



The United Nations Human Settlements Programme  
UN-HABITAT



General Organization  
for Physical Planning GOPP

**Strategic National Development Support Project  
(SNDSP)**

**FIRST CURRENT SITUATION REPORT  
About Strategic Planning & Budgeting**

February 2010  
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## LIST OF ACRONYMS & ABBREVIATIONS

DSU	Decentralization Support Unit
GoE	Government of Egypt
GOPP	General Organization for Physical Planning
LEC	Local Executive Council
LPC	Local Public Council
Markaz	Referred to in the law as (District) and it is subdivision of city
MoF	Ministry of Finance
MoH	Ministry of Housing
MoLD	Ministry of Local Development
PFA	Planning and Follow-up Administration
UN-HABITAT	United Nations Human Settlements Programme
Wehda MAhaleyya	Village Main Administrative Unit

## EXECUTIVE SUMMARY

The Government of Egypt (GoE) is revising the local administration system in order to deepen decentralization. The Strategic National Development Support Project (SNDSP) over-all goal is to contribute to effective local village/city development by supporting local stakeholders and enabling partnerships.

The geographical focus of the SNDSP is covering three main governorates, (i) Ismailia, (ii) Al-Fayoum, and (iii) Luxor as pilot projects. This specific report is focusing on Ismailia.

The initial step taken was to apprehend the current system of planning and budgeting and mapping out the process which currently takes place on the level of the governorate, Markaz and villages/cities. Also the planning and budgeting process according to the law of local development was mapped out to be able to identify points of weaknesses or challenges in this important process.

It was found that there are points of mismatches between the current planning and budgeting system and the process designed by the law, although this difference is not huge, but it exists because of (i) some of the process is influenced by the governor as the head of the local government and (ii) because in some aspect the law is not very clear or allow for different interpretations.

Another challenge is that the centralization is so deep and it is not few measures to implement but rather a long-term process to change the institutional framework and also the culture of the local rulers.

In addition, there are technical challenges that are related to the process not the framework, the following are the most effective issues identified in this regard:

- The level in which the "Markaz" is involved,
- The communication between the three levels (Governorate, Markaz and village/city),
- Lack of trust between the executive parts and local popular councils,
- Lack of technical knowledge about strategic planning and budgeting
- Absence of coordination between local government and line ministries.

In order for the process to shape up and gain strength, unity and become more decentralized, the following need to be implemented:

- (1) A lot of training and capacity building is needed on all levels of local governorate. These training packages are neither equal in size/intensity nor in type, therefore a specific training plan need to be designed in order to upgrade the capacity of the different departments of the local government institutionally.
- (2) Revisiting the institutional framework, in order to: either confirms the suitability of law articles or to modify whatever articles that may act as barrier to achieve decentralization.
- (3) After conducting (1) and (2), the following recommended step is to actually decentralize the resources and start allocating budget and allow the local government to control and have the upper hand in developing the villages/cities with minimum intervention from the central government.

This report will recommend initial training plan and some other interventions where it is possible to modify the current process, however a complete well-studied training

schedule, programme shall be developed after further investigation and identification of each level/department of local government, LEC and LPC.

# 1. INTRODUCTION

The decentralization process is a long term change and it is crucial to have a coherent understanding of the existing setting and the current process of governance. It is also crucial to identify the different roles of all stakeholders to be able to identify the most appropriate intervention, training capacity building to achieve the decentralization with a reasonable pace and with successful measures.

The intention in this initial stage is to apprehend the existing situation through a clear analysis for the current situation concerning (i) the institutional framework, (ii) the developed visions and budgets for Markazs & Governorates, (iii) the planning process in view of the strategic regional and local plans that are prepared for the cities and villages by the GOPP, (iv) the budgeting process and (v) the local participation of recipients of the services. This is an attempt to specify the main problems and defects existing in the overall governmental system. This certainly guides the project to address certain subjects in building the capacities and in their training.

Three pilot governorates were selected in initiation of this project, which are (1) Ismailia, (2) Fayoum, and (3) Luxor. The team working on this report is focusing on Ismailia governorate, the map below in figure (1) shows the three piloting governorates with a highlight on Ismailia which is the core of this report.

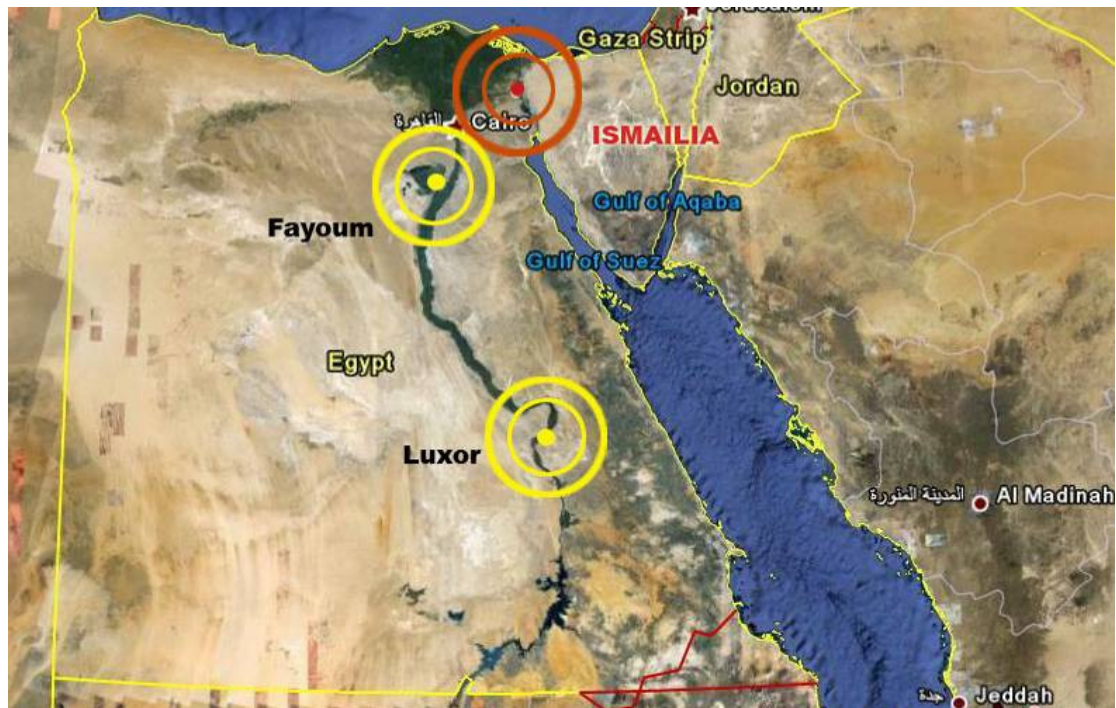


Figure 1 Map of Egypt showing the pilot governorates with highlight on Ismailia

Ismailia governorate consists of the following Markazs:

Marakz	Area (Feddan)
Ismailia	21,904
Abu Sweir	2,144
Al-Tall El-Kebeer	1,405
Al-Qassasin	613
Al-Qantara Sharq (East)	9,285
Al-Qantara Gharb (west)	2,619

The following map in figure (3) shows the governorate division to Markazs:

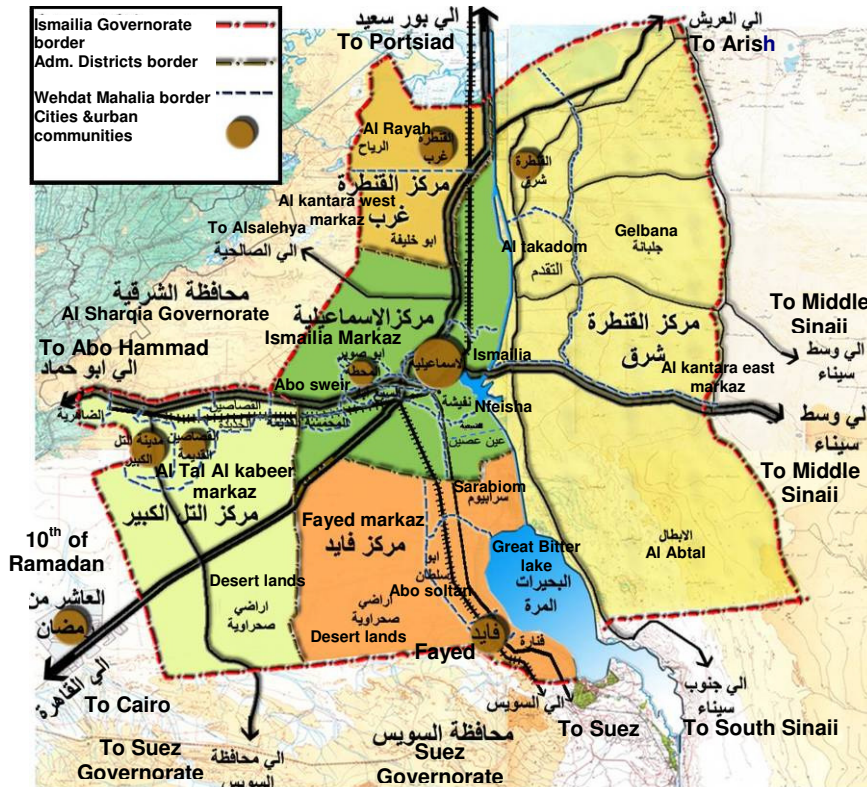


Figure 2 Administrative subdivision of the governorate of Ismailia

The Ismailia Markaz consists of seven villages “Wehda Mahalleyya”, plus four urban centres: i) Al Mustakbal or Future city, ii) First District, iii) Second District, and iv) Third District. In addition to “Abu Sweir” city which officially lies inside its administrative boundaries of Ismailia but is completely separated to be following al-Sharqeyya Governorate. The map in figure (3) is produced by GOPP and shows the administrative divisions of Ismailia Markaz as listed above.

