

The need for strong relations with local and central government, other development projects and strong civil society organizations has all arisen to serve one goal – sustainable development.

Management of Development Projects in Egypt: The Case of ENID

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Introduction

The literature on management of development projects is scanty since it has only recently become an academic field of study. A few universities worldwide are now offering master's programs on development management and after reviewing the literature used in these programs, much emphasis has been found on one particular topic – institutional theory. Institutional theory is defined as "...policy-making that emphasizes the formal and legal aspects of government structures."¹ Should the framework of this theory be expanded to encompass civil society institutions, many of its applications could be of wider use. Institutional theory has in fact been developed to explain the general cultural rationale behind organizational structure rather than policy-making alone according to Powel and DiMaggio.²

The Neo-institutionalism theory explains that in order for an organization to survive, it needs the appropriate funding and the legitimacy to operate.³ In the case of ENID (El Nidaa in Arabic) which is a five year program that aims to produce a sustainable development model in Upper Egypt, it derives its legitimacy to operate from the United Nations Development Program (UNDP) – the implementing agency. The UNDP in turn derives its legitimacy to operate in Egypt from the Ministry of Foreign Affairs and Ministry of International Cooperation. In that sense, ENID/ must follow the institutional guidelines of UNDP and its host ministry. In other words, ENID/ has no separate legal identity from that of the UNDP. This has proved to be an obstacle in many respects. Since it has no independent legal identity, here is a list of what ENID and similar development projects cannot do:

1. ENID cannot register to its name any licensed machinery such as a vehicle for its on-the-ground team which incurs high cost of car rental.
2. ENID cannot register a brand name for its beneficiaries' products, and this puts the brand name at risk of piracy.

¹ Kraft et.al, 2004, *Public Policy: politics, analysis, and alternatives*, CQ Inc., Washington

² DiMaggio et.al, 1991, *The New Institutionalism in Organizational Analysis*, University of Chicago Press, Chicago

³ McCarthy et.al, 1977, *Resource Mobilization and Social Movements: A Partial Theory*, University of Chicago Press, Chicago

3. ENID cannot register as an export agent on behalf of the Community Development Associations (CDAs) hosting ENID activities which limit the CDAs' products to local markets.

4. ENID cannot open a bank account in its name and thus is not able to facilitate the flow of monies generated from sales of products to its beneficiaries via wire transfer.

In practice, these obstacles constitute both a logistical and financial burden on ENID and any other similar development project operating in Egypt. A special law for development projects that would give them an independent legal identity would help overcome these obstacles whilst other requirements remain with regard following the implementing agency's institutional guidelines.

Human Resources Management

As per the UNDP National Implementation Modality, ENID's Board is composed of UNDP Country Representative, Ministry of International Cooperation Representative and the representatives of donor agencies supporting the project. This board is responsible for checking the progress made by the project as well as approving its annual work plan. ENID's 72 Founding members are the individuals who saw a need to create ENID and are the authors of its mandate. They come from different fields of work such as government, industry, agriculture and academia. From this wide group, a small advisory committee has been produced to provide consultancy to ENID's Upper management on projects' implementation, policy matters and fundraising.

ENID's upper management consists of a group of senior development specialists. Each of its four programs is led by a highly experienced manager and a team of young professionals. This mix of experience and youth vitality produces an efficient team to achieve each program's objectives and ultimately the project's developmental goals. A special concern is the employment of young people. Over the course of the project since its start in 2012, ENID has employed 28 full-time employees under the age of 30 years out of a cumulative total of 37 employees including management.

With respect to organizational structure, ENID is similar to many other successful NGOs and CSOs, following the organizational requirements set up by Egypt's Ministry of Social Solidarity.

However, none of the aforementioned employees are covered with government social insurance since they are all on short – term contracts, a consequence of the short or limited nature of most development projects. According to Egyptian law, none of the employees are entitled to register their occupations on their national identification cards or any other formal documents and are thus in the eyes of the law unemployed. It is suggested that the guidelines and bylaws of the labor law should be revisited to help regulate the work of short-term employees such as those hired by development projects in order to compensate for loss of standard social security, and to formalize their occupations.

Innate to almost any development project, specific research is frequently required prior to or during implementation. Be it an evaluation of the entire project, cost benefit analysis for a particular activity, or control testing of the project's interventions, an external consultant could be required to carry out these assignments. Usually, consultants are current university professors who are experts in their fields. Egyptian law allows only university professors on leave to carry out consultancy or other work. This is a predicament to ENID and all other similar development projects that share ENID's need for specialized research. Professors are in effect only able to do such essential research on development when they are on leave or if they receive special permission from their academic institution, thereby limiting the time available for extra curricular research. The same applies to those who work at government research centers.

This stalls all other project activities dependent on this research. This is an important issue considering the limited time frame of development projects to complete activities.

Public Relations in the Development World

The need for strong relations with local and central government, other development projects and strong civil society organizations has all arisen to serve one goal – sustainable development. Four years into the project's lifetime, ENID has been able to secure cooperation protocols with 26 local community development associations (CDAs) and 2 youth centers in Qena Governorate with which the project's different activities are implemented. ENID has also secured one cooperation protocol with the Ministry of Technical and Vocational Education and

Training to build a medium sized ready-made garments factory inside El Towayrat TVET School in Qena Governorate. ENID has also excellent relationships with local administration and works hand-in-hand with the Governor of Qena. ENID also has direct communications with a range of 11 ministries at the central level.

