

Chapter 6

Governance:

Towards an effective ecosystem for managing the affairs of of the State and society





Governance is one of the key pillars for promoting the Right to Development, as it involves the principles of justice, participation, transparency, rule of law and accountability. If effectively and efficiently applied, these principles allow comprehensive sustainable development to be achieved. In recognition of the important role that institutions play in the development process, Goal 16 of the SDGs aims to secure peace and justice and to build effective, accountable and inclusive institutions at all levels. Goal 16 focuses on achieving stability, ensuring human rights, and strengthening governance based on the rule of law through: ensuring equal access to justice for all; establishing effective, transparent and accountable institutions; reducing corruption; ensuring citizens' access to information; protecting fundamental freedoms; and making decisions in a responsive and inclusive manner.

Academic literature on the relationship between governance and economic growth has produced varying results. Some researchers have found a close relationship between governance and economic growth, while others have concluded that the link is limited. These results largely depend on the specific context of the country or countries that are the subject of the study, as well as the methodology used.

Several studies have proven the positive impact of governance on economic growth, and the positive impact of governance quality on the growth rate of GDP per capita. The quality of governance, including the efficient and effective provision of public services and the rule of law, helps achieve economic growth. Studies have proven that regions with high levels of quality of governance also have high economic performance.¹ Some of these studies also concluded that the quality of institutions has an impact on economic growth.² Other studies indicated that the effectiveness of government institutions and the skills of government workers contribute significantly

to reducing poverty.³ These institutions are considered the basis for achieving prosperity and growth, and high-quality institutions generate a sense of security among investors through promoting issues related to intellectual property, rule of law, and special incentives. Social and economic goals must rely on well-established institutions, robust social security systems, citizens' enjoyment of freedoms, and adequate political representation.⁴ In order to achieve inclusive growth, the institutions themselves must be inclusive; that is, they must work to create opportunities, encourage innovation in society, facilitate participation in decision-making, and enhance transparency, while also taking into account those most in need.⁵

In terms of governance and attracting investments, research indicates that governance enhances economic activity and provides incentives that encourage investment, resulting in economic growth.⁶ In more detail, policies adopted by states to protect investors contribute to the development of state resources and growth. By contrast, state interference in contracts and private property limits the process of economic growth.⁷ Lower levels of corruption, more stable political environments, and more effective institutions, judicial systems, and intellectual property protection systems, directly affect investors' confidence and decisions to invest.⁸ With regard to foreign direct investment, several studies have shown a relationship with the quality of institutions, meaning that the quality and effectiveness of institutions affect the flows of foreign direct investment. When the policies followed by various institutions are clear, government procedures are uncomplicated, and intellectual property laws are effectively enforced, the flow of foreign direct investment will increase.⁹ It is clear therefore that the efficiency and quality of institutions and governance contribute to enhancing foreign direct investment flows and thus positively affect economic growth.¹⁰

Public services are services provided by the state to citizens, including water and sanitation, health care, infrastructure, transportation, land registration systems, and licensing, among others. Citizens usually evaluate the quality of governance as a whole from their experience in accessing these services. Thus, provision of public services is the main channel of communication between citizens and public institutions and they function as an expression of the principles of good governance. The provision of good public services is characterized by effective access by target groups and the efficient use of available resources. Public services are therefore more efficient and effective when they are able to meet citizens' expectations and actual needs. Thus, the trend towards decentralization is an important shift that contributes to efficient service delivery as a result of the proximity of local levels of institutions to the needs of citizens and their ability to provide better-quality services in accordance with those needs.¹¹ The provision of services is also linked to the issue of justice, as governments work to ensure the efficient and effective provision of basic services to all citizens, including the poorest groups. The link between the concept of justice and the provision of services is due to the fact that citizens' level of satisfaction with public services increases when services are provided in an equitable manner and to those most in need.¹²

Inclusive growth cannot be achieved without efficient and effective public service provision. Despite the key role of income, accessibility and quality of education, health and other services, are equally important. Good results cannot be achieved without public services that are easily accessible and highly responsive. Several studies show that improving the performance of public services not only boosts citizens' satisfaction levels, but also helps to enhance their confidence in the government, thus attaining development goals that achieve the well-being of citizens.¹³

Governance is a major determinant of inclusive growth, while also promoting investment

and contributing to reaching those most in need. However, in order to achieve the desired development goals, it is necessary to strengthen monitoring and evaluation systems that will support the decision-making process by ensuring policies are based on accurate evidence and data, as it helps decision makers set development policies and frameworks that are inclusive.

6.1 Improvement in Egypt's performance on governance indicators

There are a number of indicators related to governance issued by international organizations. Measurements of countries' performances via these indicators provide a tool for decision-making, including investment decisions and decisions related to development aid. Countries therefore seek to improve their indicators as they benefit from them.

Several key indicators and reports serve as the main reference from different entities to describe status of governance of countries, such as the World Bank's Worldwide Governance Indicators and its Ease of Doing Business Index, the UN E-Government Survey, the International Budget Partnership's Open Budget Survey, and the Ibrahim Index of African Governance issued by the Mo Ibrahim Foundation.

Table 6.1 shows the improvement in Egypt's performance in terms of the World Bank's Worldwide Governance Indicators. The Government Effectiveness Index captures perceptions of the quality of public services, of the civil service, and of policy formulation and implementation, as well as the credibility of governmental commitment to such policies. On this index, Egypt's best performance was in 2010, reaching 42.11 in percentile rank. Egypt's performance declined sharply in 2013 and 2014, reaching 20.85 and 20.19 respectively, due to the political conditions of that period, which affected the performance of many public and private entities. Since 2015,

Egypt's score has started to rise, reaching a high of 36.54 in 2019. This improvement illustrates that the recovery process from the decline the country experienced is well underway. It also indicates the effectiveness of policies implemented by the government to improve the quality of public services provided to citizens.

The Rule of Law Index focuses on the extent of countries' confidence and commitment to implementing laws in society, especially contract enforcement, property rights, police work, and courts. Egypt's best performance, as with the previous indicator, was in 2010, scoring 49.67 in percentile rank. It subsequently declined to 33.33 in 2013, reaching its lowest score in 2014, at 29.33. A gradual improvement began in 2015, and Egypt scored 37.98 in 2019. It is clear that this improvement in performance is due to the government's adoption of a package of policies that help strengthen the rule of law, especially with regard to investment and mechanisms for implementing contracts.

In regard to the Corruption Control Index, which looks at the abuse of public office for private gain, Egypt's best score was in 2017, 34.13 in percentile rank, compared to a low of about 25.59 in 2011. As indicated in the table, there was a decline in 2019 to 27.88 in percentile rank, although Egypt is making many efforts on combating corruption which will be discussed in the next section. This decline can be attributed to the fact that these indicators depend in their methodology on the

opinions, experiences and perceptions of a very limited number of citizens and experts in the public and private sectors and at NGOs around the world, which may not often accurately reflect reality or take into account administrative data and reforms that take place within different organizations. Such reforms may not receive much media attention, which affects the perception of respondents to data collectors' questions. It is important to note here that this observation applies to indices in which Egypt's performance has improved as well as those in which it has suffered a decline.

In terms of the Regulatory Quality index, which captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development, Egypt's performance has improved recently, reaching 18.75 percentile rank in 2019. However, this is still low compared to better scores of 46.89, 26.44 and 22.12 in 2010, 2014 and 2015 respectively. Egypt has taken a number of measures related to both the promotion of investment and development of the private sector, such as issuing the Investment Law (*Law No. 72 of 2017*) which provides facilities for the private sector and institutional frameworks for arbitration and dispute settlement, and the Restructuring, Preventive Composition and Bankruptcy Law (*Law No. 11 of 2018*). Egypt has also made major efforts to support micro, small and medium-sized enterprises during the past few years.

Table 6.1

Egypt's performance on the World Bank's Worldwide Governance Indicators, 2010-2019 (percentile rank)

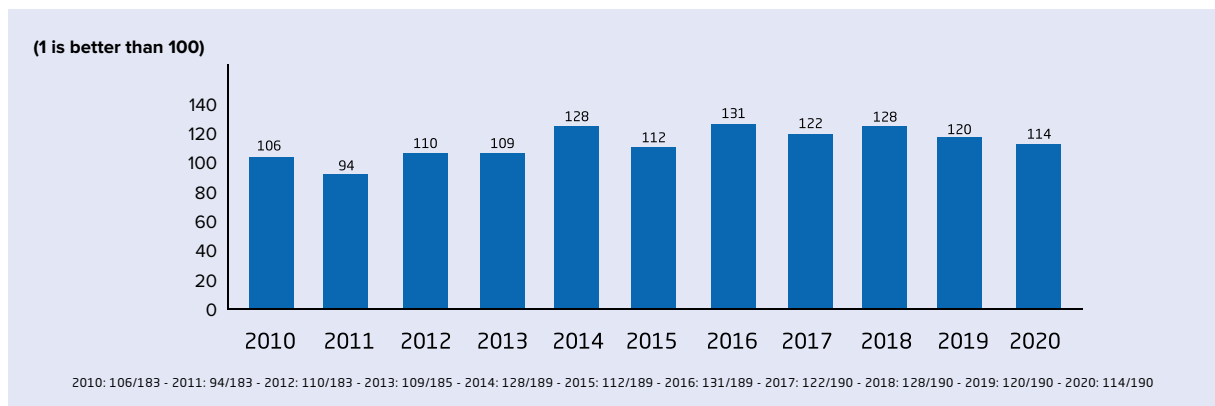
Year/ Index	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Government Effectiveness	42.11	35.07	32.22	20.85	20.19	22.12	27.88	29.33	30.77	36.54
Rule of Law	49.67	41.78	40.38	33.33	29.33	31.25	32.69	32.69	37.5	37.98
Corruption Control	30.95	25.59	33.18	31.75	30.77	30.29	31.25	34.13	30.77	27.88
Regulatory Quality	46.89	41.23	33.65	29.38	26.44	22.12	17.79	17.31	17.31	18.75

Source: World Bank. *Worldwide Governance Indicators (multiple years)*.

Figure 6.1 shows the improvement in Egypt's performance on the World Bank's Ease of Doing Business Index, which focuses on a set of dimensions related to the regulatory environment for business through a set of indicators based mostly on opinion surveys on issues related to starting a business, property registration, access to electricity, contract enforcement, cross-border trade, and other issues that affect the business environment. Egypt's

best performance was in 2011, when it ranked 94th out of a total of 183 countries, while its worst ranking was in 2016, when it reached 131st out of 189. Since that year, there has been an improvement, although there was a slight decline in 2018 to 128th out of a total of 190 countries. However, it improved to reach its best level since 2016 in 2020, coming 114th out of a total of 190 countries.¹⁴

Figure 6.1 Egypt's ranking on the Ease of Doing Business Index, 2010-2020

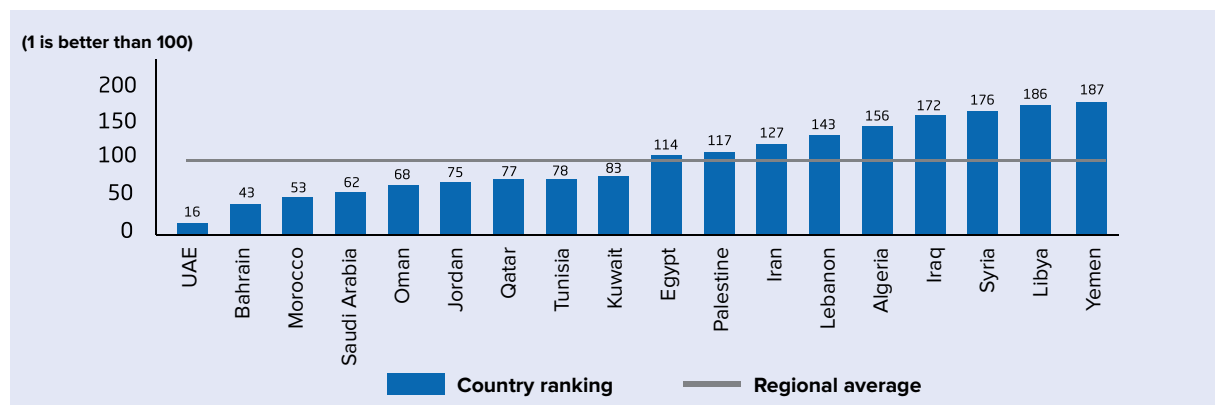


Source: World Bank (multiple years) Doing Business Report.

