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TOWARDS A DECENTRALIZED GOVERNANCE SYSTEM IN EGYPT

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Abstract

Purpose: As Egyptians surprised the World with the January 2011 uprising, they were expressing deep frustrations with a closed and centralized political system that was unwilling to open a space for meaningful public dialogue to meet the social and economic challenges facing Egypt.

Methodology: This paper aims to study transitional shift to a decentralized governance through a restructured state system to achieve social and economic success. Since the 80s, decentralization and devolution of power from central to local authorities has been one of the priority public administration tools to make the state more responsive and efficient in delivering public services and promoting economic and social development.

Findings: The researcher intends to draw on lessons learned from a decentralized governance reform tools to develop a citizen participation culture and present a roadmap for the Egyptian initiative to implement governance decentralization and provide practical solutions for reforms.

Unique contribution to theory, practice and policy: This paper will focus on a roadmap for a decentralized governance system in Egypt.

Keywords: *Decentralization, Governance, Local Administration, Egypt*

1.0 INTRODUCTION

Decentralization is a major public reform to the state's institutions promoting and implementing self-governance to develop the state's institutions and enable citizens to participate in prioritizing their needs. It is a fundamental reform during democratic governance transitions aiming to expand and develop government institutions. In other words, establishing a decentralized governance system.

Public participation is a key ingredient in the recipe for improved governance reforms. It increases transparency in the decision-making process. Moreover, when citizens are involved in the local policy development, they will hold local government officials accountable for their decisions. Citizens might also participate through trying to create useful solutions to problems, such as community housing or education, which are an integral part of their everyday lives (Holdar & Zakharchenko, People's Voice Project, 2002).

Increasing overall quality and effectiveness of the state's governance system can be achieved with a consequent increase in the authority and capacities of subnational government levels. In addition, decentralization, when appropriately structured, provides an arrangement through which critical issues such as national unity and indivisibility are countered; ensures local development and equity in the distribution of resources, and hence local autonomy can be realized.

In a decentralized governance system, the function of the central state differs from controlling to setting macro development goals and monitoring performance of subnational governments to implement development strategies with a local perspective.

Decentralization should not be an objective in itself but should be utilized as a process to transfer functions, responsibilities and resources from the central authority to local governments. Decentralization is based on the subsidiarity principle, bringing decisions closer to the beneficiaries at the most effective level of local government and therefore increasing effectiveness, transparency, accountability and curbing corruption.

In a democratic nation, the state is not superior to its citizen, but governments' main objective is to serve its people and create an environment for development of its citizens. Therefore, institutional reforms are a pre-condition for building governance systems during transitional phases to allow for the inclusion of all citizens in the decision-making process.

During the last sixty years, decentralization has been an ongoing evolving tool and idea. During 1950s, Post-World War II, decentralization was comprehended as a tool to reform public policy and decentralize central governments to adapt to the newly adverse, economic world. During 1980s, the decentralization adopted new concepts of sharing of power, increasing public policy, state reform and democratization. During the 1990s, the debate over decentralization was ripening to consider concepts of inclusive democratic governance and wider citizen participation represented in the wider civil society organizations (Bascopé, 2012).

The notion of the welfare state where the state is the main provider of social services was a common known notion to both the developed and the developing states post

World War II era. Several reasons proved the incompetence of governments to provide adequate services to its people, specially within the developing countries. Among the main reason was the increasingly diversified public demands that governments can no longer meet.

As nations are getting more diverse and fluid, citizens' demands are also becoming more diverse and governments are no longer able to respond to these diversifications. This dilemma led to the loss of popular faith in their governments being the main providers of social services. This crisis allowed policy makers to open more towards decentralization as a panacea.

2.0 WHY IS GOVERNANCE IMPORTANT?

UNDP defines human development as “pro-people, pro-jobs, and pro-nature. It gives the highest priority to poverty reduction, productive employment, social integration, and environmental regeneration” (UNDP, Human Development Report 1996).

Human development and good governance are indivisible. While Governance is the system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. Governance is the way a society organizes itself to make and implement decisions to achieve mutual understanding, agreement and action (Robertson, *The Role of Participation and Partnership in Decentralised Governance: A Brief Synthesis of Policy Lessons and Recommendations of Nine Country Case Studies on Service Delivery for the Poor*, 2002).

