Strengthening Transparency and Integrity in the Civil Service – Phase II
(Award Number 00056788)

Project Progress Report
January 2013 - April 2014
Background

The Project First Phase
The project first phase of collaboration with MSAD focused on assessing and understanding the context of corruption, governance and anti-corruption measures relevant for the public administration.

The Project Second Phase: 2012-2014

Project Signatories: Ministry of State for Administrative Development (MSAD)  
Ministry of Foreign Affairs  
United Nations Development Programme (UNDP)

Context:
The second project phase was signed after the 25th revolution and dealt with the outcomes of the revolution on the legal and institutional level and the new social tools that enabled its eruption as well as the democratic transitional pre-requisites context. In addition all Egyptian governments after the revolution declared its determinacy to fight corruption as well the new Egyptian Constitution in 2014. This phase of the project builds on the achievements of the Transparency and Integrity Committee (TIC) in Project Phase I, and the activities concentrate on:
  - Generating knowledge specific to the Egyptian context and relevant to effective preventive measures.
  - Putting quality anti-corruption policy recommendations relevant to the Egyptian context.
  - Inclusion of a separate activity result on communication.
  - Address various target audiences vital for furthering an effective preventive fight against corruption.

Project Activities:

a) Developing of an effective preventive legal framework by drawing upon relevant international experiences contrasted to the Egyptian context through the organization of national conferences.

b) Conducting studies that increase the understanding of the factors relevant for influencing effective policy implementation that contribute to change towards lower prevalence of corruption.

c) Strengthening external communication capacities of the Governance Center (GC ) to communicate the specific results to target audiences and to meet the increased popular demand for learning about how and what can be done about corruption.
Achievements

Activity Result 1: Knowledge enhanced for the development of an effective preventive legal framework through the documented sharing of relevant international experiences contrasted and made relevant to the Egyptian context:

Accomplished

1. Public Procurement: The activities between public and private interests that take place in public procurement offers large opportunities for corruption, something that is repeatedly confirmed by governance indicators and national research. The project organized a workshop on “Developing Government Procurement to achieve integrity of Public Funds” on 15-16 April 2014 with a focus on public procurement regulations, instruments and institutions relevant for integrity in the process where the private and the public sectors intersect. The workshop timing responded to the societal debate on recent introduced public procurement law pertaining to enlarging the direct procurement (non-competitive procurement) allocations.

- The workshop developed certain aspects to be addressed which were: the current legal framework governing public procurement (law 89/1998) and its assessment, monitoring and combating corruption and accountability mechanisms, developing and improving the public procurement system.
- 14 presentations were submitted conforming with the previous workshop aspects.
- Documents concerning national and international related legal frameworks were distributed to the participants.
- Participants represented official stakeholders (Public Institution for Public Procurement at the Ministry of Finance- Public Procurement Departments in various ministries,
Central Organization for Administration and Organization, anti-corruption agencies, Commercial unions, Egyptian Juniors Business Association, related Non-governmental organizations and political parties.

- International experiences were drawn by an international expert presenting public procurement best practices in countries in democratic transition, UNDP, also presented best practices driven from implemented procurement procedures within.
- The workshop policy recommendations focused on ensuring that the thresholds applied for direct procurement are in line with established international practice, reviewing existing legislation to ensure its compliance with UNICETRAL model law especially providing transparency for the whole procurement process, formulating while amending the law that procurement contracts obtained in violation with undisclosed conflict of interest or in case of suspected fraud are null and void, improving the procurement procedures by providing for mandatory due diligence on bidding companies to identify possible relations of bidder companies, avoiding concentration of too much discretionary power in the hands of a single person (civil servant).
- Submitting a memo to the Prime Minister office concerning the policy recommendations to be taken into consideration when amending the law.
  For more details, please see Annex I which includes the workshop report and the recommendations submitted to the Prime Minister

2. **Code of Conduct**: MSAD through GC and the Central Organization for Administration and Organization developed a “Code of Conduct” for Egyptian civil servants. A workshop was conducted to highlight the values of the civil service and the principles to be observed and guide how public authority shall be exercised.

  - On the 18th of November 2013 a workshop was conducted titled “The role of Code of Conducts in achieving Integrity in the Civil Service” (see Annex II). The workshop objectives were to highlight the relevance of the civil servants code of conduct with the civil service law 47/1978 and the senior official’s law 5/1991 as well as article (8) of UNCAC.
  - The workshop concentrated on discussing the aspects concerning role of code of conduct in reforming the public sector, the role of code of conducts in improving performance and productivity, the role of code of conducts in fighting corruption and achieving good governance.
  - Best Practices on methods for implementing code of conducts drawn from regional experiences were presented from Burkina Faso (the experiences of countries in transition: The case of African French Succession Countries of West Africa Economic and Monetary Union “WAEMU”), the fundamentals of public utilities, strategies to reach the public utilities: the case of Burkina Faso and highlights of code of conducts in the civil servants statute of Tunisia and Burkina Faso.
  - The main workshop policy recommendations focused on monitoring of the implementation of code of conducts, perceiving code of conducts as reform and not punishment tools, the language of the code of conduct should refrain from being obligatory, the civil servants should participate in writing their own code of conduct.
- The Minister of State for Administrative Development in 2013 adopted the experts’ recommendations and advised GC to issue “Guiding Principles” for drafting and implementing code of conducts.
- A “Guiding Principle for putting and implementing Code of Conduct” was drafted.
- In 2014 the new Minister of State for Administrative and Local Development agreed on the following:
  - printing and distributing the code of conduct among civil servants in cooperation with the Central Organization for Administration and Organization (CAOA)
  - raising civil servants capacities in Egypt’s governorates on the requirements and obligations of the civil service laws and of the code of conduct.

