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Curbing Corruption in Egypt: A Focus on Local Administration Reform / مكافحة الفساد في مصر: تركيز على إصلاح الإدارة المحلية

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THE PUBLIC POLICY HUB

Curbing Corruption in Egypt: A Focus on Local Administration Reform

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List of Abbreviations

ACA	Administrative Control Agency
CAO	Central Audit Organization
CAOA	Central Agency for Organization and Administration
CSOs	Civil Society Organizations
FMD	Field Monitoring Department
GoE	Government of Egypt
ICT	Information and Communication Technology
IFA	Inspection and Follow up Agency
KPIs	Key Performance Indicators
LC	Local Council
LCPI	Local Corruption Perception Index
M&E	Monitoring and Evaluation
MoLD	Ministry of Local Development
NACS	National Anti-Corruption Strategy
NGOs	Non-Governmental Organizations
PMD	Plan and Monitoring Department
SDS 2030	Sustainable Development Strategy 2030

Foreword

The **objective** of this work is to provide a comprehensive picture of corruption in the local administration system in Egypt and to present a persuasive argument justifying the policy recommendations presented in the paper. We hope this document would act as a decision-making tool and a call on the relevant parties to take action.

This **document's content** is divided into four main sections. The **first** is an introduction to corruption in Egypt. The **second** highlights the different manifestations of corruption in the context of local administration and examines its subsequent wider, long-term implications on the country. The **third** section entails a thorough analysis of the deep-rooted causes of corruption that should be acknowledged to move beyond the narrow responses to immediate manifestations. The **fourth** contains two sets of recommendations: 'Strategic Directions' and 'Engines of Change,' where the former advocates for specific structural policies whilst the latter focuses on action-oriented recommendations.

The **methodology** used is of a qualitative nature. It relied on both desk research and primary data.

- Desk research is gathered through a critical review of:
 - Existing laws, regulations and decrees, as well as national and international reports related to the area of investigation.
 - Investigative articles and media reports.
- Primary data was obtained through conducting a number of in-depth, semi-structured interviews with several officials from:
 - The Ministry of Local Development (MoLD): as the main ministry responsible for carrying out local administration reform.
 - High-level executive leadership in the governorates' Diwans of Cairo and Giza: in order to cover the two largest governorates in Egypt, and to have a clear understanding on the different roles and responsibilities, and the operations of local administration.
 - Former governors of Alexandria and Dakahliya to clearly understand the political and administrative aspects of the local administration system.

Data triangulation was ensured through obtaining the data from different sources, including interviews with former and current officials at different hierarchical levels in the local administration system, in addition to various reports and articles. This allowed for presenting diverse perspectives on the problems of the local administration system in Egypt and the corruption loopholes associated with it. Furthermore, it allowed for cross-checking and validating the findings.

Additional Remarks

Before proceeding with the general body of the policy paper. Several points should be highlighted:

- Local administration in Egypt is multi-faceted, and so is corruption within it. Along with MoLD, the 27 governorates, numerous service agencies and directorates, local units at different administrative levels, in addition to different governmental bodies and audit agencies are included. This complexity and multiplicity of players made it difficult to limit the policy paper to just one area of focus in the local administration system, without taking into consideration the overall environment and contextual challenges.

This is in addition to the entangled nature of the root causes of corruption, which need to be tackled simultaneously to reach a set of comprehensive and integrated policy recommendations.

- Most of the analysis contained in this policy paper is not new. However, it viewed corruption as a multidimensional problem that needs to be tackled in a wider, more integral process, rather than a stand-alone phenomenon that needs to be addressed centrally. Furthermore, it considered corruption within the local framework and thus filled an important contextual gap that allowed for offering tactical insights and recommendations for curbing corruption through local administrative reform.
- The recommendations offered are not based on mere adoption of international best practices, which are highly unlikely to address the wide-ranging dimensions of the problem. Rather, they are based on contextual realities that allow for technically feasible solutions to the locally perceived challenges.

I. Introduction

Corruption is one of the major challenges that cripple societies, limiting the productivity of public institutions and burdening economic growth around the world, especially in developing countries. Corruption further increases poverty rates, discourages investments, undermines development, and contributes to mistrust between government and citizens. Therefore, it is a multi-faceted phenomenon that should not be treated as a stand-alone problem.

The situation in Egypt is no different from other countries. While, it is difficult to accurately identify the magnitude of corruption in Egypt due to the lack of reliable data and overall corruption assessment carried out by the government, nevertheless, observers agree that Egypt suffers from a high level of corruption, especially at the local administration level. They agreed that nepotism (*wasta*) and facilitation payments (bribes) were common and necessary for conducting business; practices that undermine any efforts for economic and social development.

Although the Egyptian government has previously exerted many efforts and launched a number of initiatives¹ to curb corruption in the public sector, these attempts do not seem to be paying off or attaining the expected outcomes. This further raises questions about the effectiveness of the role played by anti-corruption agencies in curbing corruption and calls for rethinking the fight against corruption beyond anti-corruption rhetoric and traditional tactics.

In this context, this policy paper argues that corruption should be recognized as a more complex, systemic phenomenon which distorts governmental and local systems. In turn the government should seek not only to fight corrupt individuals but also these systemic distortions which produce corruption through reforming the system. This requires transforming the paradigm within which corruption is commonly perceived, going beyond the superficial manifestations to pinpoint the underlying causes instead, in addition to focusing efforts on the broader context of governance and accountability.

¹ Initiatives include the establishment of the National Committee to Combat Corruption in 2008 and the Transparency and Integrity Committee, set up within the Ministry of State for Administrative Development in 2007 with the aim of diminishing corruption in the public sector.

II. Significance of the Problem

Globally, the importance of local governments stems from their core competence; they are basically in charge of everything that touches citizens' daily lives, starting from the roads they walk on, the street lights, and the water pipes feeding their neighborhoods. It also involves waste collection and management, the educational administration affiliated to their children's schools, the health units in their neighborhoods, in addition to services such as obtaining birth certificates, licenses, and social insurance numbers. Thus, citizens have more contact with local agencies than with the central ones and this proximity to people and how local officials exercise these functions can make local government highly vulnerable to corruption.

Corruption is indeed a challenging problem for any government, especially at the local level, since it directly reflects on the quality of public services delivered to citizens and thus significantly affects the level of trust between people and their governments.

a. Manifestations of Corruption

According to Law No. 43/1979, MoLD has three main responsibilities. On top is coordinating the relations between the central government and the 27 governorates, especially with regards to providing public utilities and services through the Service Ministries' public agencies and local directorates at the governorates. In addition, it is responsible for coordinating relations between and across the governorates, besides supervising their activities. Second comes the issuance of permits, whether for building, construction or demolition. Lastly is the management of the "Five Development Programs", which include (1) Electricity, (2) Roads and Transportation, (3) Environment Enhancement, (4) Maintaining Security, Firefighting and Traffic Control and (5) Local Units Support.

All of these mandates make the local administration the backbone of economic growth in Egypt that nurtures development in different sectors, such as education, health and urban development. Yet, complexity of the local administration with its multiple cross-cutting relations coupled with a high level of centralization and weak follow-up systems allowed corruption to spread further and led to wastefulness in government spending. This has resulted in deteriorating public services and underperforming systems, which are clearly evident in global rankings, where Egypt ranked 63/137 in government spending efficiency at the Global Competitiveness Index 2017-2018.² Additionally, in 2016, its percentile rank reached 28 in Government Effectiveness at the Worldwide Governance Indicators (WGI).³ Clear manifestations of corruption can be mirrored in the following:

² World Economic Forum. (2018). The Global Competitiveness Report 2017–2018. Geneva: World Economic Forum.

