORITIES

A. Approach to Activities

One of the major elements of decentralization is to make financial resources available to local authorities to provide the services reflecting local community preferences and tastes. International experience differs in terms of the instruments utilized to increase the authority of local units in expenditure decision making and in mobilizing local financial resources and/or accessing central funds. Achieving the objective of increasing financial resources available to local authorities is often based on the direction of national decentralization policies. According to the current status of decentralization in Egypt, the EDI approach to achieving this objective is twofold:

- Increase the yield of the existing local revenue bases through improving financial management and collection processes
- Maximize the role of local authorities in decisions about expenditures related to major public services including education, health, public utilities, and housing.

In this context, EDI began working at the national level to encourage the GoE to assign more revenue bases to local units and to transfer real functions to the local level. EDI is discussing current revenue and expenditure assignments with the Ministry of Local Development and the Ministry of Finance, and is seeking to enlarge the dialogue circle to include other sectoral ministries. EDI efforts continue through providing technical support to the process of preparing a national strategy for decentralization in Egypt and of drafting new local administration law.

At the local level, EDI worked closely with local officials to increase the yields of both local sovereign revenues and local revenues mobilized through local funds, mainly LSDFs. In year one, the Project began assessing local revenue bases, improving the management of financial data, collection of revenue, and enforcement of payment of fair liabilities.

At the same time, EDI started to advance the operation of local funds, since they represent the major feature of decentralization at the local level. This involved improving planning and budgeting systems and articulating financial management and audit systems that discipline operational activities. Automation is an essential complementary to the process of upgrading financial management system at the local level.

EDI's approach in carrying out various automation activities was to:

- Assess LAU systems serving citizens that could perform better if automated
- Determine requirements for automation
- Use GoE-approved systems for automation to save money and approval time
- Contract with vendors to modify, deliver and install hardware and software
- Assist LAUs in identifying qualified staff

- Train staff in basic computer skills, application operations, and advanced technical computer skills for IT professionals
- Use vendors to provide specialized training
- Put in place performance standards and monitoring and evaluation systems to ensure improved services

B. Collection of Local Revenues

Local government officials effectively collect locally-controlled revenue in selected districts

The strategic objective of EDI is to maximize the resources of the local units to enable them to meet the needs of the community through transparent and accountable systems and operations.

Maximization of local resources is being achieved in cooperation with LPCs and LECs while focusing on the resources of the special funds and accounts as a base for own-resources. This will serve as an effective starting point for the fiscal decentralization process to be expanded as additional efforts are exerted, and allowing communities to make independent decisions on the management of resources. Strengthening financial management systems to achieve transparency and accountability is an important sub-objective under this activity.

The objectives are being addressed through:

- Capacity support in the areas of resource development, effective monitoring by LPCs, and acquisition of skills needed to amend fee structures based on the expansion of coverage rates.
- Technical support to strengthen applicable financial systems in local units and enhancing financial systems to ensure local project accounts reflect accuracy and compatibility with laws and regulations.
- Developing and providing systems for financial reporting to serve as an audit trail and base for transparency, evaluation, and accountability.

Proposing and providing incentives to maximize local resources based on the proven successful practices in other governorates.

Local Popular Councils and other key local stakeholders make independent and sound decisions on the generation and allocation of locally-controlled revenue

To enable LPCs and other key local stakeholders to make independent and sound decisions on the generation and allocation of locally-controlled revenues:

- Intensive courses were developed and delivered to the new LPC Planning and Budget Committee members covering the following topics: maximization of local resources, the role of LPCs in monitoring, and local service pricing policies. These courses were held in Beheira and Assiut and are scheduled to be provided in Qena in the next quarter.
- Recommendations were offered to amend fee structures in Beheira and Qena based on the successful experience in Assiut. These recommendations include: proposing criteria to be used as guidelines by LPCs when amending current fee structures and

potential activities to which new fees can be applied, especially those that have recently emerged because of economic development.

- Technical support was provided to the pilot districts as they adopt simplified accounting systems to measure the cost of services furnished by the LAUs. For this, a cost expert was hired to design a simplified costing system to be used as a base for pricing. During this reporting Quarter, the cost expert developed a system to measure the cost of local services while providing an approach to estimate the cost of the cleaning service, which is to be reviewed with the heads of departments for potential application.
- Training needs were evaluated in the following fields: financial analysis, budgeting, and prioritization for members of the Planning and Budget Committees and LECs who manage local projects affiliated with the LSDF. Subsequently, a course titled “The Budget as a Planning and Monitoring Tool in Local Projects” was conducted in Qena and Assiut to develop the skills and knowledge needed by the LPCs to undertake their planning and monitoring roles over local resources.
- A feasibility study for automation of parking lot collections in Qena was completed. Parameters include a payback period of automation costs in the range of two-three years, and amortization of the automation equipment will not be less than five years.
- **Improved financial management systems:** During this reporting Quarter, the Project supported financial management in local units to maximize revenue and achieve transparency by providing technical support to strengthen control and develop an applicable financial system consistent with Law 127 for 1981 and the MoF financial regulations.

The estimated increase in the own-resources of the Assiut LSDF after the effectuation of Decree 271/2008 on amending the fee structures is approximately 71 percent for 2008-09, compared with 2007–08. The decree stipulates that the allocation of fees collected shall be divided as follows: 75 percent for the towns and villages and 25 percent for the Governorate to support the own-resources at the district level.

Control gaps in the accounting systems in EDI pilot districts were identified by a financial control expert retained by EDI in the following areas: revenue and collection, procurement and inventories, expenses, and treasuries. To identify these gaps the expert relied on: reports and notes of the Central Auditing Organization (CAO), reports of the financial inspection conducted by MoF, and the experience of EDI specialists. The Project will follow-up on these control gaps in the pilot districts.

In the next quarter EDI will:

- Develop proposed simplified accounting systems for the districts in the following areas:
 - Cost accounting to measure the costs of services provided by the local units accompanied by a manual explaining how to apply such a system, which would help develop pricing policies consistent with an equitable coverage ratio and quality.

- Costing and administrative accounting to enable local projects to provide data and prepare financial reports that allow the LPCs to evaluate local projects and hold them accountable.
- Organize workshops in the pilot districts to discuss ways to bridge the control gaps identified between the government’s accounting system and the MoF’s financial control regulations. The documentary cycle to improve resource management and expenditure control will be reviewed as well. EDI is preparing a manual to assist partners with these issues.
- Prepare and provide training courses for the members of the Planning and Budget Committee on the following topics: local resource support, pricing policies for local services, supporting the monitoring role of the LPCs on using local resources under Law 43/1979, and the budget as a planning and monitoring tool for local projects.
- Update the fiscal profiles for the pilot districts based on the final accounts for FY2007–08, to follow up on the increase in local revenues, and the revenues from funds and special accounts.

Quarter Four Highlights

- The capacity building effort exerted by EDI marks an opportunity for the members of the Planning and Budget Committee in the pilot governorates to manage local resources and their utilization from current or new revenue sources
- The initiative taken by Assiut governorate in the field of resource maximization will be replicated in the other two pilot governorates

C. Improved Financial Management Systems

Transparent financial management systems improve management of revenues at district levels

During the past quarter EDI continued work on citizen service centers (CSC) in the pilot districts:

- The CSC application was installed, and all users trained on the system’s operation in Abu Hommos district in Beheira.
- CSC staff in Abu Hommos started data entry of historical records and are expected to complete this task by end of October 2008 in preparation for opening the Center to citizens.
- CSCs in Qena were opened to citizens and are providing services on a daily basis in Nag Hammadi. All historical data for permits and licenses issued before automation were uploaded in Nag Hammadi and Esna.

Other IT interventions included:

- Support for a feasibility study for automation of parking lots. EDI staff produced a technical study and analysis of hardware and software requirements for the project.
- An initial investigation on automating LPC operational procedures, including following up on related issues and requests with the LEC, covering business process at the LPC (high level) and discussion of best solutions for automation.

In the next quarter:

- Two CSCs supported by EDI are due to open to citizens in the first quarter of fiscal year (FY) 2009: Shubrakheet in Beheira and Esna in Qena.
- EDI will test the accounting software application developed by the Ministry of State for Administrative Development and the software application for special accounts from the perspective of EDI's approach to governmental accounts for that office ahead of a decision to begin implementation in the three governorates.
- The Project will continue preparations for LPC and LEC administration automation first carrying out a detailed business process analysis and choosing an appropriate vendor to develop the application.
- Memoranda of Understanding (MoU) are to be signed with the governorates to determine their roles and EDI's role and contribution to the project, including technical requirements. Other MOUs will be updated and the MOUs previously executed with MoLD, MSAD, and MoF will be revised as needed to include the three new pilot governorates

OBJECTIVE 2: ENHANCED PARTICIPATORY MECHANISMS TO PLAN, ALLOCATE, AND MONITOR THE USE OF REVENUES

A. Results of the IDDP Process

- In Beheira governorate a workshop was organized by the governor and EDI Team on September 23, 2008 to discuss the updated version of IDDP for Shubrakheet District, and present its detailed components for community discussion. The gathering was the official announcement of government departments and service directorate commitment to financing these components and incorporation of these proposed plans in FY2008–09 budget. The workshop was attended by senior officials, LPC leaders, parliamentarians, National Democratic Party (NDP) representatives, journalists, members of the EDI team, USAID representatives, and members of participatory planning groups.
- During this quarter, village and town plans for FY2008–09 were reviewed in 46 local units across the three pilot governorates to compare the planned figures from the participatory planning groups with the actual allocations in the state budget for FY2008–09.
- A training program, 'Introduction to Participatory Planning,' was provided to new members of 52 LPC Planning and Budget Committees at the village, town, and district levels in the six targeted districts.
- EDI's participatory planning consultant presented the findings of his study on IDDPs, and after review and discussions, agreed to revise his final report to include a table aggregating the strategic visions of towns and villages in Beheira governorate. The consultant will analyze this material to assist EDI identify common themes across the various development visions within the district. The outcome would feed into constructing a strategic vision for the entire district against which various village and town IDDP projects can be analyzed to determine if they support the district's vision or not. The resulting vision and analysis could be discussed with district LPCs along with village LPC representatives to approve the strategic plan for the district.

