

Assesing the Current Situation of Local Development Sector in Egypt



Policy Paper

Prepared by: Ereny Guirguis

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Assessing The Current Status of Local Development Sector and Local Administrations in Egypt

1-Introduction

Corruption is a social problem that can be defined as “the abuse of entrusted power for private gain.” (Transparency international ,2011). Corruption is a multi-faceted phenomenon and major challenge that limits the productivity level of the public institutions, and the economic growth of the country. It is difficult to find a uniform definition of corruption that is accepted within the national and international environment due to the diversity of corruption forms and shapes. Corruption involves several overlapping dimensions, including political, economic, social, cultural, historical, legal, administrative and security ones

During the past years, the Egyptian government has exerted many efforts and worked on different initiatives to limit the corruption level in the Egyptian sectors, as well as to achieve significant changes in the educational, health, local development and public sector. Moreover, Egypt holds the second largest economy in the African continent. However, Egypt is still suffering from high rates of corruption across various industries. While the Egyptian laws criminalized several forms of corruption, the corrupt actions are still taking place in daily life in Egypt due to the poor enforcement of these laws. This paper is going to shed the light on the status of corruption at the local development sector in Egypt in the past few years.

1.1The research problem and significance

Corruption at the local development sector is a severe challenge for any government, because this sector touches citizens’ daily activities, and thus reflecting on the quality of services delivered to them. The status of corruption at the local development sector in Egypt is under researched and the existing literature lacked analytical foundations. Thus, it is significant to assess how the local officials perform their roles and responsibilities and to analyze their actions that can make local government highly vulnerable to corruption, as well as to assess the plethora of corruption forms that tend to be present within the Egyptian local development sector in order to fill the gap in the existing literature.



1.2 The paper's objective

The main objective and purpose of this policy paper is to provide comprehensive picture of the status of the local development sector in Egypt, and to come up with a set of comprehensive and integrated policy recommendations.

2- Assessment to the actions and performance of the ministry of local development

This part of the policy paper is going to be divided into two sub-sections. The first section is going to focus on the roles assigned to the ministry of local development by the law, and the programs that the ministry launched in order to achieve its roles and goals. The second section is going to define the local administration units, and examine its main responsibilities.

2.1 The Ministry of local development (MoLD)

2.1.1 the roles of the ministry of local development according to the law

Before evaluating the MoLD efforts, it is important to mention what are the roles and responsibilities of the Egyptian ministry of local development according to the law. According to the Decree No.380 for the year 1990, the main responsibilities of the ministry of local development are:

- 1) Coordinate with all the different institutions, ministries and organization that work in the field of developing local communities and local administration units in all governorates, and work with them and the 27 governorates on the development and upgrading of local administration units and supervising their activities.
- 2) Work with all the Egyptian governorates on providing public utilities and services to the citizens, and working with them on electricity, environment enhancement, traffic control and roads, sanitation, local units support, health units, as well as maintain security.
- 3) Work with the governorates on improving the economic conditions in the mentioned areas, and controlling the national priority issue of population growth at the level of each village, a region, a random area and the formulation of programs that have cooperated in achieving this goal.

In general, the work framework of the ministry of local development is based on three main axes that the ministry should work on in parallel: 1) Empowerment of Local Authorities, 2) Development of Human Resources, 3) Community Development



2.1.2) The efforts of the local development ministry to achieve its responsibilities

This section is going to examine the programs that were launched by the ministry of local development to empower local authorities, develop human resources and to develop the community. Moreover, this section is going to examine the efforts of the Inspection and Follow-up Agency (IFA) at the Egyptian ministry of local development.

a) Empowerment of Local Authorities

The ministry of local development launched three main projects under its work framework of empowerment of local authorities. The first project is called Decentralization and Governance, which is an important step and attempt from the ministry to build a modern state and accelerate development in each governorate: fulfilling the hopes and aspirations of Egyptians in the framework of building a strong state, modern administration, and good governance. This project has certain objectives which are: 1) Completion and issuance of the new law of local administration, 2) the responsibility of the governorate for planning at the governorate, center , and village levels, 3) Management of transformation and rehabilitation which includes developing plans for decentralization in each governorate and Developing and implementing training programs for decentralization, 4) Preparing and implementing a program to eliminate corruption in the local municipalities and an integrated program of governance.

The second project entitled Civic Management, and its main vision is to implement a community partnership program, that would integrate international and local resources to serve the integrated development process and to raise the level of development of the society in a transparent manner , to distribute work, and to identify responsibilities. This in turn will be achieved within the framework of a unified and common strategic vision among all parties involved in the development process. This project has four main objectives: 1) strengthening cooperation and partnership with the private sector for development, 2) Supporting consultation and networking with international and local organizations , whom are active in the field of civil work and community development, 3) Providing channels for consultation with citizens ,and involve them in the planning and implementation of programs and projects that affect their lives and priorities, as well as 4) developing an integrated strategy for partnership with the different stakeholders in the



development process, in order to ensure the complementarity and synergy of the development efforts.