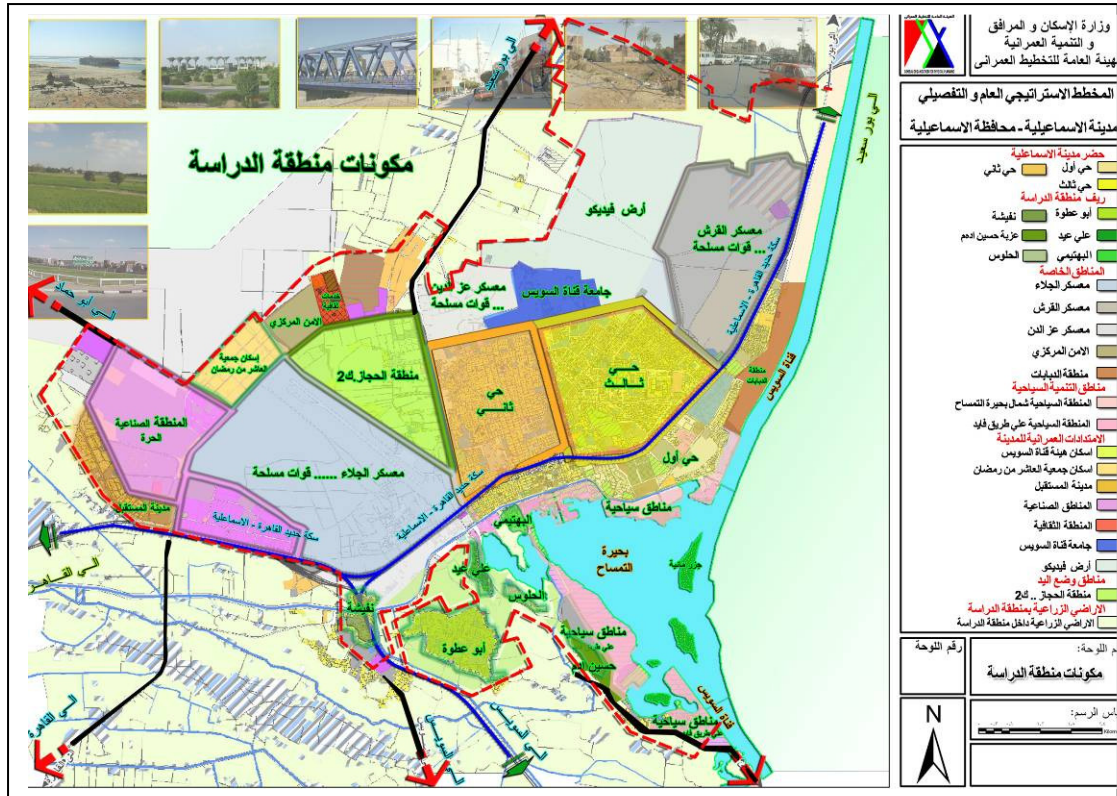


Figure 3 Administrative subzones of Ismailia Markaz

This report is prepared in order to explore all these issues based on field visits to Ismailia in co-operation with the Decentralization Support Unit (DSU) established in the old governorate building, and managed by Mrs. Habiba Eid.

**1.1 About this visit**

The team of Ismailia arranged for a visit to the stakeholders there, and coordinated to conduct few meetings to collect information about the overall understanding about strategic planning and budgeting in general on all decision-making levels. The team had arranged prior to the meetings few points to be discussed and the collective sessions varied from (semi-structured interviews) to (free discussions) and information exchange.

The individuals gathered in the old governorate building, in the DSU meeting room and were interviewed in order to acquire their understanding about the planning and budgeting process. A coherent list was developed with all the possible stakeholders. Although the first visit did not cover the entire set of stakeholders, but the second visit covered it.

It was crucial to hear opinions from stake holders some in groups and some in individual sessions. The interviewed stakeholders are demonstrated in the table below:

Name	Job Title
General Ahmed Ibrahim Kamel	The General Secretary.
Eng. Ahalam ElSayed	The General Secretary assistant.
Eng. Mahmoud Al naggar	General manger of the Regional office in Ismailia(GOPP)
Mrs. Magda Moghazy	The General Manager of the Planning and Follow-up administration in the general bureau of the governorate.
Mrs. Afaf Ismail	Head of the Researchers in the general administration of the Planning and Follow-up in the general bureau of the governorate.
Dr. Osama Abd el Aziz	General manager of urban planning administration in the general bureau of the governorate.
Dr. Sayed Hegazy	Planner in the urban planning administration in the general bureau of the governorate
Suzan Abdel Mohsen Attia	General manager of the village development administration in the in the general bureau of the governorate.
Eng. Mervat Foad Messeih	The General Manager of the Planning and Follow-up administration in Ismailia Markaz.
Mrs. Fifi Gouda Ibrahim	The deputy manager of the Planning and Follow-up administration in Ismailia Markaz.
Eng. Ali Heisam	General manager of urban planning of the villages in LEC at the district level and member of the watany political party committee in the Governorate LPC.
Mr. Ibrahim Salem	The Head of the planning and budgeting committee in the LPC of the markaz.
Mr. Refaat Roshdy Mohamed	The Head of the LPC in Ismailia markaz.
Mahfouza Mohamed Abd El Hamid	Community leader in Haloos village, formerly assigned by the Social solidarity Ministry.
Zeinab Mohamed Ahmed	Local citizen.

## **1.2 Expected output**

The team aims to (i) deepen the understanding of the strategic planning and budgeting that is currently taking place and assures that the team has common and solid understanding of the process, (ii) map out the procedures in which strategic planning and budgeting is being implemented in the governorate, (iii) compare between the existing procedures being implemented and those listed in the law of local development.

This leads to the solid outputs:

- Identify the understanding of LPC, LEC members and other stakeholders about the strategic planning and budgeting.
- Map the process of preparing planning and budgeting.
- Compare the process with the Law of local development.
- Identify points of weakness and problems in this process and describe / diagnose the main reasons for those weaknesses.

- Propose recommendations concerning the decentralization process, and the strategic planning implementation process together with demonstrating how the stakeholders would contribute in them.

## 2. CURRENT SITUATION ANALYSIS ACCORDING TO STAKEHOLDERS

This part will mainly concerned with the analysis of the current situation according to the stake holders with respect to three main issues: (i) the institutional framework, (ii) the budgeting and planning process, and finally (iii) focus on the stakeholders' perception for the strategic planning process.

### 2.1 *Institutional Framework*

It is crucial to completely apprehend the governmental framework on the administrative level and also map the relation between different administrations and departments, on the strategic planning and budgeting level in respect to the LPC and the LEC structures. According to the stakeholders, there wasn't any organized concepts concerning the administrative structure, therefore, it would not be shown in this section. However, with respect to the LPCs, the stakeholders presented a very simple organization for the LPC that can be briefly explained as follows.

There are three prototype cells or units of public councils repeated along the hierarchal organization of the governorate; these are: (i) village and/or city level councils, then (ii) Markaz level councils, and up to the (iii) Governorate level councils. These public councils can be described in these levels as follows:

- The local popular council (consisting of local elected representatives, and head of committees), together with the head of this council,
- The head of the village (Wehda Mahalia) or the city or the Markaz,
- The head of the planning and budgeting committee.

#### **(i) Village/City Level:**

These cells or units are at the village level (Wehda Mahalia). They identify the requirements and needed projects after consultation with the public and community leader. Also at the city level, each city council alone formulates its preliminary plan after meetings with the community, popular leaders and experienced citizens in their area.

#### **(ii) Markaz Level:**

These cells or units at the "Markaz" level collects all the proposed plans, and discuss/communicate them again in the presence of the heads of villages, cities, heads of the LPC and LEC of the villages and the cities, in order to reshape the projects in the light of other interventions in adjacent areas or at the "Markaz" level in general.

#### **(iii) Governorate Level:**

Later, the "Markaz" final list of plan and budgets are elevated to the governorate level to be discussed and refined in the light of a strategic vision on the governorate level in presence of LPC/LEC on the governorate level.

The following is a simplified chart describing the members of the LPC component on each level: the governorate, the "Markaz", the city, the district (hay) and the village.

The chart presented in figure (4) shows the simplified structure of the LPC components and members according to the interviewed stakeholders.

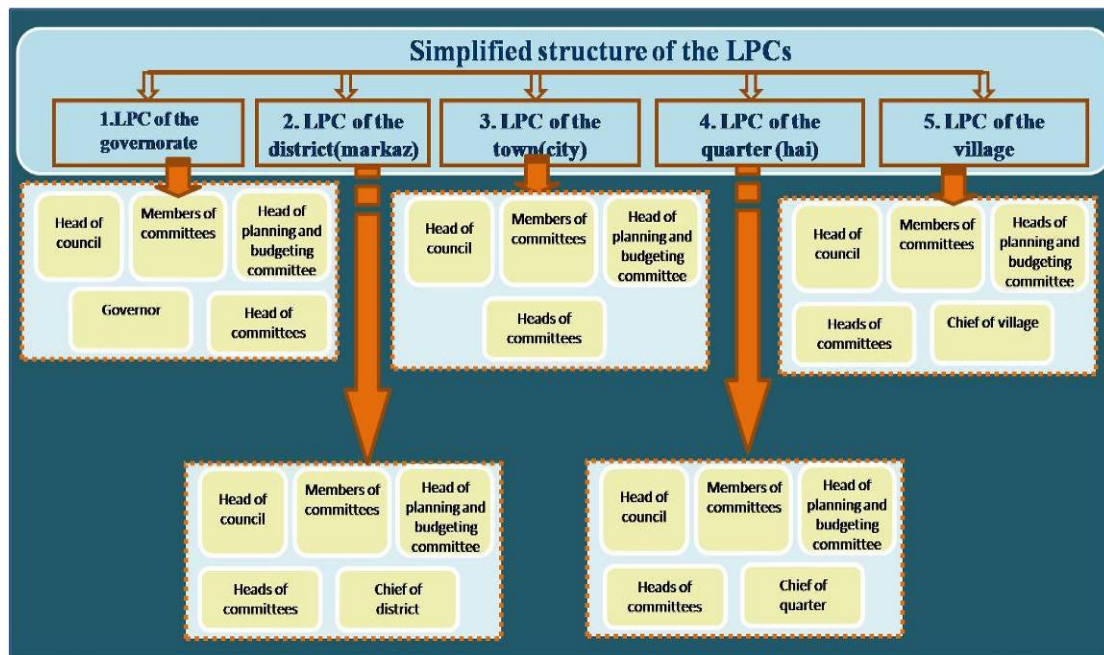


Figure 4 structure, components and members, according to stakeholders

## 2.2 Planning and Budgeting Process

This part will be looking at the current framework related to the planning and budgeting process in Ismailia governorate according to the stakeholders interviewed during the field trip. This will be presented with respect to three main aspects, including: (i) the planning and budgeting process mechanism, (ii) budget allocation and distribution, (iii) scheduling of the planning and budgeting process, (iv) co-ordination between stakeholders, and finally (v) their suggestions/recommendations.