When compared to other countries in the Middle East and North Africa, Egypt ranked 10th out of the 18 countries in the region in

2020. The lower the ranking is, the better the score,¹⁵ as shown in Figure 6.2.

Figure 6.2 Egypt and MENA countries' rankings on the Ease of Doing Business Index, 2020

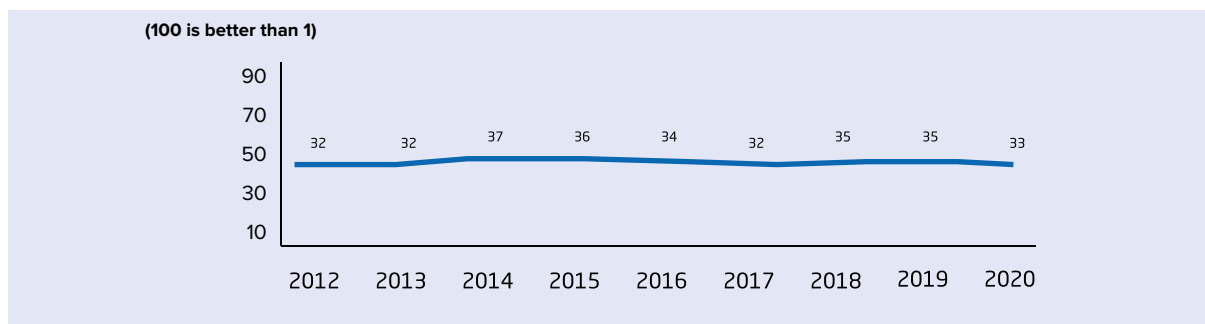


Source: World Bank (2020) Doing Business Index.

The Corruption Perceptions Index, issued by Transparency International,¹ aims to measure levels of public sector corruption through a set of surveys of experts and executives from a number of international organizations and bodies. As shown in Figure 6.3, Egypt

received the best score in its history in 2014, at 37 points. However, the score declined in 2015, 2016 and 2017, to reach 36, 34 and 32 points respectively. It rose to 35 points in 2018 and maintained this score in 2019, declined again in 2020 to 33 points.¹⁶

Figure 6.3 Egypt's score on the Corruption Perceptions Index, 2012-2020

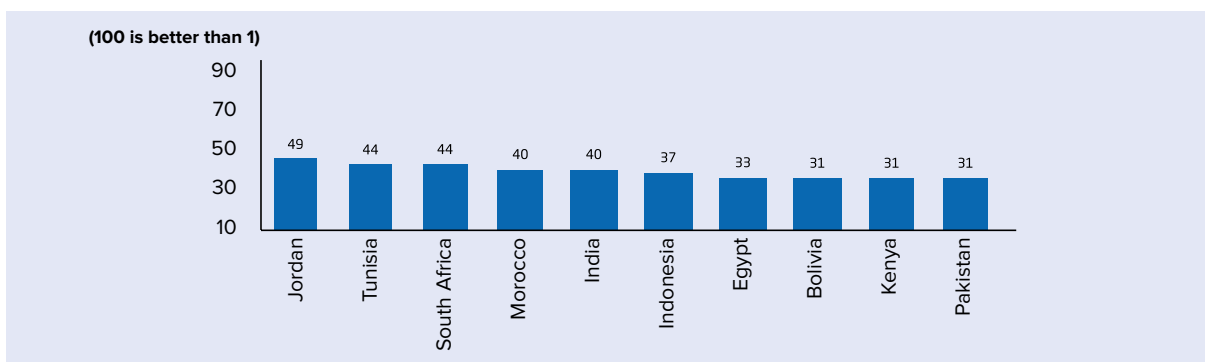


Source: Transparency International (multiple years). Corruption Perception Index.

Compared with other middle-income countries, Egypt's score is below average, ahead of countries such as Pakistan, Kenya, and

Bolivia, but lagging behind countries such as Jordan, Tunisia and South Africa,¹⁷ as shown in Figure 6.4.

Figure 6.4 Egypt and selected middle-income countries' scores on the Corruption Perceptions Index, 2020



Source: Transparency International (2020). Corruption Perception Index.

As an indicator of transparency, the International Budget Partnership's Open Budget Index is used to measure budget transparency in terms of the comprehensiveness of information and its availability to citizens, in addition to the extent of participation, especially

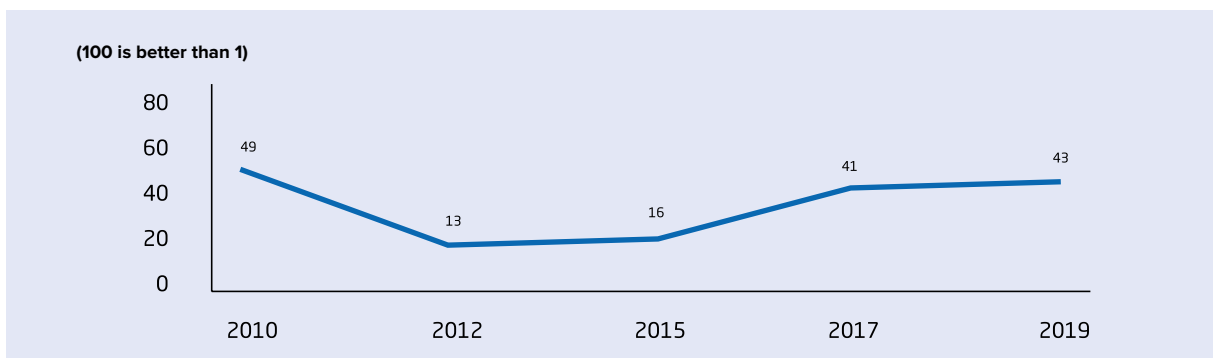
the participation of those most in need, in the budget preparation process. It also measures the efficiency and effectiveness of oversight institutions, such as the parliament, and national authorities in charge of the oversight process.

¹ It should be noted that the methodology for this indicator changed in 2012, which makes it difficult to make comparisons before this time.

Figure 6.5 shows that Egypt scored its highest ranking on this index in 2010 at 49 points; its score fell sharply in 2012 reaching 13 points, and it achieved a score of 16 points in 2015. This may be due to the political conditions in Egypt during both 2012 and 2015, especially in the absence of a Legislative Council, which is a major component of the index. Egypt's performance saw a remarkable increase in 2017, reaching 41

points, and improving further in 2019 to reach 43 points.¹⁸ This increase is due to the reforms implemented in terms of publishing data on the general budget, which is now far more detailed, in addition to the presence of an elected Parliament that exercises oversight powers alongside the national bodies concerned with oversight, led by the Central Auditing Organization.

Figure 6.5 Egypt's score on the Open Budget Index, 2010-2019

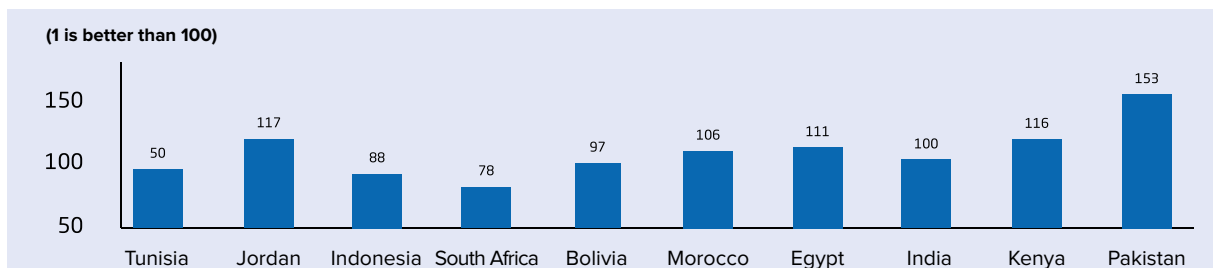


Source: International Budget Partnership (multiple years). Open Budget Survey.

Figure 6.6 shows the scores of Egypt and a group of middle-income countries on the UN E-Government Survey. The E-Government Survey measures the readiness and capacity of national institutions to use ICT to deliver public services. It comprises the Online Service Index, which measures a government's capability and willingness to provide services and communicate with its citizens electronically; the Telecommunication Infrastructure Index, which mea-

sures the existing infrastructure that is required for citizens to participate in e-government; and the Human Capital Index, which measures citizens' ability to use government e-services. As Figure 6.7 shows, in 2020, Egypt ranked in the middle compared to countries such as South Africa, Indonesia and Tunisia. South Africa ranked first in this group, coming 78th, while Indonesia was 88th, Tunisia was 91st, and Egypt was 111th.¹⁹

Figure 6.6 Egypt and selected middle-income countries' rankings on the UN E-Government Survey, 2020

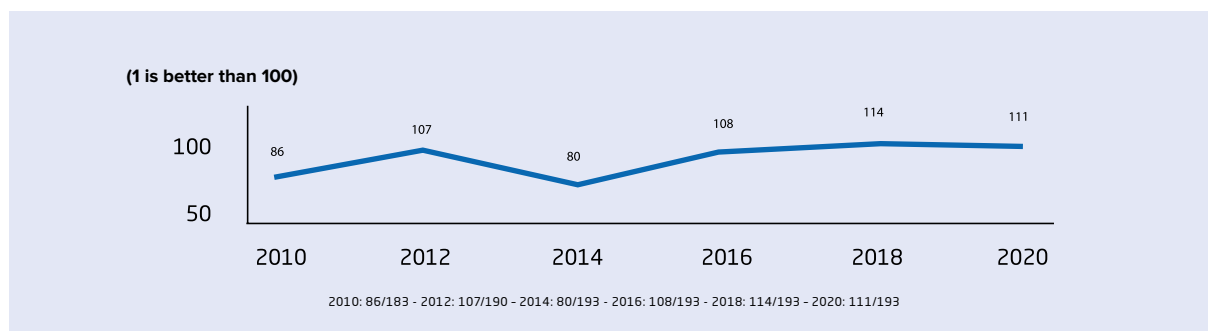


Source: United Nations (2020) E-Government Survey.

As shown in Figure 6.7, Egypt received its highest position on this index in 2014, coming 80th out of 193 countries. However, its performance significantly declined on the subsequent two

measurements, reaching 108th out of 193 in 2016 and 114th out of 193 in 2018. However, there was a slight improvement in 2020, ranking 111th, again out of a total of 193 countries.²⁰

Figure 6.7 Egypt’s ranking on the UN E-Government Survey, 2010-2020

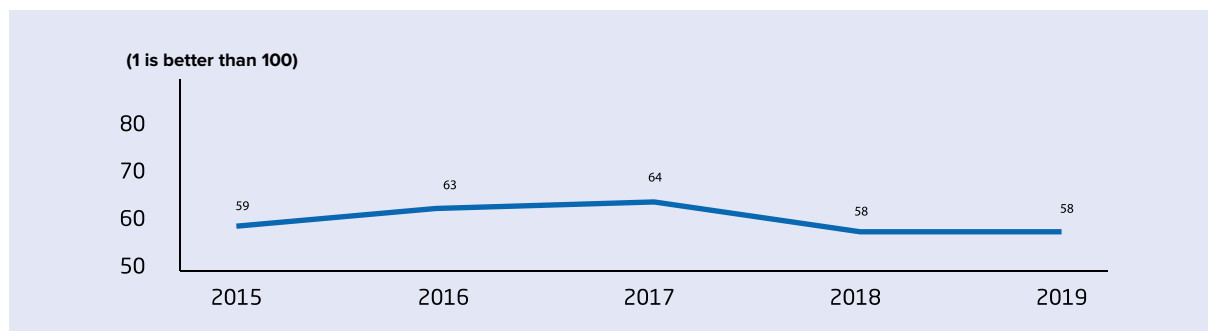


Source: United Nations (multiple years) E-Government Survey.

Chinese multinational company Huawei issues an annual Global Connectivity Index which measures the extent to which countries are able to communicate by evaluating their status based on the volume of investment in

the ICT sector, as well as the performance of the digital economy. As Figure 6.8 shows, Egypt ranked 64th in 2017 out of a total of 79 countries, but improved to 58th in 2018, also out of 79, maintaining this in 2019.

Figure 6.8 Egypt’s ranking on the Global Connectivity Index, 2015-2019



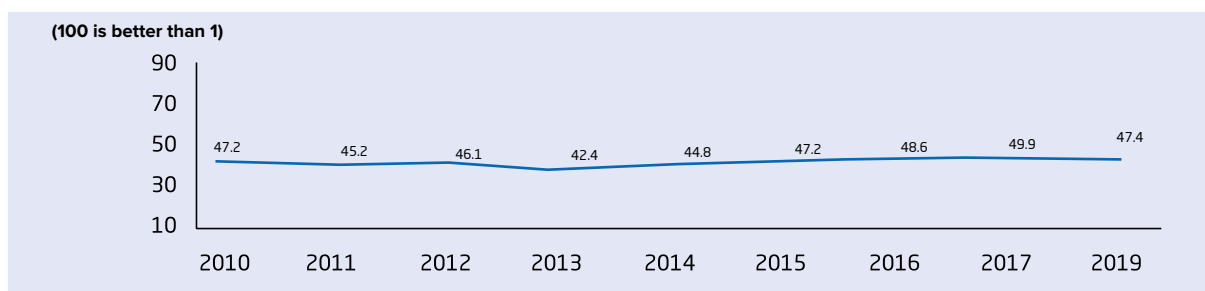
The total number of countries in all mentioned years is 79.

