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The American University in Cairo
School of Global Affairs and Public Policy

" A Review of Decentralization and Local Development Initiatives in Egypt between the years of
1994 and 2011 "
Thesis submitted in the
Public Policy and Administration Department

In Partial Fulfillment of the Requirements for the Degree of
Master of Public Policy

Submitted
By

Soraya M. El Hag

Under the Supervision of Dr. Khaled Z. Amin, PhD
Fall 2014

The American University in Cairo

School of Global Affairs and Public Policy

A REVIEW OF DECENTRALIZATION INITIATIVES AND LOCAL DEVELOPMENT IN
EGYPT BETWEEN THE YEARS OF 1994 AND 2011

A Thesis Submitted by
Soraya M. El Hag

to the Department of Public Policy and Administration
Fall 2014

in partial fulfillment of the requirements for the
Masters of Public Policy and Administration
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This work is an idea about a route that could be taken in order to improve the decentralization process in Egypt.

The American University in Cairo
School of Global Affairs and Public Policy
Department of Public Policy and Administration
"A Review of Decentralization and Local Development Initiatives in Egypt between the year
1994 and 2011"
Soraya M. El Hag
Supervised by Dr. Khaled Z. Amin

ABSTRACT

The purpose of this research is to review what main decentralization initiatives have implemented in the area of decentralization and local development in Egypt, what has been achieved, and what is needed to be implemented in order to move forward in the decentralization process. Decentralization could be a solution to the local administration efficiency, which can be applied also at the central level. This research is a qualitative research done through structured interviewing and filled questionnaires from senior officials at the central government and by informant people that are experts in the area of decentralization improving local administration and development. The findings were concluded from historic data, previous research in the area, also from the responses of interviews with experts in the field as well as the assessments from donor organizations, donors 'evaluation sheets and general observation. The good governance model has been utilized for the review of key decentralization and local development initiatives in Egypt. Finally, alternative solutions to the asked question and policy recommendations are provided in order to move forward in the process of decentralization, aiming for a better future in Egypt.

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List of tables and figures:

I. Introduction

It has been known that Egypt is a centralized system dating back to the time of the Pharaohs. This is because of two reasons. First, because historically it was believed that the Pharaoh was the son of the sun god Ra, and his command had to be followed, which did not leave much room for regional autonomy. Second, economically, the system of centralization was reassured by the belief that " the demands for a centralized manipulation of the Nile's irrigation system reinforced the tendency of the entire bureaucracy to see its interests and influence directly tied to the central government as the only legitimate seat of power" (Mayfield, 1996, p. 51). So both the belief, which is the superstructure, and the economic necessity, which is the substructure reinforced each other for the idea of having a centralized system.

After World War II there was a tendency to decentralize as part of democratization in the different parts of the world. In Egypt there has been attempts to decentralize legally since the past century especially and since the 1970's with donor initiatives starting to cooperate with the government on democratization. For this research, four decentralization initiatives have been selected, based on cooperation with government and based on the outreach of the project. The initiatives selected are the main decentralization initiatives implemented in Egypt. First, the National Program for Integrated Rural Development-*Shorouk* Program implemented by USAID; second, the Municipal Initiative for Strategic Recovery, MISR, implemented by UNDP; third, the Egyptian Decentralization Initiative, EDI, implemented by USAID; fourth, the UNDP cooperating with the Ministry of Local Development (MoLD), working on assisting local governments to work efficiently working with the government directly as well as on the local level by working on local administration system development, through political, administrative and fiscal decentralization. Also, introducing important concepts such as in the Good

Governance Model[1], enhancing local participation on the local level and in some cases introducing technical assistance.

Research question:

The main research question that this research provides is, what have the main decentralization and local development initiatives achieved in Egypt from the year 1994 to 2011, and to which extent did they contribute to decentralization reform in Egypt? In adidition, which factors should be considered while planning future initiatives?

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[1] This will be presented later in the thesis

II. Decentralization:

a) According to the Free Dictionary, decentralization is, first, " to distribute the administrative functions or powers of a central authority among several local authorities." Second, " to bring about the redistribution of an urban population and industry to suburban areas and to cause withdraw or disperse from a center of concentration" (Free Dictionnairy).

b) The UNDP decentralization definition is: ". . . Decentralization, or decentralizing governance, (which) refers to the restructuring or reorganization of authority so that there is a system of co-responsibility between institutions of governance at the central, regional and local levels according to the principle of subsidiarity, thus increasing the overall quality and effectiveness of the system of governance, while increasing the authority and capacities of sub-national levels. Decentralization could also be expected to contribute to key elements of good governance, such as increasing people's opportunities for participation in economic, social and political decisions; assisting in developing people's capacities; and enhancing government responsiveness, transparency and accountability " (UNDP, 1997).

c) According to the Business Dictionnairy, decentralization is: " The transfer of decision making power and assignment of accountability and responsibility for results. It is accompanied by delegation of commensurate authority to individuals or units at all levels of an organization, even those far removed from headquarters or other centers of power" (Business Dictionnairy).

In the next section the different forms of decentralization, types of decentralization are defined and international experiences of decentralization as well as their motivation to decentralize are presented.

A. Forms of decentralization

There are four forms of decentralization, which are deconcentration, devolution, delegation, divestment and privatization. The different kinds of transfer of power from the central government to the local level are all important; however, the following forms of decentralization explain how the transfer of power could be different. But the most important thing is while implementing it, this should be professional and gradual (Cohen and Peterson, 1999, p. 24; Bremner, 2011, p.1; Work, 2002, p.6).

In general, there are four forms of decentralization, which include the following:

i. "Deconcentration is the transfer of authority over specified decision-making, financial and management functions, by administrative means to the different levels under the jurisdictional authority of the central government. At its core, it involves ministries retaining power over key tasks at the center while transferring the implementation roles related to such tasks to staff located in ministerial field offices " (ibid.). Although, it is stated that this vertical decentralization, in fact, it can be considered horizontal decentralization because it is delegating responsibilities to the different ministries, which are subunits within the same institution. Also, it does not reach the local level at this point, which contradicts the definition of vertical decentralization. It refers to the transfer of authority and responsibility from one level of the central government to another, while maintaining the same hierarchical level of accountability from the local units to the central government ministry or agency, which has been decentralized. Deconcentration can be seen as the first step in a newly decentralized government to improve service delivery.

ii. "Devolution occurs when authority is transferred by central governments to autonomous local-level governmental units " (ibid, p. 26). " Devolution requires that there be national legislation and supporting regulations that: (1) grant specific local-level units corporate status; (2) establish clear jurisdiction and functional boundries for such units; (3) transfer defined powers to plan, make decisions, and manage specified public tasks to such units; (4) authorize such units to employ their own staff; (5) establish rules for the interaction of such units with other units of the governmental system of which they are a part; (6) permit such units to raise revenue from such specifically earmarked sources as property tax, commercial agricultural production tax assessments, license fees, public unitary charges, or from grants and loans provided by the central ministries; and (6) authorize such units to establish and manage their own budgetary, accounting and evaluation systems" (Cohen and Peterson, 1996, p.45; Olowu,1992; F. Sherwood 1969). This means that they are autonomous. Devolution is considered to be vertical decentralization as this transfer of power is to governorates, which is the local administration. [2]

iii. "Delegation is the transfer of administrative or policy initiation power to a lower organizational level " (Bremner, 2011, p.1). The responsibilities are transferred to organizations that are ' outside of the bureaucratic structure' and are only indirectly controlled by the central government. However, power is resumed to the central government. Delegation redistributes authority and responsibility to local units of government or agencies that are not always necessarily branches of local offices of the delegating authority. While some transfer of accountability to the sub-national level units, to which power is being delegated, takes place, the

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[2]Here it is important to note that when talking about transferring power is not only by law, but financial as well. According to statistics, in developed countries they pay around 40 % of its public resources to subnational level in non developing countries they pay around 20-30 %. Egypt spends much less which is 14.7 % of its public resources to subnational level. About 75 percent goes to wages and taxes. This raises questions about the efficiency of the distribution of resources (Boex, 2013, p.2).

bulk of accountability is still vertical and to the delegating central unit (Work, 2002, P.6), which means that authority is still resumed by the central government.

iv. Divestment is when planning and administrative responsibility or other public functions are transferred from government to voluntary, private or non-governmental institutions with clear benefits to and involvement of the public. This often involves contracting out partial service provision or administrative functions, deregulation and full privatization. "Privatization, is sometimes referred to as "public-private partnership" or "market decentralization is a sub-type of delegation", in which all responsibility for government functions is transferred to non-governmental organizations (NGOs) or private enterprises independent of government" (Cohen and Peterson, 1999, p.29). This is delegating power to outside forces, outside of the government. In a way, it is different from the three other types of decentralization, but could be efficient in sectors of tourism, education, health and infrastructure.

To sum up, devolution is the highest form of decentralization because it is transferring power to the local level directly. This is not present in Egypt as the autonomy is not present and the governor is appointed and has limited executive functions. Then comes deconcentration, which is transferring power to ministries, which are subunits within the same entity. Then, delegation in Egypt and in other developing countries, which is mostly implemented and the power is shared but curtailed whenever the government wants. Deconcentration is also minimally implemented as ministries do not fully act upon themselves. Privatization is implemented for example in the schooling and in the health sector and could be implemented in infrastructure. It is argued that for privatization " goods and services are more efficiently, effectively; and accountable, because they are not hampered by bureaucratic politics and practices or burdened by complex administrative procedures relating to budgeting, disbursing,

accounting and auditing " (ibid). They are better in meeting targets and schedules besides, they are citizen oriented in delivering services. This is not deregulation, which is removing the laws from the private sector. On the contrary it is its invitation for participation and sharing with citizens and a form of inclusion. Delegation could be to civil society and to the private sector, by using public private partnership and, for example, cooperating with NGOs that work on poverty and corporate social responsibility of the private sector. Putnam argues that societies with high levels of social capital which is defined in terms of norms of trust and reciprocity also networks of engagement will organize to demand a better government (Putnam, 1993). NGOs cooperating with the corporate social responsability could be useful also in terms of applying small and medium enterprises, SMEs, and microcredit finance, to generate basic employment for the poorer segment of the society by giving loans to the poor and include them in the cycle of production.

B. Types of decentralization

There are three types of decentralization; political, administrative and financial. They include the following (Cohen and Peterson, 1999, p.20; Mayfield, 1996, p.208; Treisman, 2008; Work, 2002, P.6) :

i. Political decentralization, defined as "greater local participation and the transfer of political power to locally elected councils who not only present their local constituency but have the power and authority to hold local administrative officials accountable for the implementation of locally determined policies" (Mayfield, 1996, p. 208). Here it is important to note that legal rights should be given to the local level.

ii. Administrative decentralization, seeks to redistribute authority, responsibility and financial resources for providing public services among different levels of government. It is the transfer of responsibility for the planning, financing and management of certain public functions from the central government and its agencies to field units of government, agencies, subordinate units or levels of government, semi-autonomous public authorities or corporations, or area-wide, regional or functional authorities (Treisman, 2008). This happens through the different types of decentralization. What is most important is that there is good coordination, professionalism, a reward and punishment system as well as a "reward system in terms of higher salaries" (Saltman el al. 2007). According to respondent one,[3] if the salaries of the local level are not as good as at the central level, people do not need to move geographically to the center. Administrative decentralization is important as it involves dealing with different ministries and different governorates. There are two major forms of administrative decentralization, one is horizontal and the other is vertical. The horizontal one is through reforming administration between the different ministries and the vertical one is when the government transfers power to local authorities at the local level (Work, 2002, P.6).

iii. Fiscal decentralization involves shifting some responsibilities for expenditures and/or revenues to lower levels of government. There are two levels of fiscal decentralization; the first is the division of spending responsabilities and revenues between the different levels of government (national, regional, local, etc). The second is the amount of discretion given to regional and local governments to determine their expenditures and revenues. Also, fiscal decentralization "limits corruption, because when the local level participates in income generation and participation in policy making this limits corruption and there is a sense of

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[3] This study consists of four respondents, of four different initiatives, that are going to be mentioned later in the study.

ownership and belonging so the level of corruption is reduced and it lowers the level of elite capture, by generating own income at the local level" and extending resources (Treisman, 2008). However, this is not enough. Accountability measures could be implemented by establishing firm laws and transparency measures. Also, reports from IMF's Reform Statistics argued that a " larger subnational share of public expenditures is associated with lower levels of corruption using the TI, ICRG, or WB indexes. Transparency International (TI), the World Bank (WB) International Country Risk Guide (ICRG) " (ibid). But the allocation of budget that comes from the central level is necessary for the central government to have minimal power at the local level. Fiscal decentralization is the most comprehensive and possibly traceable degree of decentralization since it is directly linked to budgetary practices. Fiscal decentralization refers to the resource allocation to sub-national levels of government. Arrangements for resource allocation are often negotiated between the central and local authorities based on several factors including interregional equity, availability of resources at all levels of government, and local fiscal management capacity. Experience in fiscal decentralization has led to capacity building in expenditure and revenue assignment, and the design of fiscal transfer formulas and sub-national borrowing (ibid). To sum up the main types of decentralization are political, administrative and fiscal decentralization, which are the major components of having an effective decentralized system.