Public Institutions in a nation determines the ability of citizens to control politicians, influence how they behave and control the use of power entrusted in them. Therefore, institutions within a nation are the cause of success or failure of the state (Acemoglu & Robinson, 2012).

In most developing countries poor people are lacking prompt, efficient public service including education and healthcare. An effective government should enable the state to deliver services more effectively to all its citizens, specially the poor. In order to implement decentralized governance within a state, a system of representative democracy must be implemented to enable for accountability of local governments or elected councils to the people who elect them.

During transitions to decentralized governance, the state must undergo major public administration reforms. Considering the shift of the relation between the state and its citizen, from control to responsiveness, the state's administrative apparatus faces major institutional shifts (Andrzej, 2000).

Social support has to be built gradually with the ongoing institutions' reforms. In general, the state administrative reforms are usually difficult to understand by the society who are afraid of potential change, and are rather skeptical that their situation can improve (Regulski, 2010).

To build social trust for reform, social dialogue should be initiated through dissemination of information about each and every reform. Social dialogue mechanisms should be established to adopt any reform discussion and ensure citizens'

ownership of the reforms. Depending on the society's culture and history, social dialogue mechanisms can be tailored to the local needs.

Decentralized Governance, if carefully planned, effectively implemented and appropriately managed, can lead to significant improvement in the welfare of people at the local level, the cumulative effect of which can lead to enhanced human development (Robertson, *The Role of Participation and Partnership in Decentralized Governance: A Brief Synthesis of Policy Lessons and Recommendations of Nine Country Case Studies on Service Delivery for the Poor*, 2002).

3.0 CHARACTERISTICS OF LOCAL ADMINISTRATION SYSTEM IN EGYPT:

Egypt's local government system is a centralized hierarchy system with few deconcentrated features. The local administration system in Egypt is an administrative structure and not a local governance structure. The Prime Minister heads a Council of Governors, including all governors and the Minister responsible for local administration.

Article 1 of Law 43 of 1979 (Egypt Laws, n.d.) identifies the basic units of local administration in Egypt to include: 27 governorates/al-Muhafaza, which are divided into 184 districts/al-Markaz; 74 urban quarters/al-Hay which are subdivisions of major cities and some larger provincial cities; 213 towns/al-Madina and finally 1,168 village units/Wahda al-Qarya.

Each local unit includes an executive officer (Governor/Muhafez) appointed by the President. The Governor's staff (diwan) and two councils at each local level: a Local Popular Council elected every four year and an Executive Local Council made of government administrators representing various central ministries.

The elected local popular councils generally failed to live up to their potentials. Elected councils at all levels were dissolved in March 2011 to date. This action was due to a call by the people based on the local councils' ineffectiveness and representation of the National Democratic Party (NDP), representing the Mubarak regime.

The theme of "over-centralization" is also a characteristic of the Egyptian fiscal system over the past several decades. All important taxes are controlled by the center and the few which are under the control of local authorities earn little revenue, and are characterized by low elasticity of revenue, with respect to income, usually because the tax base is not growing rapidly. The main setbacks of Egypt's current local administration system can be grouped under three main areas that are discussed below:

- 1) Central Control, and
- 2) Inefficiency of The System To Deliver To Its People,
- 3) Lack of Citizen Participation In The Decision Making Process.

3.1 Central Control:

Egypt has had a long history of highly centralized government where power is consolidated at the central level, specially after withdrawing authorities from the

localities or “Baladeyat” which was highly recognized before 1950s. Over 60 years, Egypt’s local administration system has been struggling to effectively respond to the local communities’ needs and its citizens.

In Egypt, the central government control over crucial aspects of local administration, as budgeting and funding, resulted in their lack of capability to deliver efficiently to their citizens. Although the local administration law empowers local representation of the elected over the executive for approving local budgets and plans, the system tends to engrain more a culture of central control and a more submissive local government, even the elected councils.

The first fundamental problem of Egypt’s current system of local administration is the heavy reliance on centralized decision-making. Central control is currently leading to policies, programs and systems that are not reflecting the true needs and desires of local citizens.