Source: Huawei (multiple years). Global Connectivity Index.

At the continental level, the Ibrahim Index of African Governance measures governance by focusing on countries' performance in a number of categories: safety and the rule of law, which includes transparency, accountability, and national security; public participation and human rights; sustainable economic opportunity, which includes the performance of public administration, infrastructure, and the business environment; and human development, including education, health and welfare. As Figure 6.9 shows, Egypt's lowest performance since 2010 was in 2013, when it scored 42.4 points. This could be attributed

to the political and economic conditions in the country at the time. Since 2014, Egypt's score has been improving, reaching its best level in 2017, at 49.9 points. However, it fell again in the 2020 index (which includes the index points for 2019) to 47.4 points.²¹ It should be noted that the Mo Ibrahim Foundation carried out an in-depth and comprehensive review of the index between 2018 and 2020, which might explain this deterioration. The Ibrahim Index has been modified, where new governance dimensions have been added, and revisions to the general framework of the index and its calculation.

Figure 6.9 Egypt's score on the Ibrahim index of African governance, 2010-2019



Source: Mo Ibrahim Foundation (multiple years), Ibrahim Index of African Governance.

It should be noted that the methodologies adopted by many of these indices depend primarily on perception indicators, which may, despite their importance, be characterized by a degree of subjectivity. As a result, they may not accurately reflect developments on the ground in relation to some indicators. It is also worth noting that there are a set of previous indicators that do not take into account the efforts made by Egypt over the past few years. The period between data collection and the issuance of an indicator score may be more than two years, which leads to a lack of awareness of the latest changes and developments and which may undermine the credibility of these indicators.

Regardless of the direction of the indicators, the situation of Egypt in general, when compared to other countries, necessitates overcoming challenges related to strengthening governance. Some of these challenges are institutional challenges, represented in the increase in the number of civil service employees and their poor distribution among different agencies, and the overlapping of tasks and responsibilities between the different administrative bodies. There are also challenges related to the legislative environment. Despite the legislative momentum over the past few years, many necessary pieces of legislation have not yet been issued, some with a direct relationship to governance issues. These include the draft Law on the Freedom of

Data and Information, the draft Local Administration Law, the draft Law on State General Planning, and the draft Law on the Protection of Witnesses and Whistleblowers. There are also challenges related to Egypt's limited financial capabilities, which negatively affects policies aimed at enhancing governance and the efficiency of institutions. Finally, there are also challenges related to weak monitoring and evaluation systems and to modernizing the information infrastructure for monitoring and collecting statistical data.

It should be noted that Egypt has, over recent years, begun to work on overcoming these challenges through clear policies and programmes in various fields, issues and sectors, with the aim of improving governance. The next section deals with Egypt's efforts in this regard.

6.2 Basic pillars for improving governance

A set of key pillars provide the basis for work to enhance governance; they include policies related to administrative reform processes, including developing the administrative apparatus, reforming government financial management, strengthening monitoring and evaluation, combating corruption, boosting transparency and participation, and localizing the SDGs. The efforts on each pillar must be implemented in parallel to have a positive impact on society and the development process. These pillars are presented below, along with Egypt's efforts on each.

6.2.1 Administrative reform

Effective, transparent, responsive and accountable public institutions are one of the primary means through which government strategies to achieve development goals are implemented. These public institutions are also the link between the state, citizens, the private sector and civil society organizations that helps boost growth, reduce poverty, and achieve stability.²² Public institutions need ongoing reform in order to be able to meet

the needs of citizens and to work in line with the standards of transparency, accountability, participation, effectiveness and efficiency. The administrative reform process should be part of a comprehensive and integrated general framework, and many countries therefore adopt administrative reform strategies, such as some states in Eastern Europe. These strategies are usually adopted to address a set of challenges facing public institutions by addressing weak capacities, improving state financial management systems, improving monitoring and evaluation mechanisms, and enhancing integrity and fighting corruption, along with other issues that arise according to the national context of each country.

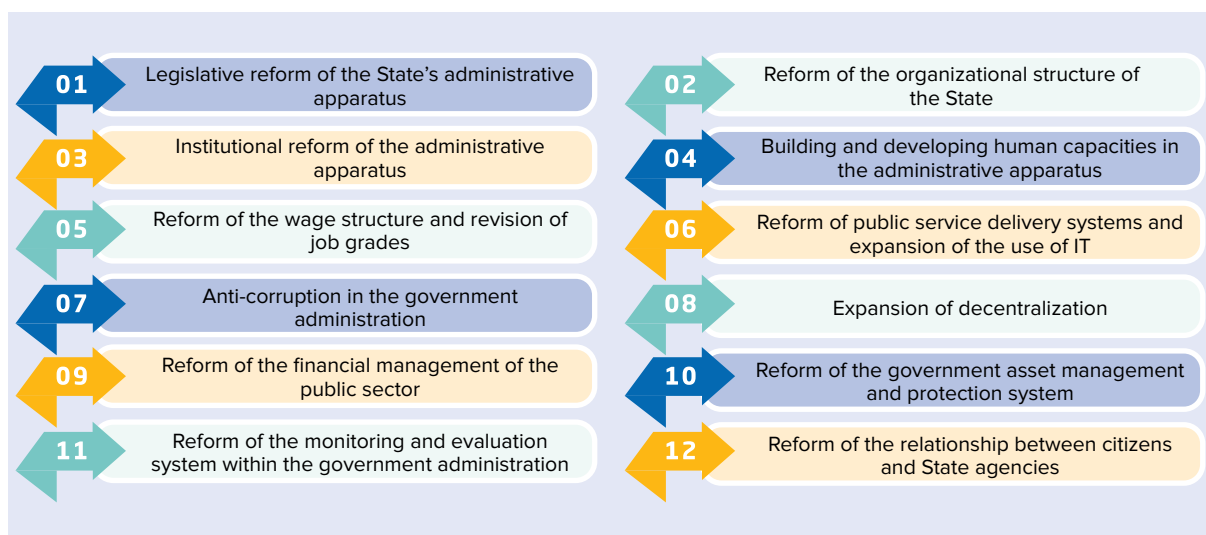
Egypt adopted a vision for administrative reform in 2014, aiming to build an efficient and effective administrative apparatus that allows for effective governance and is subject to accountability. It aims to strongly contribute to the achievement of state development goals and to improve the satisfaction of citizens. A set of principles governing the administrative reform process within the framework of this vision has been developed, including adopting standards of quality and excellence in the provision of public services, transparently announcing all steps of the reform process, avoiding compromising the rights of any employee, adopting the principles of merit and efficiency in all recruitment and promotion processes, increasing wages, and providing training opportunities.

Egypt also aimed to link the administrative reform plan with the constitutional requirements to provide various services efficiently and fairly and to achieve a healthy economic environment characterized by transparency, governance, fair competition and equal opportunities. These constitutional commitments can only be achieved by empowering the State's administrative apparatus and developing its performance in a sustainable manner. The administrative reform vision included 12 themes which represent the main pillars of the reform process. As shown in Figure 6.10, these themes include legislative, in-

stitutional and organizational reform, financial management, monitoring and evaluation, asset management and protection, wage struc-

ture, capacity-building, combating corruption, and an improved relationship between government and citizens.

Figure 6.10 Pillars of Egypt's vision on administrative reform



The administrative reform process is broad, interconnected and includes many issues as mentioned in the National Sustainable Strategy Egypt Vision 2030, but some basic issues must be highlighted, namely the development of the State's administrative apparatus, the reform of government financial management, and the strengthening of monitoring and evaluation.

Development of the State's administrative apparatus

To develop an administrative apparatus, the dimensions related to the institutional and organizational aspects must be considered, as well as the legal aspects. Administrative apparatuses must be subject to transparent and fair laws and procedures that take into account all issues relating to public officials. Countries usually review and modify their administrative structures to develop their administrative bodies and work to reduce the interactions between them. They also seek

to enhance and build the capabilities of public officials through specific programmes that keep pace with changes and developments on the international, regional and national arena, in addition to developing the service delivery process itself. Countries also work on development by updating the legal frameworks governing public institutions. The main challenge lies in the implementation process and in facing the resistance shown by some employees as a result of the change process.

In order to develop the State's administrative apparatus and its employees, the Supreme Committee for Administrative Reform was formed. It is chaired by the Prime Minister and a number of ministers are members, including the Minister of Planning and Economic Development, the Minister of Communications and Information Technology, the Minister of Local Development, and the head of the Central Agency for Organization and Administration. It aims to activate the government's programme and vision on admin-

istrative reform and to increase the efficiency of the State's administrative apparatus. This can be achieved through developing mechanisms and programmes that ensure the development of government services and the preparation of qualified administrative staff. In 2019, the technical secretariat of the committee was formed in order to follow up on the outcomes of the executive programme on the transparency and institutional efficiency theme of Egypt Vision 2030, to follow up on the administrative reform plan, and to submit the necessary proposals to activate these. This committee has three sub-committees, covering institutional development, capacity-building and development, and legislative reform.

In the framework of implementing this vision and its pillars, Egypt has moved forward with a number of measures, including legislative and institutional reform, capacity development, automation of government services, development of databases and issuance of the Civil Service Law (*Law No. 81 of 2016*) and its executive regulations, which was a major turning point in the public administration system in Egypt. The law aims to improve the level of public services and reduce administrative corruption based on criteria of merit, efficiency and excellence. It reflects a change in philosophy from one based on personnel

administration to one based on human resources, which aims to take care of employees and improve their capabilities in a way that contributes to enhancing transparency, efficiency and integrity in the State's administrative apparatus.

Egypt has developed a strategy for capacity-building and development based on a set of training packages for new and existing employees, middle and senior managers, and programmes for specific groups, such as women and near-retirees. In recent years, Egypt has sought to provide training programmes in cooperation with national and international universities that have a long history of training civil servants in professional qualifications, such as King's College London in the United Kingdom, University of Missouri in the United States, and French-accredited ESLSCA University in Egypt.

At the same time, Egypt is seeking to reconsider basic government functions and restructure ministries, agencies, and state bodies in order to boost efficiency and effectiveness. The construction of the New Administrative Capital should be seen in light of these efforts; the planned move of government activity to the new city is designed to be a major catalyst for addressing existing administrative problems.

Box 6.1 New Administrative Capital: Catalyst for administrative reform

- Egypt intends to transfer the headquarters of Ministries and other parts of the State's administrative apparatus to the New Administrative Capital in the last quarter of 2021. The desire for administrative reform has been a key aim since the announcement of the establishment of the New Administrative Capital. An integrated plan for the transfer of administrative staff has been developed, which includes providing housing for employees wishing to move to the new capital. It also provides means of transportation to and from the capital for the convenience of employees.
- The New Administrative Capital reflects the political will for administrative reform to address a number of challenges. The presence of all ministries and departments in one place will facilitate the process of coordination and consistency of the overall objectives. In addition, the physical and information infrastructures of the New Administrative Capital will greatly help the process of digital transformation and the improvement of the quality of services provided to citizens, which reduces corruption and increases citizens' satisfaction and confidence in Government.

Box 6.1 New Administrative Capital: Catalyst for administrative reform *(continued)*

- The New Administrative Capital also provides an opportunity to establish the new organizational divisions required by Prime Ministerial Decree No. 1146 of 2018, which includes divisions responsible for internal auditing, strategic planning, monitoring and evaluation, human resources, legislative support, information systems and digital transformation. The decision to locate these units in the New Administrative Capital will help boost the efficiency and effectiveness of the State's administrative apparatus. In addition, steps have been taken to define the structures and work systems for these units.
- The planned move to the New Administrative Capital has also led to an unprecedented interest in training and building the capacities of the staff of state bodies. An executive plan for training the employees nominated to move to the new capital has been developed, and it includes a package of basic programmes aimed at raising staff capacities in areas such as strategic planning, monitoring and evaluation, communications and service of citizens.

Source: Central Agency for Organization and Administration.

Box 6.2 Centre for capacity assessment and testing

- Centre for Capacity Assessment and Testing was established in 2019 in line with Article 30 of the executive regulations of the Civil Service Law (*Law No. 81 of 2016*). It will be responsible for testing applicants for civil service jobs via standardized exams. A group of experts and specialists in various fields has drawn up test questions in five main areas: behavioural competencies, Arabic language skills, English language skills, computer skills, and general information. The questions are changed periodically. After the tests are performed, the results will be automatically calculated and the test results announced immediately, to ensure integrity and transparency.
- The Centre aims to achieve justice and transparency, establish the principle of equal opportunities in employment, training and promotion, achieve governance standards, attract the best people to work in the State's administrative apparatus, ensure that qualified personnel occupy leadership positions, and use training allocations efficiently.
- The Centre is based on an integrated electronic system prepared by the Central Agency for Organization and Administration and includes the technological infrastructure and control rooms required to overcome any challenges that employees may face during the tests. The system also has a high degree of protection to prevent cheating.

