

Government of the People's Republic of Bangladesh



National Strategy for Paurashava Governance Improvement (NSPGI) 2016-2025



Government of the People's Republic of Bangladesh



**National Strategy for
Paurashava Governance Improvement
(NSPGI)
2016-2025**

**Local Government Division
Ministry of Local Government, Rural Development & Cooperatives
September 2017**

Minister
Ministry of Local Government,
Rural Development and Co-operatives



মন্ত্রী
স্থানীয় সরকার, পল্লী উন্নয়ন ও
সমন্বয় মন্ত্রণালয়

Message

According to the Constitution of Bangladesh, the Local Government System is the most essential part of country's administration and development. After our independence in 1971, the importance of urban local government has increased manifold, due to rapid urbanization. The issue of urbanization has been given due importance in our 7th Five Year Plan. At the top of all, it is the political commitment of our present government to strengthen governance system of Paurashavas as urban local government.

The total population of Bangladesh has witnessed about 3 fold increase from 55 million to 150 million over the period between 1961 and 2011. But, the urban population has been increased more than 13 folds, from 2.6 million to 34.43 million over the same period. At this crucial stage, I am very happy to know that the Local Government Division has formulated National Strategy for Paurashava Governance Improvement (2016 - 2025). This strategy has developed through an inclusive process incorporating the participation of relevant stakeholders. I believe that the Paurashava Strategy will play an important role in the execution of the 7th Five Year Plan of the Government of Bangladesh.

While majority of the urban population resides in the larger City Corporations, at least 40% of the urban population still lives in smaller towns. These small Paurashavas are responsible for all of the functions of urban planning, infrastructure development and municipal service delivery including the provision of water supply, sanitation, drainage and solid waste management. In this context, the Government, with some support from our development partners, has implemented various projects to support Paurashavas to access the resources necessary to expand essential municipal infrastructures. In spite of this assistance, the delivery of quality urban municipal services remains a challenge for most Paurashavas. Lack of capacity to operate, maintain, generate revenues and re-invest in the expansion of infrastructure has hampered the ability of Paurashavas to deliver high quality municipal services.

To support the urban development goal of developing cities and towns to ensure better services and living standards, the 7th Five Year Plan has identified target for Paurashavas. To achieve these targets, the Paurashava Strategy has been formulated with a view to prioritize the means of delivering these objectives by Paurashavas. I hope that the Paurashava Strategy will contribute to the useful implementation of the 7th Five Year Plan including the longer term development of Paurashavas in Bangladesh. I believe that the Strategy will play important role to realize the vision - "Paurashavas become able to provide priority public services to their citizens at the satisfactory level in a sustainable manner by the year 2025." I would like to extend my gratitude to all involved with formulation of this Strategy.

Joy Bangla, Joy Bangabandhu
May Bangladesh Live Forever.

(Khandker Mosharraf Hossain, MP)



Secretary
Local Government Division
Ministry of Local Government, Rural
Development & Co-operatives
Government of the People's Republic of Bangladesh

Foreword

For improving the service delivery to the citizens by paurashavas, the Urban Development Wing of Local Government Division (LGD) has prepared the “National Strategy for Paurashava Governance Improvement (NSPGI), 2016-2025”, the first ever government strategy to develop functional procedure of paurashavas. The NSPGI was prepared based on critical analysis of the issue involving participation of relevant government agencies, development partners, mayors of paurashavas and sector professionals including academia.

The core areas of interventions, to be implemented in all paurashavas throughout the country, are identified in the NSPGI. It highlights strengthening coordination amongst development partners through a standard capacity development package (training manuals). In addition to financial support for capital investment, it is expected, different development partners will be able to contribute in its implementation through adopting the capacity development framework.

The NSPGI has been formulated with adaption of recommendations extracted from the Working Groups, established by LGD, representing different governmental agencies, development partners and other important stakeholders. It is also well aligned with other relevant documents such as the ‘Capacity Development Framework for Union Parishad’, developed under the leadership of LGD. It is considered to be more transparent and relevant in comparison to other strategies in the sector in managing functions of paurashavas.

Proactive participation and involvement of all stakeholders is essential to successfully implement the NSPGI. To this end, LGD and paurashavas are expected to formulate detailed work plans based on priority functions identified in the NSPGI.

All concerned are, therefore, requested to work together for its successful implementation.

(Abdul Malek)

Abbreviations and Acronyms

<i>ADB</i>	Asian Development Bank
<i>ADC</i>	Additional Deputy Commissioner
<i>ADP</i>	Annual Development Program
<i>BMDF</i>	Bangladesh Municipal Development Fund
<i>BMZ</i>	Bundesministerium Für Wirtschaftliche Zusammenarbeit (German Federal Ministry for Economic Development Cooperation)
<i>BIM</i>	Bangladesh Institute of Management
<i>BRDB</i>	Bangladesh Rural Development Board
<i>BUF</i>	Bangladesh Urban Forum
<i>CARE</i>	Cooperative for Assistance and Relief Everywhere
<i>CBOs</i>	Community-Based Organizations
<i>CDF</i>	Capacity Development Framework
<i>CRC</i>	Citizen Report Card
<i>CRDP</i>	City Region Development Project
<i>CEO</i>	Chief Executive Officer
<i>CTIIP</i>	Coastal Towns Infrastructure Improvement Project
<i>DAE</i>	Department of Agricultural Extension
<i>DC</i>	Deputy Commissioner
<i>DDLG</i>	Deputy Director Local Government
<i>DGHS</i>	Director General of Health Services
<i>DLG</i>	Director of Local Government
<i>DTIDP</i>	District Towns Infrastructure Development Project
<i>DPHE</i>	Department of Public Health Engineering
<i>EED</i>	Education Engineering Department
<i>EPI</i>	Expanded Program of Immunization
<i>EUG</i>	Enhancing Urban Governance
<i>FAPAD</i>	Foreign Aided Project Audit Department
<i>FY</i>	Fiscal Year
<i>GIZ</i>	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation)
<i>GOB</i>	Government of Bangladesh
<i>GTZ</i>	Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Cooperation)
<i>HLP</i>	Horizontal Learning Program
<i>HT</i>	Holding Tax
<i>ILO</i>	International Labor Organization
<i>ITC</i>	Information Technology and Communication
<i>JICA</i>	Japan International Cooperation Agency
<i>KfW</i>	Kreditanstalt Für Wiederaufbau (German Development Bank)
<i>LGD</i>	Local Government Division
<i>LGED</i>	Local Government Engineering Department
<i>LGI</i>	Local Government Institution
<i>MAB</i>	Municipal Association of Bangladesh
<i>M&E</i>	Monitoring and Evaluation
<i>MGSP</i>	Municipal Governance and Services Project
<i>MoLGRD&C</i>	Ministry of Local Government, Rural Development and Cooperatives
<i>MSP</i>	Municipal Service Project
<i>MSU</i>	Municipal Support Unit
<i>NAPD</i>	National Academy for Planning and Development
<i>NGO</i>	Non-Government Organization
<i>NILG</i>	National Institute of Local Government
<i>NOBIDEP</i>	Northern Bangladesh Integrated Development Project
<i>OCAG</i>	Office of the Comptroller and Auditor General
<i>O&M</i>	Operation and Maintenance
<i>PAC</i>	Public Accounts Committee

<i>PD</i>	Project Director
<i>PDP</i>	Paurashava Development Plan
<i>PPP</i>	Public-private partnership
<i>PWD</i>	Public Works Department
<i>RHD</i>	Roads & Highway Department
<i>SDC</i>	Swiss Agency for Development and Cooperation
<i>SEF</i>	Socio-Economic Fund
<i>SIF</i>	Settlement Improvement Fund
<i>SPGP</i>	Strengthening Paurashava Governance Project
<i>STIFPP</i>	Secondary Towns Integrated Flood Protection Project
<i>TEC</i>	Tender Evaluation Committee
<i>TLCC</i>	Town Level Coordination Committee
<i>TOR</i>	Terms of Reference
<i>UGIIP</i>	Urban Governance and Infrastructure Improvement Project
<i>UGIIP-II</i>	Second Urban Governance and Infrastructure Improvement Project
<i>UGIIP-III</i>	Third Urban Governance and Infrastructure Improvement Project
<i>UGIAP</i>	Urban Governance Improvement Action Program
<i>ULBs</i>	Urban Local Bodies
<i>UMSU</i>	Urban Management Support Unit
<i>UNDP</i>	United Nations Development Program
<i>UNHABITAT</i>	United Nations Human Settlements Programme
<i>UNICEF</i>	United Nations International Children's Emergency Fund
<i>UPPRP</i>	Urban Partnerships for Poverty Reduction Project
<i>UTIDP</i>	Upazila Towns Infrastructure Development Project
<i>VGF</i>	Vulnerable Group Feeding
<i>WB</i>	World Bank
<i>WC</i>	Ward Committee
<i>BWDB</i>	Bangladesh Water Development Board
<i>WG</i>	Working Group

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Chapter 1: Introduction

1.1 Background

Bangladesh is experiencing rapid urbanization with an annual population growth rate of 3.4% in urban areas as compared to the national average of 1.7%¹. The haphazard construction of buildings and traffic networks, inadequate public service delivery and a deteriorating living environment characterize many urban areas. In recognition of such rapid urbanization, the Bangladesh government policy of revitalizing local economies by strengthening local administration has been defined in its Seventh Five-Year Plan (2016-17 to 2020-21) as part of its efforts to reduce poverty and balance development outcomes. In 2014, the Government of Bangladesh (GOB) drafted the National Urban Sector Policy, which is designed to strengthen urban governance and promote economic development. Through the decentralized and participatory urban development processes the government is seeking to guide infrastructure development and urban environmental conservation in order to achieve sustainable urbanization.

In Bangladesh, the Paurashavas are responsible for the functions of planning, local infrastructure development and the delivery of essential public services, including water supply and solid waste management. Since Paurashavas are located adjacent to rural areas, they are expected to play an additional role of promoting local rural industries, improving access to markets from rural areas, and serving as a center for local economic activity.

Most Paurashavas are unable to perform these envisaged roles because of a lack of both financial and human resources. In particular, they lack the capacity to deliver public services against clearly developed mid-term and long-term development plans. As a result, the management of municipal assets is inefficient and the delivery of services is haphazard. Poor asset management and haphazard service delivery is particularly serious in small Paurashavas.

Recognizing the importance of strengthening Paurashavas, GOB made a decision to formulate the National Strategy for Paurashava Governance Improvement. (hereinafter referred to as “The Strategy”).

1.2 Purpose of The Strategy

The Strategy was made to clarify the critical means to improve the public services provided by Paurashavas in the entire country. The Strategy consists of Vision, Goals, Targets, and Activities necessary for the improvement of governance and service delivery in Paurashavas through increased access to financial and capacity development support.

¹Figures are the average ones for the period between 1990 and 2012, (Source: UNICEF Bangladesh office).

1.3 Good Governance

In The Strategy, governance ascribes to the core values of good governance of: (1) Accountability; (2) Transparency; (3) Rule of Law; (4) Responsiveness; (5) Equity and Inclusiveness; (6) Effectiveness and Efficiency; (7) Participation; and (8) Consensus in decision making². These core values of good governance guide the formation of the goals and means defined in The Strategy.

1.4 The Authority Responsible for The Strategy

The Urban Development Wing of Local Government Division (LGD) is responsible for the formulation, as well as implementation and monitoring, of The Strategy.

1.5 Target and Important Stakeholders of The Strategy

The Strategy is targeted to the Paurashavas of Bangladesh and the following important stakeholders.

- *Capacity Development:* National Institute of Local Government (NILG), Local Government Engineering Department (LGED), Department of Public Health Engineering (DPHE)
- *Beneficiaries:* Paurashava residents
- *Supporters:* Development partners

1.6 Implementation Period

The Implementation period of The Strategy is from 2016 to 2025.

1.7 Guiding Principles

The Strategy was formulated, based on the principles “To be concise and easily readable”, “To be logical”, “To be feasible and practical” and “To be participatory”.

- *To be concise and easily readable:* The structure of The Strategy is simple and the size is user-friendly.
- *To be logical:* The Strategy flows from fact finding, to problem analysis, and finally to solutions. Problems were summarized in a logic tree called “Problem Tree” (Figure 2-5), while “Vision Tree” (Figure 4-1) shows the solutions to identified problems.
- *To be feasible and practical:* The Strategy reflects the opinions of a diversified group of stakeholders that builds on the previous experiences of governance related projects recognizing the requisite financial resourcing necessary to realize The Strategy.
- *To be participatory:* The Strategy was formulated utilizing the inputs of the Working Group consisting of

² Source: <http://www.unescap.org/sites/default/files/good-governance.pdf>

relevant government officials, development partners, mayors and staff of Paurashavas and the support of consultants.

1.8 Procedure and Method of The Strategy Formulation

The Strategy was formulated according to the following four steps: 1) Review of the current situation and identification of challenges; 2) Establishment of a vision and goal setting; 3) Formulation of concrete measures to realize the vision and goals; and 4) Validation. The steps 1 to 3 were achieved in consultation with stakeholders through the Working Group (WG) meetings³. The WG was established to discuss the draft Strategy, which was prepared based on the results of the two surveys. Eight WG meetings chaired by the Additional Secretary (Urban Development) of LGD⁴ were held from August 2014 to November 2015. The WG members provided comments and alternative proposals on each Chapter of the draft Strategy during these WG meetings. 4) Validation was conducted by appropriate experts on local governance and strategy development.

The details of the step 1 are explained below:

Seven pilot Paurashavas were selected to collect the necessary information for the formulation of The Strategy. An Administrative Needs Assessment Survey and a Baseline Survey of Paurashavas was conducted in order to collect opinions and information from Paurashava elected representatives, officials and residents. A trial training is being conducted in these pilot Paurashavas to develop a model training package for nationwide application in future. These pilot Paurashavas were selected as typical Paurashavas representing each category Class considering the replicability of project activities in future. Based on the service delivery performance by the trained pilot Paurashavas, the contents of the training will be revised for nationwide training in future.

Pilot Paurashavas

The seven pilot Paurashavas are comprised of one A Category Paurashava, three B Category Paurashavas, and three C Category Paurashavas as shown in Table 1-1. The pilot Paurashavas, one from each Division, were chosen considering criteria such as the area, population size, level of economic activity and absence of major capacity development support to represent all of the Paurashavas in the country.

³The results of other projects related to Paurashavas were also studied and reported in the WG meetings.

⁴Member secretary is Deputy Secretary of LGD (Project Director of Strengthening Paurashava Governance Project (SPGP)). Other members are: Representatives from LGD, NILG, LGED, and DPHE. Bangladesh Institute of Management (BIM), Municipal Association of Bangladesh (MAB), Bangladesh Urban Forum (BUF), World Bank (WB), Asian Development Bank (ADB), Japan International Cooperation Agency (JICA), Swiss Agency for Development and Cooperation (SDC) and German Development Cooperation (GIZ), Project Directors of the Projects in LGED, Mayors from the seven pilot Paurashavas, and JICA SPGP Experts and Consultants.

Table 1-1: List of Seven Pilot Paurashavas

Name of Division	District	Selected Paurashava	Category of the Paurashava
Khulna Division	Jhenaidah	Shailkupa	A
Barisal Division	Barisal	Bakerganj	B
Chittagong Division	Chandpur	Sengarchar	B
Rangpur Division	Kurigram	Ulipur	B
Rajshahi Division	Pabna	Atghoria	C
Sylhet Division	Sylhet	Kanaighat	C
Dhaka Division	Kishoreganj	Pakundia	C

(As at December, 2014)

Administrative Needs Assessment Survey on Paurashavas

The Administrative Needs Assessment Survey on Paurashavas conducted in 2014 sought to clarify the gap between statutory and actual functions, analyze the background of poor performance, identify the administrative challenges and propose approaches to address these gap and challenges. The survey was conducted by interviewing the elected representatives and officers & staff in the seven pilot Paurashavas. These interviewees included: Mayors, councilors, secretaries, assistant/sub-assistant engineers, accountants, tax officials (Tax Assessors and Collectors), and the officials leading the health and conservancy section. Relevant documents were also gathered in those Paurashavas.

Baseline Survey

A Baseline Survey was conducted in the same seven Paurashavas in 2014 to measure residents' satisfaction and their expectations on the public services provided by their Paurashavas. The survey was conducted through a questionnaire survey to approximately 700 residents of the seven pilot Paurashavas plus an additional three Paurashavas for norm setting. Comparison with the results of a similar survey with a bigger sample size⁵ confirmed a similar trend between the two surveys.

1.9 Relations and Consistency with Other National Policies

The Strategy is a comprehensive national strategy for Paurashava governance improvement. The Strategy is a complementary document to other national policies and contributes to the implementation of the Five Year Plan 2016-2020 in the improvement of public service delivery at the Paurashava level.

⁵Survey conducted in UGIIP project ("CRC Survey Report under UGIIP II, LGED")

1.10 Contents of The Strategy

The Strategy consists of six chapters. First of all, the current situation and problems of Paurashavas are analyzed based on the results of Administrative Needs Assessment Survey on Paurashavas and Baseline Survey in Chapter 2. A Vision and the Goals for Paurashavas by 2025 at the impact level are intimated in Chapter 3. The priority public services on which The Strategy focuses are also identified. In Chapter 4, the Objectives and Outcomes to realize the Vision and Goals are identified. Then the strategic components and strategy roadmap including the activities are described in Chapter 5. These activities were generated by focusing on the i) institutional environment (Government), ii) organization (Paurashava), iii) technical capacity (knowledge and skills of elected representatives and officers & staff), and iv) participation of citizens. The implementation and monitoring arrangements along with the financing for The Strategy are presented in Chapter 6. The structure of The Strategy is shown in the following Figure 1-1.