³ World Bank. (2016). Worldwide Governance Indicators. Retrieved from (<http://info.worldbank.org/governance/wgi/index.aspx#reports>).

1. Public Utilities and Public Services Provision

Governorates hold a degree of responsibility with regards to the spread of corruption in the utilities and services provision, due to the lack of coordination between central and local levels. Forms of corruption in this category vary from providing exaggerated measurements and pricings (fake costs), non-operating public facilities, poor quality of services to the absence of promised services and utilities. For example, with regards to water and sanitation utilities, a key official in MoLD has stated that he coincidentally came across sanitary drainage estimate costs of 4,700 EGP per pipe, although the pipes were awarded for 2,500 EGP each. This has resulted in a 245 million EGP waste/theft of public resources.

Moreover, regarding health services, the official added that in Sohag governorate, there are 90 health units that were built three years ago and remain closed until now, due to a relatively trivial financial shortage in the completion phase.

Local health units in general and especially in rural areas suffer from shortages in doctors, nurses, medical supplies and high absenteeism rates. This case presents corruption in the form of poor management of resources and waste of money, time and efforts provided to build the 90 health units without using them for citizens' benefit.

2. Building and Construction Permits

Issuing permits is considered one of the most hazardous aspects of corruption in the local administration, due to weak monitoring systems, lack of rule of law and ineffectiveness in deterring violations; all of which have led to additional accumulative problems. For instance, according to the Ministry of Housing and Urban Communities, 90% of the total real estate, (around 4.9 million buildings) are incompliant with building laws and code standards, among which 317,948 buildings are built without licenses.⁴ This explains the three million requests for electrical installation in illegal and unlicensed houses, as stated by a Former Minister of Local Development. Such a high rate of illegal housing urged the Cabinet of Ministers to agree on installing electricity in informal houses that are illegally using electricity. Although this decision was taken based on its economic return to prevent further electricity theft, however it contradicts a law article that bans installing any public utilities to violating buildings and illegal houses.

In addition to the building and construction permits, there are 356,507 demolishing orders that have not been implemented, as well as 2,685 cases related to violations of building on agricultural lands in court.⁵ This is reflected in Egypt's

⁴ Al-Shwadfy, Nermine. (2018). Allaf Al-Bashar Ala Kwaem Al-Mawt {Thousands of People on Death Row}. Al-Ahram Newspaper. Retrieved from: (www.ahram.org.eg/News/131787/38/468907/-حوادث/آلاف-البشر-على-قوائم-الموت.aspx)

⁵ Choucri, Mai. (2014). Urban encroachment eats up agricultural land. Egypt Independent. Retrieved from (<http://www.egyptindependent.com/urban-encroachment-eats-agricultural-land-please-copyedit-and-publish-asap/>)

lagging rank in Regulatory Enforcement, which scored 110th place out of 113 countries.⁶ In a similar vein, the Egyptian Initiative for Personal Rights (EIPR)⁷ revealed that 392 buildings collapsed in just one year between 2012 and 2013 across Egypt, leaving 192 people killed and 824 families homeless.

Furthermore buildings constructed on agricultural lands have tripled since 2011 reaching 850,000 cases of encroachment in 2013, leading to a loss in 16,000 to 20,000 hectares of agricultural land under urbanization.⁸

3. The Five Development Programs

Although the five development programs are considered the core competence of local administration, nevertheless they suffer from corruption in the form of mismanagement, especially in programs of “Environment Enhancement”, which is mainly related to garbage collection and “Roads & Transportation.” For example, with regards to the Environment Enhancement Program, most governorates do not have a cleaning and beautification agency that primarily focuses on garbage collection. Instead, they have an environmental department in their Diwan that falls short of sufficient resources and, therefore, cannot extend its services beyond certain cities. This has resulted in high generation of municipal solid waste in the 27 governorates that mostly ends up in open, public and arbitrary dumpsites, causing serious threats to public health and the environment.⁹

As for the Roads & Transportation Program, though any mass transport service should not operate within the governorate/city/markaz without being affiliated to and regulated by the local administration, 85% of transportation in Egypt is informal. This is a clear example of the absence of government regulation and accountability, as well as the loss of an important source of income for the governorate and its municipalities.¹⁰

b. Implications of Corruption

Corruption is not only manifested visually as in the examples given above, but it has evolved to become bigger in magnitude, severity and complexity. Activities and actions at the local level hit more macro level issues that constitute the country’s wellbeing as demonstrated in Figure (1). These have implications on wider issues that are not taken into account when evaluating the cost of corruption taking place at the local administration. Such implications are neither monetary nor calculated, yet their costs are high politically, economically and socially.

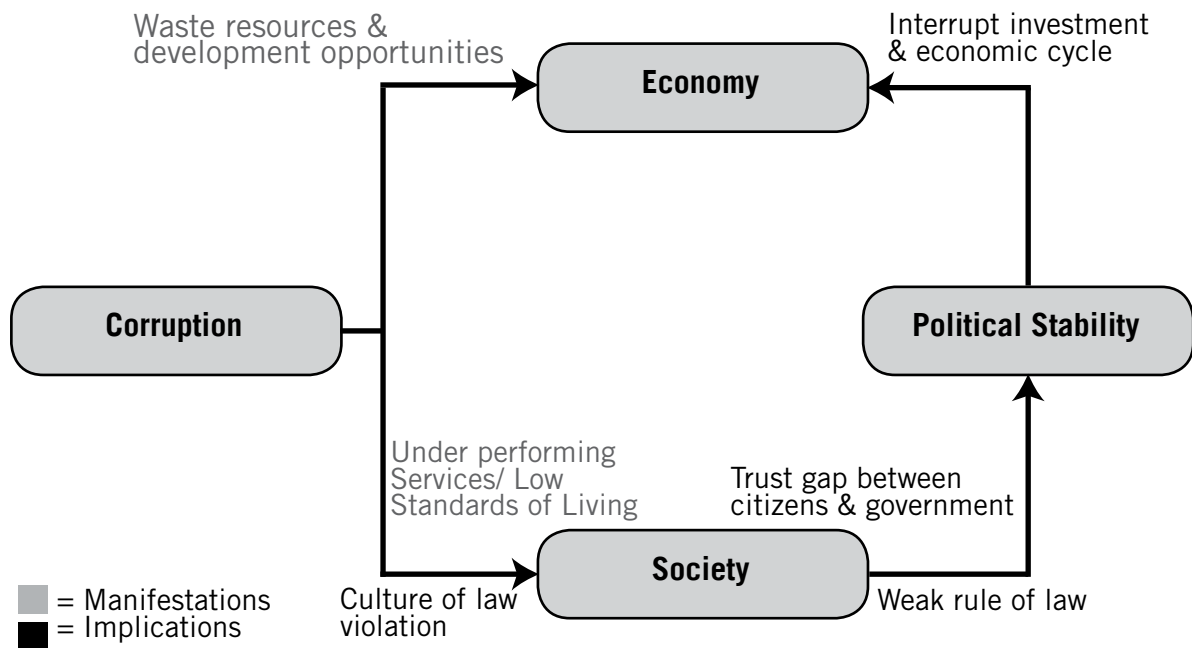
⁶ World Justice Project. (2018). Rule of Law Index 2017–2018. Washington, D.C.: The World Justice Project.