Source: Central Agency for Organization and Administration.

Egypt has also adopted the Government Services Development Program, which aims to improve the effectiveness of government services, reduce corruption, and integrate and automate various services. The programme includes a set of projects, including the development of the traffic prosecution system, the development of local administrations in

neighbourhoods and cities, the improvement of civil registry services, and services to voters. Egypt has also launched a programme of national databases, intended to unify citizens' basic data by linking existing databases with each other, such as the databases on population, births and deaths, civil status, support beneficiaries, and retirees.

Box 6.3 Egypt Government Excellence Award

- In 2018, Egypt launched the Egypt Government Excellence Award. Its objective is to encourage the spirit of competition and excellence between employees and between government entities. Staff with a distinguished performance of public services will be honoured and rewarded, which consolidates the values of giving, belonging and excellence, and motivates all to increase performance and to adhere to the standards of quality and excellence. The aim is to contribute to achieving the goals of the 'Sustainable Development Strategy: Egypt Vision 2030', regarding the formation of an effective and efficient State's administrative apparatus that contributes to achieving development.
- The award aims to encourage competition between government institutions of all levels, national, local and regional, as well as to achieve better levels of citizen satisfaction, to spread a culture of quality and excellence within public service, to promote the spirit of innovation and creativity and rewarding excellence in Egyptian society, and to shed light on successful government institutions.
- There are six awards in total: The Distinguished Institution Award, the Distinguished Unit, Government Services, Institutional Innovation and Creativity, Distinguished Leaders, and Individual Excellence, and they will be awarded periodically.

Source: The official website of the Egypt Award for Governmental Excellence.

Government financial administration

Financial administration is one of the main concerns of the administrative reform process. The aim of the reforms is to ensure the efficient and effective allocation of public resources, in accordance with state strategic priorities to promote the development process. Good governmental financial administration helps reduce poverty, combat corruption, and enhance efficiency and effectiveness. Best practices in public finances administration include reforming budgets, amending accounting systems and government financial information systems, strengthening internal auditing, adopting medium-term expenditure frameworks and medium-term revenue frameworks, and amending the legislation necessary for reform processes,²³ as well as reforming public debt management and tax policies.

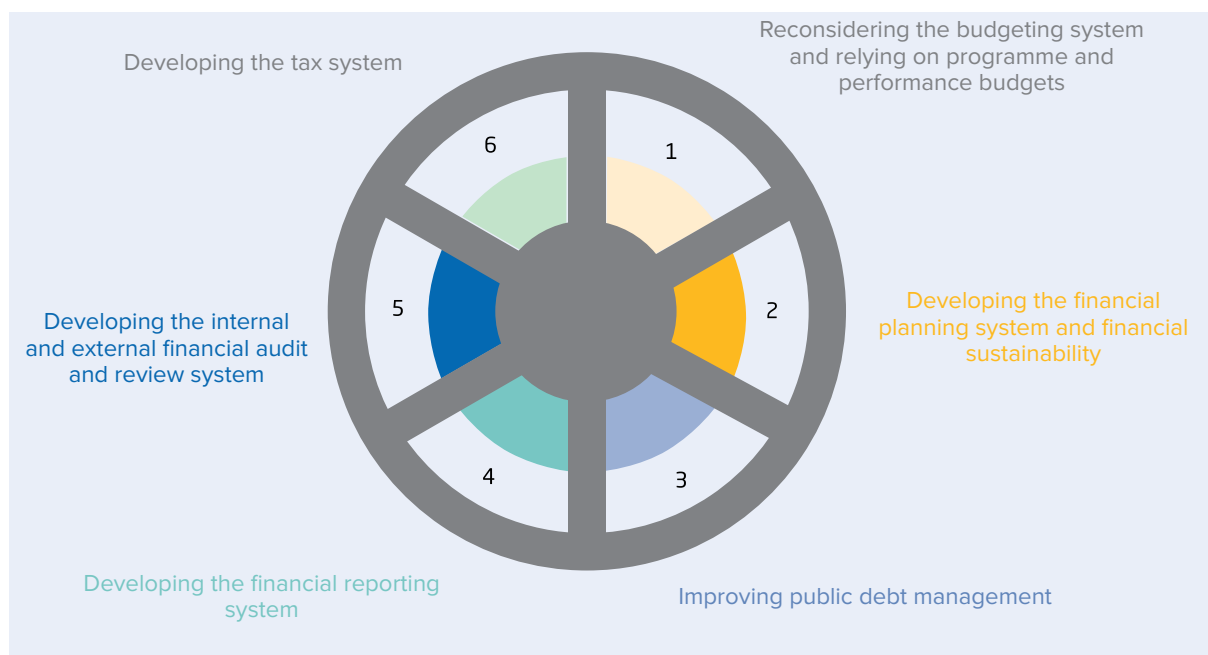
Egypt has begun the process of reforming government financial management, in recognition of its role as one of the main tools for promoting the development process. The focus has been on reforming a number of important issues, as shown in Figure 6.11. In 2017, Egypt announced the shift towards

programmes and performance budgeting to ensure tighter control over expenditures, and to link financial allocations to performance indicators through which programmes could be evaluated. This contributes to the effectiveness and efficiency of development programmes. Egypt began gradually applying the programme and performance budgeting to ministries in 2017, and as of fiscal year 2019/2020, 31 ministries and five independent agencies were applying this budgeting. In view of the major importance of the transition process towards programme and performance budgeting, the Prime Minister issued Decree No. 1167 of 2019 to form a committee to follow up on the system of performance plans and programmes. The new committee is headed by the Prime Minister and includes the Minister of Planning and Economic Development and the head of the Central Agency for Organization and Administration. The committee's tasks include reviewing the plan for implementing the programme and performance budgeting prepared by the Ministry of Planning and Economic Development and the Ministry of Finance. It should take all necessary measures to amend the legislation governing the planning and public spending

process, and coordinate with the ministries and various agencies in charge of implementing the programme and performance budgeting. In addition, an intensive plan was developed to enhance the capabilities of employees in the planning units and in general budget units in all government agencies, with the establishment of a comprehensive training programme. The Ministry of Planning and Economic Development and the Ministry of Finance have also enabled the process of preparing a plan and budget for programmes

and performance by linking the government financial information system of the Ministry of Finance with the integrated system for investment plan preparation and monitoring of the Ministry of Planning and Economic Development. The first guide on programme and performance budgeting has also been developed and published, in order to provide all necessary information for those officials responsible for preparing and implementing the programme and performance system within different government agencies.

Figure 6.11 Efforts to reform government financial administration



With regard to improving public debt management, Egypt has begun issuing medium-term debt management strategies, the first of which was issued in 2015 and the second in 2018. It includes the main objectives of public debt management, basic risk factors, and macroeconomic forecasts.²⁴ A committee has also been formed to manage the public debt and regulate and limit external borrowing, with membership drawn from the Ministry of Planning and Economic Development, the Ministry of Finance, the Ministry of Interna-

tional Cooperation, and the Central Bank of Egypt. The aim is to achieve financial sustainability and ensure the government's ability to repay debts in the medium and long term.

Both the Ministry of Finance and the Egyptian Tax Authority are working on improving the tax system. The Egyptian Tax Authority's Strategic Plan 2017-2020 aimed to develop tax administration and improve services provided to customers in a way that raises voluntary compliance rates, expands the tax base, tightens the implementation of tax laws and

regulations, deters violators, and improves risk management.²⁵ Egypt is also making efforts to automate the tax system in order to combat tax evasion, increase tax collection rates, and integrate the informal sector into the formal economy. Egypt is also working on introducing a number of legislative amendments to keep pace with recent developments in the tax system in Egypt, such as the income tax law, value-added tax law, and the preparation of a unified tax procedures law.

The Prime Minister issued Decree No. 1146 of 2018 regarding the creation of six new organizational divisions within the State's administrative apparatus, including an internal audit division to ensure oversight of the activities and programmes carried out by government units. Several entities, including the Ministry of Finance, have established units specialized in internal auditing that report directly to the minister to follow up on the implementation of the State's general budget programmes, assess the risks facing the work of the ministry and its affiliates, and develop the necessary mechanisms to address these risks.²⁶ Egypt, in cooperation with several develop-

ment partners, is seeking to prepare manuals and to train employees nominated to work in the organizational divisions created in the Prime Ministerial Decree.

During recent years, the financial reporting systems of the Ministry of Finance have been significantly developed. It now publishes more detailed data and analysis on the general state budget, which provides an opportunity for the public to understand the country's financial and economic situation. The Ministry issues a preliminary financial statement as soon as the budget is prepared and before it is discussed by the parliament, in order to allow a serious discussion of budget priorities and the distribution of provisions before the budget is approved. At the same time, the Ministry of Finance issues a citizen's budget, through which it seeks to simplify the budget in a way that allows for higher levels of transparency and participation. It also publishes approved and revised budgets, final accounts, and other basic budget documents. These measures have led to an improvement in Egypt's performance on the Open Budget Index, as mentioned above.

Box 6.4 Unified Government Complaints System

- Presidential Decree No. 314/2017 established the Unified Government Complaints System. This system's purpose is to receive, examine, channel and respond to all government complaints electronically. A Prime Ministerial Decree (Decree No. 1855 of 2017) linked citizen service departments and offices that deal with citizens' complaints to the Unified Government Complaints System.
- The new system is designed to be an easy, fast and advanced way for citizens to send their complaints to any government entity at any time. The aim is to promote trust between citizens and government by meeting their needs and complaints in the form of feasible government policies and programmes, and to build a database of complaints that can be used in planning for development, ensuring the rights of citizens and combating corruption.
- Citizens can submit complaints through the system's website, and the system guarantees confidentiality.



Source: The official website of the Unified Government Complaints System.

Monitoring and Evaluation

Strengthening monitoring and evaluation processes is an essential element of administrative reform. These processes are powerful tools that can be used to improve the results and outputs of public institutions and to improve government performance through providing feedback, serving development purposes and enhancing transparency, accountability, efficiency and effectiveness.²⁷ Monitoring and evaluation processes differ from one country to another according to the nature of the administrative planning systems used.

Egypt faces a set of challenges related to this topic, such as poor monitoring and evaluation capacities for data collection and analysis, limited national and local systems for monitoring and evaluation of national plans, and the weakness of these systems at local levels. Given the importance of follow-up and evaluation mechanisms in gauging the efficiency and effectiveness of the implemented programmes and the extent to which they achieve their objectives, Egypt has paid special attention to monitoring and evaluation within its vision for administrative reform. Accordingly, the six organizational divisions that were introduced to the State's administrative apparatus in accordance with Prime Ministerial Decree No. 1146 of 2018 included a follow-up and evaluation unit.

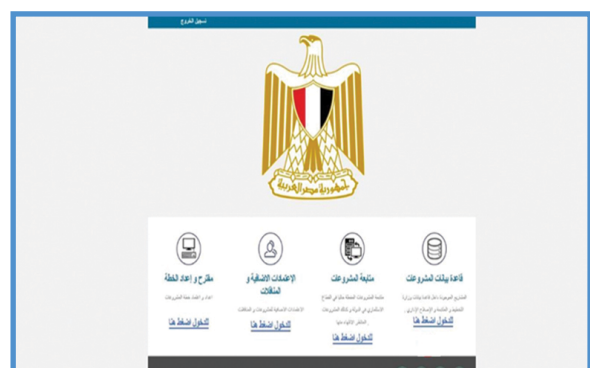


The website of the national system for monitoring and evaluating government performance. Source: Ministry of Planning and Economic Development.

As part of the same efforts, Egypt has established a national system for monitoring and evaluating government performance, which

aims to monitor, follow up and evaluate the performance of all state agencies, and to address shortcomings with urgent intervention measures. It is linked to the State's general budget in a way that ensures the efficient allocation of resources. It also aims to ensure the implementation of the development goals agreed upon by the government, to achieve greater coordination between ministries and various authorities, and enhance efficiency of public spending. In addition, the system aims to ensure the efficiency and effectiveness of public spending and to measure the impact of the development programmes implemented by the government to achieve development goals, institutionalize strategic planning and performance measurement within the State's administrative apparatus, and enhance the capabilities of administrative staff in the field of programme and performance planning.²⁸

In this system, performance is evaluated at the level of inputs, outputs and impact. The system prepares quarterly reports on the performance of each ministry in which indicators with low, high and medium performance are clarified, in addition to a quarterly report that includes documentation of completed investment projects, their importance, and their current status. The system also provides a periodic report on the obstacles facing the achievement of development goals.



integrated system for the preparation and follow-up of the investment plan. source: Ministry of Planning and Economic Development.