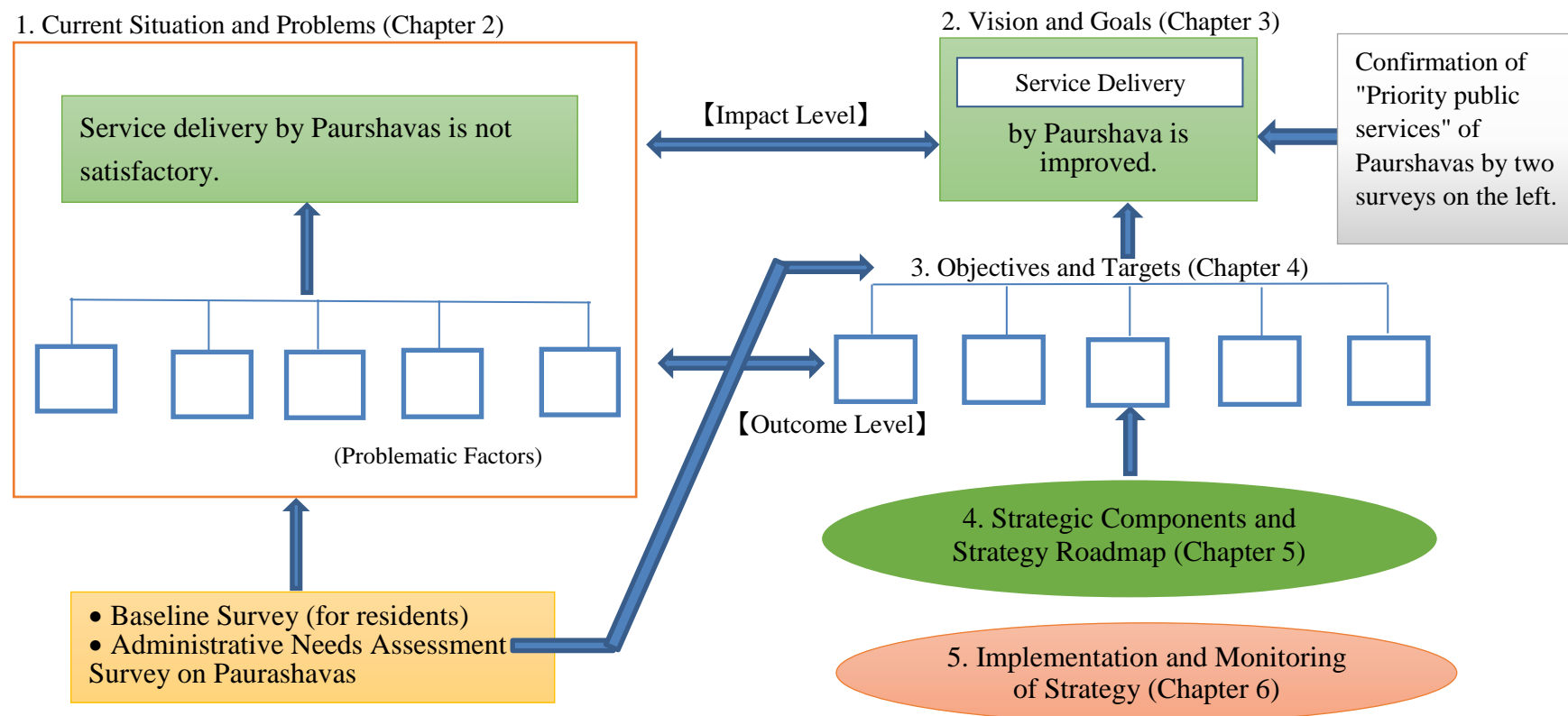


Figure 1-1: Structure of The Strategy

Chapter 2: Current Situation and Problems

2.1 Paurashava Responsibilities and Functions

The responsibilities and functions of Paurashavas are specified in the Local Government (Paurashava) Act, 2009 (Hereinafter referred to as “The Paurashava Act, 2009”). The responsibilities of the Paurashavas may be summarized as follows:

1. To provide all types of urban facilities to citizens of the respective areas in accordance with The Paurashava Act, 2009 and other relevant legislation;
2. To establish coordination between Paurashava administration and the government officers and employees to undertake coordinated programs;
3. To develop infrastructure, prepare and implement urban development plan including building control; and
4. To maintain citizen’s security and public discipline.

The functions are summarized as follows.

Table 2-1: Functions of Paurashavas

(1) Water supply for residential, industrial and commercial use.
(2) Water drainage and sanitation.
(3) Waste management.
(4) Issuing plan to ensure economic and social justice.
(5) Construction of road, footpath to develop communication system and construct terminal for the benefit of people’s movement and goods.
(6) Activities under Birth and Death Registration Act 2004 (Act no. 29 of 2004).
(7) Traffic management planning for better transport management, passenger shade, road light, parking place, bus stand and bus stop for walkers.
(8) Public health and environment conservation, tree plantation and conservation.
(9) Establishment and management of market and slaughter house.
(10) Create and spread the opportunity and support to sports, games, disport and amusement, and increase beautification of the locality.
(11) Any other functions under ordinance, rules, regulations or any order from the government.

Source: The Paurashava Act, 2009

According to The Paurashava Act, 2009 the activities expected to be performed by Paurashavas in the execution of their functions are summarized as follows.

Table 2-2: Detailed functions of Paurashavas stipulated in The Paurashava Act, 2009

Area	Details of Functions
1. Public Health	Regulation of insanitary buildings, waste removal, collection and management; provision and maintenance of public toilet and regulation of private latrines; birth, death and marriage registration; prevention and control of infectious diseases; promotion of public health; establishment and maintenance of hospitals/dispensaries; provision of medical aid, medical education, etc.

Area	Details of Functions
2. Water Supply and Drainage	Water supply; execution of water supply schemes; regulation of private water sources; construction and maintenance of public drains; regulation of private drains; execution of drainage schemes; securing of bathing and washing places; provision and regulation of <i>Dhobi ghats</i> for washer men; utilization and regulation of public watercourse; licensing of vessels; management and operation of public ferries.
3. Food and Beverage	Regulation of manufacture, sale and preparation of food and beverages; execution of milk supply schemes; establishment, maintenance and development of public markets; licensing and regulation of private markets; provision and maintenance of slaughter houses.
4. Animals	Establishment and maintenance of veterinary hospitals; provision of vaccines for prevention of infectious diseases; control of strayed animals; establishment and maintenance of cattle pounds; establishment and maintenance of animal homes; establishment and maintenance of cattle and poultry farms; registration of cattle sales; execution of livestock schemes; control of dangerous animals; holding of cattle shows and fairs; maintenance or contribution to zoological gardens.
5. Town Planning	Formulation of a master plan; inspection and control of execution of site development schemes.
6. Building Control	Sanction of site plans and building plans; inspection of completed buildings; regulation of buildings.
7. Streets	Provision and maintenance of public streets; execution of road maintenance and development programs; sanction of development of new streets; assignment of name, number and holding number of street; lighting of public streets; execution of street lighting schemes; watering of public streets; control and regulation of traffic; licensing of non-motorized vehicles; setting of the rate of fares for the use of public vehicles.
8. Public Safety	Functions as may be prescribed for civil defense of the Paurashava; provision of boats, appliances for flood fighting; execution of a scheme providing for the prohibition of dangerous and offensive trades; provision, maintenance and administration of graveyard and cremation ground; registration of burial and cremation ground.
9. Trees, Parks, Gardens and Forests	Plantation and protection of trees on public streets and other public places; execution of an arboriculture plan; building, maintenance and administration of public gardens; execution of development plan for each garden; provision and maintenance of open spaces; execution of forest plans; destruction of pests of trees and plants; clearance of noxious vegetation or undergrowth; felling and trimming of harmful trees; excavation/re-excavation of tanks and reclamation of low lying areas;
10. Education and Culture	Maintenance of educational institutions (as may be required by the prescribed authority); initiation of establishment of educational institutions if needed; financial contributions to private educational institutions; enforcement of compulsory education; provision of scholarship; provision of training for teachers; promotion of adult education; maintenance of depots for sales of school books and stationary; promotion of educational society; establishment and maintenance of information centres for civic education; establishment of museums and art galleries; establishment and maintenance of public halls and community centres; celebration of religious festivals, independence day and other national holidays; provision for the reception of distinguished visitors; promotion of physical culture and encouragement of public games and sports; promotion of tours to the Paurashava; preservation of historical places; provision of recreation facilities.

Area	Details of Functions
11. Social Welfare	Establishment, and maintenance of welfare homes, asylums, orphanages, widow homes and other institutions for the relief of the distressed; provision for the burial and burning yards; measures to prevent beggary, prostitution, gambling, taking off injurious drugs and consumption of alcoholic liquor, juvenile delinquency and other social evils; measures for the promotion of the welfare of women, children and disadvantaged classes, the disabled and autistics; and adoption of any other measures likely to promote social development and social welfare.
12. Development	Implementation of development plans; implementation of social development planning; investment in commercial enterprise.

Source: The Paurashava Act, 2009

2.2 Paurashava Act, Rules and Other Related Instructions

2.2.1 Current Situation

The GOB, in exercise of the power conferred upon it, can frame and approve acts, ordinances, laws, rules, by-laws and schedules to regulate the functioning of Paurashavas. In addition, the GOB can also issue guidelines, circulars and office orders, from time to time, to guide and assist Paurashava functionaries in running an efficient administration and service delivery process. While the essential laws, rules, model schedules, by-laws, guidelines, circulars and office orders are in place they are often old and fail to meet the requirements of The Paurashava Act, 2009.

Laws for Paurashavas

The primary law governing Paurashavas in Bangladesh is The Paurashava Act, 2009. This act repealed the previous Paurashava Ordinance, 1977. There are other laws pertaining specifically to Paurashavas such as the Settlement of Dispute (Paurashava Area) Board Law, 2004 however there are other laws related to public service delivery in Bangladesh that are also significant (i.e. the Environmental Conservation Act, 1995, the Muslim Family Laws Ordinance, 1961).

Rules

The GOB has framed and endorsed several rules in exercise of the powers conferred under The Paurashava Act, 2009 and the Paurashava Ordinance, 1977. For example, the Bengal Municipal Account Rules, 1935, prepared based on Bengal Municipal Act, 1932 are being followed in the maintaining of Paurashava accounts. The most familiar rules issued by the GOB for Paurashavas are as follows:

(1) Rules framed after Enactment of The Paurashava Act, 2009

1. Paurashava Tax Assessment and Collection Rules, 2013;
2. Paurashava (constitution of Ward Committee and TOR) Rules, 2012;
3. Paurashava Business Rules, 2012;
4. Paurashava Police (recruitment, training, discipline and conditions of services) Rules, 2012;
5. Paurashava Mayor and Councilors Special Facilities, Duties and Responsibilities (payment of honorarium to Mayor and Councilors) Rules, 2010;
6. Local Government (Paurashava) Election Rules, 2010; and
7. Paurashava (conduction of election) Rules, 2010.

(2) Rules framed after Enactment of the Paurashava Ordinance, 1977 and Bengal Municipal Act, 1932

1. Birth and Death Registration (Paurashava) Rules, 2006;
2. Paurashava (contract) Rules, 2001;
3. Paurashava Budget (preparation and approval) Rules, 1999;
4. Paurashava Employees Service Rules, 1992;
5. Paurashava Employees (provident fund and gratuity) Rules, 1988;
6. Declaration and Alterations of Municipalities Rules, 1978
7. The Bengal Municipal Account Rules, 1935.

By-Laws and Schedules

Government prepares model schedules and model by-laws, from time to time, to guide Paurashavas in preparing their own schedules and by-laws. Some of which are as follows:

1. Paurashava Model Tax Schedule, 2014;
2. Paurashava Standing Committee (constitution and TOR) Draft (model) By-Laws, 2013;

3. Paurashava Public Market Model By-Laws, 2003; and
4. Paurashava Water Supply Model By-Laws, 1999.

Regulations

Paurashavas are supposed to frame regulations as required by a Paurashava for the smooth running of its business. While The Paurashava Act, 2009 prescribes a minimum of 14 regulations in Schedule-7 that Paurashavas may prepare, in reality there are no such regulations available in any Paurashava.

By-Laws

Paurashavas are supposed to frame by-laws as required by a Paurashava to improve public service delivery efficiency. While The Paurashava Act, 2009 prescribes a minimum of 17 by-laws in Schedule 8 that Paurashavas may frame, in reality there are no such by-laws available in any Paurashava.

Guidelines

The LGD prepares guidelines from time to time to assist in the smooth implementation of certain Paurashava activities. This also applies to guidelines issued by other ministries which are relevant to Paurashava functions. A few such guidelines are mentioned here below:

- (1) Guidelines on management of Hats and Bazaars, lease procedure and distribution of lease money (issued by LGD);
- (2) Guidelines for recruitment of Class-3 and Class-4 employees (issued by LGD);
- (3) Guidelines on the use of Paurashava vehicles and issue of fuel (issued by LGD);
- (4) Guidelines on the establishment and administering Paurashava information and service centre, 2014 (issued by LGD);
- (5) Guidelines on implementation of humanitarian assistance program, 2012-13 (other Ministry); and
- (6) Guidelines (in the form of circular) on Vulnerable Group Feeding (VGF) Program (other Ministry).

In addition, there are a number of circulars and office orders issued by LGD, from time to time, to guide Paurashava to perform its business smoothly and efficiently. The recently published Compilation of Paurashava related acts, rules, and other guidelines brings together about 100 of such circulars and office orders which are important for the running of day to day Paurashava activities but many of which are out of sight of Paurashava officials.

2.2.2 Problems

There are different kinds of challenges in regards to the use of acts, laws, rules, model by-laws, by-laws, regulations, guidelines, circulars, office orders, etc. in the performing of Paurashava business some of which are described below:

Insufficient recognition of acts, laws and rules

Although there are acts, laws and rules in place, however in many cases the Paurashava elected representatives and officers & staff are not familiar with the provisions of acts, laws and rules pertaining to Paurashava functions. This may be due to lack of awareness, motivation or training.

Insufficient rules and Model (Sample) By-laws

Very few rules and model by-laws have been prepared as compared to the requirements of The Paurashava Act, 2009. In some cases, the rules exist but are old and outdated (i.e. The Bengal Municipal Account Rules, 1935 cannot be expected to meet the needs of modern digital accounting systems). The absence of these rules and model by-laws hampers the Paurashava administration in performing their functions.

Outdated rules

The rules framed after the enactment of the Bengal Municipal Act, 1932 and the Paurashava Ordinance, 1977, are old and require amendment or updating to match the Paurashava Act, 2009 as well as to meet current requirements. As a result, Paurashava officials sometimes feel confused with those old rules and their various amendments.

Lack of awareness and motivation

Another problem is the lack of awareness and motivation evident amongst Paurashava officials and lack of training opportunities for them. The absence of a functional system for monitoring the efficiency of Paurashava officials in applying Paurashava rules is another cause of the failures in performing Paurashava functions.

No Regulations and by-laws made by Paurashavas

Although there are provisions in section 121 & 122 and corresponding schedule 7 & 8 of The Paurashava Act, 2009 requiring that Paurashavas shall frame by-laws and regulations to perform their functions, in reality this has not occurred. As no separate instructions have been received from LGD nor has any awareness raising or training program been initiated by the GOB, the Paurashava officials remain busy with their day-to-day work and do not feel the need for formulating these regulations and by-laws.

Outdated by-laws

The GOB has recently circulated the Model Tax Schedule, 2014 and the sample by-law on the constitution and TORs for Paurashava Standing Committees, 2013. There are two other model by-laws issued by the GOB under Paurashava Ordinance, 1977 namely the Paurashava Public Market Model By-Law, 2003 and the Paurashava Water Supply Model By-Laws, 1999. Of the above schedules and by-laws, Paurashavas have extensively applied the Model Tax Schedule and the Public Market By-Laws. On the contrary, the Water Supply Model By-Laws came into force 17 years ago and do not match the present market prices. This by-law needs immediate updating considering the present cost of living and the price index. On the other hand, Paurashavas do not give proper attention to those model/sample by-laws and may not even know the purpose of such model by-laws issued by the GOB. To date, there are no visible initiatives from any prescribed authority to guide or train Paurashava officials to understand their role in regards to the passage of Paurashava by-laws and schedules.

2.3 Organization

2.3.1 Current Situation

The organizational structure of a Paurashava is stipulated in Section 6 of The Paurashava Act, 2009. Each Paurashava consists of a mayor and councilors, including female councilors. The mayor and councilors are directly elected by local residents. The executive powers of Paurashavas extend to all of the acts necessary for the due discharge of its functions under The Paurashava Act, 2009. The executive powers of a Paurashava shall be vested by its Council (Parishad) and be exercised by its mayor either directly or through councilors or any other officials authorized by him/her in accordance with the act and subsequent Paurashava business rules, 2012. All acts shall be undertaken in the name of the Paurashava and any proposal for the division of executive powers are to be approved by its Council.

The Council refers to a committee consisting of a mayor and councilors of a Paurashava (Sub-section (38) of Section 2 of The Paurashava Act, 2009). The decisions of Paurashavas are made in Council meetings, which is called by a mayor or in his/her absence by the Panel Mayor and must be held at least once a month (Section 63 of The Paurashava Act, 2009). Critical issues such as budgets, projects under the Annual Development Program (ADP), Development Assistance/Grant, master plan, employee appointment, etc. are first discussed at the relevant Standing Committee of Paurashavas (Section 64). The decisions of the committees are to be discussed in the monthly meeting of the Council. The Council shall make a decision regarding any activities after the discussion in the general or special meeting of the Council. The executive powers of a Paurashava shall be vested in and be exercised by its mayor, councilors or through other officers (Section 62).

The GOB has introduced Special Benefit, Duties and Responsibilities (allowance of the mayor and councilors) Rules 2010 in line with the authority provided under Section 120 of The Paurashava Act, 2009. The rules prescribed and specified the duties and responsibilities of the mayor and councilors, which are as follows;

Duties and Responsibilities of the Mayor (rule- 3)

- (1) Operate the routine work of the Paurashava;
- (2) Preside over all the meetings of the Paurashava and take proper initiatives to implement the decisions made in that meetings;
- (3) Supervise the officers and staff of the Paurashava;
- (4) Arrange appointment of Paurashava officer and staff, take disciplinary action against them, if needed, except the officers employed by the government;
- (5) Take steps for preparing proposal and projects related to different Paurashava activities on behalf of the Council;
- (6) Arrange to preserve all the information related to the Paurashava;
- (7) Sign all the contracts on behalf of the Paurashava in line with the Section 48 of The Paurashava Act 2009, and to take necessary initiatives as per the Section;
- (8) Impose taxes on different business and profession under the Paurashava, mentioning tax, rates etc. of Section 98 of The Paurashava Act, 2009 and issue license;
- (9) Take legal action to resolve the issues related to offense under Section 110 of the fourth schedule of The

Paurashava Act, 2009;

- (10) Take appropriate measure to file case on behalf of the Paurashava and take necessary initiatives to operate that case;
- (11) Review implementation progress of Paurashava activities determined in second schedule of The Paurashava Act, 2009;
- (12) Perform any other responsibilities provided by the rules prepared under this act; and
- (13) Perform any other responsibilities provided by the government from time to time under article 51 of The Paurashava Act, 2009.

Duties and Responsibilities of the Councilors (general) (rule- 4)

- (1) Shoulder the responsibilities as chair of one or more standing committees provided by the Paurashava, and take initiative to implement the decision properly made by those committees;
- (2) Be responsible as Mayor in absence of the Paurashava Mayor as per the priority list of panel mayor under the Section 40 of The Paurashava Act, 2009;
- (3) Recommend or request the Paurashava from time to time to initiate the following activities determined in the second schedule of The Paurashava Act, 2009;
 - a) Motivate the people for the expansion of education, and to assist in such programs for expansion of education;
 - b) Supervise and assist educational institutes related to secondary and madrasa education for improvement of quality;
 - c) Create public awareness to resist terrorism, fundamentalism, thrift, robbery, smuggling, drug trading etc. And take initiatives on different issues regarding public safety;
 - d) Initiate social plantation and other programs for environmental preservation and development;
 - e) Assist for vast expansion and implementation of youth, sports, cultural and social welfare activities;
 - f) Initiate activities regarding improvement of agriculture and forest resources; and
 - g) Take initiative to implement any other responsibilities provided by the government or by the Mayor of Paurashava.