### 2.2.1 Planning and Budgeting Process Mechanism

The budgeting process in Ismailia governorate mainly begins with the main unified plan coming from the People's Assembly Parliament and distributed on the governorates, with specified amount of funds.

This plan deals only with five main sectors which include:

1. Roads,
2. Electricity (light poles),
3. Environment enhancement,
4. Supporting local unit of villages
5. Security, extinguishment unit, and traffic.

The "Planning and Follow-up Administration" (PFA) in Ismailia Markaz requests from the head of each village (or city) to communicate with the their community representatives in the local popular council to present their projects proposals and needs (i.e. roads pavement, cleaning tools needed, light poles,.....etc), together with their priorities list.

The (PFA) delivers these standard forms that the head of the village/city finally fills according to the meetings conducted and communications with the community representatives; then the filled forms get delivered back to (PFA) at the "Markaz" level, and this takes place for the five "Markazs" constituting Ismailia.

The Planning and Follow-up Administration (PFA) in Ismailia “Markaz” should have all these forms delivered to the Local Popular Council (LPC) at the “Markaz” level, and reviewed by the planning and budgeting committee in this level, then to the local popular council at the governorate level, finally up to the Planning and Follow-up Administration at the governorate bureau.

During the process of identifying the required projects/interventions and prioritizing them, it is possible on any levels, for the LPC to revise, modify or enhance the list of projects and their priorities.

All these forms after being approved at the governorate level, is transformed up to the Ministry of the Local Development (MoLD) and the economic development units at the Ministry of Finance (MoF). The chart shown in the following figure (5) represents the simplified planning and budgeting process according to the stakeholders.

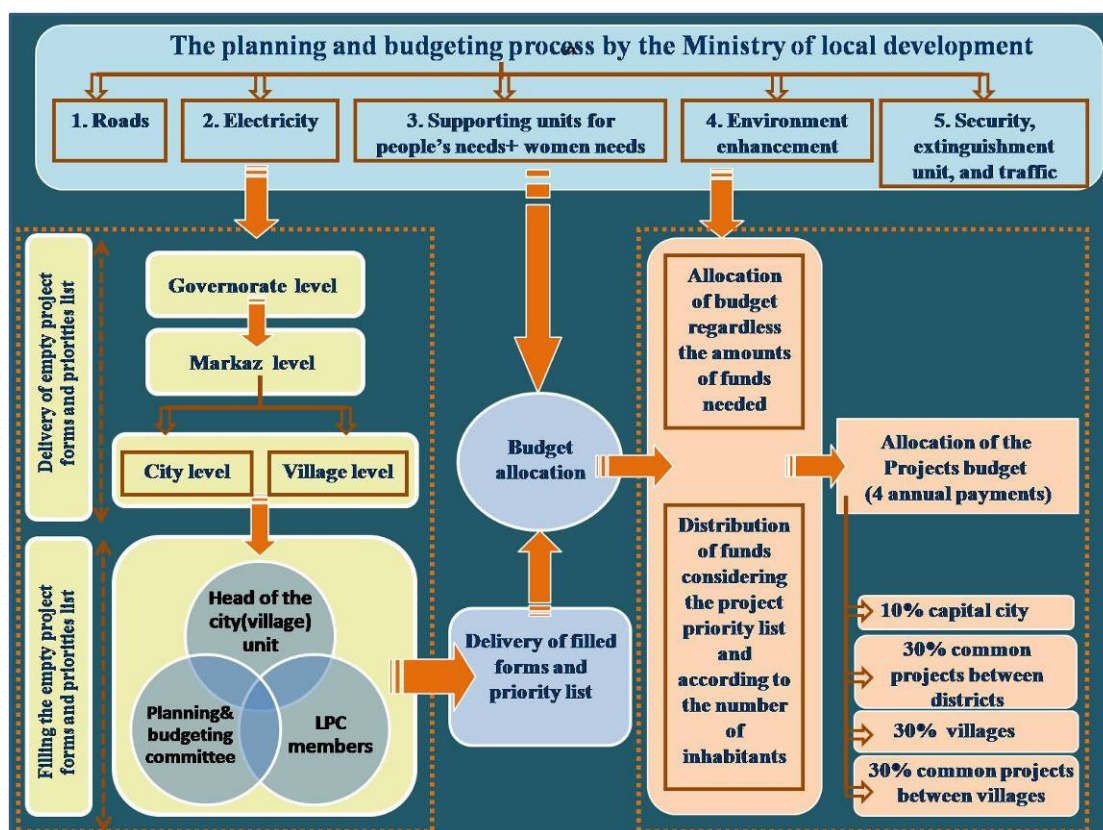


Figure 5 Planning & Budgeting Process in Ismailia Governorate

However, there are other main stake holders who play very important roles in the planning and budgeting process mechanism; they are represented by the village development administration, the urban planning committee, the local citizens participation, and finally the community leaders, whose roles can be summarized as follows.

(a) The Village Development Administration:

The village development administration plays a very important role concerning the determination of the projects and their priorities. They arrange meetings with three main stakeholders' categories at the village level, who can be stated as follows:

- (i) The youth representatives who usually have different views and needs,
- (ii) The women representatives,
- (iii) And the third part consists of elderly and experienced people (normal leaderships), head of village, members of LPC and LEC.

They mainly discuss the projects and priorities of the youth and the women with the third one and accordingly make decisions. They give priority to the less developed locations regardless any developmental views or strategic plans or scientific methods, as they completely ignore everything about them. These priorities are registered in a formal report signed by all the LPC and LEC members, the normal leaderships and finally the head of the village who does not have a true effective authority more than signing the report. It is then delivered to the LPC and the LEC at the district level then to the governorate level.

#### (b) The Urban Planning Committee at the Markaz Level

The priorities' lists developed by the LPCs at the village level are sent to the urban planning unit at the LEC at the district level, in which the projects, especially the roads, are to be allocated on maps to test their validity, determine the land properties in which they pass, and give priorities to paving uncompleted part, or short distances, or even linking paved roads together. In fact, all the proposed projects and priorities are finally determined in an informal way through meetings between some of the experienced citizens and the village development authorities, that are finally covered with legal procedures. They then send specialists for the follow-up of the execution of the projects through reports that are finally delivered to the PFA at the governorate level.

#### (c) Local citizens' Participation

It is worth mentioning that there is a great participation from local citizens at the village level. For example, in the water nutrition projects, the local citizens perform all the excavation and filling up works then the local plumbers *previously trained in the central specialized organizations in Cairo complete the working process.*

#### (d) Community Leaders

Community leaders<sup>1</sup> have emphasized the fact that the planning process executed and officially taking place by the PFA with all its levels are completely isolated from all the small villages and their real needs. What happens is that they arrange meetings in any public gathering area such as the youth center, and start asking the youths about their needs, and cultured and experienced citizens about their needs. They then make signed formal requests and deliver them to the head of the village. They rarely respond. The real existing situation is that the wehda mahalia is the only entity that possesses the final decisions concerning the projects and their priorities regardless of the real people needs and the fake elections which they "legally" direct according to their decisions.

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<sup>1</sup> Community leaders represent the communication joint between the local citizens and all types of governmental authorities. It is a volunteer work assigned by the social solidarity Ministry to one of the local citizens.

## 2.2.2 Budget Allocation & Distribution

The funds approved by the Ministry of the Local Development (MoLD) and the economic development units at the Ministry of Finance (MoF) are finalized and re-allocated to the Planning and Follow-up Administration (PFA) at the governorate level, then the funds are distributed as per the following percentages:

- 10% of the funds for the main capital city (Ismailia city and 3 main urban zones (Ahyaa),
- 30% of the funds are for the common projects between Markazs,
- 60% of the funds are for the “Markazs” (half for the common projects between the villages and the other half is for the villages).

All funds are divided according to the number of inhabitants of each Markaz and village.

NOTE: Sometimes, there are additional funds for the rural development projects allocated by relevant ministries and in this specific case the governorate would be only responsible for the follow-up plans.

## 2.2.3 Scheduling of the planning & budgeting process

The proposal forms are being filled at the village/city level in August and September. Then they get delivered in October to the “Markaz” level then to the governorate level to reach the Ministry of local development and Ministry of Finance in December and January. The amount of funds are specified in February and delivered at the beginning of the fiscal year in July. They are then divided into four parts delivered upon request as follows:

1. The first part starts from the first of July to end of September,
2. The second part starts the from the first of October to the end of December,
3. The third part starts from the first of January to the end of march, and
4. The fourth part starts from the first of April to the end of June.

The scheduling of the planning and budgeting process is shown on figure (6).

NOTE: Most of the time, the third and fourth parts or quarters are delivered very late, which hinders the progress of the projects under execution.

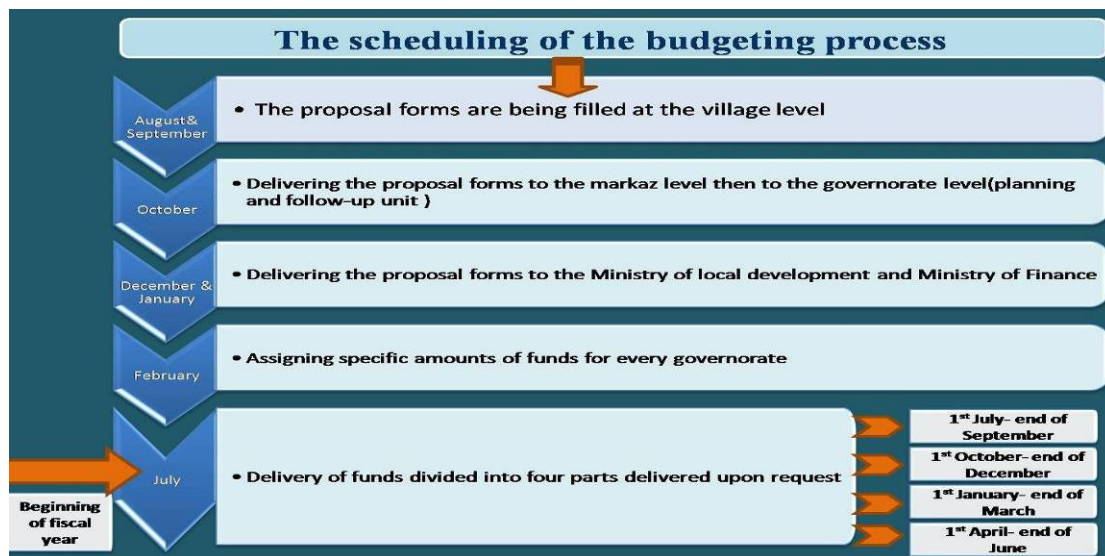


Figure 6 Schedule for planning and budgeting process

### **2.2.4 Coordination between stakeholders**

It is vitally important to highlight how the co-ordination with the stakeholders takes place with respect to the local development projects, herein by referred to as internal co-ordination, and the line ministries projects, which formulates the external co-ordination between the governmental structure and the related ministries. These aspects can be summarized as follows

#### **(a) Internal coordination**

Within the different players in the planning and budgeting process, there is a lack of coordination and communication. Even at the very basic level of delivering, sharing and communication the plans/projects form.