C. International experiences of decentralization and challenges:

There are different motivations for decentralization, for example, in Central, Eastern Europe and Russia, the motivation was political and economic transformation. For Bosnia-Herzegovina, Ethiopia, Yugoslavia, Nigeria, Sri Lanka, South Africa, and Philippines, the motivation was political crisis due to ethnic conflict. For Indonesia, Madagascar, Mali, Senegal,

Uganda, Mexico, and Philippines the motivation was political crisis due to regional conflict. For Argentina, Brazil, Bolivia, Colombia, India, Pakistan, and Philippines, the motivation was enhancing participation. For Czech Republic, Slovakia, and Hungary, Poland, the motivation was the interest in the accession to the EU. For Chile, Uganda, and Cote D'Ivoire, the motivation was improving service delivery. For Eastern, Central Europe, and Russia, the motivation was shifting deficits downwards.

Table 1: The motivation for countries to decentralize

Motivation	Countries and/or Regions
Political and economic transformation	Central and Eastern Europe, Russia
Political crisis due to ethnic conflict	Bosnia-Herzegovina, Ethiopia, Yugoslavia, Nigeria, Sri Lanka, South Africa, Philippines
Political crisis due to regional conflicts	Indonesia, Madagascar, Mali, Senegal, Uganda, Mexico, Philippines
Enhancing participation	Argentina, Brazil, Bolivia, Colombia, India, Pakistan, Philippines
Interest in EU Accession	Czech Republic, Slovakia, Hungary, Poland
Improving Service delivery	Chile, Uganda, Cote D'Ivoire
Shifting deficits downwards	Eastern and Central Europe, Russia[4]

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[4] Source: Dr. Khalid Amin, "Decentralization Milestones: How far is Egypt ?, Presentation presented to GAPP students, Spring 2012.

The process of decentralization is difficult and could face some challenges, because decentralization limits the rights, power and authority to the local level. First of all, this new relationship between the state and the local level requires more effort to control the local level through new mechanisms like legal and economic tools, rather than the normal hierarchy of a centralized system. Second, decentralizing fiscal administration at the local level requires autonomy from the central government over a grand portion of public finances. It could be therefore a challenge for the Ministry of Finance. Third, for politicians at the central level, the hierarchy is not as authoritative on local administrations during their decision-making processes. Fourth, being part of the local sub-national government gives the local governments more accountability through supervision of local communities, causing the central level to lose their influence, prestige and independence. Also reporting to the local level mayor instead of the central level minister, diminishes their self-esteem and status. Fifth, trade unions, which act as negotiators with the central government by representing a large number of workers, lose influence under a decentralized system where the local authorities step in. By this, they lose power with the central government (Regulski, 2010). Therefore, using the good governance model could be a standard in order to determine the relationship between the government and the local level. Despite the challenges present in the decentralizing process in general, efforts by the current regime have been made to improve the decentralizing process in Egypt, through having a clearer devision of governorates in Egypt and creating an administrative unit for Egypt on the Suez Canal. Besides, the current government of Egypt has provided a citizen-centric approach by making the people responsible in its creation through contributing financially through buying investment bank certificates in three different banks El-Ahly, Egypt and Cairo with up to 12% revenue to help finish the making of the New Suez Canal Project (Al-Ahram, 2014).

III. Local administration system in Egypt

This chapter provides the explanation of the local administrative system in Egypt and the legal development of decentralization in Egypt since the past century. After that a presentation of the most important features of the decentralization laws in Egypt and what important similarities or differences are apperant in each phase are presented.

A. The organization of local administrative system:

The local administration system is divided into two sections; the fully urban governorates and the rural-urban governorates constituting 27 governorates[5]. The first section is composed of four fully urban governorates. These are four cities including Cairo, Alexandria, Suez and Port Said. These cities are then sub-divided into 62 districts. The other section, is composed of 23 rural-urban governorates, which are formed from urban and rural communities. These are then divided into 182 markaz[6]. It is important to note here that the simple governorates have no markaz and village levels, which is different from large governorates, which are composed of only one major city, such as Cairo and Alexandria. The number of rural-urban governorates are 23 and are divided into one hundred 62 markaz. The makraz includes a capital city, other cities, if existing, and group villages. It is like a center surrounded by constituent villages. These are then divided on one hand into 220 towns then into 29 districts at the next level. The district is the smallest local unit in urban communities. Districts are further divided into sub-districts or neighborhood called " Sheyakha" to facilitate district management. The village is the smallest local unit in rural communities. The number of villages is one thousand two hundred thirty eight. These result in different sections and result into 4623 satellite villages. There are two types of

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4 Now they are 29 governorates
6 The definition of markaz refers to district

villages. Villages that are considered local units, which are larger ones and the smaller ones which are called "satellite villages"(Amin, 2005, p. 135).

Figure 1: The structure of local administration system in Egypt
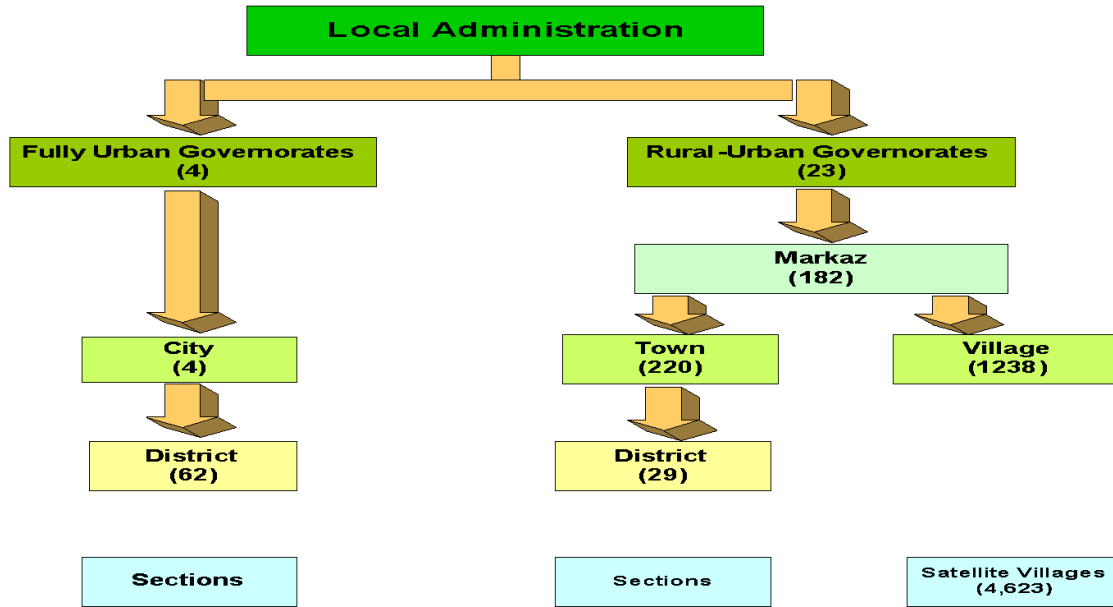
Source: Amin, Khalid. (2012).

B. The legal development of decentralization and local administration system in Egypt:

In this part the different legal developments of local administration in the different Egyptian Constitutions will be discussed. This will be divided into four sections. The first phase is before 1952. The second phase is from the year 1952 to 1971. The third phase is from 1971 to 1981 and phase four from 1981 to the present.

i. Phase one: Before 1952: In the year 1888, the first law about local administration councils was issued. These were located seven governorates East of the Nile, seven governorats West of the Nile and other four; Cairo, Alexandria, Damietta and the Canal. The Eastern and Western desert were regarded as military regions. This lasted until the 13th of September, 1909,

when the law number 122 was issued that recognized the legal identity of the local

administration and gave it certain tasks especially in education and other branches. The

administration's council had the director, his assistant, and six representatives of certain

ministries. These ministries included the Ministry of Finance, the Ministry of Agriculture, the

Ministry of General Health, the Ministry of Education and the Ministry of Work and

Transportation (Abdelwahab, 2006, p. 24). The law of 1923 stated the importance of the

representatives of the local villages and cities by election, which gave room for electing some

members. Also, this constitution discussed the mission of these councils on distributing its

budget and its calculations. The public presentation as written in the law defines the limitation of

the interference of the local government, which is creating autonomy at the local level as stated

by article 132,133 of 1923 that local councils must be elected (Mayfield, 1996, p.66). Law 132

of the constitution of 1923 specifically discussed the transfer of the central government to the

popular local councils, so that the local councils are independent and are not part of the executive

councils (Decentralization in Egypt, 2008, p.61) [7]. However, there were some challenges for

implementing the laws in the 1923 constitution, as King Farouk and the British preferred that

power remain centralized (Mayfield, 1996, xiii). The local administrations were forbidden to

participate in political debate, nor prepare any type of resolution or distinction (Hilal, 1997, p.

80). According to article 193 of the constitution, local and municipal councils were to function

according to the following principles: first, that councils should be elected; second, that councils

should formulate and execute local policies, subject to prior sanction of higher authorities; third,

that budgets and final accounts should be published; fourth, that sessions should be open to the

public, which is applying transparency; fifth, that legislative and executive authorities of the

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[7] They were part of administration and this was presented in the 1956 constitution but not in the constitution of 1964 and 1971 (ibid).

national government should veto council decision and actions if they would endanger the public welfare of the nation (El-Araby, 1961, p. 20).

        ii. <u>Phase two: From 1952 till 1971:</u> The draft constitution, in 1952, in the Nasser regime, witnessed 15 articles concerning decentralization in Egypt. What was mostly presented in them was the following: first, the central government which was prohibited from controlling or nominating the election of the local council chairman; second, that certain powers were issued to ensure the collection and mobilization of adequate local resources in order to fund local public works projects; third, the idea of local decision-making autonomy was presented, by restricting the central government interference and also by ensuring that all dispute between the central and local authorities be presented to the Supreme Constitutional Court for resolution (Umar, 1996, p.126). Although these were positive in the direction for improving the local level, the Nasser regime later ignored them for security reasons (Mayfield, 1971, p.126). The result was that the members of local councils were appointed representing the different ministries and the different branches. The minister of local council was one of the members of the Arab Socialist Union in agreement with the communist party and making decisions with the governor. Later, the constitution of 1956 had 10 laws about local administration from article 157 till 166. It stated that the creation of local councils should be a mix of election and appointment through the different laws in the different administrative units[8]. Article 157 of 1956 stipulated that the head of the local popular council presents suggestions in front of the court, and does the opening and leading of sessions, guides the sessions, identifies the subject and limitations, identifies the most important points and presents outcomes. Further, it stipulated that half of the popular council

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[8] The same was presented in the constitution of 1964 in articles 150 and 151 of having a mix of elected and appointed people in the local administration. Then the permanent constitution of 1971 was issued which handeled the local administration in three articles 161, 162 and 163(ibid).

should be through election, half of which shall be workers and farmers (Decentralization in Egypt , 2008, p.61). This constitution was the most specific one on forming the local popular councils by election.