Duties and Responsibilities of the Councilors (reserved) (rule- 5)

- (1) Shoulder the responsibilities as chair of one or more standing committees provided by the Paurashava, and take initiative to implement the decision properly made by those committees;
- (2) Be responsible as Mayor in absence of the Paurashava Mayor as per the priority list of panel mayor under the Section 40 of The Paurashava Act, 2009;
- (3) Recommend or request the Paurashava from time to time to initiate the following activities determined in the second schedule of The Paurashava Act, 2009;
 - a) Ensure the services related to health, nutrition, family planning and mother care;
 - b) Improve sanitation & sewerage system and supply of pure drinking water;
 - c) Identify the tasks for improving the overall condition of women and children and to provide necessary assistance to implement;
 - d) Initiate development projects for establishment and expansion of the small and cottage industries;

- e) Assist for taking own program for creation of self-employment and poverty reduction and providing support to the government to implement the related programs;
- f) Create awareness for the prevention of violence against women and children, dowry and child marriage etc.;
- g) Initiate and implement the project for the improvement of livestock and fisheries resources;
- h) Monitor the activities of cooperative associations and non-government social welfare organizations including assistance and coordination among their activities;
- i) Participate in the social welfare and pro-people activities including identification of the tasks for implementation;
- j) Take initiative to implement any other responsibilities provided by the government or by the Mayor of Paurashava.

The Standing Committee

Each Standing Committee shall be constituted with five members. The Chairperson and the members shall be selected from the councilors. In every Standing Committee, the mayor shall be the member by virtue of his/her position. However, the Mayor shall be the chairperson of Standing Committee on Law & Order and Public Safety. In every Standing Committee, there shall be at least 40% female members. In addition, each Standing Committee can co-opt a person as member, who is an expert of the relevant field, without having voting right in decision making process.

The duties and responsibilities of the Standing Committees shall be defined through a By-law, prepared by Paurashava and approved by LGD. The Standing Committees to be established under a Paurashava are presented below (Section 55 (1) of The Paurashava Act, 2009):

- Establishment and finance
- Tax assessment and collection
- Accounts and audit
- Urban planning, citizen's services and development
- Law and order and public security
- Communication and physical infrastructure development
- Women and children
- Fisheries and livestock
- Information and culture
- Market price supervision, monitoring and control

A Paurashava can also form additional Standing Committees based on the necessity of the Paurashava administration, such as i) Coordination with NGO; ii) Disaster Management; iii) Market Management; iv) Women Development; v) Poverty Reduction and Slum Improvement; vi) Health, Water and Sanitation; and vii) Waste Removal and Transfer, etc.

The Ward Committees (WCs) and the Town Level Coordination Committee (TLCC) are two additional forums for citizen participation in Paurashava administration and service delivery.

Paurashava Staff Structure

According to Section 72 of The Paurashava Act, 2009, there shall be a Paurashava Service constituted in such a manner and subject to such conditions as may be prescribed. The GOB shall, from time to time, specify a staff structure (organogram) based on the classification/categorization of Paurashavas (category-A, B & C). The organogram consists of Mayor, a Chief Executive Officer (CEO) and employees of (1) Engineering Department (head of the department is an Executive/Assistant Engineer); (2) Administration Department (Secretary); (3) Health, Family Planning and Conservancy Department (Health Officer). The authorized number of office employees by the category of Paurashavas are shown in Table 2-3.

Table 2-3: Authorized Number of Paurashava officers and Staff

Category	Department	Number
A	Engineering	68
	Administration	54
	Health	33
	Total	155
B	Engineering	32
	Administration	35
	Health	22
	Total	89
C	Engineering	27
	Administration	26
	Health	16
	Total	69

Source: LGD

The head of Paurashava officers and employees is a CEO who is an employee of the administrative cadre under the civil service. This post is, however, vacant in many Paurashavas. Officers and employees are categorized into Class I, Class II, Class III and Class IV⁶. While the officers such as CEO are posted on deputation to Paurashavas by the GOB, all officers under Class I and II are recruited by LGD while the staff members under Class III and IV are appointed by Paurashava for the efficient execution of its functions.

The functions of the respective departments are not defined by The Paurashava Act, 2009. This implies that actual functions of each division could be different from one Paurashava to another. The typical functions of each division, based on the information of the pilot Paurashavas, are presented below.

Engineering Department:

- Construct and maintain infrastructures, such as public markets, public streets, drains, bridges, and culverts in the jurisdiction of Paurashavas
- Implement necessary programs for the watering of the public streets, and planting trees on public streets and other public places

⁶(1) Class I: CEO, Executive Engineer, Assistant Engineer, Town Planner, Health Officer and Secretary; (2) Class II: Sub-Assistant Engineer, Administrative Officer, Accounts Officer, Slum Development Officer; (3) Class III: all Clerical Staffs, Drivers, Field Supervisors; and (4) Class IV: Messengers, Guards, and other lower subordinate staffs. CEO is a BCS (Admin) Officer in the rank of Senior Assistant Secretary/Deputy Secretary.

- Maintain public gardens and open spaces in the Paurashava area
- Develop a Master Plan for the area of Paurashava
- Implement all kinds of development plans
- Approve building plans within the Paurashavas
- Supply drinking water for Paurashava residents
- Provide public services including traffic signaling and public latrines
- Maintain Paurashava's vehicles and other equipment

Administration Department:

- Execute administrative works for operating Paurashava activities smoothly
- Prepare budget and manage financial and accounting issues
- Assess holding tax by the investigation of buildings and other assets
- Collect holding tax, market rents, trade license fees and other fees
- Issue trade licenses to Paurashava residents
- Promote and organize social activities and celebrate the National Days and other special days
- Execute and undertake relief activities following natural calamities and famine
- Other services including but not limited to ceremony management, promotion of commercial activities

Health, Family Planning, and Conservancy Department:

- Control infectious diseases
- Establish, maintain, and contribute to hospitals, health centers, and dispensaries
- Register all births and deaths in the Paurashava
- Promote a family planning program
- Control animals including stray animal management, illegal and diseased animals for slaughtering, and dangerous animals for detention and disposal

2.3.2 Problems of Manpower in Functional Operation

Mayor's challenges in Administration

Although many Mayors have good educational background and knowledge of The Paurashava Act 2009, there are some issues that Mayors have to overcome to properly lead the Paurashava administration. As Mayors are not fully aware of the rules and regulations to follow, their leadership make it difficult for local officials to implement the necessary rules and regulations. In addition, Mayors are often reluctant to collect taxes for fear of losing popularity.

Councilor's Limitation about Legal Matters

Elected councilors believe that their main responsibility is to attend the Council meetings. They lack the knowledge about their role that is described in the Act and the relevant rules. There is also lack of knowledge about the importance of Standing Committees and councilors' role in Paurashava administration. This reflects insufficient opportunities for the orientation or guidance of Councilors.

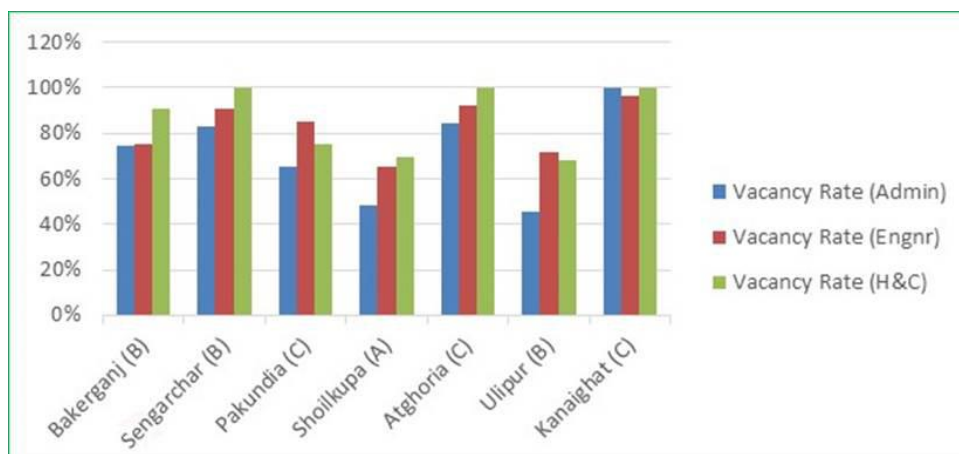
Standing committee's Role Underutilized

Making Standing Committees functional as per the specified TOR is a mandatory responsibility (Section-55) of the Paurashava administration. LGD has circulated a sample by-law on the constitution and TOR of standing committee, 2013 to all Paurashavas for guiding the preparation of this by-law. None of the Paurashavas have prepared this by-law but a number of Paurashavas have established this standing committee.

They are, however, not very functional. The standing committees were found to be inactive in the monitoring of Paurashavas' activities, for example.

Paurashavas' manpower

The organizational structures of all categories of Paurashavas are similar, although the number of staff to be assigned vary among different categories. In most cases in all of the Paurashava categories, the actual number of officers and employees is smaller compared to the expected level. Figure 2-1 shows an example of the seven surveyed Paurashavas, i.e., their actual manpower against the manpower prescribed in the organogram prepared by the GOB. While the vacancy rates are very high in general, they are the highest in Health, Family Planning, and Conservancy Department.



Source: The Administrative Needs Assessment Survey Report (JICA SPGP Team, 2014)

Note: A, B and C in the () means the category of Paurashavas.

Figure 2-1: Example of manpower vacancy rates of Paurashavas

The following are more specific problems about manpower.

Shortage of CEO and Health Officers

Amongst the key Paurashava officers, the vacancy rates of CEO and Health Officer are high. Since the CEO is in charge of overall Paurashava management, these vacancies in this post could significantly affect the Paurashavas' administrative performance. While Health Departments in most Paurashavas are managed by junior-level health employees due to the absence of a Health Officer, in some category B and C Paurashavas there are no Health Department staff at all.⁷

Shortage of Town Planner

For category A Paurashavas, there are provisions for the post of Town Planner (without any supporting staff), and for category B and C Paurashavas there is no post of Town Planner (or any other appropriate personnel to carry out planning activities) in the organograms approved by the GOB. Some projects such as UGIIP-II and NOBIDEP supported Paurashavas in establishing the Planning Unit within the Engineering Division of the respective Paurashavas. The establishment of a separate planning unit/Department and increasing the number

⁷JICA's report "Preparatory Survey on the Northern Region Rural Development and Local Governance Improvement Project" dated November, 2012.

of personnel needs to be considered for the Paurashavas of categories B and C to implement and update the Master Plan and strengthen planning activities.

Unused option of own staff management

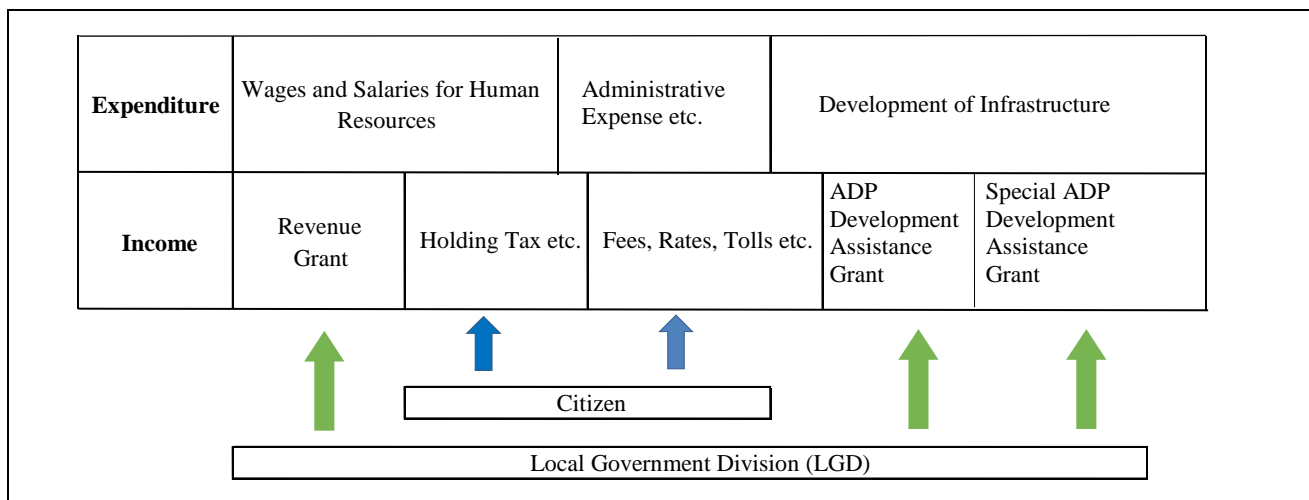
Under the current system, the position and the number of staff are prescribed by each of four classes (Class-I, Class-II, Class-III & Class IV) and Paurashavas can prepare their own staffing arrangements within the limits of the approved organogram. In reality, no Paurashava has ever used this option resulting in imbalanced staffing in many cases.

In addition, to the issue of organizational structure and staff size, there are problems of insufficient knowledge and skills of the officials of Paurashavas. The details of these problems of knowledge and skills are analyzed in section 2.7.

2.4 Finance

2.4.1 Current Situation

The financial resources of Paurashavas are generated from taxes, rates, fees, tolls, GOB grants, etc. Tax, rates, fees and tolls are paid directly to Paurashavas by residents or the private sector, whereas GOB grants, such as ADP Development Assistance Grant and Special ADP Development Assistance Grant are provided by LGD as shown in Figure 2-2. The establishment of a transparent and accountable financial management system is critical for managing both the revenues and expenditures of Paurashavas.



Source: JICA SPGP Team

Figure 2-2: Structure of Income and Expenditure

The financial situation of sample Paurashavas are described in Table 2.4, 2.5, and 2.6. Although the figures in the Tables do not represent each category of Paurashavas because of the limited number of surveyed Paurashavas, these figures are indicative of the financial structure of Paurashavas by way of an example.

Table 2-4: Income and Expenditure of Category A Paurashavas in FY 2014-15

Income			Expenditure		
Sources of Income	Amount (Tk.)	Ratio (%)	Heads of Expenditure	Amount (Tk.)	Ratio (%)
Revenue grant	185,477	0.4%	Wages and Salaries for Human Resources	20,783,849	42.5%
Holding tax	11,362,844	23.9%	Administrative Expense etc.	9,263,478	19.0%
Fees, rates, tolls and so on	23,568,779	49.4%	Development of Infrastructure	18,811,546	38.5%
ADP grant	4,000,000	8.4%			
Special ADP grant	8,500,000	17.9%			
Total	47,617,100	100%	Total	48,858,873	100%
Surplus		-	Deficit	1,241,774	

Source: JICA SPGP Team

Note: Figures are average of one pilot Category A Paurashava and one non-pilot Category A Paurashava.

Table 2-5: Income and Expenditure of Category B Paurashavas in FY 2014-15

<i>Income</i>			<i>Expenditure</i>		
Sources of Income	Amount (Tk.)	Ratio (%)	Heads of Expenditure	Amount (Tk.)	Ratio (%)
Revenue grant	215,618	0.7%	Wages and Salaries for Human Resources	4,995,440	17.1%
Holding tax	1,353,369	4.5%	Administrative Expense etc.	2,732,713	9.4%
Fees, rates, tolls and so on	7,461,685	24.6%	Development of Infrastructure	21,466,651	73.5%
ADP grant	4,000,000	13.2%			
Special ADP grant	17,333,333	57.0%			
Total	30,364,006	100%	Total	29,194,804	100%
Surplus	1,169,202		Deficit	-	

Source: JICA SPGP Team

Note: Figures are average of figures of three pilot Category B Paurashava.

Table 2-6: Income and Expenditure of Category C Paurashavas in FY 2014-15

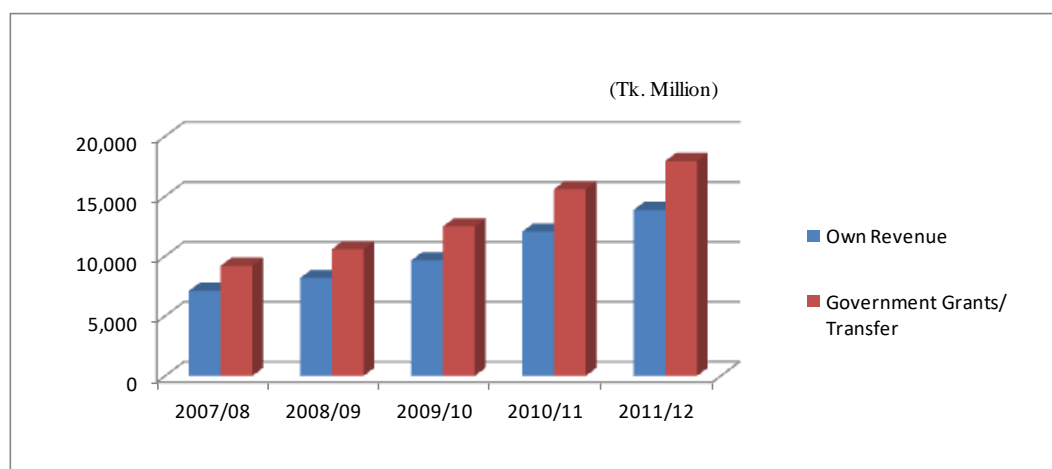
<i>Income</i>			<i>Expenditure</i>		
Sources of Income	Amount (Tk.)	Ratio (%)	Heads of Expenditure	Amount (Tk.)	Ratio (%)
Revenue grant	240,651	2.1%	Wages and Salaries for Human Resources	1,913,639	15.7%
Holding tax	886,538	7.6%	Administrative Expense etc.	1,615,681	13.2%
Fees, rates, tolls and so on	3,134,451	26.9%	Development of Infrastructure	8,683,333	71.1%
ADP grant	4,000,000	34.2%			
Special ADP grant	3,400,000	29.2%			
Total	11,661,640	100%	Total	12,212,654	100%
Surplus	-		Deficit	551,014	

Source: JICA SPGP Team

Note: Figures are average of three pilot Category C Paurashava.

Income of Paurashavas**(1) Basic Structure**

There are mainly two kinds of Income sources for Paurashavas, namely grants from the central government and own revenue sources. GOB grants account for nearly half of the total income of Paurashavas, as shown in Figure 2-3.



Source: Bangladesh Bureau of Statistics (Statistical Yearbook 2012, Aug. 2013, p. 324)

Figure 2-3: Consolidated Receipts of Paurashavas

The own revenue sources consist of all kinds of taxes, rates, fees for services, rent of properties, lease charge for the use of facilities owned by Paurashavas, tolls, etc. The biggest internal revenue source is holding tax and the land transfer tax followed by lease charges. Holding taxes are detailed in the next sub-section (2). With regards to the land transfer tax, the Land Registry Office charges 3% land transfer tax against the deed value of the land for Local Government Institutes. Out of this 3%, the Paurashavas receive 2% land transfer tax.

There are two kinds of GOB grants to Paurashavas, as either the revenue grant or the ADP Development Assistance Grant.