⁷ EIPR. (2014). Ma waraa zaheret Enhiair Al-Akarat Fi Misr. {The Phenomenon Beyond the Collapse of Buildings in Egypt}. Egyptian Initiative for Personal Rights. Retrieved from (<https://eipr.org/press/2014/06/ما-وراء-ظاهرة-انهيار-العقارات-في-مصر-المبادرة-المصرية-تطلق-موقعًا-تفاعليًا-حول-الحصيلة>)

⁸ Choucri, Mai. (2014).

⁹ GIZ. (2018). Country Report on The Solid Waste Management in Egypt. Cairo: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

¹⁰ Interview with an expert consultant in MoLD.

Figure (1): Deep-Rooted Impact of Corruption

1. Egypt's Business Image and International Reputation

Corruption impairs economic growth, harms development, drives away private investment and encourages a shadow economy. In viewing the major Worldwide Indices, Egypt appears to be among the lowest ranks. In the Global Competitiveness Index (GCI) Report 2017-2018, Egypt ranked 100 out of 137 countries. Corruption ranked as the third factor, after political instability and inflation, as problematic to doing business.¹¹ Moreover, Egypt ranked 128th among 190 countries in Ease of Doing Business in 2017.¹² Such indicators negatively affect the country's worldwide image and reputation, which consequently create obstacles to local and foreign direct investment, and damages potential opportunities of development.

2. Trust Gap between the Government and Citizens

Public perception of corruption is often linked to a decline in the trust in governments. The fact that local administration touches peoples' daily lives and that it represents half of government employment¹³ leads to a misconception and exaggeration of the real size of corruption at the local level by the media and the general public. This exaggeration coupled with poor service provision, partially resulting from corruption, instigates mistrust between citizens and the government, which consequently impacts the country's political stability.

Looking at the Corruption Perception Index (CPI), Egypt ranked 108 out of 175 countries scoring 34 out of 100,¹⁴ which reveals the magnitude of mistrust

¹¹ World Economic Forum. (2018). The Global Competitiveness Report 2017–2018. Geneva: World Economic Forum.

¹² World Bank Group. (2018). Doing Business 2018 - Economy profile - Egypt. World Bank Group.

¹³ Interview with high official in MOLD

¹⁴ Transparency International. (2018). Transparency International - Egypt. Retrieved from (<https://www.transparency.org/country/EGY>)

between citizens and government. This further explains why ‘curbing corruption at the local level’ has acquired double significance after 2011, and has been placed on top of the agendas of successive Egyptian governments, since corruption was one of the main reasons for the revolution.

3. Cultural Ramifications

The proliferation of corruption has left a deep cultural impact on society. According to a survey by Transparency International, around 50% of Egyptian public service users paid bribes during 2015 to obtain legally entitled services.¹⁵ This indicates that corruptive behavior is not only accepted as a norm, but has also transformed into an embedded culture, which is evidently reflected in the decision of the Cabinet of Ministers¹⁶ to violate the law for economic gains. Such shortsighted policies and decisions – choosing short-term economic benefit without regard to the consequences – endanger the rule of law and reveal the government’s awareness of its failure to control corruption. Furthermore, they directly contribute to embedding a culture of misconduct and legal violation within society, leading to systemic and structural corruption, which further enlarges the problem and ends up causing more damage.

III. What is Wrong Exactly?

Clearly, the manifestations and implications of corruption are massive and negatively impact the country’s social and economic situation. Thus, attention should be directed beyond these manifestations to encompass the root causes that are certainly related to the local administration system. In an attempt to identify these root causes, the following themes were investigated and analyzed below:

1. Narrow Framing of Corruption

The framing of any problem devises solutions on how to deal with its consequences. In the Egyptian context, the common definition and perception of corruption place significant emphasis on its financial-related forms, such as bribery, embezzlement, fraud, etc. While there is consensus on controlling such malpractices that obstruct development and undermine the effectiveness of local administration, corruption should be acknowledged as a complex phenomenon that has multiple forms, rather than a limited, stand-alone problem. It needs to be understood as part of broader dynamics that are deeply rooted in political, economic, administrative, cultural, and social factors.

Presumably, the structural nature of the political and cultural factors is the foundation of the root causes of this phenomenon and have led to its proliferation. The political factor constitutes the space allowed by the government for corruption to be employed as a means of exercising pressure over citizens and bureaucrats

¹⁵ Transparency International. (2016). People and Corruption: Middle East & North Africa Survey 2016. Berlin: Transparency International.

¹⁶ Please refer back to manifestation P. 5.

for political gains. Hence, the cultural factor emerged as a result of the political factor whereby citizens and bureaucrats were emboldened to participate in the grey areas of corruption tolerated by the government, without consideration to the magnitude of corruption be it petty or grand. This affected the culture of the public sector administrative and expanded the problem, leading to systematic corruption. Consequently, it has turned into a society-wide phenomenon rather than just a government-related one.

Moreover, the level of corruption in any administrative system is interrelated with the extent to which accountability, transparency, integrity, efficiency, rule of law, and citizen participation are mainstreamed in the administrative system. Therefore, defining “corruption” should go beyond the common limited perception of financial irregularities and shift towards the effectiveness of the administrative system, which either allows for or curbs corruption. That is why, in relating curbing corruption to good governance, it is important to identify “Rule of Law”, “Participation” and “Accountability” as leading principles with “Transparency” as prerequisites.

2. Complexity of the Local Administration System

The local administration system in Egypt is complex. Its intricacy originates from several factors; a) its size, which is reflected in the existence of a large number of local administration levels and units (27 Governorates- 186 Markaz - 225 Cities- 85 Districts - 4737 Villages) as well as the large number of government employees working at the local level, amounting to approximately three million – half of the total number of civil servants employed by the Egyptian government. b) The overlap of local and executive government supervision, which results from the conflicting powers, absence of specific goals and clear division of responsibilities between local and central levels of government, as well as ineffective communication and cooperation mechanisms. In more detail, this can be depicted in the structure, mandates and capacities at the local level as follows:

- There is no standardization for the structure formation of the governorate’s Diwan among the 27 governorates. The changes in the structure take place arbitrarily and irrationally based on the philosophy of each governor. Some governors perceive the importance of creating new departments within the structure, but when the governor leaves the position, these departments might not carry the same importance with the superseding governor. This absence of any criteria to guide the decisions of establishing new or restructuring existing organizational units has contributed to the present bloated state apparatus which makes it harder to curb corruption.
- The mandates of the local administration system are vague. For instance, the governor is the head of the executive authority at the local level, but with unclear and unrealistic mandates provided in Law 47/1979 of the local administration. He/she is responsible for overseeing security, ethics

and public order, without these being clearly defined. His/her authorities are limited to general supervision or proposing plans. Hence, governors cannot take basic decisions in their governorates, since the public agencies existing in their jurisdiction fall under the authority of central ministries. Furthermore, the mandates of the executive leadership, which is represented in the Secretary General and the Assistant Secretary General, are not clearly identified in Law 47/1979 and its Executive Regulations. For example, the Law provided only one sentence regarding the role of the Secretary General stating that he/she is responsible for the financial and administrative issues related to the governorate Diwan. For the Assistant Secretary General, the Law also stated that his/her only role is to assist the Secretary General and act on his/her behalf in case of absence. In most cases, the roles of the executive leadership are shaped by the power and character of the governor. The executive leadership at the lower levels (Markaz, City, District and Village) does not have mandates in the Law or its Executive Regulations. Also, it can be assumed that they practice the same mandates of the executive leadership at the governorate level; such replication of mandates does not take into consideration the division of responsibilities between the different administrative levels. Moreover, some of the departments under the governorate's Diwan have similar mandates, which muddles the flow of work and consequently affects the quality of service provision. This ambiguity in the mandates and responsibilities of crucial, high-ranking positions does not allow for a clear line of accountability, which in turn entrenches corruption in local governance and adversely impacts the effectiveness of the local administration system.