As part of its efforts to develop the planning process and enhance accountability, transparency and effectiveness within the State's

administrative apparatus, Egypt has also established an integrated system for investment plan preparation and monitoring. This system aims to enhance the effectiveness of investment plan's preparation and follow-up, improve the efficiency of public spending, and improve government performance in relation to the investment plan, thus contributing to increasing the efficiency of services, maximizing return on investment, increasing its effectiveness, and improving the lives of citizens. This system links investment projects to the government's action plan and the SDGs, which helps to identify the extent to which these projects are consistent with national and international goals and the economic, social and environmental impacts they will have.

This system also aims to enhance the participation of the various government agencies, which are enabled through this system, to prepare their plans according to their investment priorities. As the agency in charge of preparing and following up on the implementation of the investment plan, the Ministry of Planning and Economic Development deals with government agencies in a transparent manner with regard to criteria for evaluating and selecting projects submitted by various agencies. The Ministry is also planning to link this system to the government financial management information system in order to enhance financial discipline and improve the efficient and effective use of government resources, and enhance mechanisms of follow-up, transparency, control and accountability.²⁹

These efforts are positive steps towards improving monitoring and evaluation systems and thus enhancing development outcomes and results. However, Egypt must work to unify systems, build national capacities, and amend the necessary legislation in order to create an enabling environment for accurate and comprehensive monitoring and evaluation systems.

6.2.2 Anti-corruption measures

Corruption is among the most significant challenges many countries face due to its negative repercussions for the development process. Corruption leads to a reduction in economic growth rates and foreign direct investment, with a resulting impact on public revenues.³⁰ It also increases inequality and poverty rates, in addition to weakening public trust in state institutions. Many countries have adopted specific strategies and policies to combat corruption, including many Asian and African countries. International organizations have supported the fight against corruption, including by preparing guides to the formulation of anti-corruption policies and indicators, like those of UNDP, the European Union, and the World Bank. The success of anti-corruption policies depends on three main factors: the commitment and support of key stakeholders or, in other words, political will; the existence of relevant interventions to address anti-corruption issues; and the effective preparation and implementation of anti-corruption policies.³¹

Like other countries, Egypt also experiences corruption, and over the past few years, it has been taking executive steps aimed at preventing and combating this problem. These efforts have been made in fulfilment of Article 218 of the Constitution, which stipulates that the State is committed to combating corruption and promoting the values of integrity and transparency. The legal framework for preventing and combating corruption includes a number of laws that regulate the work of entities and agencies, such as the criminalization of many corruption crimes cited in the United Nations Convention against Corruption. The most important of the relevant Egyptian legislation may be the Penal Code. It includes a set of provisions that criminalize bribery, embezzlement, misuse of public funds, and forgery. Other relevant laws include the Central Auditing Organization Law, which deals with con-

control of state funds and funds of other public entities; the Illicit Gains Law, which prescribes penalties for illicit gains from public funds and lists procedures to track the wealth of those dealing with public funds in order to guarantee legitimacy; the Law governing national institutions procurements, which regulates the purchases, sale and leasing of real estate or movables assets, as well as the supply and contracting agreements carried out by the units of the State's administrative apparatus; and the Money Laundering Law, which covers combating money laundering attached to any crime whether committed inside or outside the country. Egypt has also introduced a unified procurement tool to reduce corruption and reduce the cost of purchasing. In addition, it has also established the Egyptian Authority for Unified Procurement, Medical Supply and Technology Management.

Law No. 207 of 2017 has been issued to amend the provisions of *Law No. 54 of 1964*, reorganizing the structure of the Administrative Control Authority. It added a number of tasks, including developing and following up on a national anti-corruption strategy, working to spread the values of integrity and transparency, and monitoring international, regional and local indicators related to preventing and combating corruption.

As a result, the Administrative Control Authority developed the National Anti-Corruption Strategy 2014-2018, which was the first such strategy. This resulted in the implementation of a number of different practices, including the issuance of the Civil Service Law, the Investment Law, the preparation of a national indicator to measure perceptions of corruption, and the launch of codes of conduct for workers in the State's administrative apparatus. It also developed codes of conduct for several specialized bodies as well, including the Public Prosecution, the Administrative Prosecution Authority, the Forensic Medicine Authority, the diplomatic corps, and the Central Bank of Egypt. A number of systems have been established to facilitate the reporting

of corruption by civil servants to the relevant authorities through hotlines, websites, social networks, fax or mobile phone numbers generally available to the public, or specialized offices for receiving complaints at all regulatory agencies and in some units of the State's administrative apparatus. A Public Contracts Law (*No. 182 of 2018*) was also issued. It aims to enhance the fight against corruption, transparency and fairness in government procurement and competition, according to objective criteria. A government electronic portal for government procurement was also established to ensure transparency in competition.

The Administrative Control Authority subsequently drafted the National Anti-Corruption Strategy 2019-2022, which included the best practices from the implementation of the first strategy. It also included challenges that emerged during the implementation of the first phase, including the low number of public services that were automated, the lack of executive regulations for the Law Regulating Conflicts of Interest for Public Officials, the lack of funding for awareness campaigns related to anti-corruption, and the modest number of NGOs and civil society organizations working on anti-corruption.



The second version of the strategy is based on a set of principles that include the rule of law, separation of powers, commitment and political will, full commitment to cooperation

and coordination between the concerned parties, and respect for human rights and equality. It is also based on observing the principles of transparency, integrity, efficiency, effectiveness, and accountability. It puts in place clear and effective procedures to achieve set objectives, but that are flexible and capable of responding to social needs, and principles of transparency and public-private partnerships. It takes into account cooperation among civil society organizations, and the importance of prevention and early intervention to reduce or eliminate opportunities for corruption in a timely manner. Figure 6.12 shows the objectives of the second version of the National Anti-Corruption Strategy, which focus on issues of administrative and legislative reform, modernization of judicial

procedures, and enhancement of transparency, integrity, participation, and awareness.³² In recent years, Egypt has also implemented many awareness campaigns to combat corruption and has also involved the private sector in a number of initiatives that contribute to combating corruption and enhancing integrity in this sector.

In addition to the Administrative Control Authority, there are a number of other supervisory bodies that help strengthen accountability and combat corruption. Each body has specific roles that cover specialized sectors, such as the Central Auditing Organization, the Financial Supervisory Authority, the Egyptian Drug Authority, and the Industrial Control Authority, in addition to law-enforcing entities.

Figure 6.12 Objectives of the second National Anti-Corruption Strategy



Box 6.5 National Anti-Corruption Academy

- The National Anti-Corruption Academy was established in 2017 per Article 55 of *Law No. 207 of 2017*, which amends the Law on Restructuring of Administrative Control (*Law No. 54 of 1964*). It reports to the head of the Administrative Control Authority as one of its divisions. It is responsible for preparing and training the members of the Authority on modern systems related to its work and boosting the performance of its employees, as well as supporting cooperation with bodies and agencies specialized in combating corruption in other countries.
- The objectives listed in the Academy's strategic plan included excellence in the field of studies and training programmes, developing research and innovation capabilities to curb the phenomenon of corruption and in areas of national, regional and international importance, fulfilling social responsibilities, developing the Academy's organizational structure, developing a work environment that enhances performance.
- The Academy's activities include training programmes and specialized professional certificates for middle and senior management of regulatory bodies and law enforcement agencies specialized in combating corruption in Egypt and abroad. The training programmes offered cover combating illicit gains and money laundering crimes, administrative investigations, management of information systems, management and strategic planning, automation of procedures, and administrative control methods in combating and preventing corruption.

Source: Administrative Control Authority.

Box 6.6 Market System Governance

The State agencies that ensure strengthening of the market system include:

- **Egyptian Competition Authority:** Established in 2006 in accordance with the Law on Protection of Competition and Prevention of Monopolistic Practices (*Law No. 3 of 2005*) as an independent body to monitor markets and examine issues of harm to competition. The Egyptian Competition Authority aims to put forward initiatives and proposals to support free competition and to promote such initiatives and support their implementation. Other tasks include enhancing awareness of the provisions of the law and the culture of competition, coordination and integration with other regulatory bodies to regulate markets and create a competitive environment, strengthening cooperation with international bodies and corresponding competition authorities, and building capacities. In order to carry out its role, the Authority investigates the communications it receives, activates market monitoring and follow-up, and builds cooperation with national and international agencies to achieve its goals.
- **Consumer Protection Agency:** Established in accordance with Consumer Protection Law (*Law No. 67 of 2006*) with the aim of protecting consumers and safeguarding their interests by putting in place plans and programmes to achieve this goal, receiving and investigating complaints from consumers, and coordinating with various state agencies in relation to consumer protection. In its work, the Agency takes into account the rights of the consumer, whether related to health, access to information or free choice of products. It can file legal cases and request compensation for damages incurred by consumers.

Sources: Egyptian Competition Authority (2019).

Consumer Protection Agency (2015).

6.2.3 Transparency and participation

Transparency and participation are key principles of governance and are usually considered alongside accountability because of the interrelationship between the three. Promoting transparency strengthens participation, thus allowing accountability. Transparency and participation enhance trust between citizens and the government, and lead to better development outcomes through the participation of different groups such as women, young people, people with disabilities, and the poor. The mechanisms related to participation and transparency differ between countries; however, they usually centre around participation in decision-making through political participation, participation in plans and budgets, and various other activities. They also include strengthening the role of the media, in addition to supporting mechanisms such as laws and regulations that determine the extent and method of participation and the dissemination of data and information. In view of technological developments and the widespread use of social media, governments have become more aware of the importance of communication and of sharing data and information with citizens. Effective government communication has accordingly become a top priority for many countries.

Egypt has worked over recent years to enhance transparency and participation and has adopted a general approach of improving the process of communication with citizens and informing them of developments through a number of mechanisms, especially social media. This was evident in the government's communication with citizens during the COVID-19 pandemic. The government provided citizens with information through the Council of Ministers or through various government agencies and mobile apps. It developed mechanisms to better communicate with the public and to receive and respond to inquiries, and the government's performance in dealing with COVID-19 was appreciated by citizens who felt confident in its decisions and

overall performance. This confidence may reflect progress in approaches to governance, given the greater degree of openness and disclosure.

Over recent years, Egypt has implemented many new practices to help boost participation and transparency. For example, since fiscal year 2014/2015, the Ministry of Finance has issued a citizen's budget as an effective tool for communicating with the public. It aims to involve citizens in preparing the State's general budget and to enhance confidence between the citizen and the state by disclosing budget items and giving information on the most important directions of fiscal policy, social programmes, and economic reforms in a simple way that all citizens can understand.³³



The citizen's budget is issued in September of each year, after the approval of the State's general budget for the new fiscal year by the House of Representatives and the President. The Ministry of Finance has been improving the presentation of the citizen's budget year by year to ensure that all information is provided in a simple and clear way. For example, the citizen's budget for 2018/2019 included both a summary version and a detailed version, whereas the 2019/2020 version included a copy of the citizen's semi-annual report for that fiscal year, which provided an assessment of public revenues and spending six months after the actual implementation of the budget for 2019/2020. The aim was to inform citizens of the results achieved by the budget.³⁴ These improvements in financial disclosure and participation are amongst the most important factors behind Egypt's im-

proved ranking in the Open Budget Index, as mentioned above, from 16 points in 2015 to 41 in 2017 and then 43 in 2019. This affirms the improvement in Egypt's performance, especially with regard to transparency and the dissemination of data and information related to the State's general budget.



In the same context, the Ministry of Planning and Economic Development issued a citizen's plan for fiscal year 2019/2020 for each of the governorates. They include information on the investments directed to that governorate, including a sectoral breakdown that focuses on a group of sectors within each governorate, such as the petroleum, education, housing, and transportation sectors. The aim is to enhance transparency and accountability, localize the SDGs, enhance community participation, and spread knowledge about programmes and performance budgeting.³⁵

Egypt has, over the past few years, been interested in publishing a set of reports that highlight the reforms, challenges, and progress on many development issues. At the continental level, Egypt in 2019 submitted a self-assessment report to the African Peer Review Mechanism, of which it is a member. It included an assessment of Egypt's position in governance across a set of main themes that included democracy and political governance, economic governance and management, corporate governance, and economic and social development. The report includes

a national action plan to address the challenges outlined.



At the international level, Egypt published Voluntary National Reviews in 2016 and 2018 which look at progress in implementing the SDGs. These reports were presented to the United Nations High-level Political Forum on Sustainable Development and included the progress achieved and the outstanding challenges. Governance was one of the main challenges hindering the achievement of sustainable development, according to the last Voluntary National Review.