The next law introduced, law 124 of 1960, created a new hierarchy of councils at the Muhafza, markaz and qarya, [9] comprised of elected and selected ex officio members. The modifications afterwards increased localities to five levels by adding the hai and kism[10], in addition to governorate, city, and village.[11] Also, a council of governors has been created by the Prime Minister and included all governors within the Ministry of Local Development. " Law 124 was an innovative attempt to formalize central government control throughout all of Egypt, to develop new structures for mobilizing local participation, and the mechanisms, through which the Egyptian government attempted to bring governmental services and public works project into rural Egypt" (Mayfield, 1996, p.115). In article 150 of 1964 there was nothing that prevented the transfer of the local councils power to the local popular councils and the executive councils (ibid). The constitution of 1964 discussed localities in law 150 and 151, in more detail (Decentralization in Egypt , 2008, p.61).

iii. Phase three: After 1971: Article 161 of 1971 was about the monitoring of local council on the members of the executive councils. There was a delegation of tasks between administrative and the executive branches in the local councils; administrative tasks delegated to the local popular council, and the executive role is delegated to the executive council (ibid.). The articles of 161, 162, 163 of 1971 were also about decentralization. These have mainly focused on the local popular council and the importance of slowly transferring power and by the process of

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[9] Governorate is muhafza, district is markaz and the village is qarya.
[10] Quarter is hai, town is kism
[11] There are two opinions about this one is that it leads to reaching more the different layers of local levels, which is positive. But if un-organized this leads to over-bureaucratization.

holding elections. However, it did not state clearly that these councils represent the local administration units, which resulted in the executive council forming laws that give some more influencial characteristics than what is given to the local popular councils. In adition, the word 'incrementally' was written twice in the constitution, once when it was related to forming the local popular councils and once when stating the transfer of its tasks. This emphasis on 'incrementally', or gradually, delegating power gave the opportunity to the executive council to change this historical way in extending the role of the popular local councils, as well as to the local administration that came as a branch of the executive council. There has been several attempts to decentralize, especially at Sadat's time and even during Mubarak's time by foreign donors, as part of implementing democratization in the developing countries, especially post-World War II (Mayfield, 1996, p. xv). Art 162 of the constitution of 1971 allowed for gradual transformation of authority to local popular council (LPC). Law 52 of 1971, allowed for istegwab[12]. Also, Sadat issued Law 57 for 1971 for parliament to consist of half peasants. This allowed for more participation of peasants.

After the October war of 1973, Sadat took a step towards decentralization by empowering local councils. Law 52 of 1975, concerning local government, was issued. It stimulated that local councils upgrade their effectiveness by dividing them into executive and administrative people's councils, the latter of which are composed of elected members. Further, the law authorized the creation of "councils of beneficiaries" composed of clientels of public services such as education and health. The reason behind creating these councils was to enhance service quality, also to enforce some measures of public accountability in order to avoid elite capture.

However, after November 1977, with Sadat's visit to Jerusalem, Sadat's opposition increased and he imposed increasingly authoritarian order, which extended to the local level

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[12] Defined as accountability

(Mayfield, 1996, p. xiv). Therefore, the law 43 of 1979 changed "executive committees" to "executive councils" to make it clear that the local people's councils were the main figures of authority, and the executive branch of the government was not responsible for the decision making at the local level. This has resulted in a drastic shift from a pluralistic government to, again, a controlling government by the executive branch (ibid).

The constitution of 1975 focused more on local councils. Since 1975, the local administration in Egypt depended on the dual system of the council as there are two councils in each local unit, the local popular council and the executive council. Since the year of 1975, the local administration system in Egypt was constituted from the Director of the production and service units and the Heads of specific committees within the local unit. Besides, there was a parallel system of the head of the local unit among the head of the council [13] and the heads of the local units at the subordinate level (Decentralization in Egypt 2008, p. 88, 89).

Law 52 of 1975 was short-lived; however, first, it had some positive points such as the right of local councils to Istegwab[14], on issues pertaining to policy, administration and service delivery. Second, it allowed for the establishment of services and development funds, which allowed for the collection and retention of funds at the local level without returning to the central government at the end of fiscal year. Consequently, increasing revenues and resources allowed for greater autonomy and more financial decentralization at the local level. Third, there was an establishment of the council of beneficiaries[15] . The reason behind creating these councils was to create a space for interaction with the service providers to voice concerns, improve service delivery, handle complaints and ensure equitable distribution and accountability (Mayfield,

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[13] Maglis means council
[14] Istegwab means question, challenge and require response
[15] majlis al mustafidin, which included beneficiaries of the services that are provided at the local level such as health and education

1996, p.65, 66). It introduced for the first time the electoral systems at the local level [16]. This law was revisited and amended by law 43 of 1979, which was again a step towards centralization. An example would be that "executive committees" were called "executive councils", which meant that the executive authority at the local level, i.e. governor, was not to be regarded as subordinate to local councils.

Law 43 of 1979, granted more financial responsabilities to the local councils in terms of revenue generation at the local level. It was clear that the government system as described by the law that the Egyptian local administrative system is basically an executive-oriented system with no legislative functions at the local administrative system level[17]. In Law 50 of 1981, a minor amendment was created, which stated that the Higher Council for Local Administration was chaired by the Prime Minister. It comprised of all governors, and elected local council chairmen at the local level. The council, however, never met and was later eliminated by an amendment to the law.

iv. <u>Phase four: After 1981:</u> Law 145 of 1988, was drafted at the time of the Mubarak regime and substituted the "local administration" by "local government" that limited political participation through the local electoral process. It also increased the role of the Ministry of Local Administration in terms of the financial aspect of local administration. This law stipulated that " some decentralizing factors were active in its drafting" (Abd Al Wahhab, 2006, p. 64). Also, it increased the control of the central government over fiscal matters, such as disbursement and allocation of the special account funds and placing an increase in local fees under the review approval process of a newly established committee (ibid, p. 64), and discussed the increase in

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[16] It is like creating local elites as ombudsman that are a laison to transfer concerns to local administrations. But the question here is how they were selected and to which extent this has been effective.

[17] Law 50 of 1981 was considered a minor amendment to the previous law, 43 of 1979, that increased responsabilities to local councils, for example to generate revenue. Before, they were not allowed to generate their own financial resources, nor did they have political decentralization. But this law allowed it.

revenues (ibid, p. 65) . This law required governorates to work with local administration, instead of with the Ministry of Finance on different matters such as "planning, capital investment, and annual budgets" (ibid, p. 70). The Law 145 for the year 1988 gave the right to "istegwab", or interrogation. Shortly after it was cancelled. The constitution of 1989 talked less about local councils, but more about the roles of the local councils versus the role of the executive council. The local council consisted of elected 50 % officials were elected from workers and farmers (ibid, p.61).

When Mubarak came to power in 1981, parliamentary and local elections were conducted in an air of greater freedom. But in the mid 1980s when radical Islamist opposition began to amount, the government passed Law 145 in 1988, which substituted the term " local administration" with " local government" and by that, implying reduced autonomy. Moreover, in March 1994, the government enacted into law a controversial bill, which formally converted elected positions of the mayor and deputy mayor into positions appointed by the Ministry of Interior. These developments only reflected the government's uneasiness with different opposition groups at that time (ibid, p. xv).

In the year of 1997, the Ministry of State was used for the agricultural development with the Prime Minister having direct monitoring on the issues of localities. This was replaced by the Ministry of Local Development, in 1999, including several points related to local administration. These include, first, issuing an annual assembly for the popular councils to report to the parliament their work and achievement provided that fiscal year. Second, this ministry coordinated between the different governorates and the central government. Third, the ministry was responsible for representing the opinions of different local levels. Fourth, the ministry acted as a mediator between the governor and local popular council and the council of ministers. Fifth,

the ministry had a judicial role to make the final decision for any problems between the executive council and the local popular council. Sixth, the ministry set forth the procedures for local councils on collecting resources for the Ministry of Local Development (Decentralization in Egypt, 2008, p.67).

In Egypt, it is important to note that historical changes had an impact on the process of decentralization in Egypt. Decentralization projects have been implemented starting from Sadat's time leading to the time of Mubarak. On the one hand, it sought to impose central control out of fear of Islamism, general political instability and high unemployment, which lead to limiting local autonomy. There seems to be a contradiction between Mubarak's effort to centralize and at the same time to invite donors to implement decentralization projects. However, one could say that this is logical, as the decentralization process is not only political but there are administrative developments. On the other hand, the central government, having insufficient resources to provide adequate public services, has worked on persuading the private sector to provide some of those services. It also wanted to upgrade the capacity of local government, and filling a vacuum. Also NGOs are a hand in the process of local development and eradicating poverty at the local level through different social services that it provides, for example Misr El Kheir, Dar El Orman and other NGOs that are attached to churches or mosques.

Donor initiatives have introduced technical trainings, as a way to decrease the high central control that leads to high unemployment (ibid, p. xvi). However, at the end of Mubarak's regime in late 2010, a draft law[18] was developed but not adopted until now.[19] Because of the Revolution of 2011, the parliamentary session, which was to be discussed in March 2011, was cancelled due Mubarak's resignation.

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[18] View appendix one
[19] This draft law is a development of law 43 of 1979.

The constitution of 2012 included articles of local administration, from the Article 183 to 192. Some interesting points are mentioned in Article 188, that the local representatives of the executive branch have no vote. Second, article 191 talked about creating seperate budgets at the local level. Article 204 of Chapter Four of this constitution required the establishment of independent bodies and supervisory organs, a national commission to be specialized in combating corruption and eliminating conflict of interest.

In the constitution of 2013, Article 176 was more about ensuring administrative, financial and economic decentralization and empowering administrative units to manage better public facilities. Also, Article 177 was about satisfying local needs, Article 178 about creating independent budget to local councils, Article 179 stating the law shall regulate the manner by which governors and heads of local administration are either elected or appointed, but did not specify which. Article 182 was about development of own budget, in order to create autonomy at the local level.

The different constitutions show the historical developments of decentralization in Egypt, mirroring the historical time in which they were written. Besides, the articles represent a mixture between creating autonomy at the local level and having a centralized system. In general, the local administrative system in Egypt has been centralized and based on appointment of governors. In the first phase in 1909 there was a recognition of the legal identity of local administrations in Egypt and giving it specific tasks and functions for example in education. Later, law 132,133 of 1923 stipulated that local councils must be elected, which was a form of delegating power to the local level, very close to devolution. King Farouk preferred that power remained centralized, however, it is considered a progressive law. Also laws 193 of 1923 stated

specifically that policies and final accounts should be published, which is a form of creating transparancy between the local government and the citizens.

The draft constitution of 1952, drafted at the time of the Nasser regime, stipulated in 15 articles most importantly that there should not be any manipulation of the election of the local council chairman. The idea of having local autonomy and decision-making was also presented, by diminishing the interference of the central government and that disputes between central and local government are presented to the Supreme Constitutional Court for resolution, which means resorting the highest ranking court in Egypt.

Laws 157 till 166 of 1956 were a turning point compared to the laws before stipulating that the creation of local councils should be a mix between appointment and election. Also, introducing a quota of having the local council composed of workers and farmers was made at the time of Nasser.