- The personnel system and capacity of local civil servants constitute a cornerstone in the local administration system, which can – in part – account for the proliferation of corruption at the local level. The appointment process and procedures in the local administration system lack clarity regarding a career path where local personnel can grow in their professions bottom up.

None of Egypt's constitutions and laws from 1923 onwards contain clauses about the selection of governors, head of markaz or district. All of these posts are appointed by the executive branch of the central government without explicit functional standards or qualities, where the President directly appoints governors and the Minister of Local Development appoints all other executive positions at lower subnational levels. Even though MoLD has the authority to appoint some of these executive positions, there has been an ongoing political arrangement in Egypt to fill these positions from certain ranks, without consideration to functional standards.

- The pay and compensation system is another challenging area, since employees at local government bodies receive the least wages, compared to workers at different state sectors. Decisions to increase salaries, transfer and/or replace officials, and promotions are all subject to seniority regulations and strict manners. Whilst such a system originally strived for fair criteria

among officials and attempted to avoid nepotism, it has led to negative outcomes including disappointment, job negligence and a sense of detachment from the system.

- Furthermore, the reluctance to delegate authority and the way decisions are made between central and local government are some of the issues affecting the development of human resources at the local level. There is a tendency among high-level staff and directors in central government to handle most of the local affairs centrally, thus leaving a limited role for local staff and directors. This trend has reflected negatively on local staff in different ways. It has lowered their aspirations to work actively, and weakened the trust between the central and local officials, therein leading to a dependency prevalent among local officials towards central government. This takes us to the next point, which highly affects the future of local administration and is pivotal in fighting corruption in Egypt.

3. Excessive Centralization

Egypt is considered one of the most centralized countries in the world, ranking 114 out of 158 countries in decentralization and government closeness to the people, according to a study by the World Bank.¹⁷ Perhaps shifting from "local governance" to "local administration" as per the law, reflects its limited role with regards to the decision-making process and fiscal powers, which is in turn mirrored in the deteriorating situation of service delivery. The centralized system has been contributing to the increased levels of complexity and corruption, as well as to the poor local leadership, unequal distribution of funds among governorates and the lack of trust between citizens and the government.

Moreover, with regards to achieving the constitutional obligations, the Government of Egypt (GoE) has not taken any serious steps towards transforming to fiscal, economic and administrative decentralization. This complex, highly centralized system has resulted in widening the developmental gaps and increasing the poverty levels, especially in Upper Egypt.

4. Constraining Legal Framework

Effective local administration and delivery of services are very challenging and require well-targeted, innovative governance approaches accompanied by a strong legal framework. In Egypt, many of the local administration operations such as granting building or demolition permits and implementing many services and development projects through tenders and direct orders are fertile grounds for corruption and manipulation by officials of local governments. Yet, when looking at legislative frameworks, reality shows that relevant local administration laws and regulations often seem more like political declarations that do not address practical needs for social and economic development.

¹⁷ How Close Is Your Government to Its People? Worldwide Indicators on Localization and Decentralization <http://www.economics-ejournal.org/economics/journalarticles/2014-3>

To start with, the nature of work of localities encompasses formulating local plans, allocating local budgets, implementing projects, operating, maintaining and following up on all projects and public services delivered at the local level. Therefore, the process of local administration is significantly governed, shaped by and dependent on several related laws beside the Local Administration Law. However, most debates about the legal reform of the local administration system in Egypt only consider amending the Law of Local Administration, disregarding its related laws, such as the Unified Building Law; Planning Law; and State General Budget Law. These laws collectively determine the degree of decentralization and the magnitude of role played by citizens in local planning and overseeing the performance of the various government institutions at the local level. Hence, they cannot be ignored while talking about curbing corruption in the local administration.

Identifying the existing problems and bottlenecks in these laws is key to any reform for several reasons. First, the absence of clear laws and regulations lead to duplication and overlapping of mandates with all involved actors in the local administration process, which in turn weakens any monitoring and accountability mechanisms. Second, curbing corruption can only be achieved through transparency and clarity of policies, laws and procedures that complement each other. The dilemma lies in issuing each law separately, discounting its effect on other systems, laws or processes. Another challenge is the lack of adequate coordination between central and local levels of the government. This challenge arises because laws are not clear regarding competence sharing between the central government and the local government, even though a clear-cut division of powers between the different tiers of government is the precondition for the establishment of accountability. Moreover, in certain cases, some ministries and public authorities do not commit to proper and uniform adherence to laws.¹⁸

Thus, local administration and development processes are frequently hindered by the maze of conflicting laws and the disintegration between different state authorities, which do not communicate or see each other, leading to the existing deteriorated state of public service delivery.

5. Weak Follow-up, Monitoring and Audit System

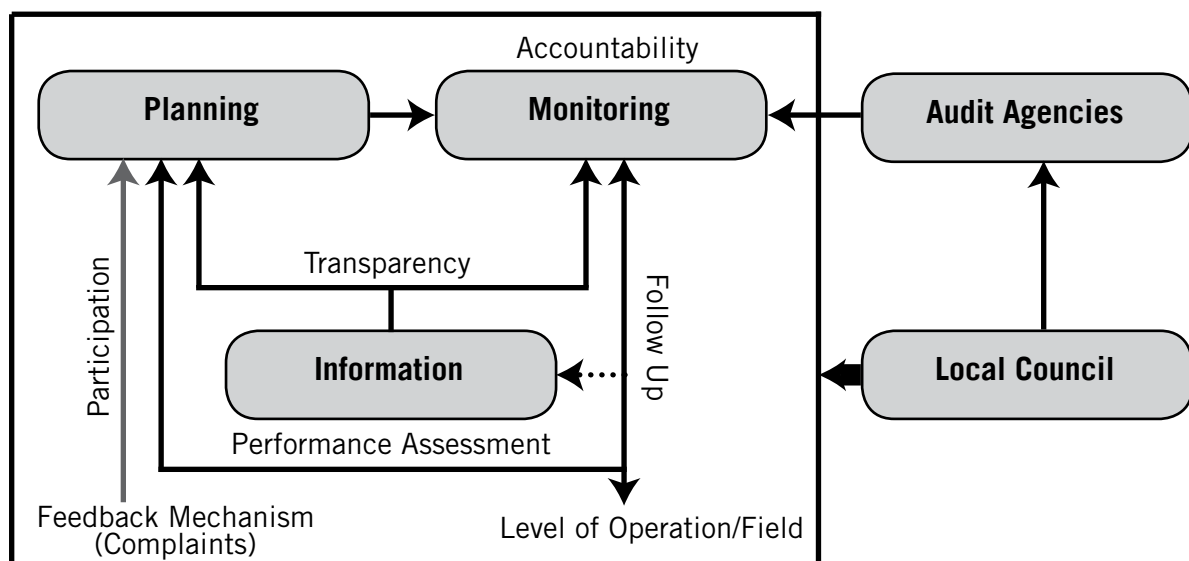
Robust control systems are imperative for preventing, detecting and responding to corruption in local governments. They are the bedrock of a high-quality public sector and a lever for restoring trust in government institutions. Normally, there are two types of control systems: preventive and detective. The former is proactive in nature, emphasizes quality, and designed to ensure that departmental and unit objectives are being met. The latter is subsequent, aiming to ensure that

¹⁸ The case of New Urban Communities Authority (NUCA), under the Ministry of Housing, where New Communities Law No. 59/1979 stipulated that each new town would be managed by a town development agency under NUCA, but once developed the new towns were to be handed over to the respective local government authorities and revert to standard municipal local administration. However, this has not occurred with all new towns like New Cairo, Al-Shorouk and Sixth of October.

preventive controls are functioning well, and designed to detect any irregularities after they take place. The importance of both systems emanates from their fundamentality in determining the degree of accountability, transparency and participation, which are the foundation of good governance.