- Criteria for awarding matching funds at the governorate level have been developed by EDI and approved by USAID.
- The final report on the technical assessment of the training modules related to the participatory planning process in Beheira governorate was prepared by the Center for Development Services (CDS) and discussed by EDI's senior advisors on September 22nd. One of the requests included as recommendations in the assessment report was to examine a sample of the development plans that were produced by the participatory planning groups in Abu Hommos and Shubrakheet and assess the impact of the training EDI provided on the quality of the plans. Another recommendation was to compare the scenario of using academic institutions to deliver and replicate this type of training in the future with the other possible scenario of selecting local cadres from the trainees to provide them with training-of-trainers (ToT) programs and help them replicate this package in the future.

In the next quarter:

- A training program on monitoring IDDP projects will be provided to LPC and LEC representatives in the six targeted districts.
- Technical assistance will be provided to 52 participatory planning groups in 52 local units across 3 pilot governorates to discuss and review development priorities for FY2009–10, and ultimately, in consultation with local administration officials and the representatives of services directorates at various levels, finalize IDDPs for FY2009–10 in the six targeted districts.
- Matching funds will be awarded to three pilot governorates to help them finance a portion of their IDDPs.

OBJECTIVE 3: STRENGTHENED ADMINISTRATIVE CAPACITY AND LEGAL FRAMEWORK FOR LOCAL GOVERNMENTS TO MANAGE RESOURCES EFFECTIVELY AND TRANSPARENTLY

A. Developing a Long-term Plan for Decentralization

Ministry of Local Development and other key Government of Egypt stakeholders draft a long-term decentralization plan

EDI continued its technical support to MoLD in preparation of a national strategy for decentralization. This support includes participating in technical sessions with Ministry technical office staff and senior MoLD officials and the Ministry of Finance (MoF). These sessions discussed key aspects of the strategy such as the scope of decentralization, capacity building, and mobilizing local resources.

Discussions with MoLD and MoF also addressed necessary preparations for piloting decentralization in the governorates of Fayoum and Ismailia and the City of Luxor, and the expected role of EDI in the piloting process. EDI international and national experts worked closely with the technical office at MoLD providing consultations, discussing ideas and international experience, and supplying documents including fiscal profiles, a decentralization implementation matrix, technical notes addressing issues raised by MoLD, and international

laws and executive regulations on budgeting, inter-governmental fiscal arrangements, funding commission formulas, and local finance management.

The most recent developments in the decentralization process in Egypt and the role of EDI were discussed in a briefing attended by the USAID Mission Director in Egypt.

Progress continued on the EDI sub-contracts program with Project staff completing the review and approval of all inception reports executed by research institutes under the current round of contracts. The initial report of the study on "Restructuring the Local Administration in Egypt: Levels and Borders of Units" submitted by the Development and Institutional Support Center is currently under review.

During the past quarter, EDI:

- Supported the technical office in MoLD in producing an assessment of the Ministry's future objectives, functions, and organizational structure.
- Finalized a decentralization implementation matrix and worked on the development of a list of task activities for implementing decentralization in newly selected pilot governorates.
- Discussed with the Central Agency for Organization and Administration (CAOA) a scope of work and collaboration venues with EDI.
- Worked with the General Organization for Physical Planning (GOPP) to identify legal and institutional amendments that would maximize benefits from the outputs of the participatory planning activities conducted at the local level.
- Coordinated and participated in the August 2008 mission of Georgia State University (GSU), which focused on the following topics:
 - Fiscal decentralization and budgeting (budget cycle and presentation, and ways to best fit the decentralized budget within the current legal and institutional framework);
 - Implementing fiscal decentralization in governorates (designing a comprehensive system for implementation, assigning new functions and authorities to different levels of local administration [governors and LPCs] under the expected new governance);
 - How a grants commission might develop policies and procedures based on international experiences, formation and function, sharing arrangements and budget allocation;
 - Establishing a decentralization unit in MoF to support analytic work on fiscal decentralization and inter-governmental fiscal relations;
- Submitted a revised draft of the preliminary Proposal on Designing and Implementing a Treasury System in one district to the MoF.
- Formulated a strategy for capacity assessment and training that will be integrated into the comprehensive national strategy for decentralization.

- Reviewed and approved the inception report of the Public Administration Research and Consultation Center (PARC) study on “Consequences of Transferring Authorities and Responsibilities of Line Ministries to Localities in Egypt at the Governorate Level.”
- Participated in a workshop on “Decentralized Management of the Water and Sanitation Sector in Egypt” in collaboration with the Housing and Building National Research Center of the Ministry of Housing, Utilities and Urban Development (MoHUUD) as part of a research sub-grant.
- Met with the American University in Cairo (AUC) team working on the study titled “Financing Innovation in Local Government” under the EDI sub-grants program to discuss technical aspects of the study and the possibility of expanding its scope to include one or two of the newly selected decentralization pilots.
- Finalized the Report and Recommendations of the Conference on “Decentralization in Egypt: Opportunities and Challenges,” held June 25–26, 2008. Work is ongoing on the editing of research and policy papers presented at the conference for the eventual production of conference proceedings.
- Work is also proceeding on translation of priority EDI scholarly production (written in English) of decentralization research papers and reports for eventual publication and dissemination.
- A research paper on international experience and the role of ministries or entities responsible for and supervising the transition toward decentralization that was requested by MoLD. This paper is will be prepared by Georgia State University (GSU).
- Finalized the report on a second workshop on “The New Demarcation of Local Units and its Relation to Decentralization in Egypt,” organized in collaboration with Al-Ahram Center for Political and Strategic Studies.

In the coming quarter, the Project will work on and finalize the following:

- Continue to support the technical office at MoLD in drafting the national strategy for decentralization.
- Continue to discuss with MoLD the required arrangements for implementing decentralization in the newly selected governorates and the expected role of EDI.
- Develop a list of task activities for implementing decentralization in new pilot governorates.
- Work with the technical office at MoLD to produce a functional map for the social solidarity sector and assess proposed reform initiatives for the sector from a decentralization perspective.
- Reach an agreement with CAO A on a scope of work and collaboration venues with EDI.
- Conduct a workshop with GOPP on the legal amendments for enhancing the role of directorates at the local level.

- Follow up on the GSU mission to MoLD and MoF regarding fiscal decentralization and budgeting issues, inter-governmental fiscal affairs, and the study of MoLD peer agencies.
- Continue work on formulating a strategy for capacity assessment and training, which will be integrated into the comprehensive national decentralization strategy.
- Receive and provide feedback on four intermediate reports under the EDI sub-grants program that will be submitted during October and November 2008.
- Prepare for a new round of EDI sub-contracts in line with progress on the development of a decentralization policy in Egypt.
- Finalize editing of research and policy papers presented at the EDI June 2008 decentralization conference for the eventual production of conference proceedings.
- Finalize revision and editing of translated priority EDI scholarly production of decentralization research papers and reports for publication and dissemination.
- Receive and review a draft paper on international experiences and the roles of ministries or entities responsible for and supervising the transition toward decentralization.
- Conduct a third workshop on "Decentralization in Political Parties Programs" with the Al-Ahram Center for Political and Strategic Studies scheduled for October or November 2008.

B. Supporting the Egyptian Network for Decentralization

Public Awareness, Advocacy, and Media

During the past quarter EDI:

- Conducted three days of training workshops for Public Awareness and Community Outreach Committees in Damanhour (Beheira governorate level) and in Abu Hommos and Shubrakheet (district level). These workshops covered the introduction of basic elements into a decentralized local administration including participatory planning, civic activism, financial autonomy, and local revenue generation.
- Formed nine Public Awareness and Community Outreach committees comprised of LEC and LPC members in cooperation with LPC heads at the governorate and targeted district levels in the three pilot governorates. The purpose of such committees is to improve communication between the popular and executive councils and enhance planning for effective citizens' outreach.
- Finalized the design, production, and dissemination of fact sheets and posters to promote the benefits of establishing and using the services delivered by the citizen service centers (CSC). Messages focused on improved transparent local services delivery through the CSC one-stop-shop.
- Assisted in preparation of ALDDS organizational and financial by-laws, which were adopted. The overall objective of the institutional strengthening and capacity building plans is to strengthen the sustainable operation and credit-worthiness of

ALDDS member non-governmental organizations (NGOs) to act as the primary advocate body in Egypt for a decentralized local administration system.