Law 124 of 1960 created a hierarchy of councils at the muhafza, markaz and qarya with having selected as well as elected ex officio members in order to maintain power and modifying this by adding hai and kism. This laws was innovative by developing more structures on the local level in order to be able to reach far areas at the local level as well as to mobilize participation at the local level in rural Egypt, but was monitored by ex-officio members. Later, laws 150 and 151 of 1964 discussed the transfer of the local council's power to the local popular council and the executive council.

The articles of 161, 162, 163 of 1971 were also about decentralization. These have mainly focused on the local popular council and the importance of slowly transferring power and by the process of holding elections. However, it did not state clearly that these councils represent the local administration units, which resulted in the executive council forming laws that give some

more influencial characteristics than what is given to the local popular councils and transferring power incrementally to the local popular council. Sadat like Nasser wanted to support peasants and gave them half of the seats of the parliament. However, what is pioneer at the Sadat time is that law 52 of 1971 allowed for Istegwab as well as a gradual transfer of authority to the local popular council. After 1973 Sadat became more enthusiastic about decentralization by empowering local councils through law 52 of 1975 by creating "councils of beneficiaries" to enhance service quality at the local level. However it was short-lived. After Sadat's visit to Jerusalem in in 1977 his opposition increased. This lead to the change of "executive committees" to "executive councils" in law 43 of 1979, however, what is positive about this law is that is granted more financial responsibility to the local council for more revenue generation at the local level, with still an executive-oriented system with no legislative functions.

In phase four from 1981 till 2011, which is the time of the Mubarak regime, law 50 of 1981 stated that the Higher Council for Local Administration should be chaired by the Prime Minister. This council was composed of different governorates, but never met. However, there was a general tendency to increase local revenue. Law 145 of 1988 gave the right for Istegwab or interrogation and was cancelled shortly after, like in Sadat's time. Also the local council same as at Nasser's and Sadat's time consisted of 50% elected officials from workers and farmers.

In law 145 of 1988, the term " local administration" was substituted with the term " local government" and by that, implying reduced autonomy when radical Islamist started to amount. The Ministry of Local Development was established in the year 1999, which had different roles, for example acting as a mediator between the governor and the local council, as well as collecting resources from the local government. It is important to note that at the end of the Mubarak regime there was a step towards decentralization with having a draft law in late 2010

and was cancelled due to Mubarak's resignation, as a substitution to law 43 of 1979 (view appendix 1).

The first constitution after the Egyptian revolution in 2011 was the 2012 constitution stipulating the creation of separate budgets at the local level (art. 191) also an interesting point is establishing supervisory organs for the combatting of corruption stipulated in article 204 in chapter four. The constitution of 2013 was established after the 30 June Coup for the Military to regain the power of the state, which included elements such as ensuring administrative, financial and economic decentralization and empowering administrative units to manage better public facilities in article 176 and also creating autonomy at the local level.

IV: Methodology:

This thesis seeks to investigate the effectiveness of the main decentralization and local development initiatives, in Egypt, between 1994 and 2011. Also this thesis aims to explore the extent to which they contribute to decentralization reform in Egypt, and which factors should be considered while planning for future initiatives. There are four projects that were selected for the thesis analysis. The four projects have been implemented in cooperation with the Government of Egypt; two projects with USAID and the other two by UNDP. These projects cooperated specifically with the Ministry of Planning, the Ministry of Local Development, the Ministry of Finance and the Ministry of Social Solidarity. The four projects selected are the National Program for Integrated Rural Development-*Shorouk* Program implemented by USAID, the Municipal Initiatives for Strategic Recovery (MISR) implemented by UNDP, the Egyptian Decentralization Initiative (EDI) implemented by USAID, and a project that the Ministry of Local Development was working with UNDP that terminated in 2011.

The reason why the research has focused on decentralization initiatives is that they are an important milestone in the process of both decentralization and local development, by implementing better management, and implementing participation in the local governing process, which could have a positive impact on better service and delivering it to the right people through better management of local resources.

A. Data collection:

This research is a qualitative research done through structured questionnaire by senior officials at the central government, specifically by the Ministry of Planning and documents from

the Ministry of Local Development. In addition the researcher conducted interviews with experts from the UNDP and USAID in the area of decentralization. The interviewed group includes project manager or informant people who accumulated experience in local participation and awareness and local administration and development. Other primary sources like relevant laws and constitutions have been collected and utilized. Moreover, background material has been collected from secondary sources as books and studies, i.e. historical data, previous research in the area, assessments from donor organizations, and donors 'evaluation sheets of the initives themselves and general observation.

The first interview was conducted with the chief technical officer local governance department USAID on 5/4/2014. The second interview was conducted with a UNDP expert helping in the implementation of the MISR project on 8/4/2014. The third interview was conducted with an expert in the EDI on 30/4/2014. And the fourth interview was conducted with the economic advisor of the Ministry of Planning and International Cooperation on 3/5/2014. Also a lecture by one of the advisors to the Minister of Planning on 17/5/2014 on decentralization and local planning was attended. The interviews were self-administered. The people taking the interview were non-randomly selected. The researcher used a snowball technique, which has lead to asking one person that lead to the other person to do the interview or questionnaire with.

This thesis respects the research ethical considerations through receiving the International Review Board (IRB) approval. The research was conducted in seven months in Cairo.

B. Thesis analysis foundation:

The analysis consisted of two main parts. First, the analysis has been conducted based on a decentralization-based review in terms of types of decentralization. Second, the analysis has

been conducted based on the Good Governance Model-review [20]. This model has been utilized for the assessment of key decentralization and local development initiatives in Egypt. Following that, the answers of the questionnaire have been attached to the analysis of each initiative, according to the Good Governance Model.

In the first part of analysis, the projects were divided into categories of political, administrative and fiscal decentralization. The category of political decentralization includes elements such as supporting government in developing strategy, formulating laws and regulations that support decentralization, participation, and the process of coordination with the government. The administrative decentralization category included efforts for advocating and reforming administration through implementing decentralization through conducting awareness lectures, discussion groups, reports, and text, making awareness about important concepts, such as the ones that are stated in the Good Governance Model. Fiscal decentralization has been targeted by the initiatives. Some indexes that have been categorized for fiscal decentralization are technical efficiency, and helping the government in forming a strategy by implementing participatory planning and budgeting. Some alternative points have been suggested in the interviews, such as raising salaries for governorates and fair income distribution among the different governorates, which is by creating production and thus implementing basic market type relations.

These important concepts are following the rule of law, being participatory, being consensus-oriented, being responsive, establishing accountability, establishing transparancy, being equitable and inclusive, and being effective and efficient (UN, ESCAP: what is good

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[20] View appendix one table two

governance)[21]. These have been utilized by forming a table that was one time compared with data of initiatives, depending on what they have achieved or at least considered while implementing the projects. Second, the analysis has included responses from the questionnaires that were conducted by the researcher and structured according to elements that are provided by the Good Governance Model.

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[21] These are general concepts about good governance that could be applied at the central government, but for this research this model has been applied on the local level projects to guarantee more efficieny and effectiveness of the eight concepts on the local level that would lead to promoting development and eradicating poverty. These are important concepts that could be applied on the local administration, which was the target of the decentralization initiatives.

V. Analysis:

This section is divided into three parts. The first part discusses the four selected initiatives and their main achievements. Second, these main achievements have been arranged in different categories first by the types of decentralization, which include political, administrative and financial decentralization, second, they have been arranged by the categories according to the Good Governance Model.

A. The concepts of the selected initiatives:

i. The National Program for Integrated Rural Development-*Shorouk*-USAID Project:

There are different decentralization initiatives that are going to be analyzed. First, the Shorouk-USAID project, which is described as the National Program for Integrated Rural Development-*Shorouk* Program. This program was developed by the Organization for Reconstruction and Development of Egyptian Villages (ORDEV). It was funded by the Government of Egypt and the Social Fund for Development, and was co-funded by USAID for two years. Since October 1994, the government was part of all stages of planning, funding and implementing, with technical and financial assistance to the project (World Bank, 2007, p.1). There were two objectives of the Shorouk program. The first objective was to make services better though implementing technical support in 'upgrading the quality of rural life' to levels similar to urban areas. The second objective was to promote and develop the concept of community participation in planning, implementation and evaluation of local development plans.

Besides, the project attempted to enhance participation and better service delivery based on needs and priorities of local citizens. It was an eight year program that started in 1994 to 2002 and 1.87 billion Egyptian Pounds (EGP) were spent on 76,138 projects, mostly on infrastructure investments (75.9%) and much less was spent on human development (16.3%) and economic development projects (7.8%) (UNDP, 2003, p.108)[22] . This has been implemented by the organization of reconstruction and development of Egyptian Villages (ORDEV), meaning that it was a public-private partnership with the government. A report stated that this program implemented rural development to upgrade different aspects of life and society. Also, it stated that, "this was performed by citizens in a democratic framework with technical and financial assistance from government" (ibid). This means that it involved a level of participation. This project was implemented by three levels of authorities at the village, district and governorate levels similar to what has been implemented during Nasser's regime "with its duplication of the Arab Socialist Union party's organizational structure" of having councils at the three levels of the villages, districts and governorates (ibid). The Egyptian government provided 'technical and financial assistance' (UNDP, 2003, p. 27-28).

The World Bank stated some problems that occurred in the project, including the deficiency of training of the administrative and organizational managers, and insufficient governmental finance to achieve the desired development. Besides, this program is regarded as a sectional program that competes with other ministries' programs in the field of rural development. Furthermore, initial implementation took place quickly and then its executive time schedule in all the villages was revised and expanded without a proportional increase in funds. As a result, the average share of the local rural unit from the funds has decreased. Moreover, the

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[22] One could note here that infrastructure was priority, second was human development, then economic development projects.

range of projects has become restricted to only specific kinds of projects such as water projects, leading to a decline in the program's investment in institutional and human development, thus reducing the returns from development and obstructing some of the efforts deployed for achieving participatory development (World Bank Independent Evaluation Group, 2006, p. 9). Nonetheless, this work methodology is a step in the right direction towards more "popular participation" (UNDP, 2003, p. 27-28). Besides, it is considered to be one of the 'best practice' examples that focuses on engaging grassroots in the process of "planning, financing, reasoning and executing" (ibid).

ii. The Municipal Initiatives for Strategic Recovery (MISR) project:

Another program that was implemented is the Municipal Initiative for Strategic Recovery (MISR). This project was in collaboration with the Ministry of Planning and later with the Ministry of Local Development (MoLD), which also had the objective of promoting local participatory planning in Rural Upper Egypt from 2005-2007. What is special about this program is that it had an initial attempt to integrate citizens' feedback into the process of planning of different tiers of local administration. Also, its aim was to implement participatory planning and accountability, and enhancing institutional capacity of the local municipalities by: a) supporting participatory planning at the local level and b) channeling citizens' feedback to inform 'upward' planning process.

During 2004-2005 in the pilot phase of MISR, UNDP supported 10 villages on the *markaz* level in rural Upper Egypt, which were considered poorest according to the 2003 National Human Development Report (World Bank, 2007, p.1). The aim was to raise the awareness of local people about participatory planning and how

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decisions made by them could influence them positively. Consultants were hired from regional universities by the UNDP to organize meetings, conduct workshops and train and support local communities along with the local executive council to develop integrated village development plans. MISR established working groups of water, education, health and others at the village level to create opportunities for communities to deliberate, identify priorities to be implemented. Seventy-seven sector priority projects were identified, and USD 1 million was given to implementing the projects identified in the initial participatory local development plans. The Government of Egypt allocated EGP 10 million to governorates to support decentralized participatory planning. So it was equally funded. Also, UNDP supported the capacity development of local elected councils and the local popular councils to implement priority projects. The initial MISR project required 'social audits' by civil society organizations to monitor and measure the quality and quantity of services delivered against identified key performance indicators, which are based on data series collected by UNDP.