The third project is called Local Economic Development, and its vision is to allocate efficiently and effectively the human, natural and financial resources in the local unit in favor of improving the standard of living of its population. This is translated through the achievement of effective participation, on the local level, of executives, public, local private sector and civil society organizations ; in order to eradicate poverty and create jobs within the local unit or the governorate. The main objectives of this project include: Forming a local economic development forum in each governorate, assessing the problems, constraints, opportunities, threats and local economic potentials in each governorate, as well as identifying leading sectors that support the competitive advantage in each governorate and contribute to the improvement of the standard of living of citizens

B) Development of Human Resources and Citizens' Development

The ministry launched projects in order to develop human resources. This sub-section is going to shed the light on two of these programs. The first project launched under the name of "A Better Life for Egyptians". The main objective of this program is to improve the elevating the living standards in the villages and governorates of Egypt, relieve the burden from the citizens by guaranteeing an improved quality of life. The ministry is working through this program on three dimensions: the economic, social and environmental dimension. On the economic level, the ministry is working on creating sustainable job opportunities and as well as creating investment in industry and services with a comparative advantage. Such industries and investments are directed according to achieve geographical targeting of development for all governorates and villages and self-sufficiency for their needs and export and launch to global competitiveness. On the social level, the ministry of Local Development seeks to improve health and educational services, and infrastructure with distinct quality with ease of access, and low cost. On the environmental level, the ministry seeks to achieve a clean environment for a better life for current and future generations through effective and strong local management responsive to the needs of citizens.



The second program is entitled as “Human Development”. This program aims at focusing on building the Egyptian personality with its true characteristics, distinctive rhetoric and modern aspirations. This is to achieve developing in a society of knowledge that believes in peace, openness and progress. The objectives of this program are to prepare a cultural and artistic map for each governorate, city and village, Build a library in each village, develop a program for the Egyptian identity and heritage "Egypt's Personality, as well as Create and implement local media programs.

C) Community And Society Development

This sub-section highlights two programs that were launched by the ministry of local development under the framework of “Society Development”. The first program was launched under the name of “Accelerated Development”, with the aim of promote acceleration of economic growth, consolidation of social justice, social empowerment, especially of the poor, youth and women, and the building of the knowledge society. The outputs of the program are 27 operational plans to accelerate development in the governorates and regions, integrated with the sectoral state plans, to maximize their competitive advantage, targeting export surplus in each governorate, and increasing returns on the balance of payments. The second program is called “CONSOLIDATION OF SOCIAL JUSTICE”, and it aims at working with other ministries to establish social justice and empower society to participate in development.

D) Inspection and Follow-up Agency (IFA)

The Ministry of Local Development highlights that this is one of the most important mechanisms of the ministry in combating corruption in coordination with the concerned regulatory bodies in the country. This sector plays an oversight role to follow up, monitor and evaluate the performance of local units, centers, cities and districts in the 27 governorates. This section highlights some of the efforts of this sector.

The minister of local development points out that the sector conducted 242 surprise inspection rounds in about 159 districts and cities in 23 governorates, and 286 planned inspection rounds in 18 governorates. Moreover, the ministry indicates that 572 employees of local units in the governorates were referred to the administrative and public prosecution, as well as instructions were issued to transfer, exclude and stop some local leaders from working at the executive positions.



At the end of this part. It is important to mention that although there have been a number of anti-corruption initiatives from the Egyptian authorities, there are many forms of corruption that still persistent in the local administration units in Egypt

2.2) Local administration units

Local administration units are important in the local development sector. The Egyptian law described the local administration units as the governorates, cities, centers, districts and villages, and each of these units has a legal personality.

2.2.1) the roles and responsibilities of the local administration

According to article 2 of the law 43/1979 the responsibilities of the local administration units include:

1) Within the limits of the general policy and general plan of the state, the local administration units shall undertake the establishment and management of all public utilities located its administrative boundaries, within its scope of competence, 2) these units shall also undertake all the competencies performed by the ministers in accordance with the laws and regulations in force, except the national utilities having special nature for which a presidential decree shall be issued.

3) the status of corruption at the local development level in Egypt

This section highlights the plethora of the forms and areas of corruption that tend to be present within the Egyptian local development sector.

3.1) Bribes

Bribes is a form of corruption that is still persistent in the local development sector in Egypt. Within the local administration units, there are many cases of bribes in many governorates in which local officials and employees seek bribes from citizens in exchange for providing them with access to a public service, or for solving the problem that they may face. Bribes can be demanded and offered to speed up the processing of granting a permission for legal activities including the registration of an organization, company or permission for construction. Bribes can also be demanded by employees and officials for the issuance of licenses or official documents such as, the exploitation of natural resources.