Community initiatives target the following objectives:

- Investigate and disseminate awareness of the roles of the LPC represented by its head and the LEC represented by its district head. These roles are granted by law, delegated authorities, and precedent.
- Find practical and tangible solutions to citizens' pressing needs.
- Enhance coordination and communication between citizens, civil society, and local administrations.

In the next quarter EDI will:

- Set criteria for selecting Public Awareness and Community Outreach committee members and revise and finalize the lists of Public Awareness and Community Outreach Committees in the three pilot governorates and districts.
- Finalize an organizational structure for each committee with a clear vision and statement of its scope of work.
- Conduct training workshops on the overview and principles of a decentralized local administration system.
- Finalize the first phase of the EDI website content and design.
- Finalize four project success stories.
- Prepare a new EDI brochure.
- Procure technical assistance for the creation of a forum of governorate LPC heads.
- Review, negotiate, and finalize procurement of NGO services to conduct public awareness campaigns in Minia by utilizing the community initiatives model; follow up and monitor sub-contract implementation; and document results and community initiatives impacts.

C. Capacity Building Approach

Training institutions effectively deliver the national curriculum for decentralization in a sustainable manner

During FY 2008, about 2500 people were involved in EDI meetings in support of capacity building for participatory planning. Capacity building events include both training and non-training events. Non-training events include orientation programs, conferences, and workshops, where knowledge, skills, and attitudes are not specifically targeted and pre- and post-event assessments of KSA acquisition are not made. Such events are characterized by presentations, facilitated dialogue, targeted awareness, consensus building, and outputs such as plans. Training events use an established curriculum and are more structured.

In the past quarter:

- Nearly 2000 citizens, members of LPCs and civil servants (members of LECs and lower-ranking civil servants) took part in capacity building events. The bulk of training was directed to 832 new and returning members of LPCs. Training in the law of local administration and LPC by-Laws is essential for all first-time MLPCs, and needed by many long-serving MLPCs; it has been at the center of the EDI approach to activating councils in target communities to carry out their legally-mandated roles vis-à-vis their constituents and the executive branch of local administration.
- Two hundred district-level MLPCs and civil servants in positions pivotal to decentralization received training in leadership and management to enhance their performance in cooperation with the project team.
- The capacity building unit supported the MoLD technical office with assistance relative to surveying resources and capacity building in new decentralization pilots and development of a national curriculum for decentralization (NCfD).

A sampling of 1,300 participants who attended training in Customer Service Skills, Roles and Responsibilities of MLPCs, and Financial Control Gaps between Law and Application were tested before and after receiving the EDI training, as a means to measure the effectiveness of each of the three modules. The results were outstanding—the average improvement in test scores was 37 percent, as shown below:

Module	Percent Improvement
Customer Service Skills	+22.2
Roles and Responsibilities of MLPCs	+58.4
Financial Control Gaps Between Law and Application	+30.5
Overall Improvement	+37.0

It is important to note that the greatest improvement was realized in the EDI flagship training module—Roles and Responsibilities of MLPCs

During next quarter:

- An expert in local administration and instructional design had been engaged to design an optimized foundation training program for MLPCs based on the project’s previous experience in training thousands of MLPCs in Assiut, Beheira, Minia, and Qena governorates. Talks are in progress with the MoLD technical office to make this program available nationwide, along with a self-help guide for MLPCs, and a self-assessment instrument for LPCs developed by CARE under its USAID grant project.
- MLPC trainers in Minia, who graduated from ToT programs funded by the USAID grants project REACT, will receive training on the new optimized foundation program before taking up the ambitious task of bringing training to as many as a-thousand new Minia MLPCs in the remaining 9 months of EDI activity in Minia. Training management and delivery will be outsourced to ALDDS (among others), which EDI is strengthening as a prospective leading sponsor of decentralization programs directed to the popular branch.
- EDI will continue to provide capacity building and technical assistance to IDDP working groups to enable them to a) monitor and evaluate the implementation of FY2008–09 work plans and b) review their priorities and develop FY2009–10 work plans.

- In the executive branch, emphasis will continue on improving the performance of civil servants charged with raising local revenue and managing public assets.
- EDI will intensify its cooperation with the MoLD technical office to develop:
 - A decentralization implementation plan;
 - A strategic plan for decentralization capacity building, including an agreed concept for NCFD including a role for the MoLD Saqqara Training Center;
 - A work plan to establish the MoLD capacity building unit; and
 - Work plans to survey resources and build advance capacity in new pilot governorates.

Table 1 breaks down training and capacity building events that took place throughout the four governorates (Beheira, Assiut, Qena, and Minia) during the fourth quarter of fiscal year 2008. Table 2 provides statistics concerning the gender of event participants.

Table 1 Summary of EDI Fourth Quarter Training in Four Governorates

Component	Program Names	No. of Participants				Totals
		Behira	Assiut	Qena	Minia *	
PP	IDDPs: Introduction to Participatory Planning Refresher Course	—	31	142	—	173
	IDDPs: Participatory Planning Presentation and Feedback Gathering	24	—	60	—	84
	IDDPs: Publishing and Gaining Commitment for the Finalized IDDP	319	—	—	—	319
PA	Improving Communication Skills	—	68	—	—	68
LA	Leadership, Management of Meetings and Communication Skills	—	84	115	—	199
	Roles and Responsibilities of MLPCs According to LA Law	219	244	319	50	832
	Roles and Responsibilities of LPC Planning and Budgeting Committee	83	—	—	—	83
	LPC Training of Trainers Refresher Course	—	—	—	25	25
PF	Funds & Special Accounts Budgeting - Planning and Control Tools	—	60	34	—	94
	Introduction to Increasing Local Revenues and Improving their Allocation	—	22	9	—	31
	MLPCs Financial Training Needs	—	—	55	—	55
	Totals	645	509	734	75	1,963
	Percent of Total	32.9	25.9	37.4	3.8	100.0

* Minia governorate joined EDI project in July 2008.

**Table 2 Cumulative Individuals Trained through Fourth Quarter, FY 2008
(no repetition)**

	GENDER		CATEGORY			Total
	Male	Female	MLPC	LECS	Civil S.	
Assiut Governorate	1,712	362	826	673	575	2,074
Beheira Governorate	1,444	464	784	358	766	1,908
Qena Governorate	2,099	456	938	577	1,040	2,555
Minia Governorate	68	7	50	—	—	75
Cumulative Grand Total	5,323	1,289	2,598	1,608	2,381	6,612

Table 3, on the next page, shows training and capacity building events planned for the first quarter of FY2009.

Table 3 Proposed Training Plan for First Quarter FY 2009

Project Component	Event Title	Target Location	Target participants	Time Frame	Dur. (days)	No. of Participants
PP	IDDP Review of 08/09 IDDPs and Development 09/10 IDDPs	Assiut, Beheira, Qena	PP Working Groups	Q1	3	1,380
PP	IDDP Integration of Village Plans - 09/10 Plans	Assiut, Beheira, Qena	LPC Plan & Budget Committ.; LEC planning functions	Q1	2	90
PP	IDDP Monitoring Implementation - 08/09 IDDPs	Assiut, Beheira, Qena	LPC Plan & Budget Committ.; selected LEC Heads and planning staff	Q1-Q4	2	150
ALDDS	Strategic Planning for ALDDS	Minia	Board, Members, and Staff of ALDDS	Q1	3	20
ALDDS	Financial Planning	Minia	Board, Members, and Staff of ALDDS	Q1	2	20
ALDDS	Proposal Writing	Minia	Board, Members, and Staff of ALDDS	Q1	3	20
ALDDS	Advocacy	Minia	Board, Members, and Staff of ALDDS	Q1	2	20
IT	Specialized Computer Skills:Windows Server 2003	Assiut	Managers and technical staff of Dayrute and Abu Teeg CSCs	Q1	12	4
IT	Specialized Computer Skills: A+	Behira	Operating Systems Administrators in Abu Hommos and Shubrakheet	Q1	12	8
PF	Roles and Responsibilities of Planning and Budgeting Committee	Qena	Qena/Esna new MLPC of Planning & Budgeting Committees	Q1	2	95
PA	PA Workshop: Introduction to Decentralization (objectives& definitions)	Assiut, Beheira, Qena	PA and Outreach Committees	Q1	1	75
PA	Improving Communication Skills	Assiut, Qena	Local Media Correspondents	Q1	1	30
LA	Roles and Responsibilities of MLPCs according to LA Law	Minia	New LPC Members at Districts of Minia Gov.	Q1,Q2	2	560

DELIVERABLES SUBMITTED THIS QUARTER

Twelve deliverables, periodic reports, and technical assessments were submitted during this quarter, as shown in Table 4. Additional deliverables, assessments, and reports are underway.