Revenue Grant

The revenue grant includes: 1) Government grants in lieu of oc-troi and 2) Grants for salary subvention. The details are described as follows:

1) Government Grant in Lieu of Oc-troi

Previously Paurashavas collected oc-troi from the citizens of Paurashava for the movement of goods. In 1992 the central government abolished that rule allocating revenue grants to Paurashavas in lieu of the oc-troi. Every financial year LGD allocates this revenue grant (of approximately, 160,000 Tk.) to every Paurashava to use for any revenue expenditure within the same fiscal year.

2) Grant for Salary Subvention

The central government allocates some revenue for salary purposes (approximately 50,000 Tk. per year) from which the Paurashava can only pay for permanent staff's salary.

ADP Development Assistance Grant

The ADP Development Assistance Grant is allocated in several ways. The ADP Development Assistance Grant is provided to every Paurashava as a block grant for the implementation of various development schemes. The size of the regular ADP Development Assistance Grant is determined according to the category of each Paurashava. In addition to the regular grant, a certain amount of Special ADP Development Assistance Grant is provided based on Paurashava's performance assessed by LGD. The Special ADP

Development Assistance Grant is also allocated to some selected Paurashavas but there are no clear criteria on the selection of the paurashava or assessment of the size of the grant.

(2) Holding Tax Assessment and Collection

Holding tax accounts for the major part of the own source of revenue of Paurashavas. Paurashavas conduct an assessment and reassess holding taxes at five-year-intervals and interim assessment throughout the year to impose holding tax based on the annual value of land and buildings in accordance with procedure described in the Paurashava Tax Assessment and Collection Rules, 2013 based on and the tax & rates prescribed in the Paurashava Model Tax Schedule, 2014. Holding tax equals the sum of tax on the annual valuation of land and buildings at 7%, lighting rates at 3% maximum, conservancy rates at 7% maximum, rates for provision of water supply works at 10% maximum and a total maximum of 27% of the annual valuation of land and buildings. Paurashavas can also impose rates at 12% maximum on the annual value of land and buildings from the person/institution who receives sewerage services (with the caveat that no Paurashava in Bangladesh has underground sewerage facilities) and can also levy tax at 2% maximum on the annual value of land and property for any special development work done or any special service provided for the common interest of the residents. Assessors and assistant assessors are required to make the assessment valuation list, re-assessment and interim assessment.

In most Paurashavas, tax collectors send tax bills to each household, though in some Paurashavas the tax collectors visit each household to deliver tax bills. Tax payers can pay either directly at the Paurashava office or through banks, middleman, and so on. Payment in several installments is possible. If tax is not paid by the date specified in the document, the asset can be possessed. In general, tax collection rates are not high and in some Paurashavas the tax collection rates are lower than 30%.

Expenditure of Paurashavas

The major expenditure of Paurashavas is for development such as infrastructure development or improvement. Public infrastructure development projects accounted for around 70% of the total expenditure except for the financial year 2011-12. Personnel costs account for about 10%. Table 2-7 shows the details of expenditure.

Table 2-7: Consolidated Expenditure of Paurashavas (TK million)

Items of Expenditure	FY	FY	FY	FY	FY
	2007-08	2008-09	2009-10	2010-11	2011-12
Wages and Salaries	1,584	1,822	2,150	2,687	3,009
Commodities and Services	2,297	2,642	3,117	3,896	6,111
Gross Fixed Capital Formation	11,443	13,159	15,526	19,407	14,285
Interest payment	2	3	3	4	5
Work Program	377	433	511	639	7,411
Transfer	597	686	809	1,011	969
Total	16,300	18,745	22,116	27,644	31,790
Share (%)					
Wages and Salaries	9.7%	9.7%	9.7%	9.7%	9.5%
Commodities and Services	14.1%	14.1%	14.1%	14.1%	19.2%
Gross Fixed Capital Formation	70.2%	70.2%	70.2%	70.2%	44.9%
Interest payment	0.0%	0.0%	0.0%	0.0%	0.0%

Items of Expenditure	FY	FY	FY	FY	FY
	2007-08	2008-09	2009-10	2010-11	2011-12
Work Program	2.3%	2.3%	2.3%	2.3%	23.3%
Transfer	3.7%	3.7%	3.7%	3.7%	3.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Bangladesh Bureau of Statistics (Statistical Yearbook 2012, Aug. 2013, p. 324)

The expenditures of Paurashavas are divided into Revenue expenditures and Development expenditures. Revenue expenditures, which are funded by revenue income from sources such as holding tax, land transfer tax, and trade license fees include establishment expenditure such as (i) the honorarium for Mayor and Councilors, salary expenses for officers, and other employees including other allowances; (ii) O&M of infrastructure/equipment/machineries, street light, waste disposal; and (iii) payment for electricity and telephone bills, stationeries and other office accessories. The surplus from revenue account (revenue income minus revenue expenditure) is transferred to development account, and spent for development projects.

The size of the development expenditure varies considerably among Paurashavas. Some Paurashavas receive financing from foreign-funded projects and spend a larger amount for development of infrastructure. In Paurashavas that do not receive any external funds, their development expenditure is funded by the ADP Development Assistance Grant from the central government and their revenue surplus, if any. Some Paurashavas also have access to grants and loans for development projects from Bangladesh Municipal Development Fund (BMDF). Paurashavas can invest in income generating facilities, such as markets using loans from BMDF.

Financial Management

Public financial management consists of those functions, such as budget formulation, budget execution, accounting and reporting, as well as internal and external audits. The accounts section in the Administrative Department is responsible for budget formulation, accounting, reporting and audits. The accounts section mainly conducts accounting work, formulation of financial reports and internal audit related activities but does not undertake significant financial analysis and asset management accounting. One important step for Paurashava's in asset management is to maintain a proper register including the valuation and depreciation of fixed and movable assets. The lack of awareness and weak accountability, low political will of elected representatives and a lack of relevant staff contribute to negligence in managing and updating asset registers which results in the loss of control over public assets.

The development of the budget plan is first raised at the Accounts and Audit Standing Committee of Paurashavas. The budget plan drafted by this committee is then to be discussed in the monthly general meeting of the Paurashava Council. The details of the budget management function are described below.

(1) Budget Formulation

The budget is formulated through a series of steps: 1) Preparation of a draft budget; 2) Discussion in the Standing Committee on Establishment & Finance; 3) Preliminary budget meetings with residents' representatives such as TLCC members and WC members; 4) Budget passed through the approval by the Paurashava Council in its special budget meeting; 5) Declaration of the budget to residents in the Open Budget Meeting; and 6) Submission of the budget to LGD. The draft budget is prepared mainly by the accountant, secretary and mayor in cooperation with respective departments and committees according to the Paurashava Budget (preparation and approval) Rules, 1999.

(2) Budget Execution

Budget execution is conducted according to the provisions of the Paurashava Budget (preparation and approval) Rules, 1999:

1. A Paurashava shall limit expenditure under the establishment head within 50% of its revenue;
2. A Paurashava shall not spend beyond the provision of its approved budget;
3. The budget allocation of one head/sub-head shall not be spent in another head/sub-head by appropriation. In case such expenditures are urgent (i.e. sudden natural calamities) the prior approval of such expenditures shall be taken from the prescribed authority;
4. If required, a Paurashava can prepare and approve revised budget before closing of any financial year; and
5. After the closing of each financial year, a Paurashava shall prepare statement of expenditure against the provision in the budget to verify appropriateness of budget execution.

(3) Accounting and Reporting

The Accountant of the Paurashava is responsible to register all transactions. Daily transactions are recorded in a cashbook, applying single-entry book keeping methods. Although computerization commenced in 2008 and LGED has conducted the corresponding training courses, many Paurashavas still continue to maintain their accounts manually. Paurashavas are required to formulate annual statements of accounts after the end of each fiscal year, which lasts from July 1 to June 30.

(4) Audit

Paurashavas are subject to external audit by the Office of the Comptroller and Auditor General (OCAG) and Foreign Aided Project's Audit Department (FAPAD). OCAG audits the accounts of the larger Paurashavas relatively regularly with the frequency of audit ranging from every one year to every five years according to the level of risk assessed by OCAG. Audits conducted by OCAG/FAPAD are essentially compliance audits and value for money is rarely assessed. Serious audit objections are discussed amongst the Paurashava, LGD and OCAG/FAPAD, and unsettled serious audit objections are discussed in the Public Accounts Committee (PAC) of the Parliament.

Some Paurashavas conduct internal audits. Internal audits are an obligatory function according to the provision of Section 94(7) of The Paurashava Act, 2009. The Accounts and Audit Standing Committee is charged with the responsibility to conduct such audits once a year and a report on the audit is submitted for scrutiny during Paurashava monthly meetings. However, there are no standard instruction/rules/guidelines on internal audits and therefore it is often the case that it is no more than inquiries of the Mayor about some specific financial transactions on an ad hoc basis⁸.

2.4.2 Problems in Financial Management

(1) Insufficient Collection of Holding Tax (HT)

The efficiency of Paurashava HT collection is shown in Table 2-8. HT collection is insufficient in most Paurashavas although the introduction of computerized systems supported by external projects has brought about some positive changes in the tax collection of most of the target Paurashavas.

⁸UGHIP-II of LGED with the assistance of GIZ prepared a guideline for conducting audit by standing committee on accounts & audit and provided training to the standing committee members and the accounts personnel of project Paurashavas.

Table 2-8: Paurashava holding tax revenue collection efficiency figures

Region	No. of Paurashavas	Tax Collection Efficiency (range) (2011)
Barisal	13	25%-82%
Chittagong	7	20%-68%
Comilla	7	39%-98%
Dhaka	10	45%-92%
Faridpur	5	47%-92%
Khulna	15	28%-91%
Mymensingh	8	35%-92%
Rajshahi	13	42%-84%
Rangpur	11	30%-93%
Sylhet	11	13%-77%

Source: Pre and Post Support Scenarios under Municipal Capacity Building Program of MSU/UMSU, May 2012.

Possible factors hindering HT collection are shown below:

- Residents are reluctant to pay the Holding Tax, as they are not satisfied with the current level of Paurashava services or they are not sure whether the tax collected will be properly spent.
- Some Paurashavas do not place a high priority on raising their HT collection rate. This is partially because officials are not under any pressure due to the reluctance of elected representatives and the absence of regular monitoring and reporting.
- While the record keeping on tax collection may be good but the related officials are not aware of the collection status because of a lack of regular reporting.
- In most Paurashavas, the re-assessment of holding tax is implemented as specified in the rules. However, tax amounts suggested by the re-assessments are discounted through claims manifested by tax payers and according to discussions held in the standing committees.

(2) Insufficient and Inequitable Allocation of Grants from the Government

As shown in the follow up chapters, both residents and Paurashava officials are not satisfied with the current level of services provided by Paurashavas, mainly in terms of infrastructure. Most of the respondents (Mayors and officials) in the seven surveyed Paurashavas answered that the lack of finance was the main reason for insufficient maintenance of public streets and public drains. Although there is room for improvement in Paurashavas' own revenue mobilization, the majority of Paurashavas has to rely on the ADP Development Assistance Grant for physical infrastructure development. The current amount of the ADP Development Assistance Grant is possibly too small to satisfy the Paurashavas' needs of infrastructure improvement, especially for small-sized Paurashavas. The ADP Development Assistance Grant is also too unpredictable for Paurashavas to undertake multi-year planning. For instance, in FY 2013-2014 the LGD made category-wise allocation to Paurashavas (A=7,000,000 Tk., B=6,000,000 Tk. and C=5,000,000 Tk) but in FY 2015-2016 all Paurashavas received the same amount of ADP (i.e. 4,000,000 TK.).

The ADP allocation is unpredictable possibly because:

- a) The allocation of the ADP fund for Paurashavas is dependent on the ADP allocation made to LGD from the National Budget which varies year to year;

b) The Government sometimes deducts a certain amount from the ADP for the implementation of national projects.

In addition, there are problems in the way Special ADP Development Assistance Grants are allocated. There are no clear criteria defining their allocation, such as the needs of Paurashavas or their performances. For example, the newly created Paurashavas generally have less capacity to increase revenue from their own income sources and therefore they need more funds from the GOB. Neither is the Special ADP Development Assistance Grant based on objective measurements and indicators which means that the allocation is also unpredictable for Paurashavas.

(3) Ineffective Formulation of Annual Budget

Every Paurashava prepares a budget for each fiscal year from July to June. The results of the Administrative Needs Assessment Survey confirmed the assumption of the unreliability of Paurashavas' initial budget. The proposed budget of each studied Paurashava was found to be highly exaggerated. The gap is particularly large on the development account, in which the actual expenditure was often less than 20% of the proposed budget. A few more problems are identified as follows.

In those Paurashavas where the TLCC/WC meetings are not organized, the proposed budgets are not examined by residents. In most cases, although the draft budgets were discussed in the council meetings, the institutional arrangements to discuss the budget in the standing committee beforehand did not work. The involvement of residents in budget preparation was also limited, even though the Paurashavas held "Open-Budget Meetings."

(4) Ineffective Execution of Annual Budget

It is observed that there are weaknesses in the budget execution process. For example, according to the Administrative Needs Assessment Survey, expenditure had been reported to the mayor, the secretary and in the Council meeting in all Paurashavas. However, in only four Paurashavas it is reported on a monthly basis while in other three Paurashavas it is done only as and when required. Residents' participation in budget execution is also limited. Although the TLCC and WC have been institutionalized by LGD to discuss development issues, the former was formed only in three out of the seven surveyed Paurashavas and the latter in only four Paurashavas.

The following are some reasons for the detected flaws in the budget execution process.

- There is no pressure upon the officials in charge to improve budget execution. Additionally, the original budget is unrealistic, the development plan is non-existent and the execution status is not properly checked.
- A shortage of manpower and the manually processed accounting may be among the reasons for the low efficiency of budget execution.

(5) Ineffective Internal Audit

The system of internal audit is not developed sufficiently in Paurashavas. Through observation of several Paurashavas, it became evident that there was no specific guideline to conduct internal audits. One explanation for this may be that these Paurashavas do not feel it is necessary.

2.5 Urban Planning

2.5.1 Current Situation of Plan Preparation

Infrastructure development should be promoted in a planned and systematic manner. For this purpose, Master Plans and Paurashava Development Plans have been prepared under several projects conducted by the GOB and Paurashava respectively, with the support of development partners in the last decade. A Master Plan is a document for a town planning and generally covers up to 20 years of urban development. The Paurashava Development Plan is a comprehensive development plan for a specified period of time (preferably 5 years) with a focus on improvement of infrastructure and public services delivery. Almost 240 Paurashavas have completed the final version of their Master Plans, and they will move from the planning to the implementation stage. Paurashava Development Plans have been made on an ad hoc basis by the Paurashavas under the development projects supported by development partners. Though the exact number of Paurashavas without development plans is not known by the GOB, very few Paurashavas with external project supports (UGIIP-II, UGIIP-III and NOBIDEP) have prepared and only partially implemented Paurashava Development Plans.

Master Plan

The Paurashava Act, 2009 stipulates that a Master Plan is required to structure/frame the development planning within the Paurashava jurisdiction. This should include land use; a traffic and transportation management plan; policy and strategies for sanitation and environmental management; and specific implementable development projects under overall development activities of the Paurashava. A Paurashava shall prepare a Master Plan within five years from the date of its establishment or within five years of the passing of The Paurashava Act, 2009. The prepared master plan has to be related with the existing rules and regulations and include the following information:

- 1) A combined descriptive surveys on its history, statistics, public services and other specific issues;
- 2) Development, extension and improvement of any area of the Paurashava; and
- 3) Restriction and control on land development, construction and re-construction of buildings in any area of Paurashava.

Master Plans have been so far formulated by nearly 240 Paurashavas under two projects: the District Town Infrastructure Development Project (DTIDP); and the Upazila Town Infrastructure Development Project (UTIDP). The numbers of Paurashavas targeted by the DTIDP and UTIDP are 22 and 218 Paurashavas, respectively. Almost all targeted Paurashavas have completed the final version of Master Plans as of September of 2014. The outline of UTIDP and DTIDP is shown in Table 2-9. When preparing a Master Plan, the participatory consultation workshops were held inviting councilors and residents to provide the necessary information based on requests by the consultants of the projects.

Table 2-9: Objectives of Master Plan by DTIDP and UTIDP

Item	DTIDP	UTIDP
Project schedule	July 2004-June 2012	July 2004-June 2014
Target Paurashava	22 District-level Paurashavas and two City Corporations	218 Upazila-level Paurashavas
Status as of	All targeted 22 Paurashavas completed final Master Plans and submitted them to the	Almost all Paurashavas have completed the final version of Master Plans. A total of 125

Item	DTIDP	UTIDP
September 2014	ministry to publish in the gazette.	Master Plans were submitted to the Ministry to publish in the gazette.
Objectives	1)Preparation of a Master Plans for sustainable urban development; 2)Improvement of environment; 3)Provision of infrastructure to meet basic human needs; 4)Improvement of communication facilities and creation of immediate and long-term employment opportunities for the poorer section of the urban area by setting up new infrastructure as well as reconstructing/rehabilitating existing infrastructure; and 5)Rehabilitation of 2007 flood-damaged urban infrastructure to restore normal levels of economic growth and social activities through creation of direct/indirect employment opportunities for the people in the Project area.	1) Preparation of a Master Plan in line with a 20-year vision for the Paurashava, including updating provisions for better transport network, housing, infrastructures such as roads, markets and bus terminals, sanitation, water supply drainage, and solid waste management, electricity, and education; 2) Inclusion of disadvantaged groups for a better quality of life; 3) Preparation of multi-sector short- and long-term investment plan through participatory process; and 4) Involving private-sector participation in future development, promoting growth of the Paurashava in line with the guiding principles of the master plan, and controlling any unplanned growth.
Components	Strategic Plan Structure Plan Urban Area Plan Detailed Area Plans	⇨ Strategic Plan ⇨ Structure Plan ⇨ Urban Area Plan ⇨ Ward Action Plans

Source: LGED

Paurashava Development Plan

The Paurashava Act, 2009 stipulates that a Paurashava may prepare and implement Paurashava Development Plans within such periods and in such manner as may be specified. Until now, several development projects, primarily: UGIIP-II; and NOBIDEP have supported Paurashavas to prepare Paurashava Development Plans. UGIIP-II had been implemented from 2008 to 2014 and supported 35 Paurashavas to formulate the Paurashava Development Plans. NOBIDEP was launched in 2013 and has been supporting 18 Paurashavas to draft the Paurashava Development Plans as one of the project activities.

According to “the Guideline for Preparation and Review of Paurashava Development Plan” prepared by NOBIDEP, the formulation of the Paurashava Development Plan is intended to:

- 1) Enable planned and comprehensive development based on collective definition of a development vision and strategy in the long-term, and medium to short-term development plan;
- 2) Promote effective utilization of resources through systematic financial planning, effective investment plan followed by unified criteria for prioritization, governance reforms and institutional strengthening, and monitoring.

The Paurashava Development Plan includes the Paurashava’s development vision, socio-economic development, urban planning and land use management, urban infrastructure and services, short and mid-term investment plan, financial planning, governance reforms and capacity building, and other development issues. The Paurashava Development Plan also includes O&M plan, a gender strategy and gender action plan, and a poverty reduction strategy and poverty reduction action plan.