This reporting aims to illustrate progress made and to assess existing challenges in the achievement of development goals. It also demonstrates Egypt's commitment to disclosure and reform and its willingness to be accountable to citizens in terms of its decision-making.

On political participation, it is worth noting that the 2014 Constitution aimed to consolidate the values of democracy and freedom, guaranteeing the freedom to form political parties. In 2019, a number of constitutional articles were amended, resulting in additional guarantees to enhance the political participation of those most in need, such as women, young people, persons with disabilities, workers and farmers, by ensuring their representation in the House of Representatives and local councils. In recent years, the electoral process has seen many legislative and insti-

tutional reforms to enhance its integrity and transparency. The National Elections Authority was established as an independent body to manage the presidential, parliamentary and local elections and to ensure their integrity. Many rules and regulations related to the financing of electoral campaigns were put in place. The National Elections Authority also aimed to strengthen local and international civil society organizations' oversight of the electoral process, in order to ensure fair elections. It has overseen elections to the House of Representatives in 2015, the presidential elections in 2019, the referendum on constitutional amendments in 2019, and elections for the Senate and the House of Representatives in 2020.

Egypt has also introduced new mechanisms for participation, the most important of which is youth conferences. State leaders participate in these events, which are attended by thousands of young people from all over the country, and various problems and opinions are shared. In addition, the mechanism of the National Training Academy is being implemented, with training and educational targets for young people of both genders. It also serves as a forum for discussion of government policy; young people can express their views and ideas, to be conveyed to various decision-making circles. Young people have also been appointed to new positions in the government, for example deputy ministers, deputy governors, and governors.

Egypt has also worked to strengthen the role of NGOs. The Law Governing the Pursuit of Civil Work (*Law No. 149 of 2019*) was passed, and its executive regulations were issued, which reflects the importance of civil society as a key partner in the development process.

In the field of human rights, *Law No. 197 of 2017* was issued to amend certain provisions of *Law No. 94 of 2003* which dealt with the creation of the National Council for Human Rights. The key amendments gave the Council broader powers, including on visiting prisons and correctional institutions, as well as

other places of detention and treatment; on expressing opinions on relevant draft laws; on studying allegations of human rights violations and making the necessary recommendations on those issues to the competent authorities; and on following up on the implementation of international human rights conventions, covenants and agreements that have been ratified by Egypt. Egypt has also worked to improve the conditions in prisons after years of neglect, including via the expansion of presidential pardons, via conditional release in response to the circumstances of prisoners and their readiness to reintegrate into society, and via compassionate releases.

Egyptian prisons have witnessed improvement in light of implementation of "modern corrective" policies that aim to rehabilitate prisoners. Over the past few years, the prisons of Qanater, El Marg, El Fayoum, El Minya, Burg El Arab, and Wadi El Natrun have been visited by international, regional and local media and human rights institutions to follow up on services provided to prisoners and their degree of alignment with international and regional laws and conventions, in line with principles of transparency and respect to human rights.

In light of its role as a national mechanism for women's affairs, the National Council for Women makes several visits to prisons to ensure women prisoners receive their rights as per the national laws and human rights conventions. These visits aim to better understand the situation of women inside prisons, and their surrounding environment, and ensure their livable safety in light of international human rights criteria, especially those related to women rights.

A Supreme Standing Committee for Human Rights has been established chaired by the Ministry of Foreign Affairs, and it has prepared the National Human Rights Strategy 2021-2030, which is based on four main themes: strengthening the rule of law and the realization of political and civil rights; economic, social and cultural empowerment; enhancing

the rights of the most vulnerable groups; and education and training in the field of human rights. The strategy's vision is to advance the human rights situation in Egypt through the effective implementation of all fundamental civil, political, economic, social, and cultural rights and freedoms guaranteed in the Constitution and in the international and regional agreements to which Egypt is a party, within a framework of equality, non-discrimination, equal opportunities and the rule of law. It also aims at promoting the integration of the human rights component into the implementation of the Sustainable Development Strategy: Egypt Vision 2030. The National Human Rights Strategy includes a detailed plan that contains objectives, sub-objectives, indicators, operational steps and an operational framework.

Furthermore, a Human Rights Committee was established within the Senate (the upper house of parliament) in order to follow up on human rights issues and ensure the consistency of legislation with human rights principles, in coordination with the Human Rights Committee in the House of Representatives (the lower house).

Egypt has also worked to promote non-discrimination, citizenship and national unity. Consequently, the Law on the Construction and Renovation of Churches (*Law No. 80 of 2016*) was issued. In 2017, a committee headed by the Prime Minister was formed to hear requests to legalize the status of illegally built churches. In 2018, 508 churches and church buildings were legalized, as were 814 in 2019,

and 467 in 2020. The total number of churches that have been legalized so far is 1,054, while the total number of church buildings has reached 746. In order to reduce the administrative complications that accompanied the construction and restoration of churches, the allocation of land for the construction of churches in new cities has been permitted. From July 2014 to December 2020, 40 churches were constructed in new cities, while construction began on 34 additional churches in these new cities, and 75 churches nationwide that had been destroyed in terrorist attacks in 2013 were renovated. In January 2019, the largest cathedral in the Middle East was inaugurated in the New Administrative Capital. In addition, *Law No. 190 of 2020*, the Law on the Establishment of Endowment Bodies for the Catholic Church and the Evangelical Community, was issued. It aims to manage the assets and funds endowed for the benefit of the Catholic Church and the Evangelical churches.³⁶

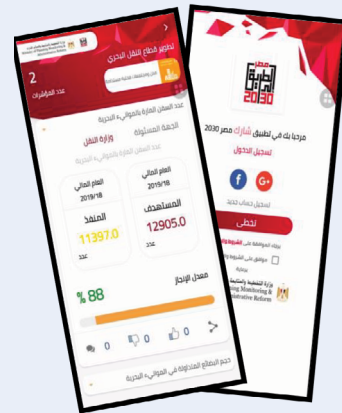
Egypt has also worked to promote the rights of Egyptian nationals abroad and has made considerable efforts to address their problems and find ways to provide the necessary assistance. Both the Ministry of Foreign Affairs and the Ministry of Immigration and Egyptian Expatriates Affairs have intensified communication with the relevant national authorities to expedite the delivery of consular transactions. Accordingly, Egypt's missions abroad have intervened with the concerned authorities in host countries to settle and resolve problems faced by Egyptians residing abroad.

Box 6.7 Sharek 2030

- In 2019, the Ministry of Planning and Economic Development launched the *Sharek 2030* mobile phone app. It serves as an interactive platform between the citizen and the Government in order to raise awareness of development programmes, projects and their performance indicators and to enable periodic follow-up to enhance mechanisms of communication, participation and community accountability.

Box 6.7 Sharek 2030 (continued)

- *Sharek 2030* aims to achieve the greatest degree of transparency in providing information on development programmes and their performance indicators, raising awareness of state projects, providing an opportunity for citizens to participate in follow-up and to propose priority initiatives and projects, in addition to spreading a culture of performance measurement in the State's administrative apparatus and among citizens.
- The application provides information on the SDGs, development programmes, and indicators.
- Users can browse projects by governorate and see what has been accomplished in terms of completion rates compared to targets. It also allows citizens to send in proposals relating to their local needs.



Source: Ministry of Planning and Economic Development.

Box 6.8 National Youth Conference

- Egypt has acknowledged the important role of young people and the necessity of including them in the political and development process, given that they account for the largest population demographic. As a result, decision makers have been keen on taking their opinions into consideration during the process of making and implementing public policy. The President named 2016 the Year of Youth, and a number of programmes and projects targeting young people in many fields took place during that year.
- The first National Youth Conference took place in 2016, designed to be one of the main platforms allowing young people to express their views on state policies and to discuss their needs before the President and members of the government.
- Since 2016, seven youth conferences in total have been held in different locations, including Cairo, Aswan, Sharm El-Sheikh, Alexandria and Ismailia, to ensure participation across different parts of the country.

Source: State Information Service (2019).

Box 6.9 National Training Academy

- In 2017, the National Training Academy was established in accordance with Presidential Decree No. 434 of that year. It aims to help develop young leaders for all sectors of the State by improving their abilities and skills through training programmes in various fields.
- The Academy offers a range of different training programmes, including programmes designed for public sector institutions, private companies and international companies, and training programmes for individuals. These programmes aim at allowing young people to develop additional skills and capabilities in order to keep pace with the requirements of the labour market. The Academy is cooperating with the European Union and France's *École Nationale d'Administration (ENA)* to prepare a programme for Egyptian young leaders.
- The Academy includes the Presidential Leadership School, which aims to create a qualified base of youth as leaders in political, administrative and societal issues, and that will help build the national economy and enhance the efficiency of workers in the State's administrative apparatus. The Presidential Leadership School includes four different programmes: the Presidential Youth Leadership Program, the Presidential Leadership Program for Excellence, the Presidential Executive Leadership Program, and the African Youth Leadership Program.

Source: The official website of the National Training Academy.

6.2.4 Digital transformation and financial inclusion

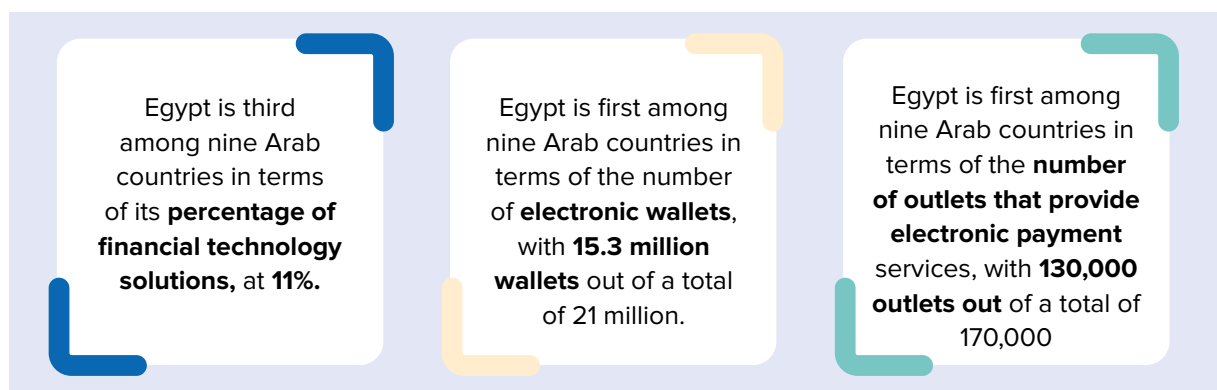
The outbreak of COVID-19 has proven the importance of the move towards digital technology, and many countries have shifted to providing online services and adopting digital applications that help communication with citizens. While international and regional organizations support digital transformation policies, including financial inclusion, the pandemic has made the issue more urgent and has increased calls to strengthen these policies. To promote digital transformation, some countries have adopted digital transformation strategies, programmes and initiatives, including India, South Africa and Malaysia. These strategies provide some basic services via the Internet, and allow citizen participation through interactive online platforms, as well as other issues that enhance the digital transformation process, thereby contributing to enhancing government services and efficiency and reducing corruption.

One of the basic requirements for digital transformation and financial inclusion is to create an appropriate environment in terms of technological infrastructure, human, institutional and material capabilities, and legislation. Weak infrastructure and the high cost of improving it may be the biggest challenge

facing digital transformation and financial inclusion, in addition to the problem of digital illiteracy, and the difficulty of reaching certain groups, such as the elderly, the poor, and women.

As in other countries, digital transformation and financial inclusion has become a top priority for Egypt, given their importance in strengthening governance by improving effectiveness and spending efficiency, reducing corruption in all its forms, enhancing responsiveness, and improving accountability. At the regional level, Egypt is one of the most advanced countries in the Middle East and North Africa on issues related to digital transformation and financial inclusion. According to a recent report issued by the Arab Monetary Fund, Egypt ranks first of nine Arab countries in terms of the number of outlets that provide electronic payment services, with 130,000 outlets out of a total of 170,000 in all nine countries. Egypt also came first in terms of the number of digital wallets, with 15.3 million out of a total of 21 million wallets in the nine countries.³⁷ In terms of financial technology solutions, Egypt came joint third with Tunisia out of a total of 22 Arab countries, with 11 percent of all solutions highlighted in the report. The UAE came in first place with 22 percent, followed by Morocco with 13 percent.³⁸

Figure 6.13 Egypt's regional rankings on indicators related to digital transformation and financial inclusion

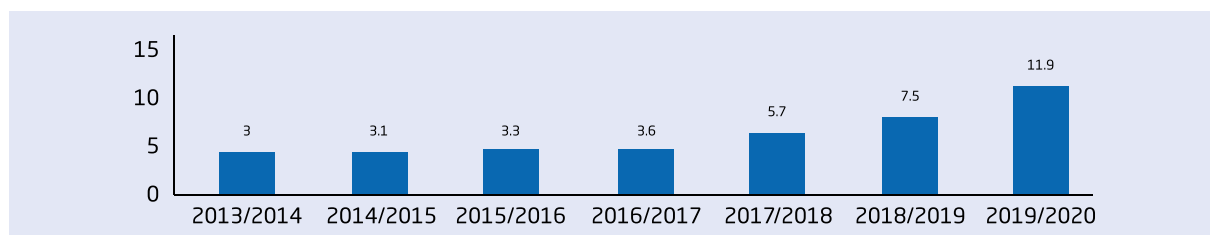


Source: Arab Monetary Fund (2020), and Chehade, Nadine (2019).