Table 4 Deliverables Submitted July–September 2008

Description of Document	Completion Date	In Support of IR
EDI Monthly Update – July 2008	July 2008	All
EDI Monthly Update – August 2008	August 2008	All
EDI Monthly Update – September 2008	September 2008	All
EDI FY 2008 3rd Quarter Progress Report	July 2008	All
EDI FY 2008 3rd Quarter Progress Report: Detailed Tables and Annexes	July 2008	All
Al-Ahram Center for Political and Strategic Studies Second Workshop on “Decentralization and the New Administrative Divisions”	July 2008	IR 3.1
RFPT 2008-02: Participatory Planning Process Training Application Assessment	August 2008	IR2.1
Working Papers on Revised Transfer Systems	August 2008	IR 1.1 & 3.1
Workshop on “The New Demarcation of Local Units and its relation to Decentralization in Egypt”	July 2008	IR 3.1
Revised draft of the preliminary Proposal on Designing and Implementing a Treasury System in one district	August 2008	IR 3.1
Inception Report of PARC Study on “Consequences of Transferring Authorities and Responsibilities of Line Ministries to Localities in Egypt at the Governorate Level”	August 2008	IR 3.1
Workshop on “Decentralized Management of the Water and Sanitation Sector in Egypt” in collaboration with the Housing and Building National Research Center, Ministry of Housing, Utilities and Urban Development	August 2008	IR 3.1

ANNUAL HIGHLIGHTS FY 2008

INCREASED EGYPTIAN FINANCIAL RESOURCES AVAILABLE TO LOCAL GOVERNMENT FOR RESPONDING TO COMMUNITY PRIORITIES

Rationale and Methodological Approach

One of the major elements of decentralization is to make financial resources available to local authorities to provide the services reflecting local communities' preferences and needs. International experience differs in terms of the instruments utilized to increase the authority of local units in expenditure decision-making and in mobilizing local financial resources and/or accessing central funds. Achieving the objective of increasing the financial resources available to local authorities is often based on the direction of national decentralization policies. According to the current status of decentralization in Egypt, the EDI approach to achieving this objective is threefold:

- Developing expenditure assignments and appropriate transfer formulas so that the central government can transfer sufficient revenue to enable local administration to finance new functions devolved to them in a more decentralized form of governance
- Increasing the yield of the existing local revenue base through improved financial management and collection processes
- Maximizing the role of local authorities in decisions about expenditures related to major public services including education, health, public utilities, and housing.

In this context, EDI is working at the national level to encourage the GoE to assign more revenue to local units and to transfer real functions to the local level. EDI is discussing the current revenue and expenditure assignments with the Ministry of Local Development and the Ministry of Finance, and is seeking to enlarge the dialogue to include other sectoral ministries. EDI continues providing technical support to the process of preparing a national strategy for decentralization in Egypt and of drafting a new local administration law.

At the local level, EDI worked closely with officials to increase the yield of both local sovereign revenue and revenue mobilized through local funds, mainly LSDF. The Project strengthens local capacity in assessing the local revenue base, improving the management of financial data, collecting revenues, and enforcing payment of fair liabilities.

At the same time, EDI advanced the operation of local funds, since they represent the major feature of decentralization at the local level by improving their planning and budgeting systems and articulating financial management and audit systems that discipline their operational activities. Automation is an essential complement to the process of upgrading financial management systems at the local level.

The EDI approach in carrying out various automation activities involves:

- Assessing LAU systems serving citizens that could perform better if automated
- Determining requirements for automation
- Using GoE-approved systems for automation to save money and approval time
- Contracting with vendors to modify, deliver and install software and hardware

- Assisting LAUs in identifying qualified staff
- Training staff in basic computer skills, application operations, and advanced technical computer skills for IT professionals
- Using vendors to provide specialized training
- Put in place performance standards and monitoring and evaluation systems to ensure improved services

Collection of Local Revenue

Automation of Financial Processes

EDI reviewed automation applications available to the GoE and selected applications to meet Project objectives: automating the CSCs and the governmental accounting application. Cooperative agreements were signed with the MSAD, and pilot Governorates to make the applications operational at Project locations.

The Project established information networks, delivered computer hardware and accessories, and trained staff in the management of these automation projects; MSAD delivered the applications and operating systems, although EDI is financing upgrading the applications and other necessary additions. Meanwhile the governorates renovated CSC facilities and provided furnishings, and staff.

To date, hardware and software has been installed in five of the six CSC sites. CSC application training was completed and all users were trained on the system operation in Dayrute and Abu Teeg. Hardware was delivered and installed for LPC secretariats and executive councils at the three governorates and five districts (the remaining district installation will be completed when building renovation is finished). A customer service training provider was selected and training is proceeding.

Early results from the Dayrute CSC are demonstrating the positive impact of the EDI intervention. In this district CSC, collections of local fees increased 24.3 percent over the comparable period in the previous year.

Fiscal Profiles of EDI Governorates and Districts

The EDI team prepared financial profiles for pilot Governorates, analyzing revenue and expenditures based on the FY 2003-04 through FY 2006-07 final accounts at the Governorate and district levels, and the special accounts and funds at the Governorate, district, town, and village levels.

Figure I CSC Application Training in Dayrute



This analysis clarified financial relationships between the central and local levels, identified the evolution of local financial resources and the role special funds and accounts play, and enabled the team to prepare a package of initial proposals to enhance local resources. As is subsequently discussed, the profiles identified the critical role played by LSDF and 'local projects' in generating local revenue.

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Comparative fiscal profiles for FY 2006-07 final accounts revealed a reduction in the relative importance of tax revenue for local administrations in all governorates to 13 percent compared to 21 percent in the previous year. This reflects a change in the revenue structure in favor of the central government.

The fiscal profiles of the three EDI pilot Governorates showed that the share of self-generated revenue compared to the overall revenues of the Governorate was 72, 37, and 28 percent for Beheira, Assiut, and Qena. Local contributions to financing capital expenditures in the unified plan represented 16, 6, and 2 percent respectively for the three Governorates, again highlighting the dependence of local administration on central transfers.

The modest revenue-generating capacity of local administration underlines the need for block grants or other transfer mechanisms that would provide local administration with sufficient funds to finance newly devolved functions.

At the request of MoLD, the Project completed similar fiscal profiles for the GoE proposed decentralization pilot governorates: Fayoum, Ismailia, and

The initiative taken by the Assiut Governorate LPC to increase fees and introduce new fee categories is significant for achieving equitable distribution of the revenue increases among various local administration levels. Villages and towns will receive 75 percent of the increase while the governorate will receive 25 percent, reversing the current situation where most revenues are concentrated at the governorate level.

Eventually, the new fees will provide villages and towns with additional revenues needed to finance priority community needs identified through the IDDP process.

In addition to demonstrating the use of the new revenue transparently, several other principles guided LPC members in increasing fees:

- Targeting fee increases away from low income groups. The focus of the fee changes is on charges for new economic activities that did not exist in 1983 and benefit mainly upper income households.
- Acceptability of the new fees. LPC members sought a community-friendly solution to the need for more revenues.
- Monitoring the use of revenues to finance projects that will yield benefits for the local community.

Luxor. These profiles highlight a significant difference between the GoE pilot governorates and the EDI pilot governorates. For example, locally generated revenues comprise 96 percent of total revenue in Ismailia; approximately 72 percent in Fayoum; and 55 percent in Luxor. The bulk of these locally generated revenues arise from the resources of local funds and special accounts. Like the EDI pilot Governorates, however, the bulk of the expenditures from these funds and special accounts financed current rather than the capital expenditures of the unified budget. Analysis of the GoE pilot governorate fiscal profiles highlight the need to reform local resources.

Change in Fee Structures

Assiut Governorate was in the forefront in addressing local revenue shortfalls by updating its fee structure. Dayrute LPC, with direct support of the Project, took the lead in changing local fees on November 28, 2007. Following this, on February 28, 2008, the Assiut Governorate LPC approved revising the local fees included in Decree 1313 for 1983 and the introduction of fees for new economic activities. The Governor then issued a decree to implement the fee structure in all eleven districts of Assiut.

Meanwhile, district LPCs in the EDI pilot districts in Qena and subsequently in Beheira passed decrees increasing local fees and charges and have forwarded these to Governorate LPCs for ratification and implementation throughout their respective Governorates.

Property Taxes

International experiences show that the property tax is one of most effective local revenue sources. Until 2008 in Egypt, the property tax was a local tax. However, the Peoples Assembly with MoF sponsorship adopted a new property tax law centralizing the tax starting fiscal year 2008–09.

Prior to the passage of the new property tax law, EDI prepared an initial assessment of the property tax system and made presentations to MoF on international experience in property tax. Recently, EDI completed a more complete assessment of the use of modern computer aided mass appraisal systems (CAMA) commonly used in other countries to improve collections.

EDI property tax experts have constructed a property tax valuation model using recent tax data from one region in Dokki. The model demonstrated that computer-aided mass appraisal techniques could be used to speed the valuation of properties. It also showed that the current revenue from the property tax amounts to less than a fraction of one percent of the market value of properties in the sample area- meaning that a revised property tax system could be designed to generate additional local revenues without having major negative impacts on home owners.