**Activity Result 2:** Factors relevant for influencing effective policy implementation that contribute to change towards lower prevalence of corruption shared.

1. Achieving change in the public administration through understanding factors influencing the relationship between the principal and the agent.
   In that regard GC developed the following:
   - A questionnaire to identify the relationship through institutional, legal value-led aspects. The questionnaire was distributed among a sample of 200 civil servants in cooperation with the CAOA. GC is in the process of analyzing the answers for drafting a report.
   - A symposium on “The Relationship Between the Civil Servant and the Civil Service” was conducted in cooperation with Central Authority for Organization and Administration (CAOA) on the 6th of May 2014. Former Officials and the National Expert highlighted various factors influencing the principal-agent relationship:
     - The importance of developing new evaluation policies.
o The need to change the pyramid – structure of the civil service towards a more hybrid structure.
o Emphasizing results based monitoring
o The role of creativity and solution oriented work in evaluating civil servants.
o The importance of capacity building for both the superior and the employee on rights and duties and on integrity in the working environment.

2. The Study on the Cost of Corruption to Identify the Losers and the Winners
- Terms of references were developed to hire national experts working in research centers and relevant anti-corruption institutions.
- National experts identified five corruption costs (legal- institutional – financial- social and political costs).
- The news on conducting of the study was published in the media (Main concerns and inquiries focused on who would conduct the study and on estimated financial costs).
- Four brain-storming sessions were held to discuss study preliminary results and exchange reading the various chapters.
- The study includes policy recommendations and causality equations.
- The study is in the editing process and is expected to be launched in June 2014.

**Activity Result 3:** Project activity results communicated to targeted audiences to meet the increased popular demand for learning about what is corruption and how to combat it?
- GC to reach out to a wider public through communicating its work using social media [https://www.facebook.com/profile.php?id=100006113078082#!/pages/Governance-Center/447480795312562](https://www.facebook.com/profile.php?id=100006113078082#!/pages/Governance-Center/447480795312562)
- GC communicated anti-corruption knowledge through disclosing information on relevant programs concerned with enhancing integrity in delivering public services conducted in MSAD to achieve civil servants and users access through improving disclosing capacities of MSAD Website: [http://www.ad.gov.eg/Default](http://www.ad.gov.eg/Default)
- GC through engaging civil society stakeholders (University students) produced 2 documentary films on corrupt attitudes and a flyer identifying the impact of corruption on public services.
- GC coordinated with an NGO (Egyptians without Borders) to organize a "Go Case" to analyze corruption cases related to misconduct of public funds (privatization of state of state owned according to UNCAC and national legislations and suggest solutions.
- GC communicated its activity results to the National Coordinating Committee for Combating Corruption (NCCC).
- GC signing an MOU with the Administrative Control Agency (ACA) to raise awareness of civil society organizations on the impacts of corruption. (The MOU currently at the Ministers’ office for signature).

**Project outcomes till 2014**
- The Governance Centre developed strong capacities and networked with official anti-corruption agencies to provide policy advice on the previously implemented activities attributed to the project’s activity results
- The Governance Center liaised with youth at universities to develop and disseminate anti-corruption materials and studies and to express their concerns and needs to combat corruption (celebrating the Anti-Corruption Day 2013).
- The capacity of policy making of relevant anti-corruption bodies has improved (National Coordinative Anti-Corruption Committee- NCCC members). The evidence lies in the Committee’s approval to engage civil society organizations in its activities (NCCC was guided with the NGOs communication list developed by GC). NGO’s participated in discussing the information disclosure law, as well as suggested coordinative mechanisms among anti-corruption agencies
- Activity results communicated to NCCCC(code of conduct, conflict of interests research materials, recommendations to amend the public procurement law).

**Project’s Risk Log:**
1- The Minister of State for Administrative Development did not transfer its financial contribution (200,000 US$) to the project.
2- The continuous changes in the Egyptian government to delay implementing different activities.
3- The international experts’ dilemma: The reluctance of international expertise to visit Egypt.

- The Project Requests:
  - Agreeing on the Extension of the Project till 2015
  - Approving the future work plan
  - Approving issuing the agreed upon Ministry of State for Administrative Development cost-sharing.

- Project Financial Situation:
  - Total Project Budget: $450,000
  - Total Expenditures: $107,783.73
    - 2012: Nil
    - 2013: $ 74,764.49
    - 2014: $ 33,019.24
  - Balance Available : $342,216.27
    - Outstanding Gov Cost sharing : $200,000
    - Available UNDP Funds: $142,216.27