In Egypt, as illustrated in Figure (2), the system of preventive control is usually internal and highly dependent on several, closely linked mechanisms, namely “Information”; “Local Planning”; and “Follow-up and Monitoring”, in addition to other complementary mechanisms such as, “Complaints” that provides citizens’ feedback. Meanwhile, the system of detective control involves the elected local councils and external audit agencies.

Figure (2): Preventive and Detective Control System



a. Preventive Control

A closer look at the preventive control system at the local level in Egypt reveals that the status of each mechanism and how they all operate in an interconnected fashion significantly impact the effectiveness of the Monitoring and Follow-up System as discussed below:

Information and Communication Technology (ICT)

For internal control systems to work as intended, follow-up efforts must be preceded and supported by an accurate information and data system that serves the local planning process and feeds into an operational control system. Such ICT system should provide reliable data and comprehensive information on different issues such as, the status of infrastructure and public utilities at different administrative levels. This information has to be accessible and available to citizens and to be further used in assessing the local needs for projects and funds, hence guide an effective local planning process. Locally, it was found that every governorate has a large department for ICT that is directly affiliated to the governor’s office.

However, even though this department is mandated with aiding governors to make informed decision about planning and follow up on the progress of all projects carried out in their governorates jurisdiction, there is a serious local government information gap. *“The work of the Central Department for ICT is very weak. When the Governor needs to obtain any information, he requests it from the Ministries or their affiliated service directorates,”*¹⁹

This information gap constitutes a major obstacle that induces corruption and hence, must be overcome to enhance the effectiveness of the local administration system. Providing accurate data and meaningful access to information must be achieved, not only to be incorporated into the local units' annual plans, but also to foster a strong preventative control system, thus locally bolster the governance principles of openness, transparency and accountability.

Local Planning System

The local planning system is an integral part of local administration. Effective local planning entrenches the principle of participation, which is considered a step towards realizing an accountable and responsive type of local governance. Therefore, the more advanced, participative and responsive the local planning system is, the less corruption occurs.

In Egypt, the planning system and its dynamics at the local level are constrained by many factors. First, a collaborative and participatory planning process is absent. Previously, Local Popular Councils (LPCs) were involved in the planning process through proposing new projects and activities, as well as approving the proposed overall plan and budget of the governorate. But since their dissolution in 2011, only the executive branch of the government makes decisions regarding investment plans and allocation of resources, which undermines the effectiveness of the local planning process. Second, in addition to the deficiency in the information system, discussed earlier, and with the absence of Local Councils, the planning system lost a main source of information pertaining to setting citizens' priorities.

Moreover, due to the weak involvement of non-governmental organizations (NGOs) in the planning process, their poor communication with the government, as well as the lack of incorporation of citizens' complaints and needs, the planning process is neither integrative nor comprehensive. Third, the existing line-item type of budget that is used by both central and local governments weakens the local planning process, by paying prime attention to the input/output and overlooking the performance and outcomes. This undermines the Monitoring and Evaluation (M&E) process. Fourth, despite that some service directorates, such as education and health, were deconcentrated, they still rely on the ministries' central plans and only develop cosmetic plans locally. This could be attributed to the duality of affiliation, as they are affiliated administratively to the governorate and technically and financially to the central ministries, which do not reflect the real needs of local citizens.

¹⁹ Quoted from an interview with a high-level official in Giza Governorate.

The absence of participatory planning, budgeting and monitoring impedes high quality, efficient services and local development that are tailored to local needs. In addition, it leads to mismanagement and misallocation of resources at the local level, contributing to the spread of many forms of corruption and therefore, leading to an ineffective local administration system.

Follow-up and Monitoring System

A strong internal follow-up and monitoring system is considered the primary buffer zone against corruption. It is crucial for ensuring accountability and transparency. Both follow-up and monitoring are regular and embedded in-process activities. Follow-up is mainly about collecting information and reporting it as is. Whereas, monitoring is more of a purposive process that incorporates observing patterns and verifying progress against previously set objectives.

There are two main departments in most governorates responsible for this type of preventive control. The first is the Plan and Monitoring Department (PMD), which is mandated with monitoring the implementation of investment plans at the different local levels. The second is the Field Monitoring Department (FMD), which is responsible for checking on road occupations, as well as any violations related to public utilities through on the ground inspections and reporting on the situation to the different stakeholders within the governorate's jurisdiction.

PMD's role is to monitor projects from design to operation to ensure allocating adequate resources, providing needed services and hence achieving the developmental objectives, yet, this department only plays a follow-up role. It pays more attention to budget spending. *"The PMD department is not effective at all, despite its existence at all administrative levels. It only concentrates on spending the money they have without any consideration to the operations part."*²⁰ The common practice of PMD puts more emphasis on the input/output means of verification rather than performance/outcome. Shifting away from such practice necessitates the urgency of linking the "Investment" chapter (Ch.6) in the budget to chapters of "Wages and Compensations of Employees" (Ch.1) and "Purchases of Goods and Services" (Ch.2). This can be achieved through changing the nature of the existing budget system from dual-budget to a unified one, in which one entity takes on the responsibility of the budget.

As for the FMD, it only exists at the governorate's Diwan, and its strength depends on the characters of both the governor and the head of the department. Moreover, the nature and quality of work of this department differ from one governorate to the other, since 1) there is no clear consistent structure that precisely identifies the affiliation and shapes the mandates of the FMD. 2) The resources available in FMDs, such as vehicles needed for field monitoring, modern methods and technological devices for speeding up reporting and follow-up, in addition to qualified human resources to execute these mandates, vary greatly across the 27 governorates.

²⁰ Quoted from an interview with a high-level official in Giza Governorate.

This weak and inconsistent status of the follow-up and monitoring systems negatively affect the accountability mechanism and hence stimulate corruption.

• **Complementary Mechanisms**

The management of citizens' complaints is a complementary mechanism functioning as a feedback tool, which aids both the Information and Follow-up and Monitoring systems. A General Department for Serving Citizens, affiliated to the governor exists in every governorate, where it receives citizens' complaints physically and electronically. This department is mandated with examining and dealing with citizens' complaints, in cooperation with the sub-departments of citizens' services existing at all service directorates and at the lower administrative levels of the governorate. It is worth noting that a monthly report detailing the number of complaints received and replied to, in every governorate, is submitted to the Cabinet of Ministers. However, although significant efforts are exerted to raise the responsiveness level of the local government towards its citizens, this system is not always effective. On one hand, the electronic complaints system is not available at every governorate. On the other hand, the system needs to be updated to perform a thorough analysis that helps in categorizing and channeling citizens' complaints, and to provide sufficient feedback that ensures solving the problem. This lack of an effective complaints mechanism contributes to broadening the trust gap between citizens and the government, which is one of the key implications of corruption.

b. Detective Control

The detective control system encompasses a key oversight body represented in "Local Councils", in addition to other "Control and Audit Agencies" that play a fundamental role in tightening the control over the local administration system to guarantee its effectiveness and integrity.