With the change of the tax affiliation, EDI postponed efforts to improve the property tax system until GoE has decided on transparent fiscal transfer systems. The MoF has advised the Project that it would be a number of years before they will consider any legislation involving sharing the tax or returning it to the local jurisdictions. It is likely, however, that ad hoc measures will be taken in the interim to hold harmless local units against any loss of absolute revenue from this tax.

Allocating Local Revenues

EDI assists LPCs in making decisions about increasing current fees and charges or levying new fees after studying the cost of certain services and estimating the impact on cost recovery measures of the local administrations providing the services.

Local Project Management

Local Services and Development Fund projects or 'local projects' provide services to citizens and provide a locally controlled source of revenue through a variety of activities such as quarries, road construction and asphaltting, parking facilities, domestic transportation, market stalls and food security projects. An EDI analysis of these local projects found that they contribute more than 70 percent of the revenues of the LSDF.

The 96 local projects reviewed by EDI in the three pilot governorates fall into three main classifications:

- Fee earning projects such as parking lots, markets and quarries, which comprise 51 percent of all projects and generate 67 percent of local project revenue;
- Service projects such as bakeries, bread home delivery, internal transportation, road paving, ferryboats and moorage, printing houses, cinemas, etc., accounting for 31 percent of all local projects but generating only six percent of total local project revenue; and
- Productive projects such as livestock breeding, dairy products, etc., making up 18 percent of local projects and contributing 27 percent of local project revenue.

Given the importance of these local projects in generating LSDF revenue, improving the management of these projects can significantly increase local resources. EDI developed detailed data about local projects and assets financed by LSDF as well as projects that generate revenue for the governorate LSDF. Working groups studied and visited a variety of local projects and assets—including the Minia quarry and Beheira program that produces and distributes subsidized bread.

Improved Financial Management Systems

EDI is improving the financial management systems of local units at various levels to be consistent with laws and rules developed by MoF by:

- Identifying gaps and recommending and providing training and technical support
- Improving financial management systems for special funds and accounts (which represent the governorates' self-generated revenues) in order that they become more transparent and accountable

Accounting Units at Governorate and District Levels

Originally, EDI planned to automate accounting units at the district level. However, after EDI investigated custom governorate accounting units systems sponsored by the MSAD in coordination with the MOF, the Project agreed to support automation at Governorate and district levels and to assist the Governorates in linking governorate accounting units with district units via communication lines.

Under the agreement reached with MSAD and the Governorates, the Ministry will provide software and operating systems while EDI will be responsible for providing hardware, training, project management, and technical support. To date, the Project has analyzed system requirements, signed an agreement with the software vendor to provide the software and necessary enhancements, and procured hardware.

Financial Training

Two hundred and twenty-three members of LPC Planning and Budget Committees and executive financial officials from the Governorate and district levels attended a capacity-building training program on self-generated local financial resources and their allocation to various uses according to Law 43/1979. The program covered local resources—including how they may be enhanced and what new resources might be available, standards for allocation of resources, and the role of the LPCs in developing planning and budget proposals. Trainees are now prepared to participate in upcoming studies of fees charged at the local level.

FY 2008-09 Planning and Budgeting



Figure 3 Youth Forum in Assiut preparing IDDPs

district level to develop these estimates. Next, the working groups were provided with practical tools to estimate resources at the district and village levels, and how to allocate resources at the village level.

To determine resources available to finance IDDPs, EDI supported districts in estimating revenues based on district and village funding resources as a critical step in preparing draft FY 2008-09 investment plans in the pilot governorates. First, financial working groups, which included the financial executives and representatives from district LPCs, were established at the



Figure 2 Finance Working Group

ENHANCED PARTICIPATORY MECHANISMS TO PLAN, BUDGET, ALLOCATE, AND MONITOR THE USE OF REVENUES

Integrated development planning is one of the key tools for local government to manage their new developmental role. In contrast to the role planning has played in the past, integrated development planning now is seen as a function of district and/or municipal management, as part of an integrated system of planning, budgeting and delivery. The IDDP process reaches decisions on issues such as annual budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic, and strategic manner. Integrated development plans, however, not only inform district or town council management; they also serve as guides to the activities of any agency from other spheres of government, corporate service providers, NGOs, and the private sector within the district area.

LPCs Hold Unprecedented Public Hearings to Discuss Critical Issues

As a direct impact of EDI interventions, all 52 district, town, and village LPCs are now using public hearings as a participatory mechanism with varying degrees of success and effectiveness to obtain community consensus on approaches to revolving important issues confronting them. Equally significant, LPCs are now issuing reports on their decisions increasing transparency and spurring greater community participation in local administration.

The Project IDDP process mobilizes local citizens, major players, and active stakeholders at the mother village, town, and district levels to identify priority development needs through participatory approaches, articulates a shared vision of development, agrees upon objectives and appropriate strategies, and designs projects to address these priority issues.

Altogether, EDI worked with a total of 52 local units (at district, town, and village levels) in the six EDI pilot districts. The results were six IDDPs representing the development priorities of each district, together with those of its town and mother villages, designed to be implemented within the Government of Egypt budget framework.

Core Principles Guiding the IDDP Process

- **Strengthen existing institutions and structures:** The IDDP process builds on existing institutions and structures (e.g. LPC Planning and Budget Committees) rather than establishing parallel structures that might not be sustainable.
- **Include the vulnerable and marginalized:** The IDDP process ensures active participation of disadvantaged groups such as women, youth, daily workers, small farmers, welfare pensioners, and disabled citizens.
- **Represent all concerned parties:** The IDDP process allows all stakeholders who reside or conduct business within a municipal area to contribute to the preparation and implementation of the integrated development plan.
- **Promote transparency:** All rules and regulations governing the IDDP process should be discussed in public, adjusted, and approved by all participating parties from the onset of the process. These rules and regulations will be published in the minutes of the LPC's Planning and Budget Committee, and will be advertised on the premises of the LPC and LEC.

Structure of the IDDP Process

The IDDP process uses the existing Planning and Budget Committees within the district, town, and village LPCs as the managers of the IDDP process. Within these committee structures, IDDP working groups at each level broaden existing representation and provide appropriate technical support to the LPC committees as they lead the IDDP process. Meanwhile, new forums for representation and participation for women, youth, and NGOs serving and representing marginalized groups were established at the local levels. They hold public consultations concerning the various decisions that were taken within the IDDP process through its various stages (i.e. initial needs assessment, analysis and formulation of key development strategies, identification of projects, integration, approval, and implementation).

Financing IDDPs

The process of financing IDDPs started with estimates of available resources. In collaboration with EDI, finance working groups and IDDP working groups at the local level compared available financial resources within the 2008-09 State Budget with the development needs and priorities identified by IDDP working groups.

Throughout these consultations and deliberations, the IDDP working groups continuously returned to the relevant youth, women, and NGO forums to discuss changes introduced to the original plans. These forums proved to be effective outreach and feedback channels routed to the ongoing participatory planning process.

Budgetary sources for financing IDDPs, principally the MoLD unified budget plus line ministry directorate budgets, were able to finance only a portion of community priority needs. IDDP working groups developed several innovative approaches to bridging gaps with off-budget sources of finance. In Beheira, the Governor agreed to finance up to 70 percent of the costs of village sanitation projects if the villages financed the remaining 30 percent.

In Assiut, the Governorate LPC passed decrees updating existing fee structures and adding new fee categories to provide additional funds for the Local Services Development Funds. In doing so, the LPC took special care to ensure that the new fees and charges were levied on those economic activities that would minimize impact upon the poor (e.g. mobile phone stores). Qena is expected to follow suit with increased local fees and charges. All have used other locally controlled revenues such as the housing fund and, to lesser extent donations, to finance budget gaps.

Table I summarizes the six IDDP's for the pilot districts and shows that about 70 percent of community priorities are aimed at improving health and education followed by water and sanitation. With the exception of a large proposed investment in youth affairs in Naga Hammadi, the projects are uniformly distributed among other sectors.

About 23 percent of the first year's planned expenditures are proposed to be financed from the MoLD unified budget and about 33 percent would be financed by line ministry directorate budgets. In Beheira, the 70 percent contribution from the Governorate for sanitation projects is being financed, in part, from a special program of the Ministry of Housing for rural water and sanitation.

Table 5 Summary Results of IDDP Process (LE Thousands)

Item	Behira		Assiut		Qena	
	Abu Hommos	Shubra kheet	Dayrute	Abu Teeg	Esna	Naga Hammadi
Five Year Plan Totals (Main Sectors)						
Health and Education	10,900	-	45,298	9,887	46,943	188,229
Water and Sanitation	88,440	6,338	10,822	4,955	63,817	120,840
Electricity	1,806	250	6,144	3,262	9,108	11,858
Roads and Bridges	5,830	4,045	11,065	2,270	4,008	26,150
Environment	5,000	3,700	3,380	535	2,299	27,988
Youth, Women's Development, Social Affairs	200	670	8,420	-	1,323	55,969
Housing	-	-	13,460	1,629	12,000	-
Others	1,740	1,090	9,136	3,268	11,526	4,857
Total Five Year Plan	113,916	16,093	107,725	25,806	151,024	435,891
FY 08/09 Plan	113,916	16,093	46,027	16,630	33,356	58,606
Financed by Budget Sources						
-- Unified Budget of MOLD	14,136	9,085	12,109	7,842	10,653	11,075
-- Line Ministry Directorates	11,811	2,008	15,938	7,160	10,483	45,654
-- Ministry of Housing	61,410	3,500	-	-	-	-
Total	87,357	14,593	28,047	15,002	21,136	56,729
Percent	77%	91%	61%	90%	63%	97%
Locally Controlled Revenues						
-- LSDF	-	-	-	-	-	-
-- Other Funds	-	-	13,460	1,628	12,000	-
-- Others*	26,559	1,500	4,520	14	220	1,877
Total	26,559	1,500	17,980	1,642	12,220	1,877
Percent Financed by Local Resources	23	9	39	10	37	3

* In Beheira "Others" includes the 30 percent contribution from local communities to water and sanitation projects.