There is also a lack of trust that has been sensed initially from the few meetings conducted in the governorate.

#### **(b) External coordination**

It is extremely obvious that there is absolutely no co-ordination between the line ministries plans and the local government plans, each authority is functioning in isolation of all the other authorities planning.

The popular councils can only make proposals about their needs for schools, health units, hospitals,... and other services and infrastructure that are delivered afterwards to the related ministry through the governorate, however, these ministries operate on different level and may or may not respond to these requests.

A minor example as exception of that is that the woman needs from (Wehda Mahaleyya) are sometimes supported by the National Council for women which dictates certain plans/projects on the governorate with a budget that generally does not exceed 500, 000 Egyptian pounds per year (more or less).

### **2.2.5 Suggestions by different stakeholders**

It is worth mentioning that during the team interviews, some of the stakeholders suggested very noticeable recommendations, which they believe to be essential for sustaining the decentralisation process. These can be summarized as follows.

- The planning and budgeting committee at the “Markaz” level proposes that they should be legally allowed to collect funds and propose new resources for covering some of the citizens’ proposals, and they also had ambitious suggestions about acquiring a percentage from the Suez Canal revenue.
- They also suggest that they should be given the right of transferring part of the funds from one project to another.
- They also had a concern about the decentralization project leading to shifting or transferring the centralization process from the national level to the governorate level only.
- In general, there is a big debate about what should be done concerning the distribution of the funds based only on the number of inhabitants, as there should be other criteria that shall be considered such as:
  - The developmental level, as some areas suffer from deep deteriorations and therefore should be given priority.
  - The area of the city/village should also be an important factor in the amount of funds distributed. For example, the distance of the road to

- be paved differs from one village to another, and accordingly the funds should be distributed relatively to these areas and distances.
- There should be a clear regional plan for distributing these funds and prioritizing projects
- It is VERY important to look at other plans done with other agencies (i.e. GOPP) or the urban planning unit at the governorate level, but are completely isolated from all the popular and executive stakeholders responsible for the distribution of the funds. *A clear example of this, is the implementation of the sewage system not existing in all the 25 villages lying in Ismailia "Markaz".* On one hand, if funds are equally distributed, it would take longer time to achieve / complete projects with the small available funds. However, on the other hand, if funds were devoted to certain projects or prioritized according to a regional view/plan, there will be successful and short term results that would give great support for the coming projects.

Therefore, there is a great debate about the implementation mechanism, as the devoted funds should address the quality of the project not the quantity of the projects. Accordingly, the fourth criteria should tackle and give priority to uncompleted projects before initiating new ones.

### **2.3 Role of the Strategic planning in the Planning and Budgeting Process**

The role of the strategic planning should be explained with respect to many stakeholders including the following: (i) the urban planning administration at the governorate level, (ii) the urban planning administration at the markaz level, (iii) the PFA, (iv) the village development administration, (v) the community leaders. These can be explained as follows.

- (i) The urban planning administration at the governorate level

In order to define the true role of the strategic planning in the planning and budgeting process, there should be a clear clarification of the true role of the urban planning administration in the governorate. This has certainly been one of the main focuses of Ismailia team, which can be clarified as follows.

The main tasks of the urban development administration can be summarized as follows: the follow-up of all the planning works, supervision on land properties, boundaries and divisions, revising the master plans of the unplanned areas, co-ordination between the different stakeholders, and the new regional proposed projects,... and other spatial dimension of interventions. This means that strategic planning does not enter into any of its cope of works. The main staff consists of the general manager, 3 planners, 2 architects, 3 civil engineers, and geological experts.

The team has checked the fact that it is evidently clear that there is no connection between the local development plans approved by all levels of the Planning and Follow-up Administration (PFA) and the urban plans proposed by the GOPP for the different villages and the cities.

There is another very important problem, although the GOPP has completely finished the master plans for all the villages in Ismailia district and Ismailia city, none of these works have reached the urban planning administration with all its levels. The GOPP only delivered the urban boundaries of the villages and the strategic master plan

concerned with the proposed services, and the strategic plans of Ismailia city which is completely finalized by the GOPP did not reach Ismailia Governorate at all.

Accordingly, starting from February 2010, the urban planning administration has requested from all LPCs that all their proposed projects should be matching with the strategic plans of the villages. However, there were several problems, none of the stakeholders (members of LPCs and LECs) on the district or the village level could comprehend the strategic master plans. Moreover, there were a lot of illogical mismatches between the proposed strategic plans and the urban boundary (Hayez) and the reality. Therefore, the administration started to develop some training workshops for the LPC and LEC members on the district and village levels to help them read the maps, and allocate their projects accordingly. In addition they started to contact the GOPP to discuss all the mismatches between their proposed plans and the existing situation. The GOPP requested that they collect all their notes to help them re co-ordinate and revise all these mismatches. However, there is a positive action taken by the GOPP concerning re-allocation of the urban boundaries of the villages, as they arranged meetings with the LPCs and managed to match them with reality and take final approvals. However, no actions have been taken concerning the wrong services and locations proposed in the villages.

To sum up, there isn't any kind of co-ordination or communication between the GOPP, their works, and any of the staff of the urban planning administration in Ismailia governorate with all its levels. The GOPP with all their proposed plans are completely isolated from the local normal stakeholders in the governorate and away from reality and real people needs. However, the staff in this administration are relatively aware of strategic planning main concepts, but of course ignore everything about its mechanism, implementation methods, criteria.....etc, and all other details.

(ii) The urban planning administration at the markaz level

As for the urban planning at the markaz level, which reviews the priorities of the projects sent from the villages LPC through the village development administration, it is worth mentioning that it performs jobs strictly limited to allocating the projects in their most suitable locations according to individual and personal experiences, and regardless any regional views or strategic plans. Accordingly, the strategic planning for them is limited to putting money in projects that would be completed and satisfies the needs of the majority. Most of the staff in this unit is assigned to jobs regardless their major specialization. They are mostly from mechanical and mining engineering, who took open unpaid vacations, as the salaries are very low. However, there are some engineers who can deal with strategic planning in a preliminary way, and at least they can manage reading maps.

(iii) The planning and follow-up administration

This administration with all its staff is strictly committed to receiving the projects priorities lists and forms, then allocating and distributing the available funds according to the number of population. This happens in complete ignorance of any strategic or regional plans proposed by any governmental or non-governmental authorities. They completely ignore everything about strategic planning.

(iv) The village development administration

As for the village development administration, it is worth mentioning that the process of determining the projects' priorities, and their allocation approval almost depend on the personal skills and the informal relationships between the general manger of the village development administration with all their staff and the members of the LPC

and the LEC together with the normal leaderships. They always reach a satisfactory agreement with them. The staff here also ignores everything about maps and strategic planning concepts. Regional views here have no place. They find that giving the list to the urban planning unit at the markaz level is very sufficient to help them reprioritize their final projects' lists.

(v) The community leaders

The community leaders originally suffer from being unheard from their all their representatives at the LPC. Accordingly, they are completely isolated from any strategic urban plans formulated by the GOPP or any of the authorities in the urban planning administration with all its levels. Moreover, they do not know anything about the LPC proposed plans or budgets. The LPC authorities refer to them only when they need data they fail to collect except through the community leaders. However, some of them can have broad regional views, others are strictly limited to achieving projects fulfilling their basic needs. And most of them certainly lack any understanding of any of the strategic planning understanding.

### **3. CURRENT SITUATION ANALYSIS ACCORDING TO THE LAW**

#### **3.1 *Institutional Framework***

The institutional framework includes two main entities, the one concerned with the different administrative levels and the other is concerned with the structure of the LPCs and the LECs. These two entities can be described as follows.

##### **3.1.1 Institutional Framework of the General Bureau of the Governorate**

The governor is the head of the entire governorate bureau and he has all the authorities on all resources, plans, budgets, and interventions in the governorate.

The governor has two groups of subordinates

- i) The secretary general
  - a. Who has one subordinate, which is the secretary general assistant
- ii) Five main administrations, with their departments and sub departments, these main five can be stated as follow:
  - a. General administration for managing the governor office.
  - b. General administration for Planning and Budgeting Follow Up.
  - c. General administration for public relations.
  - d. General administration for information and documentation, to which the central communication and information technology administration is recently added
  - e. General administration for production and economical affairs.

The secretary general and the five main administrations manage one last general administration (Financial and administrative affairs) in addition to 8 other administration (sub-units) that cover the entire governorate structure. These units can be stated as follows:

- a. LEC affairs administration.
- b. LPC affairs administration.
- c. Conferences affairs administration.

- d. Gardens and parks administration.
- e. Co-operation administration.
- f. Mines and quarries administration.
- g. Village building and development administration.
- h. Summer resorts and tourism administration.

There have been new decisions concerning the appointment of the technical office for the governor, whose staff are selected by advertisement.

The chart shown in the following figure (7) is the governorate operational structural organization according to the law.