Local Councils

The local council plays a vital role in the local administration system. The strength of its mandates and how effectively they are implemented, in addition to its formation, maintain the balance in the local administration system.

Article 180 of the constitution grants the local councils the mandates of following up on the implementation of the development plan; monitoring the different activities. It also authorizes them to oversee the executive authorities using tools such as providing proposals, and submitting questions, briefing motions, interrogations and others; as well as withdrawing confidence from the heads of local units.

It is worth noting that since 2011, the Local Popular Councils, which were superseded by the local councils in the constitution, were dissolved. This means that the oversight mandate of these councils is left to the executive authority, which represents a clear distortion in the accountability mechanism, since the

executive body is also the oversight body. Such distortion in the checks and balances system can lead to prevalence of corruption within the local administration. Furthermore, with its elected representation, local councils are considered a fundamental arm for the social accountability mechanism, thus its absence undermines the degree of participation and transparency, which thereby encourages the spread of corruption.

Audit System

Having a detective nature, audit systems are essential for effective governance, as they complement the preventive control systems. Hence, both control systems support public institutions to achieve accountability and integrity, and enhance their operations through ensuring the institutions' legal compliance, control of corruption, and the quality of preventive control. Presumably, effective audit institutions should enjoy organizational independence, clear mandates, unrestricted access to information, professional audit standards, and financial and human capacity. The audit system pertaining to Egyptian local administration constitutes various institutions, which originally emanate from the central level. The mandates of these institutions vary from financial to administrative control, as discussed further below:

- **The Administrative Control Agency (ACA)** is a key independent institution that is mandated with detecting administrative and financial irregularities, as well as the criminal acts committed by employees during performing their functions. Recently, the ACA Law No. 54/1964 was amended by Law No. 207/2014 to mandate the ACA with a clear and explicit role of preventing and combating corruption in public institutions, in addition to formulating the National Anti-Corruption Strategy and following up on its implementation, in cooperation with the concerned entities. Although ACA has offices in each governorate with focal points for each sector, yet, its work is not of a systematic nature that is based on regular checks and balances. Rather, it is mainly random and based on claims directed against specific employees for their unlawful practices and/or job irregularities.
- **The Central Audit Organization (CAO)** plays a vital role as a detective control institution that is limited only to financial auditing. It is responsible for auditing the implementation of the State budget and other independent budgets, as well as reviewing its final accounts. CAO identifies financial irregularities and reports it to the concerned entities, one of which is ACA. It also submits a report to the parliament. One of the impediments to curbing corruption is that these reports are inaccessible and are not disseminated, not only to the public but also to many officials. This lack of disclosure of information hinders any efforts to estimate the economic and social cost of corruption, as well as its magnitude.

- **Inspection and Follow-up Agency (IFA)** is another important audit institution, affiliated to MoLD. IFA was established with the mandate of curbing corruption through 1) monitoring and inspection over the local leadership, as well as, 2) following up on and monitoring the implementation of the developmental projects to ensure effective operations. Some of the IFA employees even have the judicial seizure power, in order to accelerate the process of transferring the detected corruption cases to the Administrative Prosecution. However, due to the limited financial and human capacity, the work of the IFA has become unsystematic and of an arbitrary nature. As a result of these arbitrary acts, IFA has deviated from its role. As time passed, it has turned out to be more of a securitized entity that is focused on tracking and prosecuting people, especially after being granted the “judicial seizure”, rather than inspecting and detecting the malfunctions in the local system.

Despite the existence of various audit institutions, the linkage and coordination among these institutions are absent. The rampant level of corruption indicates the failure of such institutions in dealing with its magnitude.

Obviously, the current state of preventive and detective control systems in local administration is discouraging. Despite the exerted efforts, the preventive system falls short of acting proactively to curb corruption, which is likely to widen the trust gap between citizens and government. Furthermore, the ineffectiveness of the detective system, as well as the absence of social accountability mechanisms contribute to maintaining the status quo of corruption.

6. Lack of Integrated and Locally Directed State Efforts

Citizens, government officials and parliamentarians are highly aware of the prevalence of corruption and its manifestations at the national and local levels. However, for a long time, no concrete actions or strategies were taken to combat it. With the adoption of a new constitution in 2014, great attention was paid to fighting corruption. In Article 218, the constitution stated that government control agencies are obliged to fight corruption and to promote the principles of integrity and transparency to ensure the sound performance of public functions and preserve public funds. As a response, the GoE launched the National Anti-Corruption Strategy 2014-2018 (NACS), containing ten objectives that focus on different ways to curb corruption. Additionally, the GoE adopted the Public Administrative Reform Vision in 2014, among the objectives of which is to promote transparency and integrity in the public administration system through a program for fighting corruption.

Moreover, in 2016, the Government adopted its Sustainable Development Strategy: Egypt’s Vision 2030 (SDS 2030) to shape the public policies of the country until 2030. The economic dimension of SDS 2030 includes a pillar on “Transparency and Effectiveness of Government’s Institutions,” which pays great attention to fighting corruption and enhancing the effectiveness of the public administration system. Furthermore, in terms of achieving the objectives of

this pillar, a new Civil Service Law No. 81/2016 was enacted. The law obliged all public officials to comply with the code of conduct set forth by the Central Agency for Organization and Administration (CAOA).

Despite these various endeavors, corruption continues to prevail in the local administration system in Egypt. This might be attributed to the fragmentation and lack of integration between the government's different efforts. Furthermore, the aforementioned visions and strategy disregarded the local level. For example, in the objectives of "Raising Public Awareness about the Risks of Corruption and the Importance of Fighting it", and "Building Confidence between Citizens and Government" in the NACS, local administration is not mentioned as an implementation partner. This shows that the central government formulates policies and strategies without consulting with the local administration, which could be due to the lack of trust in the local capacities and the tendency to hold power at the central level.

Incontrovertibly, pointing out the root causes of corruption is essential not only to curb it, but also to deepen the understanding of the origins of other problems and challenges. Thorough comprehension of the overall picture allows for shaping and linking reform policies and initiatives to tackle the interrelated challenges. Analysis shows that corruption is deeply rooted in the low levels of effectiveness, transparency, accountability and participation within the local administration system. These low levels emanate from some characteristics that dominate the local administration system, such as a decline in institutional thinking, especially with regards to the decision-making process. It is very common to find decisions made based on the philosophy of the head of the institution rather than a clear vision that leads this institution.