All levels of this local system suffered from an overabundance of employees, roughly 3 million, almost 10 percent of total people employed (Mayfield J. , 2012, p. 55), scarce monetary resources, and immobilizing levels of red tape. Policies were developed, programs designed, and services provided, but the highly centralized system of control and top-down management tended to create a disconnect that short circuited communication and accountability between the central government and the sub-national level.

Egypt current local Administration system describes the relation between central and local levels where local representation of different directorates reports to the central executive authorities. Egypt used a variety of central control mechanisms to control the local government system, including:

- a. Assigning officials from Cairo and Alexandria to governorates, districts, and villages which leads to disgruntled employees that showed little concern for the local population;
- b. Central government collection and distribution of more than 97% of taxes, and financial resources; and
- c. Concentrating authority to hire, fire, and remunerate local employees at the central level which eliminated any sense of accountability or responsiveness between local service providers and local citizens.

Local directorates have a dual supervision from both the Minister and the Governor since the local level directorates are technically affiliated to the central ministry and fall within the organigram of the Governorate.

Current Law 43/1979 calls for moving of responsibilities from central ministries to local units and empowering Governors to deal with local issues without referring to the central level, to date central ministries are in full control over local directorates. In addition, the law states that hiring of local representatives should be in coordination with Governors which is not the case at large.

3.2 Inefficiency of the System to Deliver To Its People:

The failure to provide public services effectively cannot be overlooked by the ranking of Egypt in the bottom one fifth of countries on the World Bank Government effectiveness indicator (Springborg, 2018, p. 24).

The key problem with service delivery is the lack of qualified, motivated, and efficient civil servants willing and able to provide needed public services in an effective and timely way. The causes of this problem include:

- (a) an inadequate system of compensation and incentives;
- (b) little effort by central government to make officials accountable to local people for their performance; and
- (c) no consistent, carefully structured system of training of local officials.

The inefficiency of the system to provide effective public services is compounded by the lack of accountability of national service-sector ministries (health, education, agriculture, etc.) and local service providers to citizens. Systems of red tape, bureaucratic inertia, and unresponsive officials have historically been endemic in Egypt's local administration. With very low salaries, often inadequately trained and supervised, lacking needed supplies and equipment; local-service providers have few incentives and fewer sanctions to induce improved quality of service.

Past effort at reforming the Local Administration system have focused on structural innovations and have not sufficiently taken into account, the motivations, attitudes, and behaviors of the local officials, and basic local-service providers and the way they are perceived by local citizens.

If the sub-national system is changed, but the individual employees do not change their basic work-related behavior, no positive long-term organizational change will emerge and any serious attempt at local administration reform will be short-circuited. Consequently, service delivery reform can be sustainably achieved through strengthening central government's capacity to regulate, monitor, and assist in the development of effective personnel at the sub-national level.

Moreover, local units have minimum role in developing the local development plan. Since the plan is not an integrated local development plan, it is developed as 12 sectoral plans, where local directorates' role is limited to providing data and information to the central level ministries as: education, health, agriculture, etc.

Accordingly, local development plans lack an integrated vision for the development of the governorates. Instead, they represent a group of parallel sectoral plans representing central ministries services. The governorate Diwan level plans, are the only plans that include few investment budgets and plans for establishing municipal services within the governorate based on the five local programs. Central service Ministers only notify the Governorate level with their strategic visions and the projects to be implemented at the different local levels.

The question of fiscal decentralization, the extent to which sub-national levels shall have access and control over their financial resources, is always present at the core of the debate on local administration reform. Meaningful local administration reforms must detail autonomous sources of funds to enable different local units to meet their local expenditure needs.

Over the past fifty years, sub national units in Egypt have been almost totally dependent on central government funding. The percentage of central government transfers has generally ranged between 80-90 percent of local government expenditures. To date, the central government covers over 85 percent of all sub-national government expenditures over 80% of meager resources are allocated for salaries, leaving roughly 9 percent for current expenses and 8 percent for new investment projects (Abdel Wahab, Current Problems in Decentralization and Local Democracy, 2015, p. 173).