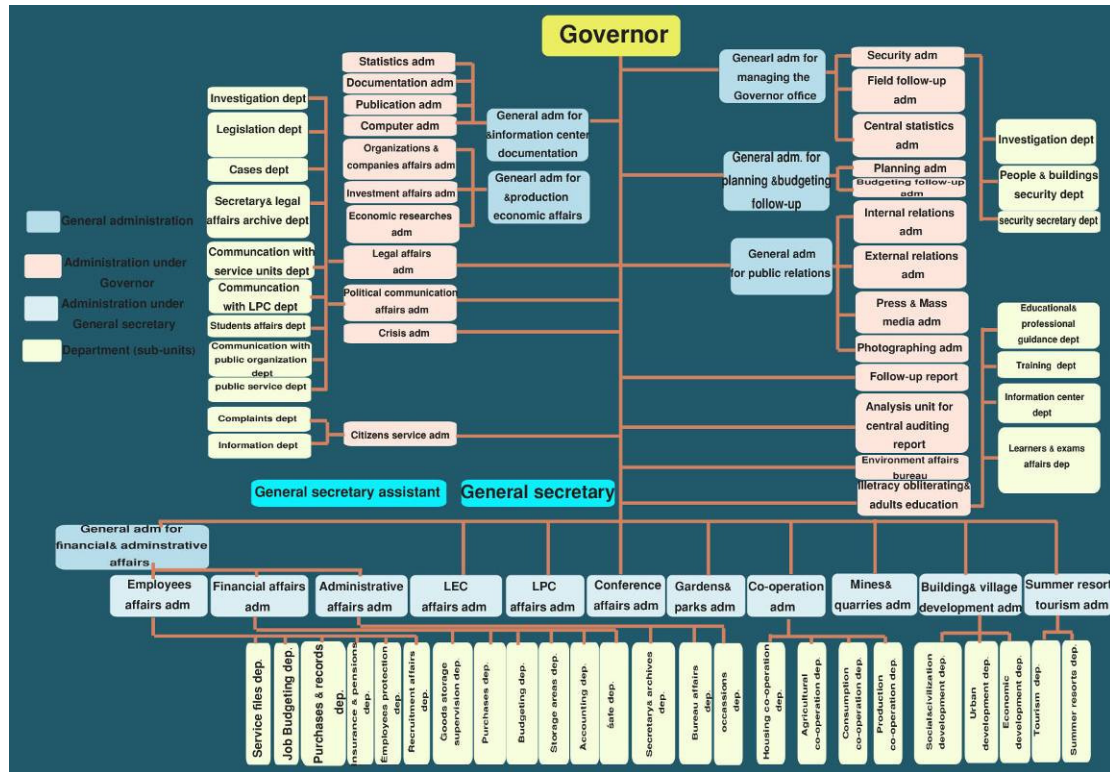


Figure 7 Organization chart of the Ismailia governorate according to the law

### 3.1.2 Institutional framework of LEC/LPC councils

#### a) Local Executive Councils (LEC)

The LEC is composed of the different members on each level, and these members are grouped as follows:

- LEC on the governorate level.
- LEC on the “Markez” level.
- LEC on the city level.
- LEC on the quarter (Hayy) leve.
- LEC on the village level.

The following chart in figure (8) shows the members of each group on each level:

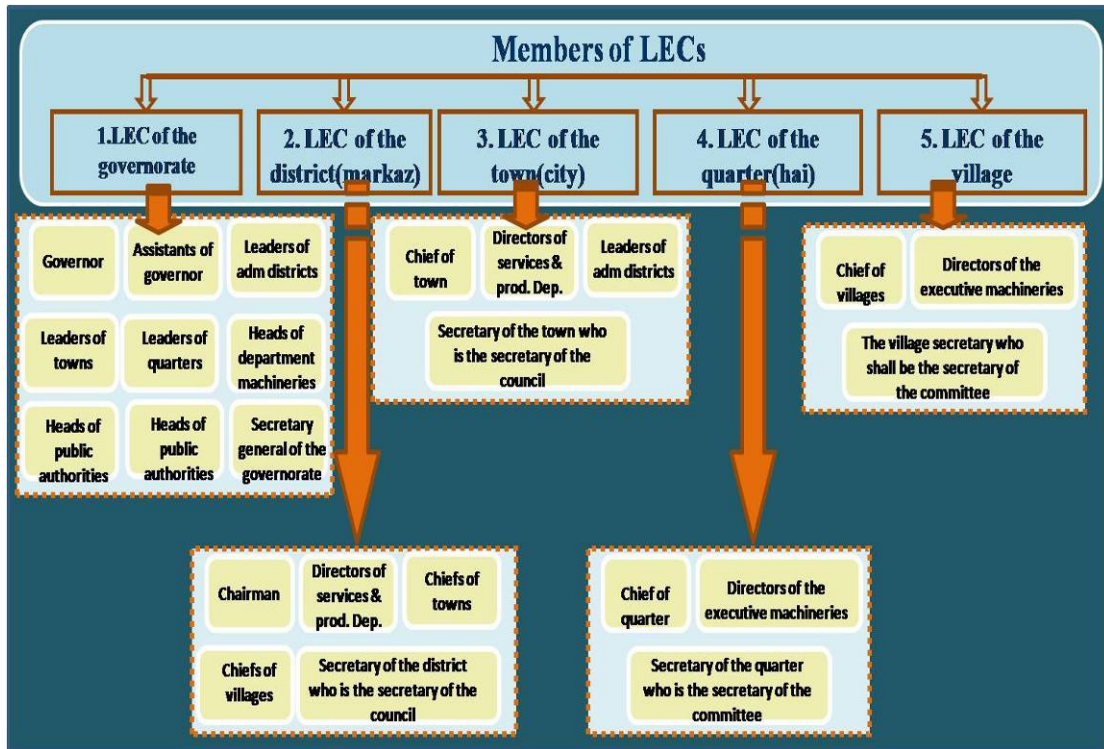


Figure 8 Members of LEC according to the law

The responsibility of the members of the LEC vary according to the roles they play and the level of planning, budgeting or decision-making, the chart in figure (9) shows the members, attendees, main tasks and frequency of meetings that is conducted by the LEC councils.

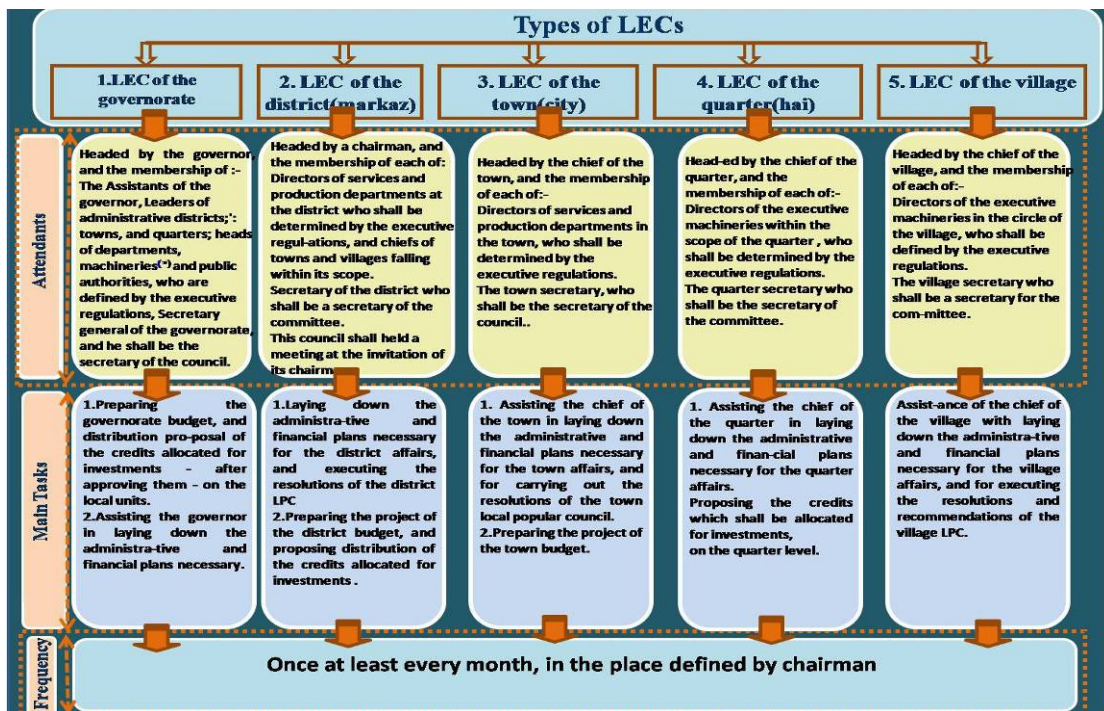


Figure 9 LEC members, attendees, main tasks and frequency of meetings; according to the law

**b) Local Popular Councils (LPC)**

The LPC is composed of the different members on each level, and these members are grouped as follows:

- LPC on the governorate level.
- LPC on the markaz level.
- LPC on the city level.
- LPC on the quarter (Hayy) level.
- LPC on the village level.

The following chart in figure (10) shows the members of each group on each level:

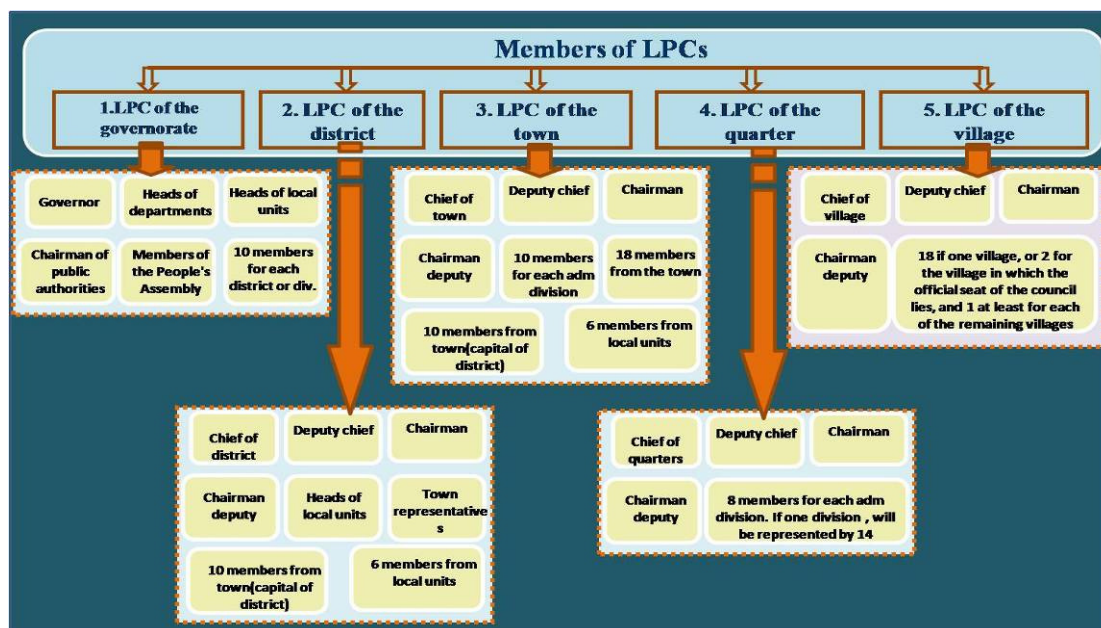


Figure 10 Members of LPC according to the law

The following chart figure (10) describes in details the number of members, attendees, main tasks and durations of convening.