In the process of the Paurashava Development Plan formulation, participatory approach is taken through TLCC and WCs.

2.5.2 Problems in Master Plan and Paurashava Development Plan Preparation

In summary, a Master Plan and Paurashava Development Plan have not yet been approved by the prescribed authority and are not functioning effectively and neither of them have yet significantly contributed to the improvement of Paurashava infrastructure and services. The reasons for this are as follows:

Master Plan

(1) Incomplete Coverage

The DTIDP and UTIDP have supported only 22 District-level Paurashavas, 2 city corporations and 218 Upazila-level Paurashavas.

(2) Delay of Master Plan Preparation

A Master Plan must be completed within the defined duration e.g. from 2011 to 2031. In many cases, the formulation of the Master Plan was delayed and not gazetted in a timely manner. This means that the proposed plan could not be implemented in accordance with the planned timeframe.

(3) Problems in the Master Plan Formulation Process

In the formulation of the Master Plan, many other problems were recognized on the ground. For example, the development of land area in the Master Plan was proposed without any consideration of the land owners or any land acquisition related with the proposed activities. A socio-economic survey was conducted in detail for the Master Plan but there were no related outputs in the plan. Master Plans need to be drafted based on the projections and direction of urban growth (i.e. population, land, economy, transportation,) but accurate information on these factors was generally absent.

(4) Language Issue

While the Master Plans have been prepared by consultants in English it has been difficult for Paurashavas to take full advantage of this document and plan. Adequate guidance from the GOB as well as translation into Bangla language will help Paurashavas in managing the long term planned development of their areas.

Paurashava Development Plan

Although The Paurashava Act, 2009 stipulates that a Paurashava may prepare and implement a Paurashava Development Plan, it is difficult for Paurashavas to formulate the plan on its own without external support. Accordingly, it is estimated that most of the Paurashavas have not formulated a Paurashava Development Plan yet. The challenges associated with the formulation of the Paurashava Development Plan can be summarized as follows:

- 1) The budgeting system is not linked with the development planning process. The Paurashava Development Plan is not a required document for the budgeting process and therefore most Paurashavas do not consider the Paurashava Development Plan as an integral document for their budget and urban development process.
- 2) Even if a Paurashava formulates a Paurashava Development Plan, the plan may not be utilized as often the budget for development is limited.
- 3) The Paurashava lacks the knowledge, skills, and experience to formulate a Paurashava Development Plan

properly⁹.

(1) Resulting Problems Owing to the Absence of a Development Plan

The lack of a Paurashava Development Plans has created a range of problems whereby: development projects are not selected on a priority basis; prompt decision making and work prioritization is hampered; some of the completed development works are inoperable; multi-year financial planning is difficult; and characterized by a lack of coordination amongst development activities.

In addition, a Paurashava Development Plan should be utilized for Paurashava officials to perform daily work in a well-planned manner. For this purpose, the yearly and monthly plans on daily routine activities need to be consistent with the Paurashava Development Plan.

(2) Problem of Existing Development Plans

Paurashava Development Plans formulated by the UGIIP-II and NOBIDEP mainly focus on improvement of infrastructure and service delivery directly related to the outputs of the projects. While the Plan covers a wide range of development aspects (i.e. development vision, socioeconomic development, urban planning and land use management, urban infrastructure and services, governance reforms and capacity building) however the improvement of infrastructure and service delivery funded by ADP Development Assistance Grant and Paurashava's own source revenues may not be paid much attention in the Plan.

(3) Lack of Coordination between Plans

The coordination between the Paurashava Development Plan and the Master Plan has not been prioritized. Even in the Paurashavas where the UTIDP and UGIIP-II have been implemented in parallel, the two plans were developed separately by different consultants. Although the term of the Paurashava Development Plan (five years) is different from the one of the Master Plan (20 years), the two plans should be harmonized in the process of the formulation and implementation.

(4) Lack of Understanding of the Benefits of the Paurashava Development Plan

Finally, it may be noted that the ideas on what constitutes a Paurashava Development Plan vary from person to person. As most Paurashavas do not have a Paurashava Development Plan, they cannot understand the benefits of development planning. Therefore, guidelines and standardized forms for the formulation of Paurashava Development Plans would be helpful for Paurashavas which are not familiar with the methods applied for formulating it.

⁹When the Paurashava Development Plan (PDP) was prepared under the UGIIP-II and NOBIDEP, the consultants were hired from outside of Paurashava and work for its formulation. That is because the number and capacity of Paurashava engineers and officials were limited to formulate it. Although drafting the PDP was a good opportunity for them to learn planning, Paurashava engineers and officials could not spare time for a PDP preparation in addition to a daily routine and the projects also did not have enough time to train them within a project period.

2.6 Monitoring and Evaluation of Paurashavas' Activities

2.6.1 Current Situation

Paurashavas have mainly two types of activities: 1) Regular service-oriented routine activities; and 2) development works. Both are required to be monitored and evaluated in a specific manner. Monitoring and evaluating these activities is essential to raise service delivery standards and the administration quality of the Paurashavas.

Monitoring and evaluation (M&E) of the Paurashavas activities are undertaken by the following stakeholders. First, the M.I.E (Monitoring Inspection Evaluation) Wing of LGD conducts M&E of Paurashava performance on a yearly basis. The Deputy Director Local Government (DDLG) of LGD comes to the Paurashavas with LGD's monitoring format. The DDLG talks with the mayor, examines relevant documents and gives marks on their performance in a prescribed form and report to the Ministry. Evaluation results are reflected in the performance based allocation of the special ADP. The Deputy Commissioner or Additional Deputy Commissioner (General) visits and inspects registers, tax collection, etc. Paurashavas' non-development activities are also monitored internally by the Paurashava Council. The status of some important activities such as revenue mobilization and birth and death registration is sometimes reported in the Council meetings in most Paurashavas. Citizen's monitoring through the TLCC and WC is not practiced in the seven surveyed Paurashavas. This suggests that the internal M&E mechanism to identify gaps in infrastructure development, service delivery and relevant other functions is weak in the Paurashavas.

The Paurashavas' development projects funded by ADP Development Assistance Grant and own source revenues are monitored collectively by the Council, as well as individually by the Mayor, the councilors and the officials of the Engineering Division. The progress of development works is discussed occasionally in the Council meetings of most surveyed Paurashavas. The extent to which the Mayor and the Councilors observe whether the work has been carried out satisfactorily is primarily dependent on their personal interest. In most cases, the councilors have very little influence over the quality of engineering works. It is primarily the Engineering Division that monitors each development project via field inspections, evaluations of the quality of materials and quantity measurements, etc. They generally also inspect the development works upon completion and handover to the Paurashava along with the councilors, as there is no section within the Paurashava that has the capacity to undertake the monitoring, evaluation and acceptance of departmental works.

2.6.2 Problems

Since there is neither a Paurashava Development Plans nor a realistic budget, the Paurashavas' activities are not monitored against the plans. In most cases, the residents do not play any role in monitoring the non-development activities of the studied Paurashavas.

Insufficient Functioning of the Standing Committees

The standing committees were found to be inactive in the monitoring of Paurashavas' activities though they are comprised of teams that can be made responsible for planning, supervision, monitoring and reporting to the Paurashava Council. The TOR of standing committees are supposed to be determined in the by-laws framed by Paurashavas and approved by LGD. In this context, LGD has framed sample by-laws for activation of standing committees and issued an instruction to all Paurashavas to frame such by-laws (vide letter dated 02-01-2013 including a sample of such by-laws attached). However, only a few Paurashavas have done this in

spite of the fact that The Paurashava Act, 2009 (section 55) assigns this responsibility to the Paurashava. This states that the TOR of the standing committees are to be determined by the Paurashava and as such the Paurashava Council can include the M&E responsibilities in the TOR of the relevant standing committee; however, it seems no Paurashava has consumed this idea.

Insufficient Information Sharing

With regard to M&E of development projects, the Paurashavas are not informed of the results of DDLG's M&E visits. If the Paurashavas knew the evaluation result, it would help them to improve their performance.

Weak Citizen Participation in Monitoring

The residents are generally not involved in the monitoring of development works. The TLCC and WC, which have been formed only in four out of seven surveyed Paurashavas, discuss project selection but do not play much role in the monitoring of selected projects. In other Paurashavas, there is no mechanism for citizen's participation in the monitoring of Paurashavas' development works. This weak citizen participation in monitoring is partially due to a failure to include M&E in the TORs of the WC and the TLCC. While there is a provision for monitoring in the TOR of TLCC (TOR-2) this only relates to the monitoring of the progress of the preparation of Paurashava Development Plan.

2.7 Personnel and Institutional Capacity Development

2.7.1 Current Situation

The GOB views capacity development as a key to strengthening Paurashava governance, especially for service provisions to the Paurashava residents. The provision of training to representatives and staff is considered to be the most effective means of capacity development. While LGD recognized the importance of capacity development, there had been no written documents on the vision, strategy, or capacity-development for Paurashavas defined by the government until the formulation of The Strategy.

Implementation of Trainings for Paurashava

Although there is no uniform strategy for capacity development, training has been carried out to representatives and staff members for urban and rural local governance. The training has been conducted either by governmental agencies or through the projects assisted by development partners.

Training Institutions

The Paurashava Act, 2009 stipulates that the Government may set up institutions for the training of the Mayor, Councilors and staff of municipality, and for the promotion of research in local government in urban areas and allied subjects.

Various stakeholders are involved in the provision of training to representatives and staff that work for Paurashava governance. With LGD as the core authorized agency, the GOB has been carrying out classroom-type trainings in collaboration with respective institutions – both governmental and non-governmental agencies. According to LGD, although their levels of involvement vary, the following institutions are major stakeholders in past and existing capacity development activities.

(1) National Institute of Local Government (NILG)

The NILG was established in 1969, under the administrative control of LGD. Currently NILG carries out activities based on the National Institutions of Local Government Act, 1992 (Act 1992). Over the last several fiscal years, NILG has conducted training sessions specifically targeting Paurashava representatives and officials (newly elected Mayors, Counselors, engineers, etc.) using its own source revenue budget.

(2) Local Government Engineering Department (LGED)

The LGED is entrusted with planning and implementation of local level rural and urban infrastructure, and small scale water resources infrastructure development programs. One of the functions of LGED is to provide “technical support to local government institutions (LGIs)” and so LGED provides the capacity development for representatives and functionaries of LGIs.

(3) Bangladesh Institute of Management (BIM)

The Bangladesh Institution of Management (BIM) is the oldest training institution in Bangladesh, established in 1961. The objectives set forth by the BIM includes “To train and develop managers at all levels engaged in commercial, industrial and service organizations of private & public sectors and NGOs”.

(4) National Academy for Planning and Development (NAPD)

The National Academy for Planning and Development (NAPD) is situated under the Ministry of Planning, based on the Government Education and Training Institutions Ordinance (revised 1979) XXVI of 1961. The

NAPD provides training for LGIs, based on one of the objectives of the NAPD: “conduct special training courses for officials of other organizations on request”.

Features of the above four organizations are summarized as follows.

1) Training Topics

Each institution has some core competences shown in Table 2-10. The main topics of capacity development for Paurashava are covered by these four institutions.

Table 2-10: Comparison (training topics)

S/N	Topics	Name of Organization
1	Role of Citizens' Representative	NILG
2	Public Administration	NILG
3	Office Management	NILG, BIM
4	Accounting	NILG, LGED, BIM
5	Planning and Project Management	LGED, NAPD
6	Procurement	NILG, LGED, BIM, NAPD
7	Civil Engineering	LGED

Source: JICA SPGP Team

2) Organizational Setting

(a) Experience in Providing Training for Local Government Institutions

The NILG and LGED have been providing a series of training to Paurashavas and the BIM has recently started providing training programs to Paurashavas upon the request of LGD. The NAPD does not have any experiences of providing training for the Paurashavas yet; however, it does have experiences of training Upazila Parishads. These four institutions have experiences of training the LGIs, although they have different degrees of experience. The summary is shown in Table 2-11.

Table 2-11: Comparison (experience)

S/N	Points to be compared	Name of Organization
1	For Paurashava for a long time	NILG, LGED
2	For Paurashava recently	BIM
3	For other LGIs	NAPD

Source: JICA SPGP Team

(b) Capacity to Provide Training

Although none of the institutions has an administrative section for Paurashava's capacity development, they did manage to implement some training courses for Paurashava within their existing capacity. The numbers of trainings per year are different among the institutions with the BIM and LGED providing more training than, NILG and NAPD do. The summary is shown in Table 2-12.

Table 2-12: Comparison (the number of training courses per year)

S/N	Courses per year	Name of Organization
1	25 to 50	NILG, NAPD
2	Above 50	LGED, BIM

Source: JICA SPGP Team

Although staff of these training institutions themselves can impart lectures, they can also hire visiting lecturers for some technical topics. The extent to which external lecturers are contracted varies depending on the courses.

(c) Geographical Coverage

The NILG and NAPD do not have regional offices. The BIM has two regional campuses. The LGED covers all Districts and even up to all Upazilas. If the field or regional training is required, the LGED would be an appropriate provider of training venue. The summary is shown in Table 2-13.

Table 2-13: Comparison (geographical coverage)

S/N	Points to be compared	Name of Organization
1	Only Central Office/Campus	NILG, NAPD
2	A few regional offices/Campuses	BIM
3	Nationwide offices/Campuses	LGED

Source: JICA SPGP Team

(d) Budget

a) Source to Provide Training

The NILG is the only institution providing training courses with its own budget, but this budget can be utilized for other LGIs, too. Total budget of NILG is 90 million Tk. in FY 2015-2016. Budget for total training of NILG is 16 million Tk. in FY 2015-2016, whereas budget for only Paurashavas training of NILG is TK. 941,250. The BIM provided training for Paurashavas in 2013-14 from the fund allocated by LGD's budget on request. The LGED provides training for Paurashava making use of project fund. In case of UGIIP-III, the project prepared three categories of tentative capacity development plans such as a) Capacity development program on governance improvement, b) Capacity development program on infrastructure improvement and c) Other capacity development activities including the support to implement of PRAP (Poverty Reduction Action Plan), Gender Action Plan (GAP) and UGIAP. Total estimated cost is 624 million Tk.

To make sustainable training mechanism for Paurashava's capacity development, sound training budget allocation to the training institutions is required. The summary is shown in Table 2-14.

Table 2-14: Comparison (source to provide training)

S/N	Points to be compared	Name of Organization
1	From own Budget	NILG
2	From LGD's Budget	NILG, BIM
3	From Development Budget	LGED

Source: JICA SPGP Team

With regard to Paurashavas' own training, it seems that no substantial training with certain training budget has been conducted.

b) Cost for Each Training

The NAPD and BIM collect course fees from the organizations asking to conduct training for their officials. The NILG and LGED provide free training. The summary is shown in Table 2-15.

Table 2-15: Comparison (cost for each training)

S/N	Points to be compared	Name of Organization
1	Organizations sending participants pay the cost	NAPD (BDT 500 to 1,000 per day per trainee in general) BIM (BDT 1,000 to 2,000 per day per trainee in general)
2	Provider covers the cost	NILG, LGED

Source: JICA SPGP Team

2.7.2 Problems in the current Provisions of Training

No Written Documents on Framework for Capacity Development

As pointed out before, one of the problems was that there was no capacity development framework and long-term training plan with a feasible budget defined by the GOB. From the national point of view, the current provision of training to Paurashavas is not systematically conducted.

Limited Coverage of Training

The NILG has played the main role in Paurashava capacity development. However, the coverage of training is limited and the evaluation of the effectiveness of training courses as well as the training need assessments has not been conducted sufficiently. In addition to the training courses of NILG, there are a variety of projects which have provided capacity development activities. However, these training courses are conducted on project-basis and are neither sustainable nor sufficient to cover all Paurashavas. Therefore, the framework for capacity development is necessary for establishment of sustainable Paurashava capacity development.

Insufficient Training for Urban Governance

According to the LGD and NILG, the provision of training at the Union and Upazila levels have been emphasized. Guidelines and manuals have been prepared as outputs of the development partner financed projects. On the other hand, capacity-development activities for urban governance have received less attention. The quality and frequency of training implemented by NILG as well as other training institutions for urban governance needs to be strengthened in order to reach the level required for securing effective local governance.

Problems on Knowledge/Skills of Elected Representatives and Officers & staff of Paurashavas and Training Needs

The result of the survey¹⁰ conducted in the pilot Paurashavas indicates that there are a variety of problems on knowledge/skills of elected representatives and officers & staff of Paurashavas. The table 2-16 shows the problems identified in the interviews in the survey. As the surveyed seven pilot Paurashavas were selected

¹⁰The Administrative Needs Assessment Survey Report (JICA SPGP Team, 2014)

from the average type of Paurashavas in terms of population, area and economic situation for each Paurashava category, it seems that those problems may be more or less applicable to other Paurashavas.

Table 2-16: Problems on knowledge/skills

Category	Findings through interviews
Elected representative	<ul style="list-style-type: none"> • Knowledge of the councilors about Paurashava's functions and their rights and roles in Paurashava administration are very limited. • Importance of functioning standing committees is not recognized by elected representatives.
Officials in charge of revenue mobilization and financial management including accounting	<ul style="list-style-type: none"> • Tax officials face difficulties in enforcement of rules and regulations, despite their knowledge on them. • Some Accounts officers/Accountants work based on their experience rather than rules and regulations. • Some of the Paurashavas mentioned that they need to improve skills on how to exercise the existing rules and regulations for revenue mobilization and financial management. However they could not specify exactly what skills they need.
Officials of operation and management of Paurashava's properties	<ul style="list-style-type: none"> • Secretaries and other relevant officials of Paurashavas know little about rules and regulations regarding management of Paurashava's properties, and their asset management is based on experience. • Paurashava officials cannot apply rules exactly because of lack of power to prevent distortion of rules by elected representatives.
Officials in charge of engineering works	<ul style="list-style-type: none"> • Engineers face problems during implementation of development undertakings, when land acquisition issues are involved. They also find it difficult to enforce rules and regulations related to approval of private building plans because residents do not know their obligations. • Most of the engineers have specific demands for training but those demands vary according to individual. The only subject mentioned by more than one Paurashava is orientation of rules and regulations. • The engineers of all the C category Paurashavas are more in need of training and their needs cover both technical and administrative spheres.
Officials in charge of health and conservancy work	<ul style="list-style-type: none"> • Since Paurashavas carry out little health and conservancy work, most of the Paurashavas do not have any idea about the rules and regulations to be followed to perform health and conservancy related activities. • Because Paurashavas have little work to do regarding health and conservancy, they do not face problems and therefore do not have specific needs for skills.

Source: JICA SPGP Team

According to the above survey, elected representatives, officers and employees of the Paurashavas mentioned a "Lack of guideline/Don't know what to do" as the primary reason for insufficient implementation of certain services in quite a few fields. It is therefore essential to prepare the necessary guidelines and implement the training to acquaint elected representatives and officers with the respective guidelines.