In the first phase of the project, the importance of allocating adequate resources to implementing participatory development plans was set forth. In the second phase, the MISR project attempted to address the centralized fiscal administration system to ensure that adequate resources were implemented according to the village level priority projects. Actually, in the existing system, the governorates received central funds that are in turn allocated in the next tier. If the plans of various tiers of administration are not coordinated and integrated into the village level project priorities, this might result in not receiving the necessary funds.

The second phase of MISR (2005-2007) focused on activities at the *markaz* and governorate level. MISR continued to support partcipatory planning at the village level. It focused on long-term plans to integrate village plans into *markaz* plans. The 46 poorest *marakaz* were identified. UNDP organized workshops for the heads of these participating markaz to develop their capacity in strategic planning methods and tools, to allocate tasks among various sections and levels of local administration, develop a timetable for implementation of the activities of the integrated development plans, and review data availability by identify missing information (including maps and statistics). By the end of 2006, it was hoped that the participating *marakaz* would establish their profiles, visions and plans to implement priority projects. The *markaz* profile was supposed to include a development baseline, so it could be compared in three years to the baseline. Channeling the priorities of local communities into development planning from village to markaz, and finally to the governorate level, was appreciated by the participating *markaz*. UNDP was also requested to support bottom-up participatory planning processes in all 29 governorates and produce governorate development visions and plans. The project also focused on institutional capacity building of local administration workshops, and was successful in implementing a decentralization-planning approach, which was a bottom-up approach. The biggest achievement of the project was creating awareness of the importance of participatory local planning and how to integrate the citizen's feedback into the plans of all tiers of the local administration. However, there were some problems. First, the project could not sustainably establish participatory planning and monitoring processes at the local level due to several factors.

For that reason in late 2006, UNDP adopted a new strategy and began involving the government to develop a comprehensive approach to deal with the problems.

iii. The Egyptian Decentralization Initiative and the Ministry of Local Development (EDI-MoLD)

The third is EDI –MoLD, a USAID project, and one of the more popular initiatives that have been implemented. Comparatively, it focused on fiscal aspects, and not only on participation at the local level.

The Egyptian Decentralization Initiative (EDI) was a five year (2006-2011) program. Although it has cost USD 21 million, the program supported the Government of Egypt (GOE) in national decentralization via bilateral agreement. This project planning started in 2005 to support local administration reform towards a more decentralized approach to governance. The project was later signed as an activity under Grant Agreement No. 263-294-01 on September 13, 2005, to fund the Strategic Objective, " Initiative in Governance Strengthened".

The project was launched in 2006. EDI falls under the umbrella of governance reform and focuses on decentralization in three areas: administrative, fiscal, and political decentralization. The USAID's initial democracy programs focused on four areas: election and political participation, civil society, rule of law, and governance. These areas were used as a way to support and develop legal, regulatory and institutional structures that support decentralization and enhance capacity building (USAID, EDI Progress Brief: April 2006-2011). Enhancing capacity building could be regarded as administrative decentralization. In terms of political decentralization it supported greater public participation in decision making. In terms of financial decentralization support, this initiative aimed to expand local own-resource revenues to be used more efficiently and transparently. It is important to note that before the Revolution of 2011, the

Ministry of State for Local Development (MoLD) was working on a national plan for decentralization and local governance strategy and various pilot programs. On October 2013, the Minister of Local Development announced the completion of the decentralization initiative in cooperation with USAID. It began in 2006 and lasted for seven years. This was done by Minister Adel Labib, the former Minister of State for Local Development. According to him, the basic priorities were to improve the standard of living of citizens, by providing better and improved government services. Also, a number of suggestions were made to improve the country's local administrative law. This allowed local governments to have more power and responsibility and the need to be able to manage their internal affairs and meet immediate needs for their citizens. He added that " support for the initiative took many forms, including direct technical support, material aid, creating an appropriate environment for dialogue with citizens, including women and children, in addition to helping to expand the production capabilities of workers within the local administrative sector" (ibid). According to Labib, the outcome, from 2006 to July 2013, showed that more than 50,000 public employees from the federal and the local governance sector participated in capacity building training sessions that were organized by the decentralization initiative in provinces throughout all of Egypt. The sessions addressed issues related to public finance, information technology, and future planning (ibid). The pilot projects were implemented to strengthen its support to the Mininstry of Local Development (MoLD) and the Ministry of Finance (MoF) to support the implementation of decentralization at a national level. The pilot phase ended in 2010. According to USAID, since April 2006, the EDI project has been offering technical assistance, training, and policy support to improve the effectiveness, transparency and accountability of local government in pilot governorates so they can respond to citizen priorities (ibid).

EDI worked with the Ministry of State for Local Development, the Ministry of Finance, and other key ministries to define and implement a national decentralization strategy. EDI also worked at the local level with a senior communication specialist who was hired by Beit Al Karma, by an NGO at the local level, to advise on the preparation and the implementation of an integrated communication strategy that is also in compliance with USAID branding and compliance regulations. This has been to train the local community for local participation, for example, by preparing organized governorate level workshops, seminars, and conferences. Also, EDI established the development and adoption of feasible engineering solutions that addressed the communities' needs. This engineering solution consisted of managing a competitive process for applications of grants that were supervised by four NGOs in the implementation of 27 small-scale community initiatives. "The initiatives included building services such as the construction of schools, toilets, fencing walls, street lighting, garbage collection, procurement of an incinerator for medical waste, inspection and repair of water house connections, etc." (Beit Al karma. USAID-funded Egyptian Decentralization Initiative, Egypt, 2008-2012).

The project also worked with the central government, and the UNDP, which focused more on restructuring and preparing recommendations of selected programs with cooperation of the social solidarity sector and then with the Ministry of Local Development. Also, EDI provided technical assistance for the government of Egypt in the areas of performance monitoring and drafting legal amendments that support decentralization. EDI also implemented advocacy and public awareness campaigns in cooperation with MoLD and published it on the website. Also, EDI worked with the MoLD to develop a National Capacity Enhancement Strategy (NCES) and conceptualize the proposed National Institute for Local Development. A decentralization-oriented study workshop for key personnel from MoLD and MoF has been provided. Also, EDI

delivered capacity building for the whole nation in agreement with the MoLD (USAID and EDI Progress Brief: April 2006-2011, p.135). While implementing the projects, there were some problems. For example, " EDI's impact on improving democratic governance was insignificant, not only due to the inherent bias towards economic activities for fiscal and administrative decentralization at the expense of increased participation on part of citizens, and a rigid political environment, but also because the project's performance and inability to achieve its targets and activities as envisioned" (ibid, p. 150). Economic dependence on local elites was a challenges (ibid).

iv. United Nations Development Program and Ministry of Local Development (UNDP-MoLD)

In Egypt there has been several initiatives that have been implemented in order to facilitate the decentralization process. One of the significant initiatives was with the Ministry of Local Development (MoLD) and the United Nations Development Programme. The project was about Technical Support to the Ministry of Local Development in support to the Local Development.

The technical specializations were to coordinate and guide the development and modification of the policy and legal environment for the local authorities system, restructuring of MoLD to strengthen its own capacity as the central agency for State support and supervision of the sub-national authorities' system. Also, guiding capacity development of local authorities on administrative and public expenditure and asset management skills. This was conducted between the years of 2007-2011.The total budget of the project was USD 3,408,770. The output was that the national capacity was strengthened to support policy development for decentralization and regulate integrated and participatory city and village strategy plans.

One of the positive impacts was that the gender dimension was considered when implementing participation in decision making at the local level. Decentralization, according to the Egyptian government helps in the process of alleviating poverty, in decision making on the local level by inclusion and also in allocating resources, to be more economically efficient and more accurately reflect on citizen's needs (ibid, p.6). Organized policy dialogue has been taking place as a comprehensive reform strategy, with policy and legal amendments, specified functional assignments, procedural and institutional modifications, defining fiscal decentralization policies and infrastructural capacities (ibid). According to UNDP its goal is "achieving sustainable development and reducing poverty". It also highlights the importance of "Local Development through Local Authorities" (LD/LA) and also sets the target to help local authorities in their process of decision making, as they are dependent on the central authorities (MOLD and UNDP project, 2011, p.8).

Also, decentralization helps with electing local councils, the rotation of power and in decision making and the well allocation of resources with serving as a conclusive function. But it is important to note that there are 'frozen' mandates, in which fiscal and executive powers remain at the center with a limited role played by local authorities (ibid). Since 2004, the Cabinet has indicated its desire to further decentralize the government functions and designated the Ministry of State for Administrative Development to take over this transformation process. A number of ministries have experienced partial decentralization, and now the vision for national reform is taking place.

One of the goals is implementing a policy unit (PU) to reform policy regulations by the following:

1. Formulation of a local development strategy.

2. Formulation of the National Decentralization Strategy (NDS).

3. Design the National Program (NP) for implementing the National Decentralization Strategy and the Local Development Strategy.

4. Create Egypt decentralization Network Support Unit.

5. Establish an institutional and system development output, the primary function is to restructure and activate the institutional structures of the Ministry of Local Development and Local Administration.

6. Carry out an institutional restructuring, development and activation of the governorate, Markaz and Village LAs. Developing and continuously improving the institutional structures, systems and procedures of local authority system to ensure the efficiency and effectiveness of local governance and service delivery.

7. Capacity development and monitoring and evaluation in LA procedures has been provided

8. Also working on enhancing the policy and legal framework for local authorities.

9. Monitor the performance of local authorities and observe the process in the overall local development to improve a continues process of improvement of the system " (ibid, p.12-15).

B. Decentralization-based review:

This part of the analysis discusses the four decentralization initiatives according to political, administrative and financial decentralization.

a. In the first project, the Shorouk project, there was community participation in the planning and implementation of the projects. Administratively, trainings workshops for better human development and capacity building for improving service delivery were implemented. Third, in terms of fiscal decentralization, economic development projects were held by technical efficiency teams and created infrastructural investments and development. Further, the

government participated in the financial allocation of the project. In fact, it was equally financially divided between the project implementers and the government, in terms of monetary allocation. However, there were some deficiencies towards the end of the project. In the Shorouk project, there were no attempts in changing laws concerning the governorates or local areas. However, initiatives for development, such as upgrading the quality of rural life, were implemented. The focal point of the project was on infrastructure at the local level more than institutional and human development.

b. The second project, the MISR Project, also implemented political, administrative, and fiscal decentralization. In terms of political decentralization, it supported local participatory planning at the local level, especially in Rural and Upper Egypt. This has taken place in collaboration with the Ministry of Planning and the Ministry of Local Development. Also, trainings about accountability and feedback were implemented, as well as channeling citizen's feedback to inform upward planning processes. In terms of administrative decentralization, capacity building trainings, workshops, feedback, accountability, and participatory planning, they have all been implemented at the local level. In terms of financial decentralization, the project helped allocate tasks among fiscal administration to ensure adequate resources are allocated to village level priority projects. Transparency was implemented in fiscal transactions. It was equally funded by the Ministry of Local Development. The locations in which the projects took place were chosen by UNDP consultants, identifying 46 villages. These consultants were hired by UNDP from regional universities to organize meetings, workshops, train and support local communities. There were no attempts for legal reform. However, one could say that it was inclusive, as it included citizen's feedback and participation in terms of making citizens

participate in the planning of the projects at the local level. The significant point about the project was the feedback that was integrated into the local planning and involving grassroots.

c. The third decentralization project that was implemented is the EDI. It involved greater public participation, especially in aspects related to local planning and fiscal decentralization. It was designed jointly with the Ministry of Local Development and later the Ministry of Finance in drafting legal amendments that support decentralization. Also, EDI cooperated with MoLD to develop a National Capacity Enhancement Strategy Plan, implementing advocacy and public awareness. EDI also helped in creating an appropriate environment for dialogue with citizens and trainings for holding local elections to empower the local level. In terms of administrative decentralization, capacity building has taken place at the local level through training to meet immediate needs of citizens' priorities to improve government services. Also, training to improve efficiency as well as effectiveness, transparency and accountability have been implemented to improve local capacity, at the local level. Also, reform of the administrations have taken place in order to respond to citizens' priorities. In terms of fiscal decentralization, it was the main focus of the project in terms of assistance to public finance. Also, EDI expanded individual local resource revenue by using efficient and transparent mechanisms. According to respondent three, this project was significant because it included implementation of information technology. Also, this project was significant because it included other entities, such as the social solidarity sector and NGOs, the inclusion of women, expanded the production capabilities of work within the local administrative sector, provided resource mobilization, included self-help activities, and generated self-income by creating jobs. In addition, EDI addressed the issue of local elite capture, through enhancing capacity building at the local level.

d. The fourth project that has been implemented is the UNDP- MoLD project. In terms of

political decentralization, there have been several points that have been implemented. First, the

project assisted in the coordination and modification of policies through assisting the government

in developing a legal frame for the local authorities system. Besides, the project assisted in

monitoring the process of local authorities, to reform institutional structure and enhance popular

participation. Second, the project implemented administrative decentralization capacity building

at the Ministry level. Third, it supported guiding capacity development of the local

administration regarding issues related to effective local administration. Also, financial

decentralization has been implemented by giving trainings on public expenditure and asset

management skills. Besides, fiscal decentralization policies were identified in terms of

infrastructure and capacity. Improving fiscal administration has been implemented according to

the time table by implementing transparency and technical support to the Ministry of Local

Development.