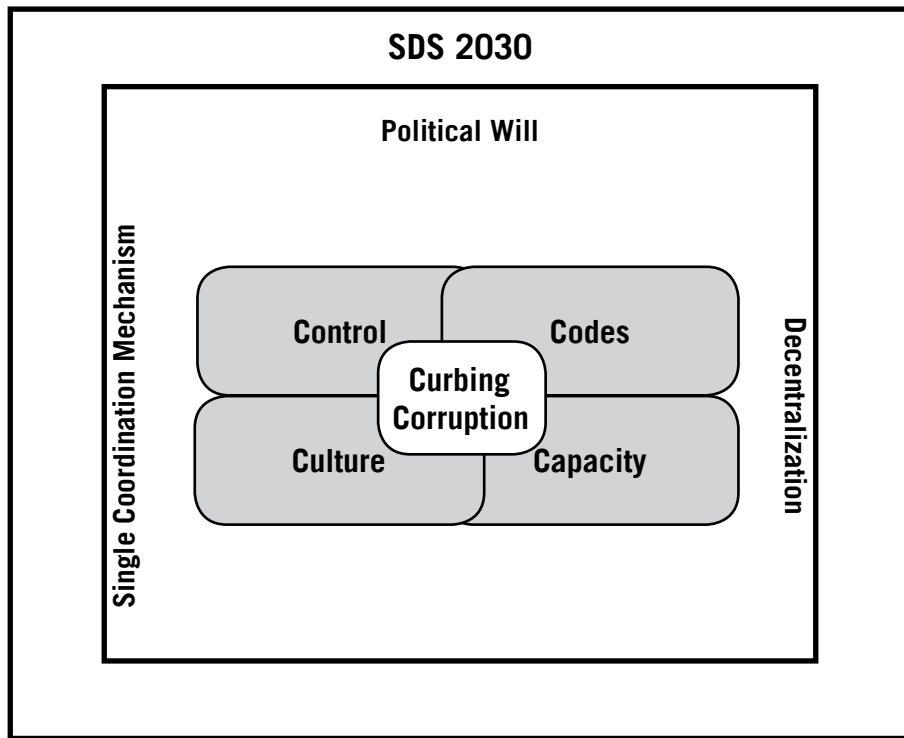
Although, the government's commitment towards combating corruption is clearly stated, political will towards institutionalizing the issue of curbing corruption through mainstreaming governance principles and mechanisms within the local administration system is still weak.

IV. Strategic Directions and Engines of Change

Unquestionably, the fragile status of accountability, transparency and participation in the local administration system induces corruption. Addressing the root causes of the prevalent corruption needs serious and comprehensive local administration reforms, which requires government institutions to join forces in order to devise change in the local administration system in Egypt. In an attempt to draw a map for curbing corruption in the local system, two sets of recommended policy actions, depicted in Figure (3), are proposed. The first set "**Strategic Directions**" involves a bundle of structural policies that should act as an overarching framework within which the local administration operates. The second set "**Engines of Change**" encompasses action-oriented recommendations that represent a path towards curbing corruption in local administration. The two sets of policy recommendations are geared towards establishing and operationalizing the aforementioned core

principles of good governance, since it would strengthen the local administration governance system that would thereby help in curbing corruption. Additionally, it should be noted that both sets are interrelated, interdependent and mutually reinforcing, rather than being alternatives to each other. However, the government can decide on which elements under each set to start with, taking into account the challenges, opportunities and required timeframe for implementing each.

Figure (3): Strategic Directions and Engines of Change (4Cs)



a. Strategic Directions

Before delving into the specific set of policy recommendations, general suggestions should be taken into consideration:

- **First**, being the overarching document that shapes and determines the State’s policies and strategies for the next 12 years, SDS 2030, should mirror local administration reform. In its ten pillars, targets and Key Performance Indicators (KPIs), **SDS 2030** should be further detailed in order to reflect on the local level. Such reflection would deepen the understanding of the existing gaps in the local administration system and hence, would allow for closing these gaps and adopting more integrated and harmonized plans between the central and local levels.
- **Second**, the NACS should allow for the **participation of local representatives**, including executive and civil society leadership from different administrative levels, as an integral part in implementing the strategy, to ensure the effective achievement of its objectives at the local level.

- **Third**, since ACA is the entity responsible for developing and implementing the NACS, then it should lead, as a single responsible entity, the **harmonization and coordination** of anti-corruption efforts among the various government institutions to guarantee their integration and ensure effective and collective efforts in curbing corruption.
- **Fourth**, moving towards a balanced distribution of power between the central and local levels, or in other words **decentralization**, is a prerequisite to address the shortcomings of local government. It will also guarantee resourcefulness of governorates through adequate allocation of resources and control over local revenues, and enhance local community oversight responsibilities, thereby reinforcing good governance principles and decreasing the levels of corruption. This requires the government to fulfill the constitutional obligations of shifting towards fiscal and administrative decentralization. It also necessitates significant legal changes to delegate responsibilities and empower those at the local level with fiscal and functional tools that would help in shrinking the level of corruption.
- **Fifth**, between promises and real change, there is “**political will.**” A dedicated, consistent and sustained political will throughout all levels of government is the driver for a real transformation of the local administration system in Egypt. It is also crucial for the development of an integrated framework to fight corruption and integrate the principles of governance at the local level.

b. Engines of Change

Reinventing the local administration system in Egypt requires working on **four** fundamental equally weighted Engines of Change, namely: Codes, Control, Capacity and Culture, in other words, the 4Cs.

1. Local Administration CODES

Local Administration Codes encompass a systematic and comprehensive compilation of all laws, rules, and regulations pertaining to the local administration system. This requires profound legal reform that includes the following:

- **Revising, harmonizing and consolidating** the Local Administration Law No. 43 of 1979 and all other related laws: Unified Building Law No. 119 of 2008; Planning Law No. 60 of 1961; State General Budget Law No. 53 of 73 in a single law that guarantees an effective local government process.

The consolidated law should also be clearly geared towards master planning, improving the quality of public service delivery through simplifying the administrative procedures, as well as establishing patterns of responsibility, authority and accountability that do not fragment and overlap. It should be noted that both the Local Administration and Unified Planning Laws have been drafted and are pending parliament’s approval. These laws should tackle

challenges related to the integration between spatial and socioeconomic planning, transformation towards decentralization, and clarification of explicit roles and responsibilities at the different local administrative levels.

- **Adopting an Anti-Corruption Law** that designates corruption as a crime, and thereby classifies and details the different forms of corruption and related articles existing in all laws. Although there are many provisions on curbing corruption, however they are scattered throughout the Penal Code and other various codes of conduct. The Penal Code in Egypt extends criminal liability to include non-public officials. In addition, civil servants are often unaware of the existence of these provisions, so they end up violating them. Therefore, adopting a law that exclusively deals with the already existing corruption practices and that stipulates penalties to be imposed on both corrupt citizens and corrupt civil servants alike is favorable for many reasons. First, it will help the government to situate itself in a competent position with regards to curbing corruption, rather than being part of it. Second, the law can be an effective tool for raising awareness and fostering a culture of anti-corruption in local administration. In addition, it can oblige civil servants to promote the principles of transparency and integrity in their agencies, and hence integrate the principles of good governance within public administration.

- **Adopting a Freedom of Information Law** that guarantees the right of citizens to receive information, and obtain statistics or data in a simplified way. It should also guarantee publishing the reports of the audit agencies and other information. This law promotes accountability and enhances the citizen's confidence and trust in the government, through granting citizens the right of holding the government accountable.

2. Local Administration CONTROL

There should be a balance between preventive and detective control mechanisms. This would be attained through the following:

- Measuring the magnitude and cost **of corruption** is key in examining the robustness of preventive and detective institutions. It serves as a baseline for identifying risk areas where corruption might easily occur and, hence, it supports the control institutions to undertake informed corrective actions to detect and curb corruption. Within this context, developing **a Local Corruption Perception Index** (LCPI) would be a facilitating instrument in measuring the cost of corruption. This LCPI would be based on surveys and other diagnostic tools to identify the pitfalls in the local activities and operations, as well as help in evaluating anti-corruption efforts and interventions.