2.8 Service Delivery of Paurashavas

2.8.1 Current Situation

The Paurashava Act, 2009 stipulates the responsibilities and functions of Paurashava (see Table 2-1 and Table 2-2). The functions of Paurashava can fall into two categories, namely mandatory functions (underlined in the table below) and optional functions¹¹. Mandatory functions include essential services for delivering amenities to local residents, such as drainage, solid waste management, etc. If any mandatory function is not executed by Paurashavas the government is empowered to provide the necessary orders.

A Paurashava has the mandate of a wide variety of functions. These functions are categorized into 12 sectors of services: 1) Public health; 2) Water supply and drainage; 3) Food and beverage; 4) Animals; 5) Town planning; 6) Building control; 7) Streets; 8) Public safety; 9) Trees, parks, gardens and forests; 10) Education and culture; 11) Social welfare; and 12) Development. Table 2-17 shows 64 functions of Paurashava under the 12 sectors.

Table 2-17: Paurashava's 64 functions under 12 sectors listed in The Paurashava Act, 2009

I) Public health	II) Water supply and drainage	III) Food and beverage	IV) Animals
1. Responsibility for Health Systems 2. Insanitary Buildings 3. <u>Waste Removal, Collection & Management</u> 4. <u>Public Toilet</u> 5. <u>Births, Deaths and Marriage Registration</u> 6. <u>Infectious Diseases</u> 7. Promotion of Public Health 8. Hospitals and Dispensaries 9. Medical treatment, Aid and Health Education, etc.	10. <u>Water Supply</u> 11. <u>Private Sources of Water-Supply</u> 12. <u>Drainage</u> 13. Drainage Schemes 14. Bathing and Washing Places 15. Dhobi Ghats and Washer Man 16. Public Water Body 17. Public Ferries 18. Public Fisheries	19. Articles of Food and beverage 20. Milk Supply 21. <u>Public Markets</u> 22. <u>Private Markets</u> 23. <u>Slaughter Houses</u>	24. Animal Husbandry 25. Stray Animals 26. Animal Homes and Farms 27. Registration of the Sale of Cattle 28. Livestock improvement 29. Dangerous Animals 30. Cattle shows, zoo, etc. 31. Disposal of carcasses
V) Town planning	VI) Building control	VII) Streets	VIII) Public safety
32. <u>Master Plan</u> 33. Site Development Schemes 34. <u>Execution of Site Development Schemes</u>	35. <u>Erection and re-erection of buildings</u> 36. <u>Completion of Buildings, Alterations of Buildings, etc.</u> 37. Regulation of Buildings	38. <u>Public Streets</u> 39. <u>Streets</u> 40. General Provisions about Streets 41. <u>Street-Lightings</u> 42. <u>Street Watering</u> 43. <u>Traffic Control</u> 44. <u>Public Transportation</u>	45. Fire Fighting 46. <u>Civil Defense</u> 47. Floods 48. Trades of Dangerous and Offensive Articles 49. <u>Graveyard and Cremation Ground</u>
IX) Trees, parks, gardens and forests	X) Education and culture	XI) Social welfare	XII) Development
50. <u>Arboriculture</u> 51. Gardens 52. Open spaces 53. Forests 54. Nuisances Pertaining to Trees & Plantations 55. Ponds & Low-Lying areas	56. Education 57. Compulsory Education 58. General Provisions about Education 59. Culture 60. Libraries	61. Social Welfare	62. Development Plans 63. Social Development Planning 64. Commercial Schemes

Source: Second Schedule of The Paurashava Act, 2009

Note: The function with the underline is mandatory for Paurashava.

¹¹Optional functions are stipulated in 2nd Schedule of The Paurashava Act, 2009 using the word: 'may', whereas mandatory functions are stipulated using the word: 'shall.'

Relations between Paurashava and Upazila/District Offices of the National Government

The national government has field offices which provide services through executing agencies at the Upazila level. The majority of Upazila offices including the Department of Health (DOH), Department of Agricultural Extension (DAE), Social Welfare Department (SWD), Local Government Engineering Department (LGED), Department of Public Health Engineering (DPHE) and Roads and Highway Department (RHD) direct their support services to the Paurashavas.

For instance, LGED implements foreign aided/the GOB assisted development projects together with Paurashava, and LGED engineers also provide technical assistance to Paurashava engineers to solve problems related to infrastructure if requested by Paurashavas. The relationship with other engineering departments such as RHD, Bangladesh Water Development Board (BWDB), Public Works Department (PWD), etc. is officially provided via support to Tender Evaluation Committee (TEC)¹² of Paurashava projects. DPHE implements water supply projects together with the Paurashavas and provides technical support on water supply services on request by LGD or the Paurashava.

Among elected representatives, the Paurashava Mayors are members of the Upazila Development Coordination Committee chaired by Upazila chairman. Paurashava Mayors are also members of Upazila Law and Order Maintain Committee chaired by Upazila Executive Officer.

On the other hand, there are national government departments/agencies [i.e. LGED, DPHE, RHD, PWD, BWDB, DAE, Department of Environment (DOE), Power Development Board (PDB), Education Engineering Department (EED), Social Welfare Department, Health Department, Director General of Health Services (DGHS), Department of Bangladesh Fire Service and Civil Defense] that are located at the district level to support services for the urban residents of the Paurashavas within the District. Mayors of district level Paurashavas are the members of the District Coordination Committee and district level Law and Order Maintain Committee, chaired by Deputy Commissioner.

Paurashavas also join with the officials of line departments (i.e. LGED and DPHE) through their representation on the TLCC chaired by the Mayor.

Relations between Paurashava and Non-Government Organizations

Many non-government organizations (NGOs) provide services in the fields of microcredit, income generation, primary health care, maternal and child health, family planning, non-formal education, sanitation, etc. Although NGOs have played a significant role as service providers in Paurashavas they usually do not work with Paurashava officials but rather the NGOs collaborate with Paurashavas to receive their support for work within the Paurashava area.

2.8.2 Problems in Service Delivery of Paurashavas

The number of services provided by Paurashavas is larger than the number of services provided by the local branches of the central government. The delivery of adequate services by Paurashava is essential for the well-being of residents, however, there are significant service delivery challenges facing Paurashavas.

¹²There is a bar in Public Procurement Rule that engineers of the department belong to same ministry (LGD in this case) shall not be included as member of TEC.

Low Satisfaction of Residents on Service Delivery

The low satisfaction of citizens in regards to Paurashava's service delivery indicates that there is significant room for improvement. Figure 2-4 presents an overview of the residents' satisfaction against different Paurashava's services obtained through the Baseline Survey Report¹³. According to the sample survey¹⁴, the average score of all the services is 2.42 on a 4 point scale. The residents' satisfaction is not very high given that a score of 2.0 means "dissatisfied" and 3.0 means "satisfied". The only services with a score of 3.0 or more (i.e. which the residents are satisfied with) are limited to birth registration, infection disease control and the approval of a new streets on private land). The majority of services had a score of 2.5 or less, indicating residents' dissatisfaction with those services.

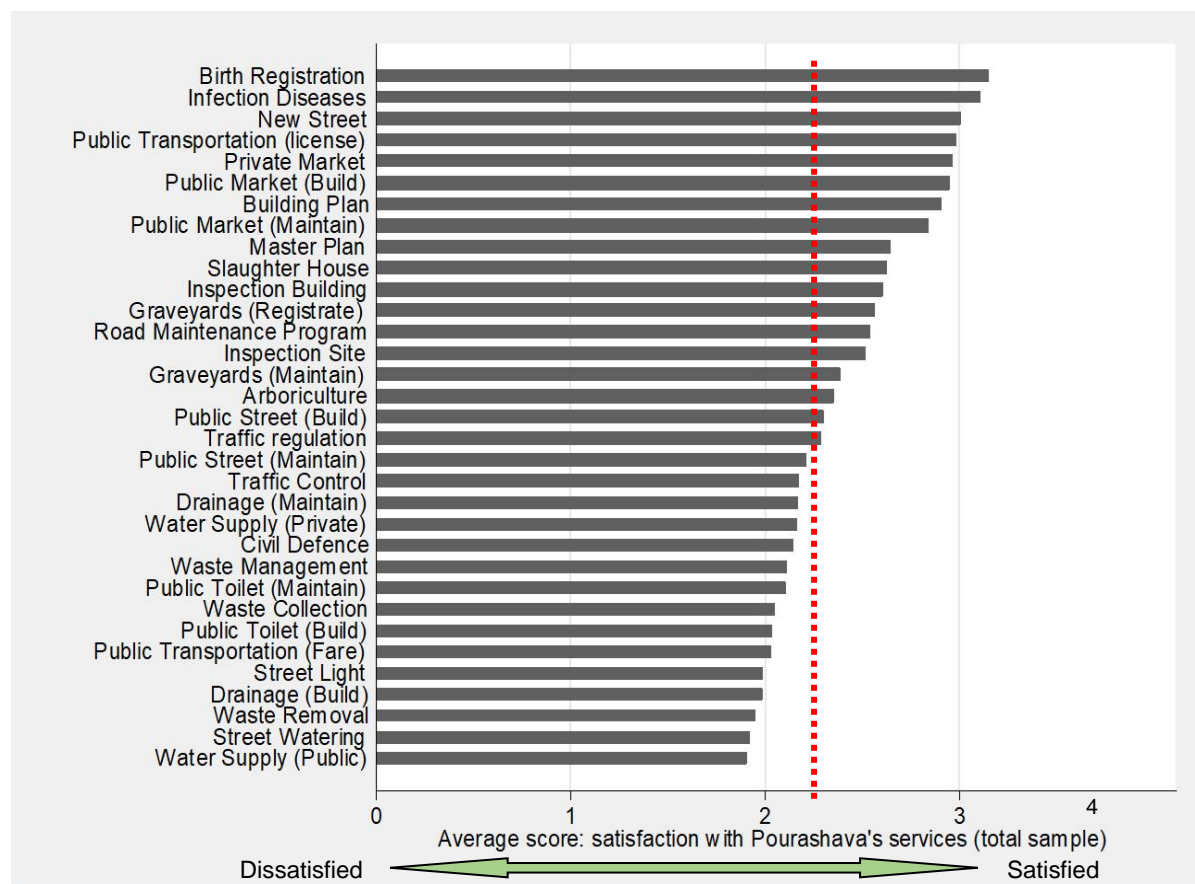


Figure 2-4: Residents' Satisfaction with Paurashavas' Services

Source: JICA SPGP Team (2014)

Note: The Survey Team asked the residents whether they were satisfied with the public services provided by the Paurashavas. A typical question is "How would you rate your satisfaction with the drainage service provided by the Paurashava?" The respondents chose a single answer from the following options: 1) very dissatisfied (Score: 1); 2) dissatisfied (Score: 2); 3) satisfied (Score: 3); and 4) very satisfied (Score: 4).

Paurashavas, especially those of B and C categories are unable to satisfactorily carry out mandatory functions, such as water supply, sanitation, waste management, road maintenance, establishment and maintenance of public markets. Services tend to be provided on an ad hoc basis under tight budget constraints, based on the

¹³The Baseline Survey Report (JICA SPGP Team, 2014)

¹⁴Total samples are 706 residents.

needs of residents or on the opinions of a Mayor and/or Councilors. As a result, establishing an appropriate and standardized system for the delivery of public services is a big challenge.

Insufficient Coordination with Government on Optional Functions

Services categorized as optional functions according to The Paurashava Act, 2009 are occasionally provided by Paurashavas and are often provided by the local branches of the central government departments. These services include the establishment of hospitals and clinics, providing compulsory education, social welfare, etc. When Paurashava officials communicate with central governmental officials of local branches and convey the residents' needs to them, the quality of services delivered by the local branches of the central departments might be improved. Such opportunities for the Paurashava officials to represent local residents needs to the central governmental officials at the local level are however very limited.

Underdeveloped PPP

The potential of public-private partnerships (PPP), including collaborations with NGOs, can be explored in areas such as computerized water tariff billing and collection, waste disposal, etc. However, there are some challenges for forming a working partnership. First of all, a PPP framework has not been established. Secondly, successful cases of the PPP have not been shared and refined. Thirdly, Paurashavas do not have enough capacity to capitalize on the benefits of PPPs, and fourthly, the Paurashava standing committees have been inactive and non-functional.

In the following section, main problems for performing the mandatory functions are outlined. The problems will be presented in the eight categorized areas out of 12 areas in Table 2-17, since there are no mandatory functions in four categorized areas: IV) Animals; X) Education and culture; XI) Social welfare; and XII) Development. The descriptions given below are mainly based on The Administrative Needs Assessment Survey Report and Preparatory Survey on the Northern Region Rural Development and Local Governance Improvement Project (November 2012)¹⁵.

(1) Public Health

1) Waste Removal, Collection, and Management

Solid waste management is a crucial service in A category Paurashavas and the urban areas in B and C category Paurashavas. Solid waste management systems vary from Paurashava to Paurashava. Some large Paurashavas work with NGOs and private bodies, whereas other Paurashavas with community-based organizations (CBOs). Some Paurashavas involve sweepers in removing solid waste from the bazaar areas using vans, while other Paurashavas have only a small number of rickshaw vans for waste collection. The residents in rural areas do not think of solid waste management as a necessary service because they can manage solid waste by themselves. Some Paurashavas dump the garbage into the low land or places adjacent to the rivers. Dumping sites with necessary treatment are important to avoid environmental problems. Paurashavas with small budgets are unable to cover the costs of purchasing the land and preparing a dumping site.

2) Public Toilets

Paurashava shall provide and maintain public latrines and urinals in a sufficient number and proper situation. The results of the Administrative Needs Assessment Survey indicate that there are public toilets installed at

¹⁵The survey was conducted by JICA in the selected seven Paurashavas.

bazaar areas, bus stands or mosques. The number of public toilets is a maximum of two in the surveyed Paurashavas. Some Paurashavas maintain and clean public toilets¹⁶ whereas other Paurashavas do not engage themselves in such activities. The number of existing public toilets cannot possibly cater to demand while their operation and maintenance is generally unsatisfactory.

3) Infectious diseases

Paurashavas shall adopt measures to prevent the spread of infectious diseases within their own jurisdiction. Office of the Department of Health at Upazila level manages the cost of Expanded Program of Immunization (EPI) and executes this in cooperation with Paurashavas. The Administrative Needs Assessment Survey results indicate that only two Paurashavas work for controlling infection diseases to a certain extent, and four Paurashavas do not work at all due to a lack of manpower. Since this service is important for safeguarding the health of urban residents, further nationwide investigation is required.

(2) Water supply and Drainage

1) Water Supply

A number of inhabitants face difficulties in securing safe water for both drinking and washing. Many Paurashavas do not have piped water systems and most people depend on shallow or deep tube wells. Even though some Paurashavas have installed piped water systems, the systems are undersized to meet the demands of rapid population increases¹⁷. Usually piped water systems are installed with the support of DPHE but some Paurashavas are not able to operate and maintain the water supply facilities which DPHE handed over to them. This is because these Paurashavas are short of funds and skilled staff for operation and maintenance. Another challenge for water supply systems is that the groundwater level is falling and the inhabitants in some Paurashavas are not able to lift sufficient water with their household tube wells.

2) Drainage

Development and maintenance of drainage systems is a major issue for citizens. Water logging is a serious problem in many Paurashavas, especially during rainy seasons. It contributes to street erosion, traffic disruptions and the spread of infectious diseases. Improving the connections among drainage systems and extending drainage networks are essential to improve the flow of rainwater and waste water that runs into the outfall drains. Maintenance activities such as the repairing of the side walls and the routine cleaning of public drains are key activities associated with the management of drainage.

All of the seven pourashavas surveyed in the Administrative Needs Assessment Survey carried out public drain construction and maintenance works. The results of self-assessment however revealed that only one Paurashava judged themselves to have worked sufficiently in this area. All Paurashavas attributed insufficient drainage network construction to lack of financial resources. In some Paurashavas, local officials highlighted that the absence of a drainage Master Plan prevented them from doing comprehensive job.

¹⁶Paurashavas do not conduct maintaining or cleaning the public toilets directly but they contract out cleaning work.

¹⁷Sometimes it is the problem for the Paurashavas who have water supply system that citizens do not want to pay for water supply and Paurashavas cannot extend the pipe lines even they have the capacity for that.

(3) Food and beverage

1) Public Markets

Paurashavas have a responsibility to establish, maintain and manage public markets situated within their jurisdiction. This work includes demand assessments (considering prospective income), the selection of market sites, the purchase of land (if necessary) and the construction of market facilities. The construction and development of public markets consists of the creation/improvement of shade, internal drainage systems, internal roads, the construction of multi-story market complexes and the building of parking spaces, etc.

Public markets generate revenues for Paurashavas. Improving and maintaining the quality of market conditions is critical to maintain Paurashava's own source revenues. The results of the Administrative Needs Assessment Survey indicated that the A category Paurashavas were not able to construct public markets and maintain them in good conditions in the entire area that fell under their jurisdiction, whereas B and C category Paurashavas were doing it sufficiently. It seems that this is mainly because the size of the markets of smaller category Paurashavas are generally smaller in number as well as in size and therefore are easier to maintain.

2) Slaughter Houses

Paurashavas shall provide and maintain one or more slaughter-houses for the slaughter of animals for sale. The construction, improvement and rehabilitation of slaughterhouses aim to promote livestock and meat processing industries and to reduce environmental hazards caused by the waste from animal slaughtering. Daily operation and maintenance of slaughterhouses are mostly leased out to private contractors.

According to the Administrative Needs Assessment Survey Report, five of the seven Paurashavas established slaughter houses though only two Paurashavas were confident that they have accomplished task with sufficient care. Irrespective of their categories, the Paurashavas mentioned a lack of funds as the main reason for not establishing slaughterhouses and a lack of public awareness was cited as the reason for not having sufficient slaughter houses.

(4) Town Planning

1) Master Plan

Paurashavas shall draw up a Master Plan. The current situation and problem of Master Plan is given in detail in Section 2.5 of this Strategy.

2) Execution of Site Development Scheme

Although this service is not prioritized by the surveyed Paurashavas, it is an important function for planned urbanization. It is not performed at present by any of the seven surveyed Paurashavas mainly because of absence of central government guidelines on how to perform this function.

(5) Building Control

Although all the Paurashavas interviewed during the Administrative Needs Assessment Survey undertake the approval of building plans, none of them inspect completed buildings to ensure that they have been implemented as per the approved plans. The reasons for this are a lack of manpower and a lack of guidelines. Though it is difficult to solve the manpower issue in a short period of time, the provision of guidelines coupled with appropriate training and the raising of public awareness will facilitate the planned development of Paurashavas.

(6) Streets

1) Public Streets

“Paurashavas shall provide and maintain such public streets and other means of public communication as may be necessary for the comfort and convenience of the inhabitants of the Paurashavas and of the visitors thereto¹⁸.” However, the construction and maintenance of streets (roads) is not sufficient to meet the demands of inhabitants in Paurashavas. As a result, the condition of most streets are poor with numerous holes and gaps in the streets. The main reason for insufficient construction and maintenance of streets is a lack of financial resources.