Table 2: A summary of the decentralization-based review

This table summarizes the four selected decentralization initiatives in terms of political,

administrative and fiscal decentralization .

	Political decentralization	Administrative decentralization	Fiscal decentralization	Other factors
Shorouk (1994- 2002)	- Government participated in allocating money and implementation at the village, district and governorate	- Human development (16.3%)[23]. - Better service delivery based on needs and recommendations	- Economic development projects (7.8%). - Technical efficiency infrastructure: upgrading the	- Deficiency in money towards the end of the project.

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[23] In the Shorouk project, human development has been implemented by 16.3 %, economic development project 7.8% and infrastructure investments 75.9% of the total implementation of the project (MOLD and UNDP project, 2011).

	level. -Community participation in planning, financing, reasoning implementation and evaluation of local development plans. -Involving grassroots.	.	quality of rural life to levels similar to urban areas. - Infrastructure investments (75.9%).	
Misr (2005-2007)	- Support local participatory planning at the local level especially in Rural Upper Egypt. In collaboration with the Ministry of Planning and then with the Ministry of local development. - Accountability in feedback. -Channeling citizen's feedback to inform 'upward' planning process.	-Capacity building on the local level by giving workshops about strategic planning method and tool. -Also implementing participatory planning workshops and working groups. -Enhancing institutional capacity.	-Allocating tasks among to fiscal administration system to ensure that adequate resources are allocated to implement village level priority projects. - Transparency implemented in the fiscal transactions. -It was equally funded in collaboration with the Ministry of Planning and later with the Ministry of Local Development.	- Key performance indicators based on data collected by UNDP. Based on the research done 46 poorest villages were identified**.** - Consultants were hired from regional universities by the UNDP to organize meetings, conduct workshops and train and support local communities along with the local executive council to develop integrated village development plans.
EDI(2006-2011)	- Greater public participation in decision making on the local level. - On the state	- Capacity building at the local level through training to meet immediate needs	- Focus on fiscal decentralization rather than participation. -Assistance in	- Adding Information technology. -Inclusion of other entities: like, working with social solidarity

	level, working with MoLD and MoF in drafting legal amendments that support decentralization.

-Also implementing advocacy and public awareness campaigns in cooperation with MoLD and publicizing it on the website. Also, working with MoLD to develop a National Capacity Enhancement Strategy (NCES) as well as conceptualize the proposed National Institute for Local Development. | of citizen's priorities.

- Training to improve effectiveness, transparency and accountability.

-Local administration reform, by using effectiveness, transparency and accountability of local government in pilot governorates so they can respond to citizen priorities. | public finance. | sector and NGOs.

-Bias towards economic activities for fiscal and administrative decentralization at the expense of increased participation on part of citizens.

-Problems of Economic dependence on local elites.

- Working on reducing gender gap in selected initiatives. |
| **UNDP-Mold (2007-2011)** | -Coordinate and guide the development and modification of the policy and legal environment for the local authorities system.

-Monitor the process of local authorities. | -Capacity building on the ministry level.

-Guiding capacity development of local authorities on administrative and public expenditure and asset management skills.

-Enhancing institutional | -Defining fiscal decentralization policies and infrastructural capacities.

-Improving fiscal administration, according to the time table and implementing fiscal transparency. | -Technical support to MoLD. |

	-Reform institutional structure. -Enhance popular participation.	decentralization.		

To conclude, the decentralization initiatives have dealt with decentralization in its following three types: political decentralization, administrative, and fiscal decentralization. Also, there has been a gradual development of the decentralization initiatives. The first one, the Shorouk project's focus was on infrastructure. Then, in the second one, the MISR project's focus was more towards participatory planning and enhancing institutional capacity. In the third, the EDI's project involved the past two items, but also focused on implementing fiscal autonomy. In addition, it involved different stake -holders such as the Ministry of Solidarity, as well as NGOs. The last decentralization initiative was more focused on providing technical support to the Ministry of Local Development itself based on citizen's needs.

C. Governance-based review

The base of this part of the analysis is to present what the selected decentralization initiatives have implemented based on the good governance model.

i. Implementation of law:

Some of the different decentralization initiatives included elements of implementing the rule of law or working with the government in adjusting rules and regulations to have a more effective decentralization process that serves the autonomy at the local level. But in order to have a more autonomous local level, decentralization initiatives have worked closely with the central government on several issues in order to decentralize. a) First, the Shorouk project involved the

government in all stages of planning, funding and implementing technical and financial assistance.

The different interviews were categorized in the table based on elements of the good governance model (Table 3). The Shorouk project offered practical solutions for political, administrative and fiscal decentralization, based on answers of respondent one. b) The MISR project worked on enhancing institutional capacity of local municipalities. For the MISR-UNDP project, "legislation, system development, institutional development, capacities" were implemented, based on respondent two's feedback. c) The EDI focused on election, political participation, civil society, rule of law, governance and improving the country's local administrative law. Fourth, the UNDP-MoLD worked with the government on a comprehensive reform strategy with policy and legal amendments with specified functional assignments, procedural and institutional modifications, defining fiscal policies, infrastructural capacities, structural reforms, redefining role of government as effective executive tools, and deepening decentralization reform of local administration. d) The UNDP-MoLD worked on enhancing policy and legal framework of local authorities. In terms of political decentralization, there were some hindrences, especially when implementing the UNDP-MoLD, according to respondent four. Coordination was implemented with the government by 70% percent[24], according to respondent four, because there has been some conflict of interest. Success in coordination depends on the government in coordinating these efforts within a comprehensive, well designed, and carefully monitored strategy. There is constant political instability, turnover of management, unclear vision from the government side, lack of experts at the local level, lack of vision and political will, lack of suitable human, physical, and financial resources, lack of knowledge and

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[24] The percent in this research is related to what has been demonstrated in the original plan from the documents of the presented initiatives.

capacity, and a majority of aging local authorities, stated by respondent four. Therefore, encouragement of participation and good coordination with the government at the local level was important.

ii. Participatory mechanisms:

a) Concerning the participatory planning, the Shorouk project implemented community participation in the planning of the project and in its implementation. Concerning participation, in the Shorouk project, local community participation was implemented by enhancing local participation. They chose people from the areas that they have selected experts from academia and from NGOs, based on respondent one's feedback. b) In the MISR project, they have worked on promoting local participatory planning in different tiers of local administration, raising awareness about the importance of citizen's participation and local planning, as well as hiring consultants from regional areas. Also, people from the ministerial level were included. b) In the MISR project, the planning was implemented since the beginning of each project by experts that helped in designing the projects, monitoring while implementing them, and participating in the evaluation. Delegating tasks to other institutions was important, for example, through public-private partnership that was conducted, for example, in solid waste management as part of the project, according to respondent two. c) The EDI project has worked on creating public participation. EDI included participatory planning through providing technical assistance. Also, EDI has been participatory in terms of funding and by responding to community priorities that have been achieved by the local government, which were based on participatory planning. Further, EDI enhanced participatory mechanisms to the extent that they felt ownership of the project, based on respondent three's statements. d) The UNDP-MoLD has worked on regulating integrated participatory city and village strategy plans, through enhanced popular participation.

iii. Consensus:

a) In terms of being consensus-oriented, the Shorouk project has implemented training in administration of institutional and human development. Concerning consensus, the Shorouk project has implemented efficiency in local administration and coordination, based on respondent one's statements. Second, the MISR project has organized meetings, conducted workshops, trained and supported local communities, provided working groups of education and health, and led good coordination in order to receive contingent funding.

Besides, it implemented awareness lectures, training capacities, and technical assistance. Also, in terms of bureaucracy, efficiency has been implemented. b) For the second project (MISR), community engagement was important through evaluation and encouraging local media, etc. Besides, the project received the approval before starting, according to respondent two. c) The EDI has enhanced capacity by giving more power to the local level by offering trainings. It was easy to implement the training. The curriculum project was used to sort out its training activities to research centers and specialized academics. The training was provided by the government as well as at the district level for the central government and local staff, the Ministry of Local Development, the Ministry of Finance, and the Ministry of Planning. This is in order to guarantee consensus and cooperation between the different departments. According to EDI, the staff at the local administrative level were trained and interested in their priorities. Further, it was stated that capacity building at the local level is important. Many decisions are still taken at the central level. Second, many decision makers did not want to lose their power; senior officials believe that the capacities at the local level is not adequate to start decentralization. Yet, there are some initiations taken in the past months to have a well-managed decentralized system in Egypt.