Implementing and Monitoring of IDDPs

To improve the capacity of the LPCs and LECs for IDDP implementation, EDI provided training and technical assistance to councils at the district and governorate levels on project analysis, financial planning, and project implementation. Moreover, EDI worked on improving their capacity for monitoring IDDPs. Training and technical assistance was provided to LPCs and LECs at district and governorate levels on holding public meetings, conducting public awareness campaigns, organizing public opinion surveys and improving existing monitoring systems.

IDDP working groups at the village, town, and district levels help LPCs provide regular feedback to LECs on the status of implementation of IDDPs. In addition, youth, women, and NGO forums at the village and town level support LPCs in organizing public hearings and in conducting public opinion surveys in the context of monitoring and performing an annual review to assess the implementation of IDDPs.

Participatory Planning Processes Successfully Launched

EDI provided extensive support to prepare key stakeholders for the participatory planning processes:

- More than 1,500 members of LPCs attended training, along with LEC representatives from pilot governorates and six districts, to discuss the authorities granted to LPC members in Law No. 43/1979 on the Local Administration System and the relationships between LPCs and LECs.

EDI training established a baseline of knowledge among LPC members about their authorities and responsibilities. The trainees are now better able to use the articles of the law effectively, and as a result are better empowered to use the law's monitoring tools to guide the actions of the executive bodies they oversee.

- EDI undertook an institutional evaluation of LPC Planning and Budget Committees at the level of the town and village in selected districts. Committee performance was evaluated and training needs identified. EDI training was provided to 384 LPC Planning and Budget Committee members, and to the head and deputy head of the LPC and the head and secretary of the local unit. Topics included the roles, competencies, and responsibilities of such committees; and the concepts of planning, budgeting, and preparing balance sheets and final accounts.

During the evaluation, the EDI team determined that some LPCs did not have such committees, although they should be playing a pivotal role in the preparation of development plans at the village level. Committees were restructured in several villages, based on geographic criteria, local capacities, and knowledge of budgets.



Figure 4 Women's Forum Debating Priority Needs

This intervention prepared the Planning and Budget Committees to play a leading role in mobilizing stakeholders in the IDDP process, and to lead the process of formulating an IDDP.

- The EDI team identified appropriate civil society organizations and NGOs, and the leaders thereof, that could speak for specific under-represented sectors of society: women, youth, and marginalized groups. The team monitored their performance and identified their activities and ability to communicate—with the group they serve and to the public about that group.

Evaluation of Participatory Planning Processes

In July 2008 EDI engaged a local training evaluation firm to assess the effectiveness and initial impacts of the EDI participatory training. To do so, the firm conducted a stratified sample of EDI trainees and complimented quantitative analysis with qualitative focus groups and in-depth interviews.

The evaluation found that the trainees were highly satisfied with the training objectives, relevance of the training, competence of the trainers, training materials, and training methods. The participants were particularly satisfied with the ultimate outcome of the training and the integrated village, town and district plans that resulted. The assessment revealed that 55 percent and 67 percent respectively of the participants from Shubrakheet and Abu Hommos clearly understood the concepts of participatory planning.

Equally important, 85 percent in Abu Hommos and 54 percent of those from Shubrakheet were able to identify and prioritize community needs. Nearly 100 percent of the participants now view planning as an activity that must be jointly shared with local administrations and thus no longer view planning as the sole responsibility of the central government officials.

The recent Assessment of EDI's Participatory Planning Training found that:

“the EDI training has certainly moved the men and women involved to a higher level of knowledge and skill. The majority has become aware of ...decentralization, participatory planning, and the use of information to analyze local problems. This is a significant achievement of EDI training. . . [It has] succeeded in shaping a new rhetoric for the participants and, henceforth, influenced their language of communication and persuasion of others at the local level. We suspect that this would constitute a power force for desired change that EDI wants to create.”

Matching Fund Awards

EDI will provide funds to the pilot governorates to match locally mobilized resources to support implementation of the IDDPs. These matching funds are designed to aid cooperating communities in realizing their development needs and encourage generation of local resources needed for meeting community priorities.

Accordingly EDI in consultation with USAID developed five indicators to measure pilot governorate progress in achieving project objectives:

- Use of locally controlled revenues to finance FY 2008-09 IDDP projects measured as a percent of total IDDP costs;
- Increase in governorate own-source revenue as measured by the percent increase in the final accounts of FY 2006-07 over FY 2005-06 own-source revenue as a percent of total revenues;
- Use of available legislation to approve measures aimed at increasing locally controlled revenues, principally articles of the local administration law which permit LPCs to enact various fees and charges to finance local projects such as IDDPs aimed at meeting priority community needs that cannot be financed by available GoE budgets;

- Use of special accounts and funds for development purposes as measured by the percent change in FY 2006-07 over FY 2005-06 expenditures from those funds for financing capital development projects of the unified budget; and
- Use of participatory mechanisms by local units in the EDI pilot districts as found in the EDI Participatory Mechanisms Index. These mechanisms include use by LPCs of public hearings to discuss critical issues, LPC use of media and outreach mechanisms, LPC use of IDDP working groups including women’s, youth, and NGO forums, and publishing LPC decisions and meetings.

Beginning in the coming year, USAID matching funds will be used to purchase selected capital equipment associated with eligible IDDP projects, as an EDI contribution toward the cost of completing qualifying projects.

Participants Comments on the Impacts of EDI Participatory Planning Training

The following quotations come from participants in the EDI participatory training in Beheira.²

Planning is a Shared Responsibility

The Director of Planning and Monitoring in the governorate describes how the situation differed with the training: *“the decentralized plans made people feel that the government is concerned with their local needs and willing to act upon them, this elevated people’s satisfaction. The participatory planning uncovered details of local problems that would otherwise remain hidden, the sewage drainage for instance, whereby people’s participation was remarkable and well-noted”*, she says.



A local council member in Barkat Khatas puts forward the same conclusion but in a different voice: *“There were too many things we were not aware of under the heavy centralized system; with the[EDI] program we were trained to solve our own problems, and seek to mobilize the resources that we can reach to”*. Another local council member in Abu Hommos states the same conclusion: *“In*



the centralized system, plans were forced, no participation was ever needed; but in the new model, all parties are required to participate and take part, and this has economic and political implications. When the civil society and local community are involved with us (the government) this assures that conflicts of interests are eliminated and effective coordination is obtained”.

² “Participatory Planning Process. Training Application Assessment.” Prepared by the Center for Development Services (CDS) and submitted to the Egyptian Decentralization Initiative in August 2008

EDI's Participatory Planning Methodology is a Scientific Approach to Problem Solving

A statement made by a member of the local council in the village of Barket Khatas reflects the extent to which a systematic approach to problem definition and analysis was lacking all together prior to the training:

"The training gave us a scientific approach on how to define and solve a problem, we became more scientific". Another woman member of the LPC asserts that the "The training taught me how to realistically look at a problem, and set forth realistic solutions pertinent to the resources we have at hand". In Kom Al-Kanater village, an NGO representative proudly says: "I learned how to put a plan for any project".



The government officials involved in the EDI program, for instance, view that their training helped them better handle relationships and communication with local citizens. *"As an Executive, I learned how to relate to people, and face their problems",* the secretary of Botors village says. An official from Besentway village explains that: *"we were bearing the entire burden, but after the training a large portion of this is shared with others; before the training, I used to make diplomatic answers for people who would come to me with a problem, a way to escape from them; instead, there is now more transparency because problems can be faced with the local community contributing to solving them; the local NGO for example can be responsible for the waste collection and cleaning up of streets".*

EDI's Participatory Planning has Impacts beyond IDDP Preparation

The EDI program has a significant influence on the involved young people, an influence that extends to their personal lives, beyond the participatory planning tasks. *"The training enabled me to deal with the problems I face in a scientific way and put solutions, whether the problem is at home or at work; our people, however, don't understand decentralization yet; efforts to spread the concept should be exerted",* a youth member in Besentway says. Another youth member tells that *"the training benefit I got the most is how to make a dialogue and talk to others".*



The training, the qualitative data suggest, was instrumental for the participants to realize that the scarcity of available resources makes setting priorities essential for planning and action. A statement made by a member of the 'women's council' in Abu Hommos echoes many others: *"In the training, we learned to put a framework for the resources available to us,*



and try to base the solutions accordingly”. Another natural leader tells: “we became able to know how to set the priorities - whether at the personal or professional level”.