However, the need to strengthen communication lines between development projects and central and local government administration is crucial. In the current bureaucratic system, project activities are unduly delayed because of a missing signature from a government official or a stamp from another. This sort of delay can extend to an entire year as in the case of ENID's Ready Made Garments factory project, whereas the final signature was given one year after the relevant minister approved the project.

A one-stop-shop (OSS) gathering representatives of all ministries in every governorate who report directly to their respective ministries would be of much aid to development projects such as ENID in communicating the policy suggestions to policy-makers. This can also help expedite red tape such as issuing permits and needed signatures from relevant government officials. Currently, OSS entities exist only for private sector investors in Cairo, Alexandria and El-Sharqia Governorates.

Sustainability

“Give a man a fish and you feed him for a day; teach a man fishing and you feed him for a lifetime.” (Meimonides)

From the start of any development project, the mindset of its management is to ensure the sustainability of the interventions of the project far after its project duration has ended. This is the difference between charity work and development work. In both types of work, the community is being served in bettering the livelihoods of its members but charity lasts for as long as the source of charity does whilst development projects enable the beneficiaries to better their livelihoods on their own, using the skills and tools given to them.

Improving the institutional environment facilitates the development process. “Institutional environments are characterized by the rules and requirements by which individual

organizations must conform to receive legitimacy and support”⁴. ENID craftsmen are usually faced with a harsh entrepreneurial and marketing environment that is competitive. Basic organizational and marketing skills are necessary additions to their crafts skills. Hence the use of local NGOs to facilitate the transition from an informal to a more formal mode of operation in dealing with inventory, basic accountancy, capacity to deal with suppliers, and so forth. At a national level, it is preferred that there should be the ability to face legal and tax obligations, and this is applicable to those more complex organizations that must meet certain requirements such as a minimum start-up capital, registered business location and a corporate bank account. For those small ENID craftspeople who operate outside of formality, the need for rudimentary organizational skills remains, such as the ability to undertake team work, to lead a group, to have basic literacy and accountancy skills, and to develop the capacity to pass on skills for sustainability. Help from assisting NGOs is a first step in that direction.

In order for ENID to secure a friendlier institutional environment for an ambitious project to set up a Ready Made Garments factory it worked hand-in-hand with the Ministry of Technical Educational and Vocational Training to build a fully operational factory within the premises of El-Towayrat Industrial TVET School in Qena Governorate. This will be constructed by the end of 2016. The factory will allow for TVET school graduates along with ENID fresh graduates to find employment after they have received their training. This factory will be rented to the private sector that will be responsible for its maintenance and sustainability. The factory will also act as an attraction for other competitors to come and open up similar factories considering the low cost of labor and the logistical advantage of the short distance to Safaga Port on the Red Sea. At present, TVET schools by law must pay a substantial 20% on any revenues made by students inside school facilities. Students of TVET schools generally have no incentive whatsoever to produce marketable products and thus the schools cannot generate any worthwhile revenues to maintain the machinery at their disposal or even purchase raw materials for proper

⁴ WR Scott et.al, 1994, *Institutional environments and organizations: Structural complexity and individualism*, Sage.

application of school exercises. The modification of this law would improve the efficiency of TVET schools without burdening the fiscal budget.

ENID is also working hand-in-hand with the Ministry of Industry, Trade, and Small and Medium Enterprises on a Grand National project that aims to develop the area of Safaga, Qena and Al-Qusseir referred to as the “Golden Triangle” which includes the construction of a container terminal in Safaga port.

One of the main determinants of ENID interventions’ sustainability is incorporating the government as a partner whenever possible in the planning and implementation of the activities. The interventions completed in partnership with the government are much more likely to be replicated and scaled up since the results of these interventions are experienced first-hand by the policy makers.

Transforming to a Civil Society Organization

After almost half of its duration complete as a development project, ENID is currently seeking its transformation into a civil society organization through the creation of a Foundation, once project time runs out. This decision has been made after ENID addressed the vital issue of sustainability of projects. Experience has shown that too often after a project has run its course and been wound down, it is unable to sustain its activities, particularly after a donor has withdrawn funding. ENID has been subject to a thorough midterm evaluation performed by an external evaluator and has shown a very positive outlook to becoming a sustainable registered civil society organization, once its mandate as a project runs out. After recommendations from ENID’s donors and implementing agency, UNDP, to transform into a civil society organization a corporate lawyer was consulted to understand the nature of the different civil society organizations the Egyptian law allows for. The process of research was time-consuming and costly. The one-stop-shop, mentioned earlier, could act as a consultant to development projects that have decided on transforming into a civil society organization.

Recommendations

1. A special law for development projects that would give them an independent legal identity would help ENID and similar development projects overcome unnecessary bureaucracy in registering equipment such as vehicles, registering as an export promotion agent on behalf of its beneficiaries or opening a bank account whilst remaining to follow the implementing agency's institutional guidelines.

2. The guidelines and bylaws of the labor law should be revisited to help regulate the work of short-term employees such as those hired by development projects in order to formalize their occupations.

3. Researchers and university professors should be enabled to take on research work, especially that related to development, not only when they are on sabbatical. Their expertise could greatly enhance the operations of development projects.

3. The removal of the 20% charge on any revenues made by TVET schools from services or sales would improve the efficiency of TVET schools – who could use the savings to help in much needed upgrading of their facilities without burdening the fiscal budget.

4. A one-stop-shop for representatives of all ministries in every developing governorate who report directly with their respective ministries would be of much aid to development projects such as ENID in communicating the policy suggestions to policy-makers.