All in all, the projects that are implemented are minor and there could be future decentralization and local development initiatives implemented. In terms of bureaucratic reform, it was stated that there is sometimes overlap of tasks in order to increase capacities and implement local development. The EDI provides the outcome of a "one stop window bureaucracy". Automation application and e-government was implemented in some governorates according to respondent three. Besides, it engaged the private sector in the participatory planning scheme, according to respondent three. d) The UNDP-MoLD has offered technical support and guiding capacity development of local authorities, as well as, enhanced institutional structures. In the fourth project, the UNDP-MoLD provided capacity building, outreach and awareness raising, local economic development program, local economic development programs, and technical support for local authority, which has been 70% implemented by the project, according to respondent four.

iv. Responsive:

The different decentralization projects also have been responsive in several ways. a) The Shorouk project has been 75.9% responsive in terms of implementing practical solution infrastructure, and providing better service delivery based on needs. The different projects have been responsive to local priorities in the governorates selected. For example, the Shorouk project has allocated financial resources based on local needs and on local priorities, according to respondent one. b) The MISR project has integrated citizen's feedback into the process to inform upward planning processes and awareness about how to integrate citizen's feedback. The respondent of the second project, MISR, stated that the local population was involved in decision-making, evaluation, etc. The pilot projects were implemented in Fayoum, Ismalia, and Luxor, as well as, training capacities were offered and it has been responsive based on local

needs and priorities. c) The EDI, improved the standard of living of citizens by providing improved government services, fulfilling immediate needs, and providing technical support, creating an appropriate environment, and providing the construction of school toilets, fencing, wall street lights, garbage collection, etc. EDI has been responsive by providing trainings about monitoring and evaluation. It was participatory in terms of implementing development projects of small and medium sizes. The third project was responsive in terms of criteria selected by the governorate and the district to work and included factors such as population, diversification and basic needs in planning. Also, the geographical factor was considered. This is why the EDI covered governorates from upper Egypt and lower Egypt. The fourth project was responsive in terms of service delivery in about 80% of the project. d) The UNDP-MoLD has provided meetings to implement citizens' priorities and needs for development, as well as access to services.

v. Accountable:

a) The Shorouk project has implemented evaluation of local development plans. Accountability has been implemented in the Shorouk project in terms of implementing trainings on limiting corruption. For future projects, the monitoring on corruption could be applied by local NGOs, according to respondent one. b) The MISR –UNDP has implemented accountability. In the MISR project, there has been limited trainings on corruption, but more on accountability and transparency, according to respondent two. c) The EDI has provided methods not to have economic dependence on local elite by involving more stakeholders, offering technical assistance, training and policy support to improve effectiveness, accountability and transparency of local government and pilot governorates so they can respond to citizen's priorities. In the third project, EDI worked on enhancing and implementing accountability at the

local level and taking the decisions according to local preferences. In the fourth project, accountability has been implemented around 50% of what has been expected. d) The UNDP-MoLD has monitored performance of local authorities.

vi. Transparency:

a) In terms of transparency, the Shorouk project has implemented local community participation and transparency of government. Also, social reforms for support based on a transparent and participatory National Strategy plan was implemented, according to respondent one. b) The MISR project has implemented transparency while allocating budget. Transparency was important in terms of resource allocation between the project funders and the implementer, so that the next funding slot could be provided, according to respondent two. c) The EDI project has implemented training on resources to be more efficiently allocated and transparently justified. Transparency has been discussed in the trainings, awareness lectures, and workshops at the central level, as well as at the local level, according to respondent three. d) UNDP-MoLD has implemented transparency during the project, but could be enhanced.

vii. Equitable and inclusive:

a) The Shorouk project has engaged grassroots in targeting different levels, village, districts, governorates. It was efficient as it is considered one of the best practices. In terms of funding, the allocation of money was implemented 50% by the government and 50% by the USAID. In terms of being equitable and inclusive, inclusion has been suggested also in terms involving grassroots in the planning process, according to respondent one. b) In the MISR project, it has worked with social audits and civil society organizations. The MISR project implemented 77 sector priority projects in 10 villages on the markaz level in its first phase, and 46 of its poorest markaz were identified and implemented according to the timetable in its

second phase. Fifty percent of the funding for the project was allocated by the government; EGP 10 million and USD 1 million were allocated by UNDP according to a timeline set for three years. In the MISR project, involving other stakeholders was important, according to respondent two. c) EDI has identified needs and providing technical support by creating an appropriate environment, including NGOs and community initiatives, and establishing dialogue with citizens, including women and children. It has expanded individual local resource revenues that are used more efficiently and transparently, by helping expand the production capabilities of workers with the local administration sector, and providing the technical training to improve effectiveness. It implemented inclusion, by encouraging the government to target the poor and the vulnerable with public services at the local level, according to respondent three.

d) UNDP-MoLD offered trainings for both genders to reduce the gap and worked on improving environmental sustainability. Also, the project established the right distribution of responsibilities between society and the state. The UNDP-MoLD project has worked on allocating resources efficiently at the local level, achieving sustainable development, and reducing poverty. It was stated by respondent four regarding the UNDP-MoLD project, that civil society had an important role for local development by 100%, and the private sector by 80%.This states the importance of both.

viii) Efficiency and effectiveness:

a) In the Shorouk project the resources have been allocated efficiently and it has worked with the local administration to establish economic efficiency at the local level. Besides, achieving sustainable development and reducing poverty at the local level were one of the main goals with efforts conducted in this regard. b) According to the second respondent of the MISR project, it was not effective and the outcome was not satisfying. In terms of efficiency, there were several

initiatives that have been implemented and there are some that were repetitive. Besides, there are

bureaucratic challenges and had some negative effects on getting maximum efficiency, thus

facing resistance at the local level. But the initiatives work on finding solutions for these

problems, by getting experts from local universities to be closer to the people while delivering

messages. This project has been less effective in the area of transparency and law enforcement.

c) EDI, faced some problems with efficiency while implementing the prescribed local

development projects at the governorate and district levels. Regarding the progress at the central

level, it is less than what was expected at the beginning of the project. However, in order to

increase effectiveness, identifying expenditure and revenue, midlife evaluation, and avoiding

duplication were considered since the start of the project. d) The UNDP-MoLD project was 80%

successful in terms of efficiency, according to respondent four. There have been effective tools

used, for example workshops, conferences, training programs, training materials, books, and

manuals for awareness. To decentralize is a long-term process with a long-term vision and

specific targets, and requires avoiding duplication of efforts, and establishing an effective

monitoring and evaluation system. A project is sustainable only if it is very well designed from

the beginning, accepted and needed by the relevant government entity, well-staffed, and

efficiently financed, according to respondent four.

Table 3: A summary of the decentralization governance-based review

This table summarizes the four selected decentralization initiatives according to the good
governance model.

	Shorouk-USAID	MISR-UNDP	EDI-USAID	UNDP-MoLD
Implementation of law	-Government involved in all	-Enhancing institutional	-Focused on election,	-Comprehensive reform strategy with policy and

	stages of planning, funding and implementing technical and financial assistance.	capacity of local municialities.	political participation, civil society, rule of law and governance. -Improving country's local administrative law.	legal amendments with specified functional assignments, procedural and institutional modifications. -Defining fiscal policies. -Infrastructural capacities. -Structural reforms. -Redefining role of government as effective executive tools, deepening decentralization reform of local administration. -Enhancing policy and legal framework of local authorities.
Participatory	-Community participation in planning and implementation.	-Promoting local participatory planning of different tiers of local administration. -Raise awareness about the importance of citizen's participation and local planning. -Consultants hired from regional areas.	-Create public participation.	-Regulate integrated participatory city and village strategy plans. -Enhancing popular participation.
Consensus	-Training in administration institutional and	-To organize meetings, conduct	-Enhance capacity Give more	- Technical support, guiding capacity development of local authorities.

	human development.	workshops and train and support local communities. -Working groups of water, education and health. -Good coordination in order to receive funding slots.	power to the local level. - Capacity building and training.	-Enhance institutional structures.
Responsive	-Practical solution infrastructure 75.9%. -Better service delivery based on needs.	-Integrate citizen's feedback into the process to inform upward planning process. - Awareness about how to integrate citizen's feedback.	-Improve the standard of living of citizens by providing improved government services. -Fulfilling immediate needs and providing technical support for that. -Creating appropriate environment. - Construction of school toilets, fencing, wall street lights, garbage collection…et	- Meeting citizen's needs.

			c.	
Accountable	Evaluation of local development plans.	Implementing accountability.	-Providing methods not to have economic dependence on local elites. - Offering technical assistance, training and policy support to improve effectiveness and accountability and transparency of local government and pilot governorates so they can respond to citizen's priorities.	-Monitor performance of local authorities
Transparency	-	-Transparency implemented while allocating budget.	-Training on resources to be more efficiently and transparently.	-
Equitable and inclusive	-Engaging grassroots (in) targeting different levels, village, districts, governorates.	-Social audits- civil society organizations.	-Needs and providing technical support for that. -Creating appropriate environment. - Including NGOs and community	- Gender gap was reduced and environmental sustainability improved. -Finding the right distribution of responsibilities between society and the state.

			initiatives. -Dialogue with citizens including women and children.	
Efficient and effective	-Considered one of the best practice. 50% by government and 50% by the USAID.	-First phase: 77 sector priority projects, 10 villages on the markaz level Second phase: 46 poorest markaz were identified. -Implemented according to timetable. - 10 million Egyptian pounds and USD 1 million. The amount was divided equally between the project implementers and the government. -Time line established 3 years and followed.	- Expand individual local resource revenues that are used more efficiently and transparently. - Help expand the production capabilities of workers with the local administration sector. -Providing the technical training to improve effectiveness.	- Allocating resources efficiently. -Economically efficient on the local level. - Achieving sustainable development and reducing poverty.

In conclusion there have been some main features of the main decentralization initiatives presented. On part of the donor initiatives there have been a share in the budget as well as in the

planning of the project. They worked on enhancing services in general, not only that but by enhancing participation based on local needs and their identified priorities. This is the case of the Shorouk project. In the MISR project also citizen's feedback was integrated in the process of planning enhancing institutional capacity and implementing accountability. Besides, working groups have been established in the villages selected by empowering the local level to make sure that resources went to the right place. Capacity building was also one of the most important features of decentralization as well as working with the local communities in decision making. This happened in 29 governorates to support a bottom-up approach. The EDI was special by including different ties of society for example NGOs to encourage political participation as well as considering the gender dimention while giving the trainings. This is in order to empower local capacities in order to create a balance between them and local elites. The UNDP-MoLD project was important as it focused on giving trainings to people at the local administration, and establishing and organized policy dialogue. What is important about the four initiatives is that they have created books as an outcome of their work as well as awareness lectures about the Good Governance Model concepts. These have been discussed by academics and implemented partially by the four studied decentralization initives. Besides, the project managers in Egypt for these projects were Egyptians as well as the people that worked on the field with local citizens. The elements are for example implementing the rule of law and assisting the government in formulating laws also introducing participatory mechanisms at the local level, also having consensus oriented state actors as well as introducing the concept of being accountable and transparent. Besides, to be equitable and inclusive through including the local level as well as being efficient and effective by having feedback and ombudsmen that are reachable by the people to be able to receive complaints concerning the local level. Especially important is

implementing accountability and transparency. Again, it is important to note here that these have been projects working with specific governorates only, which means that these could be replicated either by similar initiatives.

VI. Conclusions and recommendations:

A. <u>Conclusion:</u>

i. First, the four projects have implemented political, administrative and fiscal decentralization. Political decentralization has been implemented by the cooperation of the different donors with the Egyptian government and on the local level by engaging the local communities, in which the projects were implemented in the planning of the implementation of the projects based on their decisions and priorities. Second, administrative and fiscal decentralization lead to better management of local resources as decisions have been taken on the local level in the governorates that have been selected in the different projects. This is considering citizen priorities using a bottom up approach to provide services and increase local development that would lead to a reduction of poverty.

ii. The four projects implemented indexes according to the good governance model, which are important factors that could be replicated either by the Egyptian Government or by donor initiatives through making awareness and by enhancing capacities.

iii. Another point is the implementers of the different projects were either experts hired from the government or universities in Egypt so that they are familiar with the setting, and are experts in the field of decentralization and local development. Also, the inclusion of intellectuals, professionals, university experts and community leaders in planning and implementing of capacity building has been considered. Further, trainings have been held at the local level in order to increase awareness about the importance of decentralization and local development and topics related to it. An important aspect here is that community leaders were involved in this project.

iv. Increasing technical efficiency has been implemented mostly by the Shorouk and MISR projects. Capacity building, local empowerment, and inclusion of all segments have been mostly applied by EDI and UNDP-MoLD. So there was a development in the choice of priorities that were selected.

v. Enhancing coordination by working on creating a consensus-oriented government was implemented by implementing capacity building trainings on the local level in selected governorates but also at the ministry level in the UNDP-MoLD project.

vi. Decentralization initiatives have worked on that matter in the selected governorates that were chosen when selecting the location of geographically dispersed governorates in Egypt. Therefore, initiatives have implemented trainings for capacity building and human development. In addition, EDI has considered gender differences. Also, different stakeholders have been involved, such as different ministries and local NGOs. This is a more decentralized approach to governance.

vii. Different accountability mechanisms have been implemented in the different initiatives, for example, through the evaluation of local development plans by Shorouk,

implementation of accountability by MISR, also by using methods not to be dependent on local elites and offering assistance for that implemented by EDI. In addition, establishing a system of monitoring performance of local authorities has been implemented by UNDP-MoLD. Also, having feedback was implemented by the MISR project on the local level. This could lead to better management in administrative and financial local administration, more autonomy, organization and cooperation. Decentralization initiatives were successful in implementing community participation, training in the local administration to improve capacities. This was important in order to stop the vicious circle of not wanting to decentralize as there are no efficient capacities on the local level.