Another member from the Abu Hommos Executive Council expressed his viewpoint that participatory planning and associated training has changed the culture and behavior of government officials in setting forth the plans: *“In the past, plans were treated as if they were military secrets; now the situation changed and there is a high level of transparency”.*

EDI’s Participatory Planning gets People to Work Together

The EDI program manager in Beheira asserts this new spirit: *“People began to work together, this does not exist in Egypt; people became aware of how to coordinate with the executive bodies at local level, how to plan according to the available resources, not wishful thinking but priorities; and people are more convinced that this is the right path to take to satisfy their needs”.*

STRENGTHENING ADMINISTRATIVE CAPACITY AND LEGAL FRAMEWORK FOR LOCAL ADMINISTRATION TO MANAGE RESOURCES EFFECTIVELY AND TRANSPARENTLY

Developing a Long-term Plan for Decentralization

EDI worked closely with GoE stakeholders—MoLD, MoF, and MSAD—to accelerate the process of drafting a long-term decentralization plan for Egypt. This involved extensive technical work, research, and consultation. For example, EDI sponsored grants for essential research into the administrative, legal, and fiscal aspects of decentralization, and continues to engage consultants to provide lessons from international experience on decentralization. These consultants supported the process of drafting the plan through policy notes, comparative studies, and dialogue on different aspects of decentralization.

EDI supported MoLD in providing policy studies covering:

- International experience in drafting a white paper on decentralization strategy. The draft strategy that benefited from EDI policy support identified the district/city level as the locus where central government line ministry implementation functions could be devolved for key sectors such as education, housing, social solidarity and possibly others. Once the strategy is fully delineated, EDI will support MoLD in developing a long-term implementation plan for decentralization outlining the major legislative and capacity building steps that need to be taken to realize the strategy.
- Matrix of key line ministry functions that could be devolved to newly empowered districts
- Other countries’ experience in moving toward more decentralized forms of governance as potential models for Egypt
- Various mechanisms and procedures that GoE can use to achieve greater fiscal decentralization such as experience in design of inter-governmental transfer systems, improving accountability of sub-national levels of government in a decentralized system, use of grants commissions, developing transfer formulae, methods of developing expenditure assignment to finance newly devolved functions, etc.

- Options for achieving greater political and administrative decentralization such as different approaches to strengthening local councils, and in particular, strengthening the role of elected councils at various sub-national levels
- Expert policy group recommendations on key policies for consideration by MoLD in preparing the decentralization strategy and amendments to the Local Administration Law.
- Grassroots recommendations for amending the Local Administration Law by forming focus groups sponsored by three USAID financed projects (EDI, REACT, and Partnership Program for Democracy and Governance or PPDG) in support of a USAID-financed study by PARC on local administration. The focus groups collected field opinions from Assiut, Beheira, Minia, and Beni Suef on relationships between LPCs and LECs, relationships between local units and their constituents, and mobilization of local resources.
- Organizing conferences and seminars in coordination with MoLD and launching an Egyptian Decentralization Network comprised of forums for parliamentarians, LPC members, and for research institutions/universities/NGOs. These vehicles have raised public awareness about the meaning and effects of decentralization among local officials, high-ranking MoLD officials, governorate and district level staff of MoLD, and professors and scholars.

Advocacy for an Egyptian Vision of Decentralization

Over its first two years, EDI conducted several major seminars and workshops aimed at building consensus on an Egyptian vision of a decentralization strategy. These seminars brought together key members of government, parliamentarians, academicians and other key stakeholders to debate issues pertaining to greater decentralization.

- “What Form of Decentralization for Egypt: Opportunities and Challenges,” conducted on February 28, 2007 for high level policy makers and members of parliament
- “Launch of the Egyptian Decentralization Network,” conducted on June 28, 2007 for 350 participants from academia, various members of parliament, and donors and NGO groups involved in decentralization
- “Workshop for Research Institutes Involved in Decentralization Research,” conducted on July 18, 2007 and including key members of research institutes and think tanks
- “Decentralization Issues for Egypt,” prepared for the October 2, 2007 NDP meeting and presented on behalf of EDI by the Senior Advisor to the Minister of Finance
- “Mechanisms for Implementing Fiscal Decentralization: Some Observations for Egypt,” sponsored by PARC of Cairo University, on October 3, 2007 and including about 65 academicians and members of government

- Property Tax and Local Revenue Generation sponsored by the Center for Economics and Financial Research and Studies of Cairo University on November 19, 2007, and attended by about 50 academicians and members of government
- “Decentralization and Local Elections-April 2008”, Al Ahram Center for Political and Strategic Studies, May 8, 2008
- “Decentralization in Egypt: Opportunities and Challenges” conducted in cooperation with Cairo University’s School of Economics and Political Science and Georgia State University. The conference was opened by the Minister of State for Local Development, an ex-minister of local development, six governors, high-ranking officials from MoLD, MoF, MSAD and other ministries, academics and researchers concerned with decentralization, June 25 and 26, 2008.
- “New Demarcation of Local Units and its Relation to Decentralization in Egypt”, Al Ahram Center for Political and Strategic Studies, July 9, 2008

At the local level, EDI encouraged communication between LPCs and LECs and assisted these groups to establish appropriate reporting systems. The project strengthened communication between LPCs and civil society, and worked with the LPCs at the governorate and district levels to activate the LPC Culture and Media Committees. EDI supported the committees in adding representatives from the governorate’s Culture Palace Office, Ministry of Information and Ministry of Education branch offices, and the State Information Office.

These new representatives are ex-officio, but their participation with the LPC Culture and Media Committees resulted in the creation of communication channels throughout the state agencies at the governorate and district levels.

Delegating Functions in a More Decentralized Environment

EDI continues a multi-faceted approach to supporting delegation of authorities that have been traditionally central:

- The Project is currently working with research centers and think tanks in Egypt on a series of studies under the EDI research institute program. Overall, EDI received more than 25 proposals and signed five subcontracts with the following entities, which are expected to finalize their research by the end of December 2008:
 - *Public Administration Research and Consultation Center (PARC):* Consequences of Transferring the Authorities and Responsibilities of Line Ministries to Localities in Egypt at the Governorate Level
 - *Public Administration Research and Consultation Center (PARC):* Members of LPCs’ Perception of Decentralization: Analytical Field Study
 - *Development and Institutional Support Center:* Proposed Restructuring of the Local Administration System in Egypt (Levels and Borders of Units)
 - *The American University in Cairo:* Financing Innovation in Local Government
 - *Housing and Building National Research Center:* Definition of Institutional and Administrative Conditions and Impacts Related to the Transfer of Responsibilities, Authorities, and Budgets of the Ministry of Housing, Utilities, and Urban Development to the LAUs in Egypt: Detailed Study on the Utility Sector

- EDI also engaged Al Ahram Center for Political and Strategic Studies to conduct a conference and four workshops on several topics related to decentralization including local elections and recent demarcation issues.
- As part of the awareness campaigns on decentralization, the Project organized the June 2008 conference on ‘Decentralization in Egypt: Opportunities and Challenges,’ in cooperation with the Cairo University School of Economics and Political Science and Georgia State University. Decentralization specialists presented expert papers on international experience and case studies in Egypt, political decentralization in Egypt, decentralization of public services, fiscal decentralization, and administrative decentralization.

LPC Training on Use of Existing Authorities

EDI instruction entitled “Introductory Training for LPCs and LECs: Toward More Active Decentralization,” used adult education techniques such as focus groups and public hearings to increase participation and ensure that attendees had a solid grasp of the roles and responsibilities of LPCs. The course material differentiated between resources maintained locally and those transferred to higher tiers of government. Course materials focused on how to set in motion key authorities of the Local Administration Law that were inactive prior to the training.

During the fourth quarter of FY 2008, the Project launched follow-up training for LPC members newly elected in the April 2008 local council elections. Approximately 75 to 85 percent of the newly elected LPC members in EDI pilot districts and Minia have received the training.

The positive impact of this training was confirmed as EDI governorate offices monitored the LPC progress in use of authorities granted to them under existing laws and found that the following articles were activated:

- Village, town, and district plans and budget authorities under Articles 41, 49, and 68 were being used in the IDDP process
- Expenditures were monitored from village LSDFs
- LPCs were questioning LEC performance and requesting information from LECs under Article 106
- LPCs were using participatory mechanisms permitted under Article 108 to engage citizen participation in LPC decision making.

Determining Key Authorities That Can Be Delegated to Governorates, Districts, and Villages

EDI selected Damietta, Menofeya, Fayoum, Minia, and Sohag governorates in addition to the EDI pilot governorates for a comparative study of the authorities already delegated to lower tiers of local administration in the eight governorates. The comparison tackled important authorities under selected rules and regulations, such as the Local Administration Law (Law 43/1979), Civil Service Law (Law 47/1978), financial regulations, and the Egyptian Government Procurement Law (Law 89 of 1998).

Year Two Capacity Building Accomplishments

During year two, capacity building continued a strategy to explore and exploit, opportunities under the current law to practice decentralized local administration and generally to improve the performance of LPCs and LECs and the cooperation between them.