At the national level, the National Information and Communication Technology Strategy 2012-2017 aimed to support democratic transition, enhance digital citizenship and the information society, support sustainable social development, and strengthen the national economy through the knowledge economy.³⁹ The Ministry of Communications and Information Technology took great care of the digital transformation process. It dedicated specific programmes to enhance it, such as ICT for learning and health, government services, and green IT, in addition to programmes related to digital inclusion. These programmes included ICT programmes for community integration, and to ensure the safe use of the Internet.⁴⁰

Over the past years, Egypt has commenced work on the process of digital transformation and financial inclusion by directing investments to strengthen the information infrastructure, and to making needed legislative and institutional reforms. For example, as shown in Figure 6.14, the contribution of the ICT sector to economic growth increased from 3 percent in fiscal year 2013/2014 to 5.7 percent in 2017/2018, then further increased to 11.9 percent in 2019/2020. This reflects the increasing importance of this sector in promoting economic growth. It should be noted that the ICT sector investments in the sustainable development plan for 2020/2021 are estimated at EGP 26.5 billion, or 3.6 percent of the total plan.⁴¹

Figure 6.14 Percentage contribution of the ICT sector to economic growth, 2013/2014 to 2019/2020 (%)

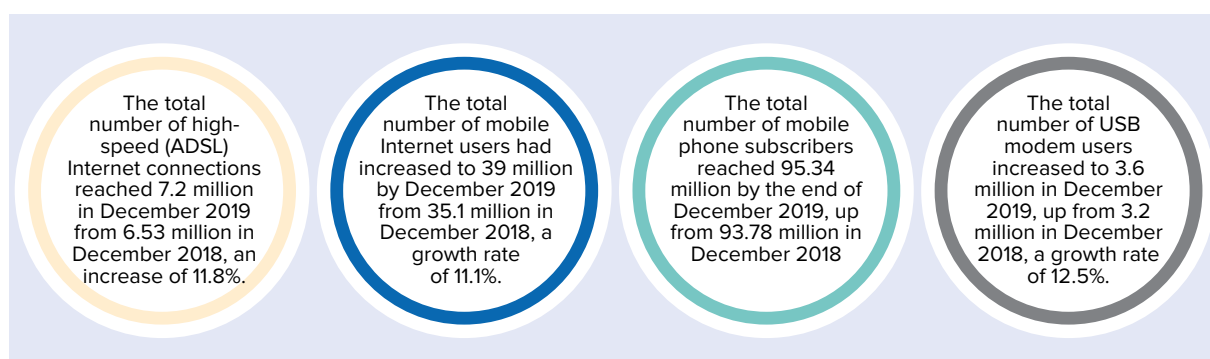


Source: Ministry of Planning and Economic Development. (2020). Third year plan 2020/2021 of the medium-term plan for sustainable development (2018/2019-2020/2021).

Discussions around digital transformation are related to the readiness of digital infrastructure for this transformation. Figure 6.15 illustrates the development of some infrastructure

indicators related to digital transformation, such as the increases in mobile Internet users, mobile phone subscribers, USB modem users, and high-speed Internet connections.

Figure 6.15 Indicators related to enhancing digital transformation



Source: Ministry of Planning and Economic Development. (2020). Third year plan 2020/21 of the medium-term plan for sustainable development (2018/2019 – 2020/2021).

In terms of legislative reforms to support the digital transformation process, Presidential Decree No. 501 of 2017 established the Supreme Council for the Digital Society. The aim of this Council is to put in place policies and strategies related to digital transformation and working to maximize the use of ICT in empowering the development and anti-corruption sectors.⁴²

To provide a legal environment that supports financial inclusion, Presidential Decree No. 89 of 2017 was issued, establishing the National Payments Council. The Council works on reducing the use of banknotes outside the banking sector to support and stimulate the use of electronic means and channels for payment, and it will develop national payment systems and the associated supervisory frameworks to reduce the risks associated with them in order to create safe, efficient and effective systems. The aim is to achieve financial inclusion by integrating the largest number of citizens into the banking system, to integrate the informal sector into the formal economy, to reduce the cost of transferring funds, and to increase tax receipts. It will also work to protect the rights of users of payment systems and services, to achieve competitiveness in the payment services market, and to regulate the work of existing entities.

To promote digital transformation and financial inclusion, *Law No. 18 of 2019* was issued, which regulates the use of non-cash payment methods. It obliges all state authorities and agencies, public legal persons, and companies which they own or have shares in, to use non-cash payment methods. In addition, it obliges private legal persons and establishments of all kinds to offer and increase use of non-cash payment methods, with the details determined by the law's executive regulations. The new Central Bank and Banking System Law (*Law No. 194 of 2020*) provides the regulatory frameworks for electronic payment methods in order to enhance the financial inclusion process. It includes a section on financial technology and requires the estab-

lishment of a system at the Central Bank of Egypt to prepare the necessary studies to enhance financial inclusion.⁴³

In 2019, Egypt launched the government electronic payments system, which aims to increase the performance of public finances through effective management of cash flows, and increase the efficiency and performance of the implementation of the State's general budget. The system also aims to help decision-making through a central database of financial receipts, to speed up the collection of public revenues, and to reduce the time taken for financial transactions, the transportation costs, and the risks involved. Since May 2019, the payment of government dues of more than EGP 500, including taxes and customs duties, must be via electronic payment methods. Dues of more than EGP 10,000 must be paid via banks operating in the domestic market.

An e-government procurement and contracting system was also launched, in accordance with the Public Contracts Law (*Law No. 182 of 2018*). Its objective is to create a phased transition to the use of IT in procurement and contracting procedures. The system also aims to link budget preparation and needs planning, to simplify contracting procedures, to expand competition, to enhance transparency between government agencies and the business community and to upgrade the level of services provided by government agencies.

In 2019, Egypt launched Meeza, the national branded payment card programme. The Meeza bank cards can be used to pay for government services and to receive subsidies. The aim of the programme is to increase financial inclusion; reduce the circulation of cash in the local market; increase the number of banking clients; integrate the informal sector into the formal economy; combat the financing of terrorism, money laundering and corruption; and provide the opportunity for citizens to purchase and use electronic payment means inside Egypt. As part of the government's efforts to shift to-

wards a digital society by achieving integration between government agencies and facilitating the provision of services, the Digital Egypt Portal was launched in 2020. The aim is to transform government services into digital services in order to enhance the speed and efficiency of service delivery and to boost satisfaction rates. The website provides a package of services, such as family law services, documentation, food subsidies, real estate taxes, real estate registration, court services, and vehicle licenses, among others. Egypt plans to provide 90 percent of government services through this website by 2023.



An image showing the main page of Digital Egypt Portal

6.2.5 Localization of the SDGs

Achieving the SDGs has become one of the main goals of both developed and developing countries worldwide, and the majority have adopted strategies to achieve them at the national level. One of the most important lessons learned from the Millennium Development Goals is the importance of local action to achieve them, and the significance of working to empower local actors. The localization of the Sustainable Development Goals takes the local context in consideration. Localization processes are usually concerned with empowering local levels of resources and local decision-making, raising awareness of the importance of sustainable development, enhancing participation and accountability through various mechanisms, and adopting innovative and effective mechanisms.⁴⁴

In recent years, achieving the SDGs has become Egypt's main goal, and Egypt has real-

ized that it cannot achieve these goals without strengthening the localization process by supporting local actors. The 2014 Constitution therefore aimed at empowering local administration and ensuring support for administrative, financial and economic decentralization in pursuit of social justice. It also stipulated that local units of government have independent budgets, including taxes and fees derived locally. This will allow a greater degree of independence.

To develop the legal framework to support the localization process, Egypt has prepared two draft laws on state general planning and local administration, in line with the constitutional provisions related to decentralization. The draft Law on State General Planning represents a major step forward in the process. It enables local units to prepare their development plans flexibly and to work on mobilizing resources to enhance local development investments. The draft Local Administration Law seeks to enable the local administration to carry out the decision-making process by expanding the scope of its powers. It also transfers some powers from the central level to the local level. In the same context, the Ministry of Planning and Economic Development and the Ministry of Local Development are developing the local planning system to ensure enhanced participation and community accountability through clear and transparent mechanisms, which would prepare local plans based on citizens' needs and development priorities.⁴⁵ In addition, the Ministry of Planning and Economic Development, in cooperation with the Ministry of Local Development and the Ministry of Finance, has completed the formulation of a financing equation through which the allocations of local investments will be distributed to governorates in a manner characterized by transparency, justice and objectivity.

Egypt has taken other steps to promote practices related to the localization of SDGs by empowering local administration. For example, it has launched the Upper Egypt Local

Development Program, which is funded by a loan from the World Bank and a corresponding contribution from the public treasury. It is operational in the governorates of Sohag and Qena, aiming to achieve development in the poorest regions. This programme is an experimental effort to implement decentralization practices, for possible application in other governorates. In cooperation with several international organizations, the Ministry of Planning and Economic Development has also launched a number of other programmes related to the localization of SDGs. They are aimed at raising awareness and informing governorate administrations of these goals and how to implement them at the local level. The Ministry started in 2020 developing an indicator to measure the competitiveness of the governorates. It will identify the comparative advantages of each governorate and then direct investments and technical support in line with those competitive advantages. The aim is to help governorates maximize benefits from their comparative advantages, and to empower local administration.

It is important to integrate these efforts within the framework of an integrated plan that includes the institutional, legal and awareness raising interventions which are required to localize the SDGs and support the gradual shift towards decentralization. In particular, there is a need to take serious and decisive steps with regard to empowering local administration in the implementation of constitutional entitlements, strengthening local development and ensuring effective and efficient local services. Since the local development program in Upper Egypt is the nucleus that represents the shift towards decentralization, the Egyptian government can activate a plan to adopt the lessons learned from the Upper Egypt Local Development Program, which could then be applied in other governorates, taking into account their local contexts and their individual competitive advantages.

6.2.6 Combating terrorism and enhancing security

Strengthening security and combating terrorism is another key component of the principles governing the sustainable development process, as the dire consequences of terrorism can severely impact the process and hinder the achievement of its objectives. The spread of terrorism and extremism also impacts the confidence of investors, limits foreign direct investment, reduces tourism and causes fear and distress for all citizens. As a result, the prevalence of terrorism can limit people's political and economic participation and their participation in decision-making processes. In recent years, Egypt, alongside most countries worldwide, has been subject to terrorist attacks that have prompted investment in security, the activation of awareness campaigns, and the adoption of strategies to combat terrorism.

Following the June 2013 revolution, Egypt faced a wave of terrorism and extremism that contributed greatly to the intensification of the challenges it faced around development and resulted in significant economic losses. However, Egypt has managed to reduce terrorist attacks through two basic approaches. In terms of the security approach, it has cut off the supplies of terrorist groups, has gone after such groups, and has increased the readiness of anti-terrorism forces. The second approach is developmental: the establishing of developmental projects in areas which are otherwise likely to host terrorist groups. It has also launched initiatives and awareness campaigns to protect society against terrorism and extremist thought. Religious, cultural, and media institutions play a vital role in such initiatives and campaigns, as do women's institutions. In addition, Egypt supports international cooperation efforts to combat corruption and has implemented actions on this front, including during its non-permanent membership of the United Nations Security

Council from 2016 to 2017, representing Africa, and its presidency of the Security Council's Counter-Terrorism Committee. In this role Egypt managed to obtain a set of UN Security Council resolutions in the field of counter-terrorism, particularly Security Council Resolution 2354 (2017) which acknowledged the international inclusive frame to combat terrorist discourse, and Security Council Resolution 2370 (2017) on preventing terrorists from obtaining weapons.