Recommendations:

i. Interviews stated that there could be more done in terms of replicating the projects, ensuring sustainability, and minimizing hazards that were encountered while implementing the projects at the local level, because the project reviewed are pilot projects.

ii. Creating autonomy at the local level by implementing "unified laws", that would facilitate decision-making by the governor at the local level, according to respondent one. Besides, enhancing efficiency by implementing a "one stop window" could be implemented which would guarantee a faster and more efficient bureaucracy at the local level.[25]

viii. Devolution could be implemented by creating election on the local level. This will increase autonomy at the local level. This could happen by applying the eights elements of the Good Governance Model system and giving more training in this area.

iii. Concerning laws, it is important to note that historically there have been different laws that were implemented for a short period of time that support autonomy at the local level, but

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[25] At the moment the system of decentralization in Egypt is mainly administrative, with no executive and political function (Tobbala, 2012, p.18). Therefore, the devolution of power is necessary, in order to achieve political, administrative and financial autonomy.

because of historical changes, these laws have been neglected. Laws such as Law 43 for 1979, Law 70 for 1973, the unified building law, the budget law, several sectoral laws should be reformed, according to respondent of project four. However, while reviewing history, there have been some initiatives of having autonomous governorates under central control in laws 132 of 1923.

iv. Appointing governors from the same governorate sometimes leads to favoritism towards the people that are in this special governorate (Mayfield, 1996, P.152), which has happened at the time of Sadat. In the last several decades, "irregularities, mis-locations and dodgy deals" (Amer, 2012, p.1), have taken place, which has led to corruption. Therefore, implementing personal accountability is important (view appendix two).

v. For decentralization to be effective, avoiding a dual system, diminishing over-bureaucracy and enhancing coordination is necessary according to the respondent of project two. Thus, it is important to facilitate delineation of tasks, decreasing bureaucracy and better coordination between the government, the different tiers within government, and establish entities outside government for local development.

vi. Accountability, as well as transparancy mechanisms have been introduced, in order to prevent corruption. Transparancy is considered to be a form of accountability as there are different forms of accountability (view appendix 2). Besides, there are different stages of e-government starting just from reading information, then being able to give feedback, then being able to create intra and inter monetary e- transactions to the government (Al-Khouri, 2012).

vii. More could be done in the area of feedback through having ombudsmen at the local level, hotlines especially for necessary complaints either through having an e-government or through online questionnaires that are distributed on the local level as well as having emergency

hotline, which could be an important tool to know the citizen's demands and it helps open a door for improvements.

viii. Increasing competition at the local level increases public accountability and decreases the level of corruption. Further, "it assumes that rent-seeking public officials must be subjected to pressures of the market or business principles in order to invoke responsiveness" (Saltman et al. 2007, Paul, 1992, Peters, 2001). Besides, "more competiton, results in more effectiveness and reduced prices" (Saltman et al. and interview one). Competition also leads to improving services at the local level. Besides, if salaries are adequate at the local level it will allow local governorates to be more efficient. Here zoning is important as well, which means that the areas specialized in something could develop it more. Good touristic places as well as other things could be implemented. This will increase income generation at the local level. "The zoning could be implemented on part of the government with creating a speciality for every zone" (Blackley and Leigh, 2010, p. 357). For example, this may include creating agricultural, industrial and economic areas next to touristic ones depending on each zone.

ix. Diminishing disparities between salaries in Cairo and in other governorates is an important point to attract people, especially young ones. Also implementing investments at the local level is a "pull factor" and will lead to increasing competition. According to respondent one, there has been a major difference between the salaries of government on the local level and those at the central level. Therefore, creating new job opportunities at the local level is necessary. Investments could be implemented according to the speciality of each zone (ibid.).

x. In general, there are a lot of positive points implemented by the mentioned projects that could be replicated, for example, implementing technical efficiency. Being consensus-oriented through implementing coordination thoughout the administrative system in Egypt could

also be beneficial. Also, implementing accountability and transparency while implementing the project, establishing tools about how to be responsive, being participatory in terms of implementing local community participation, conducting awareness lectures about their importance, as well as establishing these values at the local level is important. The concept of engaging the local community and their engagement in these pilot projects was successful.

xi. Investments are necessary, but also small and medium enterprizes implemented by NGOs could be applied. Investments are important to implement on the local level with cooperation with the government or at least with the local government in order to be able to generate income at the local level. This could happen through small-scale projects to have productive communities next to large investments (Turner and Hulme, 1997, p.8). This could be in agriculture, decreasing poverty, tourism or even in health and education.

VII. References:

Laws and Constitutions:

Law 122 of 1909
Law 132,133 of 1923
Law 193 of 1923
The draft constitution of 1952
Laws 157 till 166   of 1956
Law 124 of 1960
Law 150 and 151 of 1964
Article 161, 162 and 163 of 1971
Law 57 of 1971
Article 162 of 1971
Law 52 of 1975
Constitution of 1975
Law 43 of 1979
Law 50 of 1981
Law 145 of 1988
1999 establishing the Ministry of Local Development (MoLD)
Law 122 of 1909
Law 132,133 of 1923
Law 193 of 1923
The draft constitution of 1952
Laws 157 till 166   of 1956
Law 124 of 1960
Law 150 and 151 of 1964
Article 161, 162 and 163 of 1971

Law 57 of 1971
Article 162 of 1971
Law 52 of 1975
Constitution of 1975
Law 43 of 1979
Law 50 of 1981
Law 145 of 1988
1999 establishing the Ministry of Local Development (MoLD)
Draft law 2010
Constitution of 2012
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VIII. Appendices:

Appendix 1: Proposed Legal Amendments to Local Administration Law (Law 43 of 1979)

Composition Issue	The Current law (Before Amendment)	New Draft Law (After Amendments)
The Role of the Appointed Governor	The governor plays a major executive role as the head of all executives at the governorate level. He is also representative of the President at the governorate level to maintain the implementation of national public policies	The governor has a monitoring and inspection role as a representative of the central government at the local level. The Governor performs this role based on the national standards and measures set by the central government. The governor also assures the legality of local administration decisions and actions
The Role of the Secretary General at the Governorate Level	The secretary general is appointed by the Prime Minister . S/He is the acting administrative and financial manager at the governorate level. He is under the direct supervision of the governor.	Local Popular Council (LPC). S/He is the head of the executive organ which receives direction from the elected LPC in running decentralized (devolved) functions and responsabilities.
The Executive Organ (EO)	N/A	The organ that runs all the decentralized (devolved) functions, authorities, and responsabilities. It is totally under the supervision of the elected LPC. The secretary general

		in the head of EO.
The Local Executive Council (LEC)	LEC is headed by the governor. LEC members are the heads of de-concentrated service directorates. The LEC is responsible for all the executive work at the governorate level (devolved and de-concentrated functions and responsabilities).	The LEC is headed by the governor. It only has a coordination role between the de-concentrated service directorates and the EO. The role of LEC is diminishing as long as decentralization gets advanced.
The Local Popular Council (LPC)	Fully elected council that monitors and controls the performance of the local executives regarding public service provision. The LPC has the right to ask the executives about their performance without interrogating them	Fully elected council plays the identified role under the current law regarding deconcentrated services. For the decentralized (devolved) services, LPC has real executive role. It directs and supervises the work of the EO and its head. LPC has also the hire and fire authority regarding the top-management positions of the EO.
LPC	N/A	Technical body under the LPC to support decision making at the council. This technical body will be financed by the budget of the LPC.
The Governor Institution	N/A	An institution which is seperate from the executive body of the governorate. It supports the governor to play his new role as a controller rather than executive chief.
The Relationship between the Governorate and the districts within its jurisdiction	Districts are totally affiliated to the concerned governorate. The decisions of LPCs at the district level should be approved by the LPC at the governorate level. All executives at the district local report to their concerned managers at the governorate level. District budget is an integral part of the governorate budget.	Districts are not affiliated to the governorates. The relationship between the two levels is mainly geographical, except for the projects or services that may serve more than one district or experiences economies of scale. The distinctions taken by LPC at the district level. District budget is not part of the governorate budget. The relationship between the governorate and the district is communication rather than authoritative.
Local Financial resources	-Local taxes -	-Local taxes (property tax,

	(property tax, agricultural land tax, and vehicle tax) -Local Tax Revenues from local special funds. -	agricultural land tax, entertainment tax, and vehicle tax) -Non Tax Revenue -Revenues from local special funds -Formula-based transfers from the central government -Share of to be established Local Joint Account (equalizing account)
LPC Budget Authority	N/A	Budget authorities to be established at the governorate and district levels. These authorities will receive the central transfers that will be assigned (devolved) functions and responsabilities.
Intergovernmental Fiscal Transfers Commission	N/A	To be established in the Ministry of Finance (MoF) to design, implement, and update funding formulas at the central and local levels. This commission will have representatives from MoF, sector ministries, and local administration.
Local Planning	Wish list approach with no budget ceiling	Real participatory planning process at the governorate and district levels with specific budget ceiling. Local planning will be limited to the decentralized (devolved) functions and responsabilities.
Local Development Institute (LDI)	N/A	The LDI, to be established, will serve an academy to build the capacity of a new generation of qualified and competent local administration officials.
Supreme Council of Local Administration (SCLA)	Exists but not activated (Convened one meeting over the last 30 years)	Critical role of the supreme council as a dispute settlement mechanism either between central government and local entities or between local entities
Local Development Observatory (LDO)	N/A	Local development data engine that supports decision making at the local level rather than serving the central government

Appendix 2: Governance and accountability- model by Erkkila Tero 2007

Type of accountability	Features	Mechanisms of Accountability	Context (Structure)
Political accountability	Democratic, external	Democratic elections, chain of accountability	Democratic state
Bureaucratic accountability	Hierarchic, legal	Rules, regulations, supervision	Bureaucracy
Personal accountability	Internal, normative, moral	Culture, values, ethics	Collective
Professional accountability	Complex, 'deferent to expertise', peer-oriented	Expert scrutiny, peer review, professional role	Expert organization
Performance	Output or client-oriented	Competition, self-regulation	Market
Deliberation	Interactive, deliberative, open, public	Public debate, deliberation, transparency, access to information	Public sphere

Table 3: Matrix of the good-governance model and its braking down

Implementation of law	Laws changes and implementation
Participatory	-Election -Public participation in decision making
Consensus (vertical as well as horizontal coordination)	-Better relation between local and central -Allocating resources according to local government needs -Minimizing gap - Better management - Preventing local elite capture
Accountable and (anti-corruption)	Different types
Transparency	-Not only in fiscal matters but in administrative matters
Responsive(through services it provides)	-Feedback - Citizen report cards - Ombudsmen (e-government) -Regulating the relation between purchase and provider (quality control) -Better matching

Equitable and inclusive	- Empowernment on the local level - Achieve more local participation - Local autonomy - Allocating resources according to needs, especially vulnerable groups - Gender - Involving other entities (PPP)
Efficient and effective	- Technical efficiency - Increase allocative efficiency (zoning) - Fewer levels of bureaucracy(better relation between central and local) - Minimize inequalities - A balanced local autonomy - Guarantee fiscal efficiency and effectiveness
Market type relations E-government	- Introduce market type relations - Incentives for managers - Increase in salary - Fewer levels of bureaucracy improved information system-