2) Streets (sanction of the construction of new streets)

“No new street shall be laid out except with the previous sanction of the municipality and in conformity with the terms and conditions of such sanction¹⁹.” Nevertheless, none of the seven surveyed Paurashavas perform this function, because these Paurashavas do not have a Master Plan to be used as a guideline to control or approve any new roads. This is a critical function for the planned development of Paurashavas but clear guidelines that link this to the Master Plan are missing.

3) Street-lighting

Paurashavas shall provide lighting of the public streets and other places. Out of the seven Paurashavas surveyed, only three Paurashavas provided street lights with coverage of only the bazar and Paurashava sadar areas. The provision of street-lighting is one of the services in the highest demand by residents, ensuring civil security as well as reducing potential traffic accidents.

(7) Public Safety

The civil defense function of Paurashavas should be more clearly defined and Paurashavas need to be provided with guidelines accordingly. The maintenance of security and discipline of the residents is one of the four main responsibilities stipulated in the Paurashava Act, 2009 (Article 50 (1)). The Administrative Needs Assessment Survey Report revealed that the civil defense function was no more than a local dispute settlement and grievance redressal service. Consequently, they do not seem to feel the need for capacity development in performing this function. Because the establishment of the Paura Police (prescribed by the GOB) does not appear to be a realistic option for the majority of Paurashavas due to financial constraints, it is suggested that more feasible prescriptions are considered, particularly for smaller Paurashavas.

(8) Trees, Parks, Gardens and Forests

“Paurashava shall plant trees on public streets and other public places in Paurashava and take all such steps as protection of trees²⁰.” Only five of the surveyed seven Paurashavas work for the plantation and protection of trees on public streets and other places, but they do not plant trees by themselves. Instead, they lease out the road sides to the local people for tree plantation. Although this function is mandatory, it seems reasonable to suppose that Paurashavas do not give priority to it, or they do not consider that it is their work.

¹⁸(1) of No. 38 ‘Public Streets’ of 2nd Schedule of The Paurashava Act, 2009

¹⁹(1) of No. 39 ‘Streets’ of 2nd Schedule of The Paurashava Act, 2009

²⁰(1) of No. 50 ‘Arboriculture’ of 2nd Schedule of The Paurashava Act, 2009

2.9 Problems of District Level Paurashavas

The actual problems which many Paurashavas face are explained in the above sections. The analysis is mainly based on the information concerning the seven Paurashavas surveyed under the SPGP as well as the other research previously conducted on Paurashavas. The seven Paurashavas subject to the above mentioned survey are “Upazila Paurashavas”. In order to formulate the national strategy for capacity development applicable to all the Paurashavas in the entire nation, the issues of District level Paurashavas were also analyzed in this section. The exercise is based on the desk review of reports on Situation Analysis Study in five District level Paurashavas done by GIZ under UGIIP-2 and other relevant reports²¹.

First of all, as shown in Table 2-18, the share of District level Paurashavas is significant.

Table 2-18: Number of Paurashavas by category as of January, 2017

Category	Upazila level Paurashavas	District level Paurashavas	Other than District or Upazila HQ	Total
A	101	54	16	171
B	96	0	10	106
C	42	0	9	51
Total	239	54	35	328

Source: LGD

The problems of District level Paurashavas are summarized below;

- (1) Organizational structure: Shortage of manpower is evident in the cases of District level Paurashavas.
- (2) Finance: As far as the study result of five District level Paurashavas, conducted by GIZ under UGIIP-2 are concerned²², there is no serious problem about the efficiency of holding tax collection. The problem lies more in holding tax assessment with a typical issue of under assessing property receivables (land and buildings).
- (3) Planning: The problems related to Master Plan and Paurashava Development Plan of District level Paurashavas are not very different from what is recognized in the section 2.5.
- (4) M&E: The problems related to the M&E of Paurashava activities of District level Paurashavas are similar to those recognized in the section 2.6.
- (5) Service delivery: The problem areas are similar to the results of “Upazila level Paurashavas” but the content is different. The details are as follows.
 - 1) Waste Management: Activities are very poor. In most of surveyed Paurashavas solid waste is being disposed to river, canals, drains, ditches. Solid waste disposal and management of all district level Paurashavas is the most crucial issue to be addressed.
 - 2) Public toilet: Very few public toilets are well maintained. The number of public toilets in District level Paurashavas is insufficient compared to population size and public requirements. This is partially attributable to a lack of guidelines on the O&M of public toilets and the absence of supervision and monitoring mechanism by the standing committee.
 - 3) Water supply: i. The existing connection fees and tariff systems are more than 16 years old (Water Supply Model By-Laws, 1999). ii. The tariff and connection fees have not been increased in spite of

²¹Situation Analysis Study Report of Faridpur, Jhalokathi, Jamalpur & Natore Paurashava; Field Visit Report of Chandpur Paurashava; A Report on Adequate Staff Structure of Chandpur, Faridpur, Jhalokhati, Jamalpur & Natore Paurashava

²²It is estimated that situation is similar in other District level Paurashavas.

inflation and increases of production and O&M costs. iii. The unpaid electricity bills are registered as arrears. iv. The production and distribution cost is much higher than income from tariffs and the running deficit. v. Water supply to meet 24 hours requirement of the citizens is not present in any Paurashavas. vi. The loss and misuse of water is rampant because there is no meter system (except for a very few Paurashavas). vii. Paurashavas have not established supervision and control over any kinds of private sources of water supply as per provision of The Paurashava Act, 2009.

- 4) Drainage: Problems in the District level Paurashavas concerning sufficient drains and their operation and maintenance are different from those of the seven Upazila level Paurashavas surveyed under SPGP. In fact, all five District level Paurashavas built sufficient drains and drainage network; but water logging, disruption of traffic and spreading of infectious diseases are serious problems in District level Paurashavas because of insufficient maintenance.
- 5) Public streets: All five District level Paurashavas have constructed sufficient roads. The maintenance of roads is also good as evident from the situation analysis study report. The problems are the lack of routine maintenance, periodic maintenance and the use of open drains alongside roads as open urinals.
- 6) Transport facilities (Terminal): Terminals are not fully operational in general and the lack of maintenance is evident. The stream lining of the operation and management of all bus terminals is most urgent and attention must be paid while formulating national urban strategies.

2.10 Summary of Problem Structure

As we have seen in the above sections, there are many problems which Paurashavas face. These problems prevent Paurashavas from providing sufficient services to their residents. As a result, Paurashavas are unable to perform their functions, as stated in section 2.8 Service Delivery and 2.9 Problems that District level Paurashavas face in particular.

In summary, the problems of Paurashavas (at both the Upazila and District level) stated in Chapter 2 are as follows:

- 1) Collection of HT is insufficient. (Chapter 2.4)
- 2) Allocation of grants from the Government is insufficient and inequitable. (Chapter 2.4)
- 3) Formulation and execution of annual budget is ineffective. (Chapter 2.4)
- 4) There are no complete Paurashava Development Plans. (Chapter 2.5)
- 5) Many of existing essential laws, rules and other legal documents do not meet the current requirements shown in Paurashava Act 2009. (Chapter 2.2)
- 6) M&E of governmental activities are not conducted sufficiently. (Chapter 2.6)
- 7) Elected representatives and staff of Paurashavas do not have enough knowledge and skills for carrying out governmental activities²³. (Chapter 2.7)
- 8) Paurashava's manpower is not sufficient. (Chapter 2.3)

The above mentioned problems lead to either of the following three problems.

- i) There is not sufficient budget.
- ii) Budget may not be executed properly within Paurashavas.
- iii) Administrative activities may not be efficiently/effectively carried out.

These 3 problems eventually lead to the insufficient provision of services by Paurashavas.

By using the logic of cause-effect relationship, the above-described situation of problems is summarized into a tree-shaped structure on the following page.

²³This problem is further attributed to the following three problems such as "Training provided by government may not be enough," "There are no written documents on vision, strategy or capacity framework focused on Paurashava," and "There is partial lack of guidelines (operational manuals) necessary for conducting daily activities".

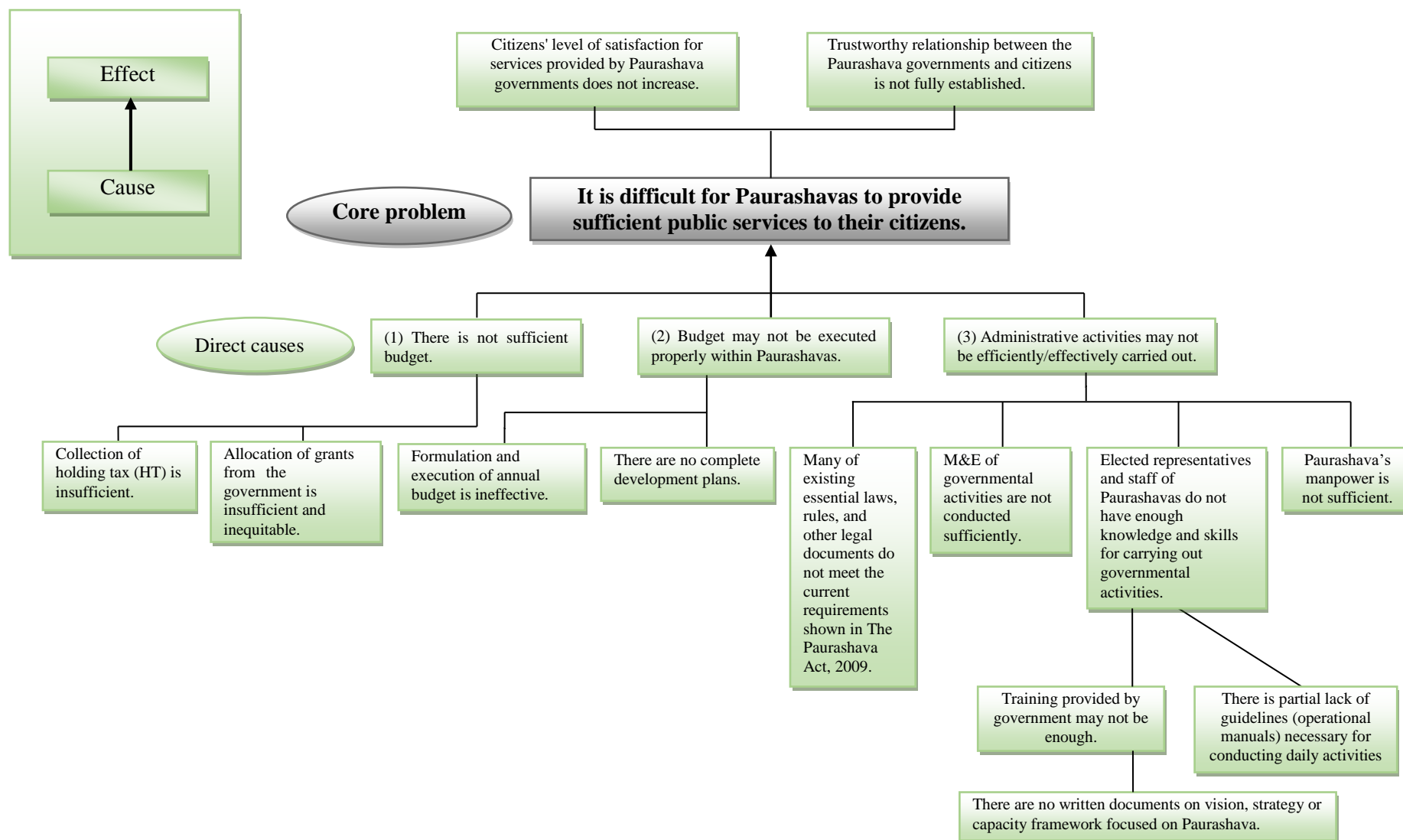


Figure 2-5: Problem Tree on the Problems Related to Paurashavas' Services

2.11 Situation of Major Development Partners' Support to Paurashavas

Many projects concerning Paurashavas' capacity development have been implemented in Bangladesh. The GOB and the development partners have monitored and evaluated each capacity development project. The lessons from those projects will also be useful for establishing the capacity development framework for Paurashavas, which the capacity development projects did not cover. In this section, the projects related with Paurashavas' capacity development will be reviewed.

The Municipal Service Project (MSP) has been implemented by the World Bank (WB) and the Urban Governance and Infrastructure Improvement Project (UGIIP) and UGIIP-II have been implemented by the Asian Development Bank (ADB). ADB also financed to implement other projects including capacity development, namely Secondary Towns Integrated Flood Protection Project (STIFPP) and City Region Development Project (CRDP). The experiences of the past projects indicate that infrastructure development would not be able to ensure successful sustainability without necessary institutional arrangements and capacity development. Therefore, the projects above were designed to incorporate institutional reform and capacity building into infrastructure development. The participatory approach for planning and implementation is another key aspect of their efforts to improve the Paurashava governance and service deliveries. Japan International Cooperation Agency (JICA) has launched Northern Bangladesh Integrated Development Project (NOBIDEP) in 2013. The NOBIDEP is a comprehensive yen-loan project which includes the capacity development of relatively small size Paurashavas and basic urban infrastructure development in the Paurashavas as well as surrounding areas, namely Upazilas and Unions. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has also provided technical support for two projects: the UGIIP-II and the Enhancing Urban Governance (EUG) project. United Nations Development Programme (UNDP) has supported the slum and community improvement for the urban poor and extremely poor through the Urban Partnerships for Poverty Reduction (UPPR) Project. In 2014, the WB and the ADB launched new projects: the Municipal Governance and Services Project (MGSP) and the Third Urban Governance and Infrastructure Improvement Project (UGIIP-III), respectively. JICA also initiated Strengthening Paurashava Governance Project (SPGP) which aims to make a mid to long term strategy and institutional framework for the capacity development of Paurashavas. The activities of the main development partners are described as follows.

2.11.1 ADB

Since the early 1990s ADB has supported Paurashavas in the field of urban infrastructure development in Bangladesh. The UGIIP (2003-2004 to 2009-2010) and UGIIP-II (2008-2009 to 2014-2015), STIFPP-II (2004-2005 to 20011-2012), CRDP (2011 to 2017), and CTEIP ²⁴ (2014 to 2020) which aimed to strengthen urban infrastructure, governance and service delivery, was executed by LGED and DPHE. In addition to improving the municipal urban governance, CTEIP also strengthens the capacity of the coastal municipalities (in terms of development and management of infrastructure, awareness and institutional capacity) for climate resilient urban planning. UGIIP-II was funded collectively by the GOB and Paurashavas, as well as the ADB and Germany's KfW Development Bank. The number of target Paurashavas was 47. The governance was improved by means of introducing the Urban Governance Improvement Action Program (UGIAP) and

²⁴Coastal Towns Environmental Infrastructure Project

providing training²⁵. The funds were allocated to infrastructure development based on performance evaluation of the participating Paurashavas on governance improvement. Furthermore, the links between governance improvement and infrastructure development were strengthened by preparing a Paurashava development plan which was formulated through community-driven and participatory process.

ADB launched UGIPIII on 1st July 2014. UGIIP-III intends to build on UGIIP and UGIIP-II. The UGIIP-III is summarized as follows.

The Third Urban Governance and Infrastructure Improvement Project (UGIIP-III) (2014-2020)

The key objectives of UGIIP-III are the improvement of infrastructure and service delivery and improvement of governance in Paurashavas. The executing agency is LGED and DPHE. The intended impact of the project will be an improved living environment in the project Paurashavas. The intended outcome will be the improved municipal service delivery and urban governance in project towns. Thirty pre-selected project Paurashavas will be supported in an integrated manner under the project. The project outputs are: Municipal infrastructure improved and made gender and climate responsive (Output 1); Improved capacity of Paurashavas in urban services delivery, planning and financial management (Output 2); Project management and administration system in place (Output 3). The amount of fund for infrastructure improvement to be allocated is decided based on Paurashavas' performance of urban governance improvement.

2.11.2 GIZ

As mentioned above, GIZ provided technical support for the UGIIP-II and EUG project. GIZ continues to support LGD in the urban sector with a special focus on climate change adaptation at Paurashava and city corporation level within its Resilient and Inclusive Urban Development (RIUD) project. The EUG project has provided tailor-made, process-oriented and The Paurashava Act, 2009-based trainings for Paurashavas. The EUG and RIUD project are summarized as follows.

Enhancing Urban Governance (EUG) project (2012-2014)²⁶

The EUG project was funded by the German Ministry of Economic Cooperation and Development (BMZ) and the Swiss Agency for Development and Cooperation (SDC). The project executed by LGD aimed to achieve enhanced governance while at the same time helping the Paurashavas to meet their own capacity development objectives in the context of urban governance and service delivery. It also encourages horizontal learning initiatives and exchanges of good practices among 16 Paurashavas in Rajshahi and Chapai Nawabganj districts. The training subjects include: Gender and disability; One-stop-service centre (OSSC); Roles and responsibilities of elected representatives; Orientation on TLCC/WC (in coordination among JICA, SDC and GIZ); Horizontal learning; Office management; Basic computer skills; Standing committees. The training subjects were selected based on individual Paurashavas' demands. Based on outcomes from this tailor-made approach, GIZ supported the Urban Development Wing to prepare national Information, Education and Communication (IEC) materials on the aforementioned technical areas.

²⁵The Urban Governance Improvement Action Program (UGIAP) consists of six key areas: 1) Citizen awareness and participation; 2) Urban planning; 3) Women's participation; 4) Integration of the urban poor; 5) Financial accountability and sustainability; and 6) Administrative transparency.

²⁶<http://www.giz.de/en/worldwide/14883.html>

Resilient and Inclusive Urban Development (RIUD) project (2016-2018)

The project is financed from the special asset "Energy and Climate Fund" (EKF) of the Government of the Federal Republic of Germany, and has embedded itself in the DC-priority area "Adaptation to Climate Change in Urban Areas." The project has duration from January, 2016 to December, 2018 (Three years). The RIUD project continues to build-upon the successful tailor-made approach of EUG. The project supports LGD, the five partner cities (i.e. Sirajganj Municipality, Barisal City Corporation, Satkhira Municipality, Khulna City Corporation and Rajshahi City Corporation) as well as local organizations who are working within the project cities²⁷ to plan and implement measures for increasing the adaptive capacities of the poor urban population focusing on slum areas.

In the first field of action, the basis for decision-making and implementation capacity of urban cities will be improved for the implementation of locally adapted "Community Based Adaptation measures" in selected poor areas. The second field of action aims to strengthen the planning and administrative capacities of LGD and cities in the context of increasing climate risks, rising urban poverty and opaque tenancy and land- use conditions ("Security of tenure") in poor urban areas. GIZ, LGD and partner cities have jointly identified the strategic areas of intervention, scope of works and key stakeholders through discussion with other ministries (and line-ministries), city corporations, Paurashavas and academia. The project will jointly identify capacity development needs of each of the partner cities to jointly develop support packages to improve urban governance, management and organizational capacity within agreed areas to prepare the cities to incorporate climate change adaptation issues in their development planning in a gender-responsive and inclusive manner. The Project will provide necessary advisory support to the Urban Development Wing of LGD in agreed areas as per joint identification exercise between GIZ and LGD (in coordination with other stakeholders involved i.e. JICA, SDC).