- **Establishing a vigorous coordination and cooperation mechanism** among audit institutions to ensure that they work together. Such a mechanism would strengthen their connection and help them function effectively in detecting irregularities at the local level.

- **Establishing social accountability mechanisms** to complement the formal accountability ones, and serve as a platform in which various stakeholders such as civil society, media, private sector and academia, would work together. The participation of these actors is imperative in bridging the accountability gaps in the local administration system. In addition, accelerating the process of electing Local Councils is indispensable, since they are a fundamental arm for social accountability. This would ameliorate transparency and citizen engagement, which are considered principal building blocks for social accountability, and accordingly, curbing corruption.

3. Implementation CAPACITY

The effectiveness of the local administration system is mediated by the quality of implementation. Therefore, building the organizational capacity of local institutions on one hand, and human capacity on the other hand, to “implement” and “best deliver” are of primary importance.

- **Building local organizational capacity** contributes to a well-functioning local administration and opens the door for innovation. This can be achieved through: **first, developing a unified basic structure** for the 27 governorates. These unified basic structures should enable better functioning and performance through providing clear roles and responsibilities for each local unit. They should also be flexible to allow for the preservation of the nature of each governorate, whether touristic, agricultural, industrial, etc., as this would feed into their local planning and investment. **Second, strengthening the ICT systems** at the local level by reinforcing e-government practices to decrease the cash transactions and reduce the interaction between citizens and civil servants is crucial for curbing corruption and enhancing the effectiveness of service provision. Bolstering such systems would also strengthen the linkage between the different local administrative levels on one hand, and on the local-central level on the other hand, which allows for more well-informed decisions. **Third, ensuring the provision of adequate finances** to allocate the needed resources for carrying out the operations of the follow-up and field monitoring, and reinforce the local units’ capacity for efficient and effective services delivery.

- **Building local human capacity** should start with proper selection of leadership positions and drawing a clear career path where local civil servants can grow and get promoted. This would attract high calibers and cultivate their sense of ownership, which in turn would boost their eagerness and motivation to better carry out their responsibilities.

4. CULTURE of Rule of Law

The prevalent culture of legal violations is a major threat to the rule of law. The behavior of both civil servants and citizens should shift towards respecting and abiding by the law.

- **Promoting a culture of rule of law** among both civil servants and citizens represents the entry point for reconstituting the relationship and trust between citizens and the State. It also paves the way for deeper local administration reform by reducing resistance and aligning citizens and civil servants towards curbing corruption. This should start with the government guaranteeing that every person is subject to the law and initiating nationwide campaigns that raise awareness about the forms and implications of corruption, as well as its economic and social cost to the country and its development.

Prior to executing the abovementioned elements, the multifaceted challenges and opportunities must be highlighted in order to guide the government in formulating a workable action plan for implementation. Moreover, it is worth noting that in addition to the specific opportunities of each element of the 4Cs, there are some cross-cutting opportunities which the government can capitalize on to stimulate efforts of curbing corruption. These opportunities are laid out in the overarching SDS 2030 and the current efforts of revising it, which create a window for proposing amendments that would feed into the desired reform. Additionally, the current NACS 2014-2018 is another opportunity, where the government can build on and take the local level into consideration when formulating the new NACS. The following table further details specific contextual challenges and opportunities, accompanying each policy element of the 4Cs.

4Cs	Challenges	Opportunities	Expected Timeframe
CODES	<ul style="list-style-type: none"> • Multiplicity of actors. • Existence of power relations and tensions between actors involved regarding granted authorities. • Bureaucratic culture resisting information sharing. 	<ul style="list-style-type: none"> • Existence of a draft State General Planning Law that addresses most of integrated local planning challenges. 	Medium/ Long term
CONTROL	<ul style="list-style-type: none"> • Limited financial resources for developing LCPI. • Existing culture of excluding CSOs, private sector and other social accountability actors in reform. 	<ul style="list-style-type: none"> • Existence of strong private sector and donor organizations to provide financial assistance for reform. • Existence of draft Local Administration Law in the Parliament, pending discussion and approval. • Authorizing Local Councils - by Constitution - with powerful tools to exercise oversight and control over the executive authority. • Mandating ACA as a single responsible entity to lead anti-corruption efforts. 	Short/ Medium term

<p>CAPACITY</p>	<ul style="list-style-type: none"> • Complexity and lengthy process to change the organizations' structures into more effective and functional ones. • Limited financial resources for updating ICT infrastructure and building human capacity in a sustainable manner. • Misdistribution of local administration staff. • Constrained capacity for securing local financial resources. 	<ul style="list-style-type: none"> • Recent government orientation towards digital transformation technologies and supporting ICT systems. • Existing government efforts in restructuring government institutions. • New Civil Service Law that touches upon Human Resources Management, including employees' recruitment, performance appraisal and training and development. • Existing donor and international organizations that would support and provide funds. • The newly established National Academy for Youth Rehabilitation and Training to build the capacity of young civil servants. • Sakkara Training Center, which serves as a national training hub for local civil servants. 	<p>Short/ Medium term</p>
<p>CULTURE</p>	<ul style="list-style-type: none"> • Legacy of mistrust between government and citizens. • Difficulty of changing the social behavior and attitude of both civil servants and citizens. 	<ul style="list-style-type: none"> • Existing media campaigns to curb corruption. • Willingness and readiness of a broad set of actors such as influencers and business figures to engage in anti-corruption media campaigns. 	<p>Long term</p>

As illustrated, “Strategic Directions” constitute the founding structural changes needed for an effective local administration reform that curbs corruption. This clearly emphasizes the indispensability of “political will” as a precondition for successful adoption of functional policies. It also reflects the need for engaging a broad base of multiple actors, including different ministries, governmental organizations, and academic and research institutions, in addition to local and international advisors. Though the multiplicity of actors is a challenge of its own, their interplay in an integrative manner represents the catalyst and main guarantee for creating an environment conducive to change.

Furthermore, the complexity of local administration, the intangible nature of corruption and the trust gap between the government and citizens require the former to start by focusing on “Quick Wins” or the early, short-term actions having a high potential of success. Such strategy will allow the government to build up momentum and open up space for broader and gradual reform, and

will ensure tangible improvement in service delivery and hence, contribute to close the present trust gap.

Identifying the right blend of policy elements that would yield quick wins or those which represent deeper, long-term goals and need to be gradually implemented will hinge on existing contextual realities. This demands and paves the way for proposing a functional mechanism to lead implementation and bring about the needed reform.

V. Leading Vehicle of Implementation

Clearly, achieving the strategic directions for effective local administration transformation to curb corruption needs high-level coordination among the different State institutions. Overcoming the coordination hurdle between government's agencies in Egypt necessitates forming a dedicated **leading vehicle for implementation**. This vehicle can take the form of a High-Level Committee that is mission-driven, time bound and reports directly to the President, to guarantee the gradual implementation of reform policies, oversight and communicating progress to the community.

The membership of this committee should include:

- ACA: Head of Committee, since it is the principle entity mandated with developing and implementing NACS.
- MoLD: Technical Secretariat, as it is responsible for local administration reform and shifting towards decentralization.
- Local Representative: local executive leaderships and Local Councils' representatives from the different administrative levels.
- Government Agencies: relevant ministries such as, ministries of Planning, Monitoring and Administrative Reform; Communication and Information Technology; Housing, Utilities and Urban Development.
- Parliamentarians: representatives from the Local Administration Committee
- CSOs: including NGOs and academia.



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