For the reporting year ending September 2008, participants in capacity building events numbered 8,666. The number of new individual participants during the year was 2,719, bringing the total number of individuals in one or more event, over the life of the Project to date, to 8,081.³ Approximately sixteen percent or 1,289 of these individuals were females, reflecting the EDI priority for inclusion of politically marginalized social groups in the IDDP process. Citizens and their MLPC representatives accounted for almost equal shares of the total number of trained individuals at 36 percent and 40 percent respectively; the balance, or 24 percent were comprised of civil servants.

In EDI's three initial target governorates:

- Close to 3,500 citizens, MLPCs, and civil servants participated in different phases of capacity building to support integrated district development planning.
- Close to 1,000 newly elected and returning MLPCs received training in *Roles and Responsibilities of MLPCs*.
- Hundreds of civil servants participated in IT training related to automation of accounting and citizen services, while 47 civil servants undertook customer service training to prepare them to work with citizens in EDI-supported citizen service centers (CSC).

In the sphere of information technology, more than 1,700 civil servants and LPC secretariat staff received training over the course of the year enabling them to implement automated citizen services and decision-support services promoted by the Project.

Finally, close to one-thousand civil servants and MLPCs received training covering their roles and responsibilities in planning and managing local financial resources.

Year Two Capacity Building Highlights

The capacity building unit completed updating the EDI record on TraiNet, the US Government worldwide database of USAID-funded training participants. The EDI record runs to 13,549 training participants in one-hundred events from the beginning of the Project through September 2008. In addition over 1,500 participants took part in non-training, capacity building events, bringing the total number of participants in all capacity building activities, training and non-training, to over 15,000.

Over half of all capacity building participants in the reporting year were involved in events related to participatory planning directed to three groups a) LPC presidents, deputies, and members of specialized committees leading the planning process, b) civil servants responsible for local public services and development, and c) citizens involved in community needs identification and prioritization.

³ USAID requires that each trained individual be reported only once, regardless whether the participant attended more than one training event.

On average in each of the EDI six target districts, one-thousand citizens, predominantly women and youth took part in capacity building events to support the participatory planning effort in their district.

On topics of public finance, over 900 participants, civil servants and MLPCs, took part in orientation and workshops related to improving public financial management and increasing own-source revenue to support implementation of local development and public service plans.

Non-training, capacity building events included project-supported workshops conducted by cooperating local research organizations and think tanks and the June 2008 national conference entitled *Decentralization in Egypt: Opportunities and Challenges*. These events brought together hundreds of pivotal GoE decision makers, decentralization experts, and representatives of concerned stakeholder groups, donor agencies, and the media.

EDI team members are cooperating with counterparts in the MoLD technical office with respect to a) planning for advance surveying of resources and capacity building in new decentralization pilots and b) developing a workable concept for the proposed National Curriculum for Decentralization (NCFD).

Developing a National Curriculum for Decentralization

The concept of a national curriculum for decentralization as a comprehensive body of orientation and training programs supporting decentralization is a logical extension of the GoE strategy to optimize a model of decentralized local administration and subsequently to replicate the model nationwide using a standardized set of tools.

The concept, which is embedded in the EDI technical approach to decentralization, was earlier embraced by the MoLD technical office in the form of a presentation on capacity building for decentralization at the June 2008 national decentralization conference. The Project and technical office are now cooperating to develop a workable design for the curriculum and its delivery.

Figure 5 represents an organizational structure proposal for the national curriculum. It suggests coordination among the diverse sponsors who would be involved in building and delivering it. EDI is now providing technical assistance for developing the standards and the content for curriculum programs.



Figure 5 NCFD Participating Organizations and Tasks (Discussion Draft)

Interim Assessment of Participatory Planning Training

An assessment of training related to participatory planning in Beheira governorate was completed by the Center for Development Studies (CDS). In general, participatory planning training received high scores at the assessment levels of satisfaction, acquisition, and application, while participant feedback surfaced valuable suggestions for ways to improve the effectiveness of training design, delivery, and monitoring. A summary of the CDS assessment and recommendations follow:

During the final quarter of 2008, the CDS completed information gathering and analysis commissioned by EDI to help the Project assess the effectiveness of training provided to participatory planning working group members, at the satisfaction, acquisition and application levels.

The assessment employed the best-known training methodology, the Kirkpatrick system of assessment, to measure the effectiveness of training in contributing to achievement of targeted results.

At the highest level, training, along with supporting inputs, targets a new or improved way of doing things, whether within an organization or a community or, as in the case of participatory planning, within and among a number of organizations and communities. An assessment of the effectiveness of training at this highest level is referred to as a **Training Impact Assessment**.

For targeted collective impact to be realized, participants must individually bring into play knowledge, skills, and attitudes (KSA) which, along with the supporting inputs noted above, effectively operationalize the new or improved way of doing things. An assessment of training effectiveness at this intermediate level is referred to as a **Training Application Assessment**.

Empowering participants with the KSA required to participate effectively in a new or improved way of doing things is the immediate purpose of training. Assessment of training effectiveness at this level – comparing participants' possession of targeted KSA before and after training – is referred to as a **Training Acquisition Assessment**.

Finally, the feedback of training participants with respect to such issues as trainer performance, trainee selection, logistical arrangements, and training materials and duration are important in determining how to improve training outcomes. An assessment of training effectiveness at this level is referred to as a **Training Satisfaction Assessment**.

In view of the logistical challenge of attempting to sample scientifically the hundreds who participated in the IDDP process and related training in the six EDI target districts in Upper and Lower Egypt, a decision was made to confine the assessment to the two target districts of Beheira Governorate: Abu Hommos and Shubrakheet. Assessment findings were based on records of satisfaction and acquisition provided by training providers, satisfaction and acquisition verification conducted by CDS, and feedback on application collected from 151 of 350 trainees engaged in 14 focus groups.

Thirteen in-depth interviews conducted with leading figures from the three major participating groups – citizens, LPC members, and civil servants – provided valuable insights into what went well and what might have been done more effectively in supporting the participatory planning process.

In assessing training delivery, CDS gave relatively high marks to Sadat Academy/Alexandria, responsible for training participants in Shubrakhheet, citing the Academy team's results-oriented approach.

With respect to knowledge acquisition, CDS polling among all participating groups, showed majority understanding of the legal operating environment for participatory planning and, among citizen participants, revealed an overwhelming majority understanding of the process of community needs identification and prioritization.

Focus group results and the records of in-depth interviews demonstrated an impressive shift among citizens, MLPCs, and civil servants toward the assumption that local planning is properly, and desirably, a multi-lateral, consultative process.

The majority of participants providing feedback expressed satisfaction with the extent to which they had opportunity to participate in the development of the IDDPs, which were the targeted output of this phase of the participatory planning process.

Finally, on a process level, CDS confirmed a perception noted by EDI team members that the Directorate of Planning and the directorates-general of service ministries should be involved from an early stage to harmonize planning standards.

Overall, the assessment found a high measure of participant satisfaction with the technical aspects of the training. Logistical issues, such as site appropriateness, site preparation, and training scheduling were also examined.

With respect to the training design performed by Alexandria University/Damanhur, the CDS review of materials and feedback from participants suggested scope for greater balance between theory and practice. Specifically CDS recommends provision of readings in theory in advance of training and a more focused, minimal treatment of theory in the training room. CDS also strongly recommends correlation and standardization of pre- and post-training possession of KSA.

Media, Public Awareness and Advocacy

Institutional set up and steps towards sustaining citizens outreach and awareness for decentralization

EDI has successfully provided training to nine newly established Public Awareness and Community Outreach Committees in the three governorates and six pilot districts. These Committees are headed by the LPC head of the Media and Cultural Committee of 24 members that includes representatives from the respective LPC and LEC services directorates. The mission of these committees is to disseminate information and awareness to its citizens on issues related to decentralize local administration. An added value of the formation of such committees is to improve communications and information sharing between both the popular and executive councils.

Production of Promotional Materials

The project has finalized the design, production and dissemination of fact sheets and posters to promote the benefits of establishing and using the services delivered by the citizen service center. Messages focused on the improved transparent local services delivery through the one-stop-shop that these centers foster.

LPC Development and Decentralization Support (ALDDS) Launched

As a result of the provision of technical assistance ALDDS has finalized the preparation of its organizational and financial by-laws. The overall objective of the institutional strengthening and capacity building plans are to strengthen the sustainable operation and credit worthiness of ALDDS to act as the primary advocating body in Egypt for a decentralized local administration system.

Gender Considerations

Of the 6,612 individuals who attended EDI capacity building events from the beginning of the Project through September 2008, one out of five was female.

Among the pilot Governorates, Beheira, with a 25 percent female participation rate to-date, was the leader. Qena and Assiut followed with 18 percent and 17 percent rates of female participation respectively. These elevated levels of female participation reflect the emphasis of the IDDP process on inclusion of politically marginalized groups, including women. IDDP participants account for one third of the total of those who participate in EDI capacity building events.

In Minia, which joined EDI in July 2008, seven newly-elected female MLPCs joined 68 of their male counterparts in foundation training for MLPCs at the governorate level. Governorate-wide, female MLPCs in Minia increased six-fold from 16 to 93 after the April 2008 elections. All are targeted for EDI-supported training.