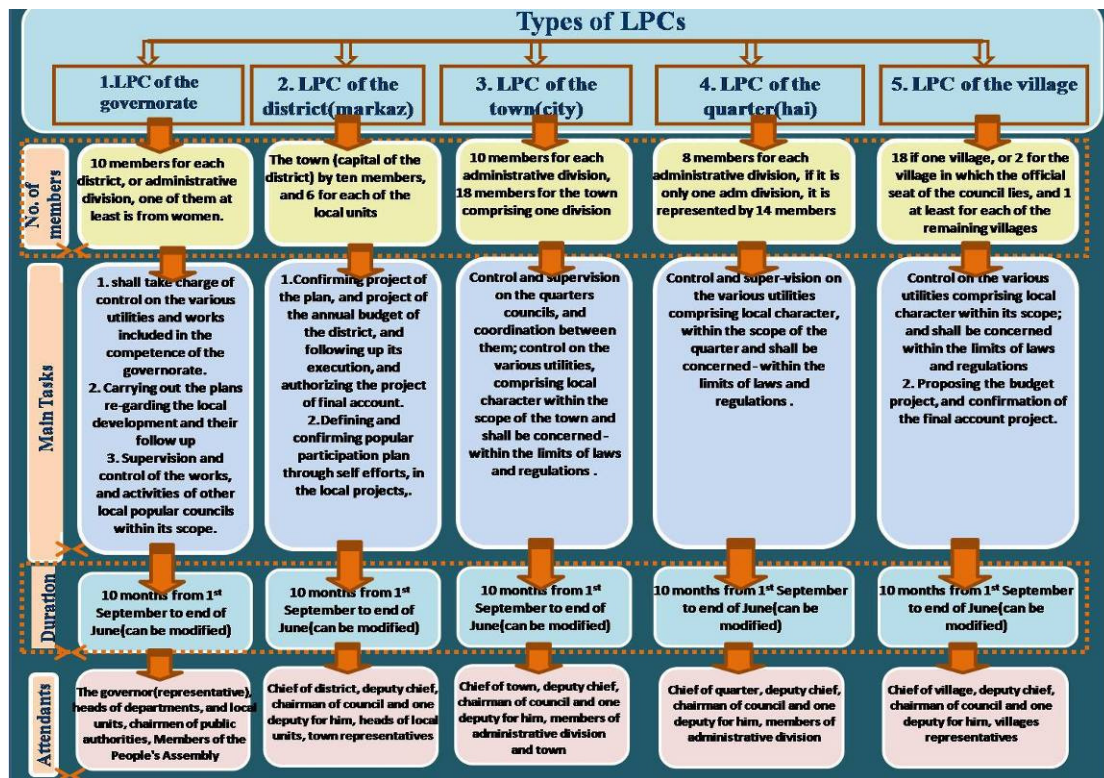


Figure 11 LPC members, attendees, main tasks and durations, according to the law

### 3.2 Planning & Budgeting Process

Although the report main focus is not directed towards analysing the planning and budgeting process according to the law, the team saw that it is crucial to pass very quickly through the main items related to that process to compare between the existing situation presented in the previous part and that stated by the law. Therefore, this part will be looking at the current framework related to the planning and budgeting process in Ismailia governorate according to the law of the local government system. This will be presented in the form of articles taken from the law no. 43 for 1979 with respect to three main aspects, including: (i) the planning and budgeting process mechanism, (ii) budget allocation and distribution, (iii) scheduling of the planning and budgeting process, and finally (iv) co-ordination between stakeholders. It is worth mentioning that the articles stated below describe only some of the planning and budgeting framework. Those –listed in the annex- were selected to provide a legal reference for the stakeholders' statements, to enable having an analytical comparison between these statements and the law.

#### 3.2.1 Planning and Budgeting Process Mechanism

Article no. (118), (123), and (124) describe the planning and budgeting process starting with requesting from the local units to make their priorities and deliver them to LPC from the lower to the upper levels till they reach the governorate level. They then take approvals from the supreme committees of regional planning – which shall be raised to the Minister of Planning to sustain the requests according to the general development plan. The projects with their final accounts are submitted to the Ministry of Finance, and the Central Machinery of Accountancies to get the funds. Each governorate then takes the responsibility of the execution process through follow- up reports from the LPCs.

## **3.2.2 Budget allocation and distribution**

### **Rural Governorates**

#### **Governorate Level**

- 40% of the budget is allocated for common / shared projects (10% for the governorate capital and the other 30% for the rest)
- 60% of the budget is allocated for Markazs as per the population percentages, in addition to any other funds distribution criteria seen as important ones by the governorate or LPC

#### **Markaz Level**

- 50% distributed on mother villages equally
- 50% for shared projects

### **Urban Governorates**

- 30% for the governorate (the governor) for the main mega projects
- 70% to be distributed in percentages according to the population and the areas

## **3.2.3 Scheduling of the planning and budgeting process**

Article (119) states that each local unit should define the annual budget of the projects with its revenues and expenses and shall raise it to the governorate, five months at least before the start of the fiscal year, while article (120) states that these projects should be approved by the LPC at the governorate level four months at least before the start of the fiscal year, to be approved after that by the Minister of Finance.

## **3.2.4 Co-ordination between stakeholders**

### **(a) Internal co-ordination**

Article (131) emphasizes that fact that there should be strong harmony and unity between all stakeholders involved in the LPCs and the LECs on all levels.

Article (118) also focuses on the co-ordination and integration between the various sectors in the governorate to reach the final annual plans and budgets for the required projects, with co-ordination with the Supreme Committee of Regional Planning.

### **(b) External co-ordination**

Article (134) states that there should be strong co-ordination between all the ministries and the governorates concerning the state general plan and its technical execution.

## **3.3 Role of Strategic planning in the planning and budgeting process**

According to article (8), and article(9), a supreme committee for regional planning shall be established in each economic region following the ministry of planning, whose main tasks should focus on co-ordination between the plans of the governorates and establishing the priorities suggested by the Regional Planning

Authority, and reviewing the periodical reports to follow up carrying out the plan. Article(117) also highlights the fact that the local machineries for planning - with the aid of the supreme committees of regional planning, the regional planning authorities, and the local popular councils should be engaged in a unified plan aiming at making the best use of all the available resources within integrated approaches.

## **4. ANALYTICAL COMPARISON FOR THE PLANNING AND BUDGETING FRAMEWORK AS PER STAKEHOLDERS VS LOCAL DEVELOPMENT LAW**

### **4.1 Institutional framework**

The institutional framework constitutes many organization charts and stake holders which were detailed in the form of charts, as per the law. However, the stakeholders' discussion has led the team to sketch more simple organization charts. It is worth mentioning that although the team did not figure out contradictions between these charts and those of the law, many stakeholders lack complete understanding of the structures, elections, periods, and hierarchical organizations for the LPCs and the LECs. Although the institutional framework is a settled issue, it took them a lot of discussions and negotiations to transfer it to the team in the right way.

### **4.2 Planning & Budgeting Process**

The planning and budgeting framework will be again discussed in view of the four main aspects listed in the previous sections, which include (i) the planning and budgeting process mechanism, (ii) budget allocation and distribution, (iii) scheduling of the planning and budgeting process, and finally (iv) co-ordination between stakeholders.

#### **4.2.1 Planning and Budgeting Process Mechanism**

The planning and budgeting mechanism according to the planning and follow-up unit was almost the same as that stated by the law. However, other stakeholders have emphasized the fact that the planning and budgeting process mechanism only takes the legal form, and implements all the procedures stated by the law theoretically only. This is apparently clear from the fact that the planning and follow-up unit might sometimes ignore the approval of the LPC at the markaz level, and shifts it directly from the village level to the governorate level. Another fact is that the projects priorities are mainly settled down through the personal skills and relationships of the village development administration staff, and the limited technical skills of the urban planning committee at the LEC at the markaz level regardless the integration with the Supreme committee of regional planning clearly stated by the law. In addition, the community leaders emphasize the fact that they are not involved by any mean in making the lists of the required projects or prioritizing them.

#### **4.2.2 Budget Allocation and Distribution**

The budget allocation and distribution is executed according to the percentages stated by the law. However, the criteria of the internal distribution among villages is limited to one issue, which is the number of population, although there should be other criteria taken into consideration including the areas, distances, developmental levels, and uncompleted projects.

### **4.2.3 Scheduling of the Planning and Budgeting Process**

The scheduling takes place exactly as stated by the law. The only contradiction is that the last two quarters that the law sustains for delivering to the local development plans are always very late, which delays the execution and the completion of the projects, and increases the lack of trust between the government and the public.

### **4.2.4 Co-ordination between stakeholders**

#### **(a) Internal co-ordination**

The law clearly states the vitality of the unity and harmony between all stake holders in the governorate, and what happens is exactly the opposite. Every administration just performs its jobs and make sure it follows legal procedures, regardless any other lower or higher level needs. This is definitely clear in shifting the projects lists from village to governorate levels, and in the primitive role played by the urban planning administration in guiding the required projects and prioritizing them.

#### **(b) External co-ordination**

Although the co-ordination with all the ministries is clearly emphasized by the law concerning the integration between their developmental plans and the required projects' lists, none of them refer to any LPC or LEC authorities, when it comes to actual execution of the projects.