Historically, only a few ministries have shown any willingness to delegate any fiscal authority, let alone significant administrative powers to the local level. Many insist that the problem is really with the Ministry of Finance which has argued traditionally that most taxes and expenditures are best assigned to the national level. Budgeting in Egypt for operating and capital expenditures has been a shared responsibility involving over 33 ministries, nearly 70 service authorities and 27 governorates, acting on behalf of over 200 local units at the governorate, district, town, and village level, as well as 50 economic authorities and nearly 30 public sector companies (Mayfield J. , 2012, p. 10).

Another feature of this system of resource allocation is that local officials have very little authority over their sectoral staff and must rely on national plans that often do not reflect the needs and priorities of local areas. Frustrated by central demands and budgetary constraints, and unpredictable investment resources, long term planning that could address local needs and priorities is almost impossible.

Lack of transparency and access to information is an impediment to participatory planning and budgeting. The culture within the different government institutions deals with budgeting and planning information as secret data not to be released to the public. Even within the same institution, the civil service employees hold on information and treat it as the only source of power that needs to be concealed from others who do not need to know it.

This non-transparent attitude prevails at all levels due to a further complicated budgeting and planning problems. At the governorate level, the non-transparent system of various local funds, mainly resulted from the delay in transfers from the central government and served as the only accessible resource to local officials within emergencies (Abdel Wahab, Current Problems in Decentralization and Local Democracy, 2015, p. 187).

The planning and budgeting process is incapable of adapting to social, economic and political developments as it lacks sufficient horizontal and vertical policy linkages. As a result, most of the bureaucracy's activities have become disconnected and irrelevant to the realities of present-day Egypt.

Egypt's policy making mechanisms have become less effective, as the machinery of local administration has become unmanageable and difficult. Three problems stand out within the current local administration effectiveness:

- a. inadequate capacity to anticipate events because of ineffective planning processes;

- b. insufficient integration of policy-making to ensure that real problems are being dealt with; and
- c. the general lack of flexibility making central policies often irrelevant to sub national needs.

3.3 Lack of Citizen Participation in the Decision Making Process:

Local elected councils are considered the elementary political school where citizens are introduced to politics being candidates or voters. The citizen learns local politics and the skills to evaluate different programs introduced by local candidates to be able to choose his/her representative while discussing local problems and means for possible solutions (Abdel Wahab, Current Problems in Decentralization and Local Democracy, 2015, p. 171).

In addition to participating in discussion of local budget, local resources and planning for future projects. Local government systems enhance local governance by enabling citizens to participate in managing their local concerns and develop a participatory environment for citizen to express their views.

Today's concept of good governance states is based on: empowering the directly elected officials, by the power entrusted by the people, to enable them to operate as representatives of the citizens and are held accountable to the people who can vote them out.

In Egypt, every local level has two councils: an appointed or executive council and an elected council. The appointed is mainly formed of representatives of the central service ministries and are responsible for providing public services, while reporting to their central ministries that employs them (Martinez-Vazquez & Thirsk, 2007, p. 33).

Lack of accountability tools and mechanisms highly affect the performance of elected councils in Egypt. Identifying tools for social accountability and citizen participation will empower citizens to monitor performance of local executives and governments. Elected local councils have the right to inquire local executive council members, but not to question, recall or dismiss from office.

Absence of tools for questioning the local executives created incompetency of the elected councils at the local level. Conflicts and confrontation sometimes resulted in holding to convene its meetings due to lack of access to resources and facilities, controlled by the local executives. The right for questioning was mandated as a tool for the elected only during the periods of: 1975-179, 1981-1988 only (Abdel Wahab, Decentralization and Local Government: Comparative Theoretical and Practical Study, 2010, p. 279).

During 2008, citizens of Cairo, Giza and Qena governorates were not consulted directly or indirectly through their elected councils when the central government established three new governorates: Helwan, 6 October and Luxor. Citizens were moved to another governorate with no consultation or transparent reason which resulted in discontent and opposition to the decision by residents of Giza and Helwan governorates and finally cancelling the decision and eliminating Helwan and 6 October governorates (Abdel Wahab, Current Problems in Decentralization and Local Democracy, 2015, p. 185).