According to Egypt's Administrative Control Authority in August 2020, two officials were arrested from Matrouh's Dabaa municipality with the crime of seeking bribes from the representative of a famous real estate company in exchange for issuing a notice from Dabaa municipality to Al-Beheira Electricity Company to approve to change of the resort's electricity meter from a construction-based meter to a permanent one.

A week before this incident, the authority arrested the head of old Cairo district for receiving EGP 400,000 bribe from garbage collection contractor in exchange for not terminating a contract with several waste collection contractors and allowing them to receive late financial dues.

Bribes and corruption at the local development sector increases the cases of illegal building and construction permits, which put the citizens' life in risk, and negatively affect the national economy. In 2018, the Ministry of Housing and Urban Communities mentioned that 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. Recently, a residential building was collapsed in Giza governorate due to corruption at the local administration units of this governorate.

Although the (IFA) at (MoLD) and the Egyptian administrative control authority has exerted efforts to detect these cases of corruption, there are still many cases of these incidents, and many employees and officials within many local administration units are still receiving bribes and escaping from penalties. It is important to mention that the Egyptian authorities are working on changing some building laws in order to reduce these violations.

3.2) Corruption in the public services and utilities provision

The area of public services and utilities provision is still facing corruption acts. Some of the corruption acts in this area are resulted from the lack of coordination between the central levels and the local ones. Under this category, there are some forms of corruption such as, providing the citizens with poor quality of public services and utilities, as well as non-operating public facilities.

For example, water is a basic need that each individual should enjoy. There are some people who still suffer from water scarcity in some governorates. According to Transparency International, "corruption in the water and sanitation services sector reduces the quality and



availability of services, leading to water poverty, which in turn can lead to the spread of disease”.

Although water infrastructure coverage in Egypt has grown substantially since 2014 around 91 percent of the Egyptian population received water directly into their residence, there are still a significant number of households are still not connected with the water system in rural areas and in urban slums. The UNICEF in 2017 reports that 7.3 million people are deprived of access to safe water, among which 5.8 million live in rural areas and 1.5 million in urban areas. In 2018, an official at the ministry of local development mentioned 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”

Another example is this area is health services. One of the basic rights of each citizen is to enjoy a good quality health Services. Although the Egyptian government, ministry of health and ministry of local development has exerted great efforts in the area of health, there are still some forms of corruption persistent in health units in some governorates. For example, there are around 90 health units in Sohag governorate that remain closed after many years from their construction. This represents a main form of corruption which is the poor management and waste of resources including money, efforts and time. Moreover, there are local health units in rural areas that still suffer from a huge shortage in medical supplies, doctors and nurses.

3) Embezzlement and damage to Public Money.

Despite the efforts of the inspection sector in detecting the cases of corruption within local administration units, there are still some cases in which public employees and officials exploit their positions and embezzle money from the public money.

On the 3rd of October 2021, the security services managed to arrest an employee of one of the local administrations of Dakahlia, for exploiting his position and failing to collect the costs of removing violations of a series of buildings and usurpations on agricultural land for around 747 cases. The money should be collected and delivered to the state public treasury.

On September 2020, there is another case of an employee in Alexandria governorate who exploit his position and collect the fines for advertisements established without licenses. the



employee embezzled these fines for his own benefit and did not supply these fines to the public treasury. This in turn resulted in a damage to public money.

4) Implications on human rights

This section examines the expected implications of corruption on human rights. There is close association between corruption and human rights, as all forms of corruption practices may in the long run have an impact on human right

Corruption impacts on the ability of the State to protect and fulfil its human rights obligations

and to deliver the basic public services and utilities including health,

education, and other social services. Corruption is closely associated with poverty and inequality, as the poorest people are those ones who extremely suffer forms of corruption, as they tend to be unable to pay to bribe extortion. This creates inequality between different social classes in the society, and broaden the gap between them.

Recommendations

- A- Anti-corruption strategies need to identify the root causes behind the actions of corruption, instead of just dealing with the consequences of the problem. Then, these strategies must deal with each root cause and work on providing solutions to these causes, and thus the level of corruption rates will be reduced.
- B- Working on preparing an integrated and comprehensive strategic plan to combat and prevent corruption in Egypt, including the fields of education, scientific research, media, judiciary, technical control, and the promotion of economic and human development, through the formation of a joint committee of agencies concerned with preparing and following up national strategies
- C- the lack of adequate coordination between central and local levels of the government is another challenge. Despite the existence of various audit institutions, the linkage and coordination among these institutions are absent. Thus, there should be clear laws regarding coordination between the central government and the local government
- D- The necessity of conducting a continuous review of anti-corruption mechanisms and the efficiently in enforcing the laws. As without reviewing that the mechanisms are applied effectively, the laws will remain just on papers.



- E- Strengthening cooperation with international partners to provide financing and technical capabilities to combat corruption
- F- Corruption at local administrations 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.