## ***4.3 Role of Strategic Planning in the Planning and Budgeting Process***

The law clearly states that all the projects requested should be consistent with the regional developmental plans prepared by the Supreme council of regional planning and other planning authorities. However, what happens is that the GOPP for example have finalized the master plans for the villages and the cities without making any attempt to give it to the urban planning authorities in the governorate except from one month for the villages only. These were limited to the urban boundaries and services maps, and which proved to be far from reality. The GOPP is working now on updating all these mismatches. Moreover, the urban planning authorities in the governorate in all its levels are not involved by any means, in the process of determining the required projects or prioritizing them except by minor modifications at the markaz level. Therefore, although the law does not clearly refer to certain strategic planning approaches to be followed, it refers to the importance of integrating these projects with the whole regional view, the fact that is completely away from reality.

## 5. PROBLEMS

After mapping out the institutional framework and describing the process of planning and budgeting process with emphasis on the role of the strategic planning, it was evidently clear that there were a lot of problems that can be categorized to those regarding achieving strategic planning and those regarding achieving decentralization. This can be explained as follows.

### 5.1 *Problems regarding achieving strategic planning*

Strategic planning is not recognized by employees or members of LPCs & LECs as a tool in any of the processes of planning and budgeting, planning happens in a very simple manner that is insufficient to make critical decisions about funds distribution, the following are the problems or challenges that are related to the planning and budgeting as a process. These are the ones needed to be tackled in order to improve the planning and budgeting process in Ismailia.

#### ❖ **Insufficient funds:**

Appropriate funding is essential part of planning, and a successful strategic plan is the one that is developed in the light of the available resources. Typically, funds do not cover peoples needs, and this is because the villages and cities are very much under developed and the required intervention projects are enormous and usually beyond the typically allocated budget.

#### ❖ **“Markaz” level not fully involved**

Stakeholders analysis and their level of involvement is an important tool to achieve sustainability, interventions and project plans is transformed from village/city level up (sometimes) doesn't recognize the “Markaz level”, or at least there are doubts about this matter and need to be revisited.

#### ❖ **Insufficient representation for residents**

The process of selecting representatives of residents or candidates to make critical decision about development plan is not necessarily a transparent and clear one, and does not always lead to the appropriate candidates who are keen on their community development.

#### ❖ **Lack of spatial dimension in projects distribution**

Strategic planning for settlements has a spatial dimension and the current problem is that urban planning (geographical and spatial aspect) is not considered in the development plan, and therefore the proposed projects may be situated in areas that affects its functioning and serviceability, it also may end with areas over covered by services and other areas lacking the service even if the needed quantity of the facilities/services are achieved.

#### ❖ **Ineffectual head of cities & villages**

City and village heads are incompetent when it comes to resource & land management, which are crucial skills to achieve strategic planning. This certainly wastes a lot of resources and lead to making wrong decisions regarding the villages & cities improvement, and no matter how the funds allocated are increased, this challenge remains a critical one and can drain any resources added.

❖ **Un-institutional decisions during the process**

The process of planning and budgeting does not always proceed in this recognized manner as there are sometimes instructions from higher authorities to override some decisions, or sometimes there is a need to speed up certain projects (given priority due to external factors) and this affect the overall progress of other projects.

❖ **Lack of coordinated projects**

Strategic planning for villages/cities requires high level of coordination and consideration on a larger scale. Currently there is no any sort of coordination between the proposed interventions neither in the same village/city nor between neighbouring villages/cities, (i.e. the implementation of the sewage systems should precede the pavement of the roads, but this is not looked at carefully most of the times).

*(For example, it was found through the inter of this is the pavement of Dar Al Monasabt- Alsaayda road has begun, then they discovered that the sewage system project should precede that, therefore decision has been made to stop paving the road and the rest of the budget was shifted to paving Kebly Al Seka Alhadid road. This decision was made by the head of the village council after taking approval from the planning and follow-up unit at the Markaz and the governorate level)*

❖ **Lack of a monitoring system**

Successful strategic plan should have a solid monitoring and evaluation system and in the existing planning and budgeting system there is a clear absence of monitoring systems at all levels. Besides, if the local actors have weak personalities, they cannot defend their projects and will accordingly get small funds. Therefore, there is a clear need of a lot of technical training for all the leaderships and local popular and executive council's members.

❖ **Personal skills and relationships is the main criteria for selecting the projects priorities**

It is evidently clear that the village development administration plays the main and controlling role when it comes to the final formulation of the projects lists. This role is strongly related to the personal skills of the related staff and their good relationship with the village citizens, and how they reach a satisfactory deal with them regardless their real needs, and the revenues of the proposed projects.

❖ **Lack of experienced specialized engineers in the urban planning units on all levels**

There is a clear lack of specialized experienced engineers in all fields of urban planning units on all levels. This certainly hinders and misguides the process of selecting and prioritizing the proposed projects and affects the planning and budgeting process as a whole.

❖ **Lack of co-ordination between the Supreme Council of Regional planning and GOPP and all the LPCS on all levels**

The process of formulating the local development plans is in complete isolation from the GOPP plans or any regional visions already planned. More seriously, the GOPP finalizes plans that never reach the governorate and even more far away from reality.

❖ **Small village units following the wehda mahalia are completely isolated from the local development plans formulated by their LPC**

All the planning and budgeting process performs all its procedures without the true referring to the smallest units existing in the wehda mahalia, and therefore the local development plans proposed do not reflect their true needs.

❖ **The planning and budgeting process takes the legal appearance, with many contradictions existing in reality**

Although all the planning and budgeting process takes place according to all articles of the law no.43 1979, there exist a lot of contradictions when it comes to reality. These were detailed in the previous sections. This includes the proposal and approvals on all levels, co-ordination among the stakeholders themselves and the with the line ministries, the co-ordination between the urban planning units and the supreme council of regional planning.....etc.

❖ **Other strategic planning issues**

- Incomplete projects have no priority in the up-coming plan
- No integration between local plan and ministries plans
- Doubts about possibility to shift decentralization from central government to the governorate level ONLY.

## ***5.2 Problems regarding achieving decentralization***

❖ **Lack of trust**

It became an inherited culture to have a lack of trust between popular councils and execution bodies in the local governorate level, so the common practice from the popular councils on all levels is to seek more budget than the needed amount and the typical reaction from the central government is to allocate the limited available funds regardless the requested budget.

❖ **Lack of communication**

The communication channels between the central government and the local government requires more improvement, transparency and to be more frequent. It is crucial to have a dynamic system to share, transform, update and modify the budgeting plan starting from its formulation towards the finalization. This is not to increase the authority of the central government but rather to provide the support and the experience in problem solving and to give input as needed to the local levels.

❖ **Illegible organization chart**

There is no common agreement upon organisation chart and the lack of extremely clear scope of work for individual positions in the process allow for overlap in activities in addition to gaps in the process that is not covered. Another crucial challenge is that there is no solid agreement about the terms and conditions of planning and budgeting.

❖ **Complexity of the decentralization project executers**

It is obvious that the decentralization programme in Egypt involves different setups of projects that include (different relevant ministries as well as international organizations such as USAID, UNDP and UN-Habitat). It is crucial to identify and clarify the roles each group is playing in order to avoid dropped tasks or overlapping activities.

❖ **Inaccurate criteria for distributing funds**

Criteria of distribution of funds ignores, many factors that has to do with the success of the project and its serviceability; the size, in terms of population or area, are not

the only factors that should be considered while allocating funds, other criteria such as level of development, size of project, impact of intervention, need of community...etc) are all factors that shall be part of the funds distribution criteria.

❖ **Un-institutional decisions during the process**

The process of planning and budgeting does not always proceed in this recognized manner as there are sometimes instructions from higher authorities to override some decisions, or sometimes there is a need to speed up certain projects (giving priority due to external factors) and this affects the overall progress of other projects.

❖ **Inappropriate practices**

In addition to the incompetency from city/village mayors, and the bad representation of residents, there is also an unaccepted level of corruption at the lower level especially the villages.

## **6. INTIAL RECOMMENDATIONS**

The complexity of the decentralization process makes it a challenge to identify (specifically) the areas of intervention in order to guarantee sustainable and effective improvement in the process. It is worth mentioning that these recommendations represent the initial proposals of the team, which would be formulated in its final precise statements along the coming visits. Therefore, it was found that initial recommendations could be grouped into:

1. Recommendations related to strategic planning.
2. Recommendation related to decentralization.

### **6.1 *Recommendation related to strategic planning***

- Introduce the strategic planning concept in simple and understandable manners.
- Increase the available funds to match with the real needs of people and develop strategic plans in the light of availability of these resources.
- Involve all stakeholders on all levels in the strategic planning process.
- Assure that strategic plans are developed with people in a participatory manner through activation of community sessions and institutionalize the transformation of local needs through LPC to executive bodies.
- Incorporate urban planners in each engineering department at the local government level.
- Capacity building through provisions of training to candidates in positions of making decisions about development plan (i.e. village/city mayor, head of technical department,...etc).
- Increase awareness about importance of participation among the residents on all levels.

### **6.2 *Recommendation related to decentralization***

- Promote transparency to strengthen the relation between local government and LPC
- Redefine the roles and responsibilities of different stakeholders
- Improve the communication mechanisms between the different players (i) vertically, between the governorate, Markaz and village/city level; and (ii) horizontally among the same level but in neighbouring villages
- Develop coherent and realistic database in order to help the decision making process in regards to the intervention plans and their level of effectiveness
- Develop systems that matches as much with the current law and channel the modifications, as much as possible, within the current legal framework

# ANNEX

## A) Office Requirements

The current status of the office in Ismailia (the DSU) is in good condition, but missing few items that affects the daily operation. The table below describes what has been found and documented in the DSU and what is recommended to be added by the team and the office users in the governorate:

Existing Facilities/Furniture	Required Additions
<u>Main Manager Room</u> <ul style="list-style-type: none"> <li>• One sofa (3 seaters)</li> <li>• Two (big) chairs</li> <li>• Two (desk) chairs</li> <li>• One desk / side table</li> <li>• One small table</li> <li>• One toilet facility</li> </ul>	1- One wireless internet router  2- Two printers (1 central and 1 for the manager)  3- one scanner  4- two computers (2- desktops)  5- one copy machine  6- Stationary  7- One Fridge  8- One Boiler
<u>One Meeting Room includes:</u> <ul style="list-style-type: none"> <li>• 1 table</li> <li>• 1 chairs</li> <li>• 1 cupboard</li> <li>• A/C</li> </ul>	
<u>Office Room No.1 includes</u> <ul style="list-style-type: none"> <li>• 4 desks</li> <li>• 4 chairs</li> <li>• 1 computer</li> <li>• 2 cupboards</li> </ul>	
<u>Office Room No.2 includes</u> <ul style="list-style-type: none"> <li>• 4 desks</li> <li>• 4 chairs</li> <li>• 1 computer</li> <li>• 6 cupboards</li> </ul>	
<u>Office Room No.3 includes</u> <ul style="list-style-type: none"> <li>• 4 desks</li> <li>• 6 chairs</li> <li>• 2 cupboards</li> </ul>	
<u>Main Hall includes</u> <ul style="list-style-type: none"> <li>• 3 cupboards</li> </ul>	