It is worth noting that 2014 Constitution empowered the elected Local Councils with the right to withdraw confidence from heads of local units in Article 180. Although the current local administration law states the right of elected councils to monitor activities and services within its jurisdiction, in reality, these activities are planned and implemented by central ministries with no real authority of elected local councils.

Moreover, elected councils are mandated through the current Local Administration law to approve the local plan, budget and development plans, but in reality the Local Councils' role is more of a consultative role, and rarely effective.

The local councils' hierarchical system, as within the executive "matroshka" system, empowers the upper levels over lower levels by the right to modify and clear their budgets and plans.

Since March 2011, the Local Councils were dissolved and decisions at the local level is prepared and approved by the executives. This situation will continue until a new local administration law is finalized and according to the new mandate within the 2014 constitution. The 2014 constitution empowers the decisions of each local council within its jurisdiction according to Article 181.

4.0 RECOMMENDATIONS TOWARDS BETTER-DECENTRALIZED GOVERNANCE SYSTEM IN EGYPT:

Through a more optimistic lens, practitioners argue that national "political will" may not be always necessary to implement decentralized reforms. Development partners, while focusing on central government supporters, may tend to overlook opportunities for engagement at the national and sub-national levels with interventions that can be productive even within the absence of political commitment.

This method is described as the "analysis of political and bureaucratic incentives" to support decentralization, which proved to be more effective as an entry strategy for development partners, more than the degree of political will (Eaton, Kaiser, & Smoke, 2010).

In order for decentralization to have a real impact on improving services and accountability, it requires the operating environment that ensures basic elements of success is available:

- 1) an effective central government with a competent capacity to co-ordinate between different levels of government, regulate local government actions and oversee local authorities to ensure that benefits from decentralization reform is for all citizens;
- 2) empowered, committed and competent local governments; and
- 3) engaged, informed and organized citizens and civil societies to help collect and articulate the views of the local community, effective control over administration and political decision-makers through organized and formalized participation mechanisms to mitigate risks of decentralization as corruption and increased local elite capture of power (German Development Institute, 2006, p. 3)

Therefore, support for decentralization should operate with a maximum degree of flexibility and pragmatism to ensure the support of different actors at the local and national level to the reform.

In this regard, identifying incentives to support decentralization creates politicians and bureaucrats will to support decentralization. Incentives could be regarded as how decentralization will affect their career development and growth; political incentives through local democracy, electoral ambitious, or even institutional change, and creating new positions.

During the past twenty years the government of Egypt, think tanks, university experts and donor community have been engaged in discussions, funded different capacity building programs and supported the development of different decentralization strategies, researches and reports discussing opportunities, challenges and tools to implement decentralization. The following recommendations group them under four main components:

- 1) Legislative requirement;
- 2) Distribution of responsibilities between central and local level;
- 3) Distribution of Financial resources between central and local level;
- 4) Capacity Building plan for central and local level.

4.1 Legislative Requirement:

Although the 2014 constitution set the roadmap for the implementation of decentralization still more legislature changes are required and essential for any steps moving forward. Prior to changing the current Local Administration Law, a national vision for Local Administration Reform and a decentralized governance should be consulted among experts, think tanks and government to reach a consensus on the way moving forward.

Article 176 of the 2014 Constitution provides that ‘The state shall ensure administrative, financial, and economic decentralization’ (Dustor, 2015), and that this will be regulated by law. This provision enables the central legislature to determine the degree of administrative and fiscal autonomy that local governments will enjoy.

The 2014 Constitution goes on to reinforce this position with the following provision: The resources of local units shall include, in addition to the resources allocated to them by the State, taxes and duties of a local nature, whether primary or auxiliary. The same rules and procedures for the collection of public funds by the State shall apply to collection of such taxes and duties. The foregoing shall be regulated by law.

Citizen participation is the safeguard to a successful decentralization through local accountability, this cannot be achieved except through a clear and strong legislative mandate that empowers local units and its elected councils with clear responsibilities and financial resources to be able to be responsive to its local communities’ needs and priorities.

This mandate must also empower local citizens with tools for social accountability through their elected councils and curtails the power of the central government from withdrawing these mandates at any later stage (Abdel Wahab, Current Problems in

Decentralization and Local Democracy, 2015, p. 176). Participation of citizens must not be limited to voting and interpreted as elections only, which takes place every three or five years, according to the mandate within each country.