In terms of the legislative framework, Egypt's Constitution obliges the State to combat terrorism in all its forms. *Law No. 94 of 2015* addresses counter-terrorism and took into account the resolutions related to combating terrorism issued by the Security Council, as well as international agreements in this regard. The Law on Terrorist Entities (*Law No. 8 of 2015*) covers terrorist entities and tracking terrorists' activities, while the Anti-Cyber Crime Law (*Law No. 175 of 2018*) covers crimes using IT and criminalizes hacking or attacking the country's information systems. The Egyptian Money Laundering and Terrorist Financing Combating Unit has also been established. Egypt supports close cooperation with international and regional organizations in the field of combating terrorism and enhancing security and stability, in order to exchange experiences and develop counter-terrorism efforts at both the international and the regional level.

The Ministry of Foreign Affairs has issued the National Counter-Terrorism Report 2020, which covered Egypt's comprehensive approach to combat terrorism and the extremist ideology that leads to it. According to the report, this approach is based on the following five pillars: confronting all terrorist organizations, without exception, as they emanate from the same ideological source; reaching an agreement regarding the definition of terrorism and not replacing it with any other description or establishing false terminology; holding accountable any country that sponsors terrorism, fosters terrorists, or provides

them with a safe haven; not distinguishing between the material terrorist act and the extremist thought that leads to terrorism; and strengthening international cooperation to undermine the ability of terrorist organizations to recruit new supporters.⁴⁶

The efforts made to enhance security and combat terrorism are demonstrated by the recovery of Egypt's tourism sector: in 2018, the number of tourists increased to 11.3 million, up 36.8 percent from 2017. Tourism revenues in 2019 amounted to about \$13 billion, the highest figure ever achieved, before suffering from the impact of COVID-19.⁴⁷

6.3 Determinants of progress on governance

The analysis above shows the efforts made by Egypt to strengthen governance. However, there are still many challenges facing these efforts. Dealing with them depends on a number of determinants that shape the governance situation of any country through the intertwined and multiple relationships between the key players in strengthening or undermining governance. These include political, legislative, economic and cultural determinants, as examined below.

6.3.1 Political determinants

Governance is affected by a country's level of political stability and security. The more stable the State is, the more opportunity there is for consolidation and dissemination of governance principles, not only at the level of the State's administrative apparatus, but also in society as a whole. In the wake of the January 2011 revolution, Egypt experienced a period of political instability and insecurity which greatly impeded its progress on governance, and led to a regression on many issues. However, since 2014, stability and security have improved, leading to greater attention being paid to social and economic development and the achievement of justice, inclusion and equality. Strengthening governance is re-

lated to security and stability not only at the national level, but also at the regional and international levels. In parallel with its policies related to enhancing national security, Egypt has strengthened its relationships with other Arab and African countries. It has also aimed to strengthen its relationships at the global level as well. One of the most important mechanisms Egypt has used to promote communication has been international youth conferences and African youth conferences. These conferences have facilitated the sharing of expertise and experiences in economic, social, environmental and intersecting issues, like governance and women's issues, and have helped situate Egypt as a country that seeks peace through dialogue and cultural exchange.

Stability and security therefore help create opportunities for discussion of issues of transparency, participation, accountability and combating corruption. However, Egypt is still on its way to the formation of political cadres and the strengthening of political parties, in addition to electing local councils, all of which have a major impact on the development of political life. The participation rate in the first and second rounds of the elections for the House of Representatives elections in 2020 was 28.06 percent and 29.5 percent respectively, compared to 26.6 percent and 29.83 percent in the 2015 polls.

At the same time, development of the democratic process and completion of the constitutional mandates in this regard could have a great impact on supporting governance by strengthening participation and accountability. The election of local councils in the near future, could be a step in strengthening governance. In addition, Egypt's perseverance in dealing with the challenges outlined in the National Human Rights Strategy 2021-2030 represents a roadmap for improving the political framework that supports governance. These challenges are: terrorism and regional turmoil; the achievement of economic development based on the realization of econom-

ic, social and cultural rights; the low levels of participation in political and public affairs; the low degree of awareness of the culture of human rights principles and values; and a comprehensive approach to the promotion of fundamental rights and freedoms.

6.3.2 Institutional determinants

Institutions are the cornerstone of the process of strengthening governance and related principles. Public institutions in Egypt are often characterized by overlap in roles and responsibilities and by complexity, which greatly affects the effectiveness and efficiency of public services. This is despite the efforts made on institutional reform and restructuring.

The necessity of institutional reform for the private sector and for civil society organizations also cannot be overlooked. Adherence to corporate governance frameworks is important to ensure companies' commitment to disclose data and information and to enhance the accountability process. The same applies to civil society organizations, which need more flexible institutional frameworks and greater transparency to meet the needs of the community.

Data and information are essential elements in the efficiency and effectiveness of institutions. Accurate data allows decision makers to make sound decisions and contributes significantly to the monitoring and evaluation process.

Egypt faces a major challenge in terms of availability of data. According to a CAPMAS report on the SDG indicators in Egypt, about 18 out of 34 statements of data related to Goal 16 on strong institutions are not achievable as a result of the need to collect new data.⁴⁸ Therefore, the statistical system that provides data and information to decision makers requires a comprehensive reform. Such reform includes investing in advanced statistical systems and updating the laws regulating statistical work. In this regard, statistical work is currently regulated by two basic laws, name-

ly *Law No. 35 of 1960*, as amended by *Law No. 28 of 1982*, the Law on Statistics and the Census, in addition to *Law No. 2915 of 1964*, the Law on the Creation and Regulation of the Central Agency for Public Mobilization and Statistics. These laws are no longer consistent with recent developments in statistical systems or matters related to big data, among others.

Civil servants play an important role in the decision-making process and in governance. Strengthening governance requires major changes in bureaucratic systems that have existed for many years in order to make them more transparent and accountable, and to allow for greater flexibility and participation. In a deep and entrenched bureaucratic system such as in Egypt, which is characterized by complexity and overlapping roles, this process of change is challenging and must be approached gradually. The application of the new Civil Service Law and the planned move to the New Administrative Capital represent opportunities to reinvigorate the State's administrative apparatus, and reap the benefit of merit system and the continuous building of human capabilities, taking into account the benefits of the skills provided by training programmes and external grants and using them to improve performance.

6.3.3 Legal determinants

Enhancing governance requires a supportive legislative environment, not only at the level of public institutions, but also for society as a whole. Although there has been momentum around legislative reform that has resulted in a number of new laws, decrees and regulations over the past years that greatly contributed to governance issues, the legislative environment still requires further reforms. With regard to transparency and anti-corruption, no law on freedom of information has yet been issued, which is one of the basic requirements for enhancing governance. Freedom of information supports citizens' rights to obtain information and thus their ability to

hold various state agencies accountable. It also helps local and foreign investors to make investment decisions. The Witnesses and Whistleblowers Protection Law, which would greatly boost efforts to combat corruption, has not yet been issued.

In terms of strengthening public financial management and the State's general budget, it is necessary to work on amending the law on the general budget to keep pace with recent developments, and to reflect the shift towards programme and performance budgeting. As outlined above, this new budgeting approach improves spending efficiency and the achievement of development goals through an integrated system of follow-up on the performance of public authorities in implementing their budgets. It is also necessary to build on the efforts made to empower local administration and to promote the localization of the SDGs, whether by constitutional mandate or coordination between the Ministry of Planning and Economic Development and the Ministry of Local Development, through the issuance of the Law on State General Planning and the Local Administration Law. These pieces of legislation would have a significant role in supporting decentralization, accountability and participation at the local level, and enabling governorates to take various decisions according to the priorities and needs of citizens.

6.3.4 Determinants related to financial resources

Dissemination of the principles of governance within institutions and wider society requires adequate financial resources, given the need to enhance investment in infrastructure, change institutional structures, and build systems for monitoring and evaluation, as well as other relevant systems and requirements. Despite the increase in public investments directed to programmes and projects that strengthen governance, Egypt faces challenges related to its limited fiscal space. Egypt should therefore adopt an ap-

proach that promotes alternative financing tools, such as public-private partnerships, corporate social responsibility, green bonds, and debt swaps, among others. It should be noted that Egypt is also planning to use the Sovereign Fund of Egypt as an important financing tool. Egypt has already started implementing some new financing tools over the past few years, but there is a need for further assessment of the challenges facing their implementation, whether legal, institutional or related to low awareness. For example, no amendments have yet been made to the law on public-private partnerships, and no law on corporate social responsibility has been issued.

6.3.5 Cultural determinants

Societal culture is an intersectional issue that relates not only to governance but to all development issues. It is not possible to disseminate the principles of governance without a real awareness of their importance in promoting economic and social development, and the benefits citizens will obtain from the spread of these ideas. For example, fighting corruption and promoting accountability is not the responsibility of the government alone; citizens must also play a part. It is therefore necessary to combine the efforts of government, the private sector and civil society, to spread awareness of the importance of governance issues, and citizens' role in promoting them. Egypt needs to exert greater efforts to coordinate between the different sectors in this regard.

6.4 Policies to support progress on governance

In light of the analysis in this chapter, and the set of issues that it presents as basic building blocks of reform to create an effective system for managing the affairs of state and society, there are a set of policies that are at the top of Egypt's priorities for the upcoming period. These policies benefit from

the current momentum resulting from the COVID-19 pandemic and its various economic and social effects, which have created opportunities for accelerating reform on a range of development issues. The policies are listed below.

- Supporting digital transformation efforts and electronic services, while strengthening cooperation with the private sector and securing the information infrastructure. These issues have proven to be of great importance during the COVID-19 crisis, and the decision to invest in them during recent years has proved wise. Egypt is now seeking to build on the current achievements in digital transformation. To this end, it should enhance investment in infrastructure and IT, adopt supportive laws, ensure safe use of the Internet, and build on efforts made to implement the National Cyber Security Strategy 2017-2021 to confront cyber risks and secure the information infrastructure. This is to ensure a secure digital environment, to boost investment in Internet of Things (IoT) technology and artificial intelligence, and to increase investments in research and development. Egypt will also work to view the issue of digital transformation as part of the larger framework of digital inclusion. Digital transformation efforts must therefore ensure that all individuals, including those most in need, have access to digital services, and have the skills to deal with, use and benefit from these types of services. Egypt will work within a broad framework of digital inclusion that includes issues of digital transformation and cyber security, and issues related to enhancing the digital capabilities of all members of society, to ensure citizens' Right to Development in its modern form and in line with current needs.
- Local administration empowerment. The COVID-19 crisis has proven the importance of giving greater powers to gover-

nors and local administration employees so that they can meet local needs and tackle crises according to the local context of each governorate. Egypt therefore is seeking to expedite the issuance of relevant laws in support of decentralization and to ensure that local councils are elected, in addition to increasing investments directed to the governorates according to allocation formulae. These formulae should take into account the development gaps between the different governorates and should support local capacity-building.

- Adopting a set of legislative reforms that contribute to strengthening governance, including laws on freedom of information, protection of whistleblowers and witnesses, the unified budget, state planning, and local administration. Egypt will ensure the issuance of these laws, as well as their proper implementation.
- Egypt's decision to move its centre of government to the New Administrative Capital provides a focal point for efforts to restructure the Government and the State's administrative apparatus. The aim is to provide better services by adopting regulations and laws supporting the restructuring process and by linking the restructuring process to building the capabilities of the State's administrative apparatus, as well as keeping up with modern administrative developments.
- There is a need to reform the statistical system and develop the laws regulating it to improve transparency, and to continue efforts to improve monitoring and evaluation mechanisms. Egypt is seeking to adopt a comprehensive and integrated reform plan to strengthen and develop the statistical system, in order to ensure that it keeps pace with modern developments in statistical systems. Egypt will also give top priority to improved monitoring and evaluation systems, in order to ensure the effectiveness and efficiency of

the implementation of various development programmes.

- Government policies aim to promote a culture of good governance and anti-corruption by spreading the principles of governance, not only in the State's administrative apparatus, but in the society as well. Through its training and awareness programmes in partnership with civil society and the private sector, Egypt will adopt an approach that promotes a culture of good governance and anti-corruption.
- Strengthening political participation in decision-making. It is seeking to implement programmes that will strengthen the capacities of political cadres so they can be a catalyst for action, in addition to approving the Local Administration Law to allow the creation of local councils. These councils will enhance political mobility at the local level and allow for participation in the political and decision-making process.
- Egypt continues to enhance government communications by updating the official websites of government institutions, adopting more advanced communication mechanisms, adopting a more transparent and detailed approach to the information provided and the way it is presented, and providing feedback mechanisms that allow citizens to express their views and have them responded to. It also supports coordination between the different, and often overlapping, government entities working on the same issues, to ensure uniformity of messages to citizens.

The process of strengthening principles of governance within state institutions and wider society is not the responsibility of a single entity; rather, it requires concerted efforts, cooperation and coordination between the government, the private sector, civil society, and citizens themselves. Each has a role to play, and the principles of governance will

not spread if the responsibility is limited to a single party. Governance and its principles are not a framework to be applied; rather,

they comprise an approach that society must adopt as part of the path towards achieving sustainable development.