The following are few images to give a sense of the types and nature of spaces and furniture in the DSU in Ismailia:



Manager's Main Room



All spaces has air-condition



Main Hall



Typical Office (1 of 3)



Meeting Room



DSU Entrance



Chairs in Manager's Room



Waiting Chairs at the main hall



Typical Office (1 of 3)



Common toilet facility

Figure 12 Pictures for the existing offices in the DSU in Ismailia

## B) Existing governorate structure

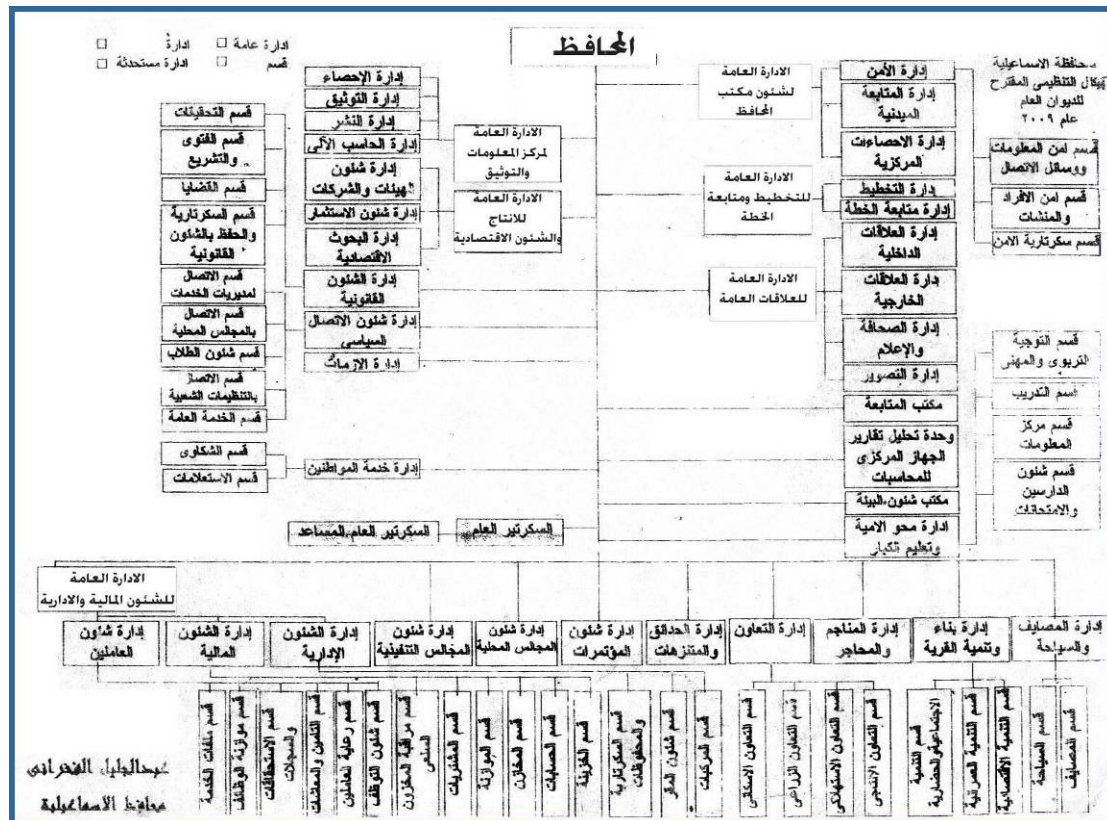


Figure 13 Organization chart as obtained from the governorate (currently being modified)

## C) Challenges related to the mission of the team

- Need to have clear identity and solid proper branding, (i.e Business cards,..etc)
- Need more facilitation to visit the governorate, not a letter for each visit, but rather a common letter supports future visits
- Need effective base of operation from Ismailia

## D) Upcoming Steps

- Frequent visits to the site
- Establish trust and coherent relationship with stake holders
- Identify specific tasks (i.e. training) according to the project overall work plan
- Support in improving the current situation on the framework level or on the operations level as per the project main goals and objectives
- Importance to unify the vision and the image of different players in Ismailia governorate

## E) Articles taken from the law no. 43 1979, in section 3:

### Article (8):

A supreme committee for regional planning shall be established in each economic region, which shall be formed under the leadership of the governor of the region's capital, and the membership of each:

- Governors of the governorates constituting the region.
- Heads of the local popular councils constituting the region.
- Chairman of the Regional Planning Authority - secretary general of the Committee.
- Representatives of the competent ministers and a resolution shall be issued for selecting each of them, by the competent minister. This Committee shall be responsible for:

1- Co-ordination between the plans of the governorates and establishing the priorities suggested by the Regional Planning Authority, and which shall be taken as a basis for laying down alternatives for the plan of the region; and this shall be on the light of the available resources, locally and centrally.

2- Reviewing the periodical reports to follow up carrying out the plan, and studying the amendments suggested by the Regional Planning Authority to the plan, according to the circumstances which face its execution. The recommendations issued by the committee shall be submitted to the Supreme Council for Local Government.

### Article (9):

Authority for regional planning shall be established in each of the economic regions, to be subject to the minister of Planning; and for their organization, and specifying the relation between them and planning, and follow up departments in the governorates - a decree shall be issued by the Minister of Planning in agreement with the governor of the region.

It shall be responsible for:

1. Carrying out the researches and studies required for specifying the possibilities, and resources of the region, naturally and human, the facilities for their development, and their ideal exploitation; and proposing the projects necessary for the economic and social development of the region.
2. Starting to prepare the technical machineries necessary for carrying out studies, researches, and planning works on the region's level.

### ARTICLE (116):

The local popular councils are responsible for developing the local societies to an inclusive development whose foundation shall be the components and capabilities of local society; and they should discover the investment opportunities within the

scope of each of them, and favourable distribution of the finances on the requirements according to the actual priorities in their local plans.

**ARTICLE (117)**

The local machineries for planning - with the aid of the supreme committees of regional planning, the regional planning authorities, and the local popular councils - shall carry out with what will realize good exploitation of the available possibilities for meeting the requirements of the public, and achieving social and economic development.

**ARTICLE (118):**

Each governorate shall take charge of notifying - the content of the directions of the general policy and the main lines of the State development plan - to the local units in the governorate circle.

The local units shall define their requirements, according to the studied priorities, collect and-coordinate them in a project of a local plan, to be determined by the concerned local popular council, and to be notified to the local popular council of the governorate, five months at least, before the start of the fiscal year.

The planning machineries in the governorate, in participation with the regional planning authority, and the concerned ministries - shall study the planning projects submitted by the local popular councils within their scope. Coordination and integration shall take place between the various sectors in the governorate for preparing the project of its annual plan, for its submission together with the project of annual budget to the local popular council of the governorate, and also to the Supreme Committee of Regional Planning for its approval four months at least before the start of the fiscal year.

The projects of plans of the governorates, after their approval by the local popular councils, and the supreme committees of regional planning - shall be raised to the Minister of Planning; and the minister shall take charge of connection and coordination between them and the State general plan in agreement with the minister concerned with the local government, and the concerned ministers for achieving the balanced development, according to the general development plan.

Each governorate within its scope - shall take charge of executing the approved local plan in the fixed dates, and the follow up bodies in the governorate, shall follow up, and valueate the execution, and raising monthly reports to the local popular council of the governorate, and the governor, according to the rules which shall be stated by the executive regulations.

**ARTICLE (119)**

The concerned financial bodies in each local unit - shall define the project of its annual budget, including its revenues and expenses according to the rules applicable in laying down the State budget; and shall raise it to the governorate, five months at least before the start of the fiscal year, provided to attach with the project all statements and documents upon which the estimations of the revenues and expenses were based.

**ARTICLE (120):**

The financial body in the governorate shall take charge of preparing the project of the governorate budget including projects of the local units' budgets within its scope. The governor shall take charge of submitting the project to the local popular council of the governorate for discussing it, and approving it, four months at least before the start of the fiscal year. Each governorate shall send the project of its

budget - promptly on its approval by the local popular council - to the Minister of Finance to take charge of studying it with the concerned governor.

**ARTICLE (123)**

The concerned financial bodies in the governorate should submit the projects of the annual final accounts - of the governorate and the local units belonging to it - to each of the Ministry of Finance, and the Central Machinery of Accountancies in the dates and according to the rules and procedures stipulated upon in the law for the State General Budget.

**ARTICLE (124):**

The governor shall submit the project of the annual final account including projects of the final accounts of the local units within its scope to the local popular council of the governorate, attached with the documents of the Ministry of Finance and the reports of the Central Machinery for Accountancies, in the dates, and according to the rules and procedures, with which a decree shall be issued by the Minister of Finance.

The governor shall submit the projects of final accounts after their being approved by the local popular council of the governorate - to the Minister of Finance; and the final account of each governorate, shall be indicated in a special section of the State final account, and shall be subject to what is applicable on this account of provisions.

**ARTICLE (131)**

The supervision and control on the works of the popular councils and their executive machineries, aim to realize harmony and unity between them with what shall be in conformity with aims of the State general policy; also to introduce consultation and assistance to the local popular councils with what ensures achieving the goals of the local government order.

**ARTICLE (134)**

Each of the ministers within the scope of his ministry shall have:

- 1- To inform the governorates with the State general plan, and following up its execution from the technical side; also to inform the local units with what he sees of instructions, advices and technical directions leading to the good operation of services in the public utilities with what shall be in conformity with the State general policy, and specially in respect of the agricultural policy, and the harvest structure, the supplying affairs and the pricing of commodities.
- 2- Laying down an annual plan in agreement with the concerned governors, for the distribution and coordination of the technical workmen between the governorates according to their requirements, and notifying this plan to the governors to take the necessary procedures for its execution.
- 3- Participation with the local units in the works and projects entering within the competence of these units after the agreement with them.