The key to effective participation of the citizens is transparency and access to information. Participation can never be effective if local communities are lacking information to local governments decision making process. Transparency through enabling local communities an access to information will by default increase accountability of local governments to their local communities.

Participation of citizens should be considered as the voice of citizen and the power of the people to influence the: making, implementation, monitoring and evaluation of the decision that influence their socio-political-economic aspects of their livelihood and future development and empowers citizens to hold their local officials accountable through various tools and mechanisms (Muriu, 2013, p. 13).

Egypt is privileged with the long years of debate, discussions, and analysis of required governance reform for over two decades. Although the long waited reform has drained all hopes, the positive side to these long years of discussions and research resulted in enhancing the local professional skills, local expertise and developed drafts of different strategies and legislation ready for final discussion of an integrated reform vision.

These available local resources can pave the road for an expedited reform process. To ensure success of these reforms, a new local administration law must be developed through an inclusive participatory process to create ownership of the reform towards a decentralized governance system for Egypt.

4.2 Distribution of Responsibilities Between Central And Local Level:

Forging an adequate division of roles and responsibilities between the central and local governments is the first step towards ensuring the unity of the state. The second step is to ensure coordinating the roles played by different local governments and central government.

These two steps have to overcome the tension between these two dimensions which is originating from giving autonomy in decision making to local governments, which means that localities can make their own decisions without significant control by the central government, as long as they do not preach national strategies. Moreover, the diverse local decision making opportunities as each local government implements different policies, the unified integrity of the state itself is diminished.

In centralized states, hierarchical structures, the superior-level of the government exercised command and control, over local units of governments harmonizing policies and procedures within the different state levels of decision making. In a decentralized system structure, command and control is replaced with employing more consultative approaches to achieve coordination (Saito, 2008).

Tools for Central Local communication, accountability and consultation. Tools should be considering the vertical, horizontal and peer relations. Top down accountability could include financial reports, governmental assets reporting, auditing, regular inspection, annual performance evaluation of local administration at

all levels, financial auditing to ensure transparency and accountability (Amin K. Z., 2013, p. 312). In addition to horizontal accountability among local administration levels and local councils being elected or executive.

Social Accountability should be highly considered within this exercise to hold local units' officials accountable to their local community citizens with defined responsibilities and resources. Tools for social accountability should be considered beyond an inclusive local election.

Following the elections, tools for public consultation should be established within the decision making process to ensure regular consultation with local citizens. In addition to vertical accountability tools to empower the central level to monitor the quality of service provision and performance of local units in alignment with the set national strategies and indicators.

These tools could include: periodical reports being technical or financial, audits, and annual performance reports (Amin K. Z., 2013, p. 313). Last, the tools for horizontal accountability between the elected councils and the executive councils who are responsible for providing services through preparing and implementing local policies and budgets. These three levels of accountability: social, horizontal and vertical, will support establishing a transparent system within the government structure.

The discussion for mapping responsibilities will lead into agreement whether the system will adopt: Deconcentration, Decentralization or Devolution. Deconcentration being the delegation of authority from central level to local offices; Devolution to transfer authorities to local governments or semi-autonomous organizations. Decentralization to transfer of political, financial, administrative and legal authority from the central government to the subnational and local governments with full discretion at the local level.

This exercise must implement the "subsidiarity principle" where providing the service is moved to the best available local unit capable of effectively providing the service. This exercise should be led by the service ministries who are capable of considering the complexity and effectiveness of each responsibility.

This mapping process should also include a transitional implementation plan to assess local capacities and the need for technical support from the central ministries to the local level units during each devolution phase. This mapping exercise will discuss phases and options for implementation of the decentralization plan. The government should decide either to devolve responsibilities within all service sectors or prioritize sectors with gradual increase of responsibilities to the local level.

The central government role is essential to ensure the national strategic development through local units' implementation and conformity to the national set strategies and performance measures. In addition to protecting minorities and marginalized groups against discrimination within their local units while providing adequate education and health services to all citizens, economic development, and job creation opportunities to fight poverty and support local units develop their capabilities.

4.3. Distribution of Financial Resources Between Central And Local Level:

Local Governments are the first line of interaction between any government and its citizens, and sometimes the only interaction. Accountability of local governments is a crucial factor between governments and citizens. Hence, transparency in this regard curbs corruption of local governments, enhances monitoring of local communities, and increases accountability of local governments.

One of the most effective mechanisms for participation is participatory budgeting process. It allows local communities to participate in the decision making process, be informed of local resources, ensure local community priorities are included in local plans, and allows for monitoring of local governments' performance. The main objective of decentralization in most countries is to ensure local governance and improve public service delivery. Citizen participation is a mechanism to ensure that decentralization's objective is reached.

The benefits from increased participation and accountability can be seen as twofold. First, good governance and accountability will ensure a pro-poor, pro-growth economic environment in which public services will be delivered efficiently and effectively. Second, fiscal empowerment of local governments should be done in a way to truly bring the decision making closer to the beneficiaries through bringing the governments closer to the people. This can only be done if policies strengthen the voice of the poor, their representation and basic freedoms.

Information should include making available information and data of the local government finances and government procurements. Even in countries with relatively low level of technological development, making this information publicly available is significant.

Legislation should enforce a requirement to publication of certain key information to ensure transparency and enable for monitoring of local governments performance by their local communities through local NGOs, media and official bodies. The main technical challenge is to translate the available Budget information into contents to be posted to the public and usefully inform the local community (Boex & Martinez-Vazquez, 2006).

The right to access to information must be mandated clearly within the local administration law being a requirement for effective citizen participation. Access to information will ensure social accountability mechanisms are effective through local citizens' monitoring of local officials' performance which will eventually lead to curbing corruption and misuse of government resources.

Public financial management systems should be established at the central and local level while building the capacity of the local level prior to moving resources and financial authorities. Local resources issues should be discussed and agreed between the central and local level, including local shared revenues and revenues authorized within jurisdictions.

This exercise should empower Ministry of Finance to be capable of calculating local tax resources, anticipate local tax collection capacity, and establish monitoring and auditing systems (Amin K. Z., 2013).

Local units will be responsible for developing their own local budget and implement it, therefore a costing guide should be developed among other necessary guides to unify procedures and costing within national strategies and criteria.

Intergovernmental transfer system should be among the priorities to ensure transparency of distributing resources and transferring funds to the local level. Procedures allowing local units to apply and receive loans should be formalized, in addition to setting a medium term expenditure framework (MTEF) to enable for multi years planning of investment projects.

The cost of services could face increase in prices due to the infrastructure cost and the lack of economy of scale within small local units as establishing power stations, water and wastewater systems which could be considered through block grants and intergovernmental transfers to the local units.

4.4 Capacity Building Plan for Central and Local Levels:

The capacity-building plan will look into the distribution of employees between central and local level including the authorities of: hiring and firing, promotion, salary scales and incentives. Central government should develop different capacity building methodologies to suit each level, technical area, target employees, training site, and training provider.

While shifting the power of the central government to a more strategic and monitoring role, the capacity building plan should include provision of technical support to local units to ensure delivering of services effectively and efficiently. Discrepancy in capacity and resources among local units should be met with mitigation measures to ensure equality in service provision nationwide (Abdel Wahab, Current Problems in Decentralization and Local Democracy, 2015, p. 177).

The training plan could extend to include training of citizens on social accountability mechanisms and tools. This parallel methodology will ensure building the capacity of the service provider while raising the awareness of local citizens to empower them for holding their local officials accountable. Hence, moving the political pressure from the central to the local level and improving access and quality of public services.

The design and implementation process for decentralization should consider developing a National Decentralization Strategy to be adopted by the Government as a national roadmap for detailing steps for implementation and coordinating different responsibilities and reforms within the government.

Identifying a National Coordinator/Ministry empowered to lead reforms and discussions while setting timeline for the different phases ranging from planning to implementation and reporting.

The National coordinator should establish an intergovernmental committee to lead discussions and reforms within the central government. The National coordinator or focal point and committee should be reporting directly to the Prime Minister or President to show the government's political will and support to the process in spite of the reluctance to devolve authorities, share revenues, suggest legislative reforms, and include social accountability tools.

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