2.11.3 JICA

The NOBIDEP, a yen-loan project co-founded by the GOB and JICA, was launched in 2013. While MSP and UGIIP have mainly supported large and medium size Paurashavas, NOBIDEP focuses on relatively small Paurashavas. Since February 2014, JICA has provided technical assistance to support Paurashavas' institutional and capacity building through the Strengthening Paurashava Governance Project (SPGP). The NOBIDEP and SPGP are summarized as follows.

Northern Bangladesh Integrated Development Project (NOBIDEP) (2013-2019)

The NOBIDEP started in March 2013 and will continue up to June 2019. The objective of the project executed by LGED is to improve access to infrastructure and public services in the northern regions of Bangladesh by improving rural and urban infrastructure and strengthening urban local government to alleviate regional disparities and reduce poverty. The five Paurashavas in Mymensingh Division, the three Paurashavas in Dhaka Division and the 10 Paurashavas in Rangpur Division were nominated for urban infrastructure development and implementation. The NOBIDEP has three features: 1) Strengthening rural-urban linkages; 2) Urban infrastructure and governance improvement; and 3) Strengthening operation and maintenance systems. The project strengthens rural-urban connectivity and linkages from regional development perspectives by integrating rural and urban development in one project. The project allocates investment in urban infrastructure to the target Paurashavas with the allocated amount based on Paurashavas' performance of urban governance improvement in the same manner as those adopted by the UGIIP I - III.

²⁷Cities consist of City Corporations and Paurashavas.

Strengthening Paurashava Governance Project (SPGP) (2014 to 2018)

The SPGP commenced in February 2014 and will terminate in January 2018. Executed by LGD the purpose of the project is the establishment of a Paurashava capacity development framework. The project contains three major outputs as follows.

- 1) A mid to long term strategy for Paurashava capacity development is developed and institutional arrangements for its implementation are made.
- 2) Tools and training courses for Paurashava capacity development are in place.
- 3) Administrative capacity of the pilot Paurashavas is improved.

The target area is the entire Bangladesh, especially the seven pilot sites that were selected from the 319 Paurashavas nationwide. The “mid to long term strategy for Paurashava capacity development” refers to this Strategy document.

2.11.4 SDC

The Swiss Agency for Development and Cooperation (SDC) focuses in its Cooperation Strategy on Local Governance as one of three thematic areas in Bangladesh. While SDC activities in the field of Local Governance were exclusively targeted at the rural areas in 2008-2012, interventions in this domain have gradually expanded to small and medium sized Paurashavas particularly in the field of capacity development. SDC funded the EUG project implemented by LGD with technical support of GIZ (see 2.11.2 GIZ) as well as the Horizontal Learning Programme (HLP). HLP is an outcome based peer-to-peer learning platform facilitated by the NILG and funded by SDC and WSP-WB. It started in 2007 as a pilot project to enhance exchange of good practices among Union Parishads (UP). The focus is on identifying good practices in governance, financial and fund flow mechanism, planning and implementation as well as technical aspects of water and sanitation services; along with cross-cutting issues such as gender mainstreaming and Disaster Risk Reduction by 2015 HLP has been reaching 658 UPs and 31 Paurashavas. About 87 good practices have emerged and been replicated to cover near to 20 million people (population of 658 UP and 31 Paurashavas) with the support of 35 partners²⁸.

2.11.5 UNDP

The UNDP has supported slum service improvements with UN Habitat through the Local Partnership for Poverty Alleviation Project (LPUPAP) from 2000 to 2007. Building on the experiences from the LPUPAP, the UPPR (summarized below) was initiated.

Urban Partnerships for Poverty Reduction (UPPR) Project (2008-2015)²⁹

The UPPR commenced in March 2008 and continued until March 2015 covering 23 cities and towns (Paurashavas). The executing agency is LGED. The project cost is shared by the GOB, the government of the United Kingdom, the United Nation Development Program (UNDP) and the UN Human Settlements Program (UN-HABITAT). The International Labor Organization (ILO), the UN Children's Fund (UNICEF), and CARE participate in the project as implementing partners. The project aims to improve the livelihoods and living conditions of three million urban poor people, especially women and children by 2015. The UPPR uses

²⁸35 NGOs and Development partners are actively involved in the process of identifying good practices and supporting UPs to replicate them.

²⁹<http://www.upprbd.org/ourapproach.aspx>

a community-based approach led by poor and extremely poor women, who are empowered to manage their development to meet their own needs and those of their family and community. Through the Settlement Improvement Fund (SIF), the UPPR provides direct monetary inputs to the communities so that they can contract the necessary works for physical improvements in their neighborhoods. In addition, the UPPR provides through the Socio-Economic Fund (SEF), the necessary funds to finance activities that improve the livelihoods and social conditions of urban poor, such as apprenticeships and grants for small business development, education grants to keep girls in school, and grants for urban food production activities.

2.11.6 World Bank (WB)

The WB contributed to capacity development of Paurashavas mainly through the MSP. This project was initiated in June 1999 to finance four components: 1) Urban infrastructure construction and rehabilitation through the Bangladesh Municipal Development Fund (BMDF); 2) Urban infrastructure construction and rehabilitation in about 20 municipalities planned and carried out before the establishment of BMDF; 3) Rehabilitation of urban infrastructure damaged by floods; and 4) Institutional development for creation and operation of BMDF and Municipal Support Unit (MSU) under the LGED. The project was extended twice with additional credits, and closed in June 2012.

The MSU of the project and Urban Management Support Unit (UMSU) of the UGIIP II were set up to provide capacity building hardware and software support continuously to the municipal local bodies aimed at enhancing quality urban service delivery. The main activities of the MSU and the UMSU are: 1) Computerization and improved management of tax records; 2) Computerization and improved management of water supply records; 3) Computerization and improved reporting of accounting records; 4) Computerization of trade license management; 5) Computerization of non-motorized vehicles management; 6) Inventory and assessment and mapping of municipal infrastructure; and 7) Community mobilization support to Paurashavas.

World Bank has launched MGSP in 2014. The MGSP is summarized as follows.

Municipal Governance and Services Project (MGSP) (2014-2020)³⁰

The objective of MGSP for Bangladesh is to improve municipal governance and basic urban services in participating Urban Local Bodies (ULBs), and to improve recipient's capacity to respond promptly and effectively to an eligible crisis or emergency. There are four components to the project, the first component being municipal governance and basic urban services improvement. This component will provide financial support to 26 pre-selected ULBs (four City Corporations and 22 Municipalities) with high economic growth and job creation potential, located along the major growth corridors and three district towns in the South. The second component is the BMDF demand-based financing for urban services. The provision of demand-based sub-credits by BMDF to eligible ULBs for basic urban services improvement investment costs, at an 80:20 grant to loan ratio. ULBs will be required to finance 10 percent of investment costs. The third component is the capacity building and implementation support that is expected to cover all ULBs. Finally, the fourth component is the contingent emergency response. This component will support, at the GOB request, response and reconstruction activities following an adverse natural or man-made event that causes a major disaster, by re-allocating the International Development Association (IDA) credit to this component. The main project beneficiaries will be about 3.4 million people (of whom 45% will be women) in participating ULBs. Other beneficiaries include staff from implementing agencies e.g., ULBs, LGED and BMDF, who will benefit from capacity building activities.

³⁰<http://www.worldbank.org/projects/P133653/municipal-governance-services-project?lang=en>

Chapter 3: Vision and Goals

In Chapter 1, the background and purpose of The Strategy are explained. In Chapter 2, critical information on the current situation of Paurashavas and the problems they face were clarified. In Chapter 3, the Vision and Goals set the basis for the core part of The Strategy.

3.1 Vision for Paurashava Administration in 2025³¹

Based on the recognition of the current situation of Paurashavas and the discussions in the Working Group meetings, the following vision was formulated.

Vision
Paurashavas become able to provide priority public services to their citizens at the satisfactory level in a sustainable manner by the year 2025.

3.1.1 Priority Public Services

Considering the limited financial and human resources of Paurashavas and short time available till 2025, it is not practical to address the problems of all the public services in The Strategy. It is therefore proposed that the GOB and Paurashavas should tackle only the important public services (hereinafter called “Priority Public Services”) during the implementation period of The Strategy. The Priority Public Services defined in the Vision above were selected from the detailed functions stipulated in The Paurashava Act, 2009 and are shown in the table 3.1.

Table 3-1: List of Priority Public Services

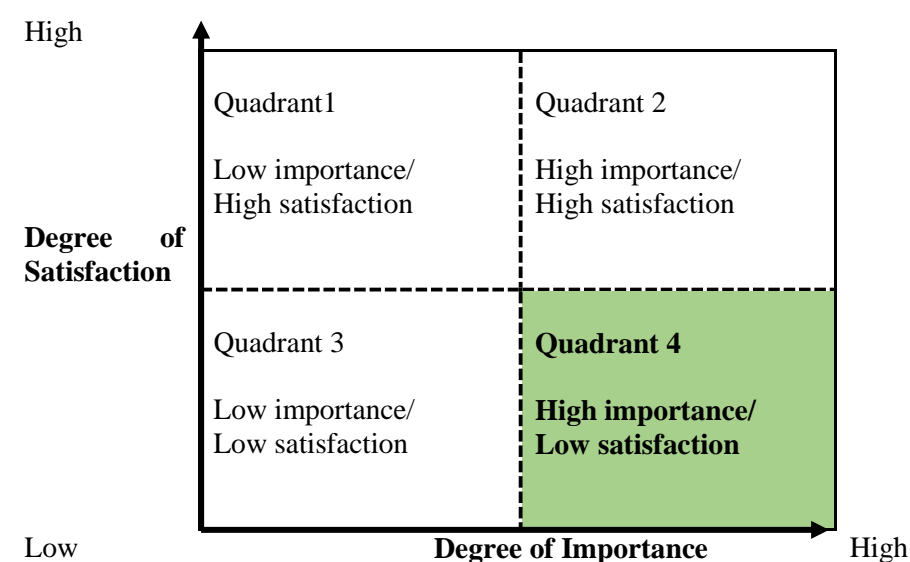
Priority Public Services	
1	Preparation of Paurashava Master Plans
2	Preparation of Paurashava Development Plans
3	Approval of Building Plans
4	Inspection of Completed Buildings
5	Regulation of Buildings
6	Inspection and Control of Execution of Land Development Schemes
7	Approval of Construction of New Streets
8	Public Streets (construction and maintenance)
9	Drainage (construction and maintenance)
10	Waste Management
11	Water Supply (public)
12	Street Lighting
13	Public Toilets (construction and maintenance)
14	Civil Defense (safety) of the Paurashava

³¹The target year was determined taking into consideration the time to eventually improve the performance of the Paurashavas in the entire country. The target years established in other strategies in Bangladesh and other countries was also studied.

The selection of Priority Public Services was made through the following processes.

(1) Selection of six priority public services in terms of resident's satisfaction and importance

The Priority Public Services are the most important services to be improved in terms of residents' satisfaction. The sample survey sought to identify the priority services from the perspective of the citizens. A total of 706 sample respondents were asked to: 1) Rate their satisfaction with each of the mandatory functions (services) of Paurashavas specified in the second schedule of The Paurashava Act, 2009; and 2) Select five important services from those mandatory functions. Figure 3.1 shows the matrix of importance and satisfaction. Since Quadrant 4 defines where the services or functions are important but residents' satisfaction with them is low, the six services were selected as the priority services from Quadrant 4. These priority services are listed from No. 8 to No. 13 in Table 3.1.



Source: JICA SPGP Team

Figure 3-1: Matrix of Importance and Satisfaction

(2) Selection of additional eight important public services

In addition to the six priority services above, another eight important functions were identified as services to be given priority for capacity development based on the discussion in the WG group meetings.

1) Preparation of Paurashava Master Plans

This function is important for the planned development of the Paurashavas' jurisdiction. The Act stipulates that Paurashavas are responsible to prepare a Master Plan. As mentioned in Sub-section 2.5.2, most District Town-level Paurashavas and Upazila Town-level Paurashavas have completed a Master Plan. However, these Master Plans are being prepared by LGED-hired consultants in English and translated into Bengali in a manner that many Paurashavas have little idea on how to take advantage of the plan. Such Master Plans also needs to be utilized in accordance with the Paurashava Development Plan. On the other hand, the District and Upazila Town-level Paurashavas not covered by the GOB projects have not prepared Master Plans yet. Therefore follow-up activities are needed to be undertaken by the GOB.

2) Preparation of Paurashava Development Plans

Very few Paurashavas have prepared Paurashava development plans so far. Although there is a guideline for the preparation of a Paurashava development plan for use in LGED's Projects, there is no such guidelines for preparation of development plan under The Paurashava Act, 2009. Although the preparation of a Paurashava development plan is not a mandatory function, its implications in realistic development programming and ensuring planned development is extremely important.

3) Approval of Building Plans

The approval of building plans is an important function for controlling urban development in accordance with the development plan and master plan, land development schemes and the inspection of completed buildings. While a lack of qualified staff may be one of the reasons for the failure of Paurashavas to routinely approve building plans, however, the ignorance of the residents in regards to their obligations to seek planning approval for buildings also needs to be tackled in the long run.

4) Inspection of Completed Buildings

The inspection of completed buildings against approved plans has not been sufficiently conducted in Paurashavas. While solving the manpower issue is unlikely in a short period of time, the preparation of by-laws and guidelines for the approval of building plans and inspection of completed buildings, coupled with appropriate training will improve compliance with the development plans of Paurashavas. In addition, the recruitment of relevant staff should be given due priority because capacity development without the relevant staff is not effective.

5) Regulation of Buildings

Old dilapidated buildings may be dangerous for the people living inside or pedestrians or neighbouring buildings. In the case of such buildings, the Paurashava can issue a notice to the owner to undertake corrective measures. If the owner does not take any remedial action, the Paurashava authority can force the occupier to vacate the building and can undertake renovation measures, the cost of which can be recovered from the owner. In reality, Paurashavas do not work on this issue, however, this problem could be addressed through the passage of by-laws and capacity building of the Paurashava staff.

6) Inspection and Control of the Execution of Land Development Schemes

The control of land development schemes is an important function to ensure that urbanization follows the Master Plan. It seems that this function is not performed by any of the Paurashavas either due to the absence of a Master Plan (which is required to perform this function) or because Paurashavas do not know what to do.

7) Approval of the Construction of New Streets

The approval of the construction of new streets is an important function for which clear guidelines are missing. In this context, LGD can prepare model by-laws and follow-up its application by each Paurashava. The training of Paurashava staff in formulating and implementing by-laws can potentially facilitate a well-defined approval process for the construction of new streets.

8) Civil Defense (safety) of the Paurashava

The civil defense role of Paurashavas needs to be more clearly defined and Paurashavas need to be provided with appropriate guidelines. The maintenance of security and the discipline of the residents is one of the four main responsibilities stipulated in Section 50 (i) of The Paurashava Act, 2009. Nevertheless, in most

Paurashavas the civil defense function has been interpreted as no more than local dispute settlement and grievance redressal system. As the establishment of the Paura Police (prescribed by the GOB) does not appear to be a feasible option for most Paurashavas (due to the lack of financial resources) there is a need to consider more feasible options, particularly for the smaller Paurashavas.

3.1.2 Indicator for Evaluation of Vision

It is desirable to set concrete indicators that embody the vision and enable the degree of realization of the vision to be measured. This is difficult because i) it is not easy to decide on the numerical indicator/s that correspond to the situation expressed in the Vision in its entirety, and ii) it is not feasible to measure this indicator for all of the Paurashavas.

However, since base-line survey results on residents' satisfaction regarding public services have been established in the seven pilot Paurashavas used in subsection 3.1.1 (1) of this Strategy, the performance in the improvement of priority services can be re-evaluated by this with the end-line survey results of SPGP (to be conducted in the seven pilot Paurashavas in 2017).

Another survey³² for the elected representatives and staff of the Paurashavas is anticipated to evaluate the degree of realization of the Paurashava provision of local public services. Any improvement of the service delivery and governance situation as identified by Paurashava staff would support claims that the country-wise situation of public service delivery by Paurashavas will be improved.

3.2 Goals

The following four goals were established to represent the achievement of the vision.

Table 3-2: Goal 1 to 4

Goal	
1.	Paurashava's revenue is increased.
2.	Paurashava's financial management is established properly with the implementation of an appropriate Paurashava Development Plan.
3.	Paurashavas' administrative activities are carried out in accordance with the laws, rules, regulations and other legal instruments efficiently and effectively.
4.	Human resources of Paurashava are strengthened.

Goal 1: Paurashava's Revenue is Increased.

One of the most important things to realize the Vision in 2025 is to increase revenue sources for Paurashavas to provide sufficient services. There are two types of sources: (1) Paurashavas' own source revenues and (2) Grant transferred from the government. Paurashava own source revenues include holding tax (HT), fees, rates, tolls, etc. based mainly on the model tax schedule. Since holding tax (HT) and ADP Development Assistance Grant from the GOB are main sources of Paurashava funds, HT collection improvement and sufficient ADP Development Assistance Grant allocation are indispensable to strengthen Paurashavas' financial capacities. At the same time, Paurashavas need to make efforts to generate new own sources of revenue.

³²Terminal evaluation of SPGP will be held in 2017.

Increasing financial resources from own source revenue generation and from the ADP Development Assistance Grant will directly affect performance of the following six functions, in particular, among 14 functions of “Priority Public Services” defined in Subsection 3.1.1. Current sources of finance against each of the following functions are stated in Table 3.3.

Table 3-3: Financial Sources for Priority Public Services

	Priority Public Services	Financial Sources
1)	Waste management	(i) Paurashava own source revenues and (ii) ADP Development Assistance Grant/Project support for the construction of the disposal site only.
2)	Public street construction	ADP Development Assistance Grant/Project support
	Public street maintenance	ADP Development Assistance Grant/Paurashava own source revenue
3)	Street light provision	Paurashava own source revenue
4)	Water supply installation	Installation: ADP Development Assistance Grant/Project support O&M: Revenue generated from water tariffs etc.
5)	Drainage construction	ADP Development Assistance Grant/Project support
	Drainage maintenance	Paurashava own source revenue
6)	Public toilet construction	ADP Development Assistance Grant/Project support
	Public toilet maintenance	Paurashava own source revenue

Goal 2: Paurashava’s financial management is established properly with the implementation of an appropriate Paurashava Development Plan.

Paurashava’s public finance should be managed with a budget accurately reflecting the revenue and development needs of that Paurashava. Since the budget formulation is as important as the budget execution, Goal 2 focuses on both budget formulation and execution. Linking the Paurashava Development Plan to the budget process will contribute to effective budget formulation and the proper allocation of resources. Identifying target areas and projects for development in the Paurashava Development Plan will enable Paurashavas to appropriately formulate and execute their budget.

Goal 3: Paurashavas’ administrative activities are carried out in accordance with the laws, rules, regulations and other legal instruments efficiently and effectively.

For appropriate service provision, all administrative and governance activities related to all services should be implemented in accordance with the legal documents and plans. This goal can be pursued from two aspects: (1) Laws, rules, regulations and other legal instruments which Paurashavas need to follow in daily administrative and governance activities; and (2) M&E of Paurashava administrative and governance activities.

Goal 4: Human resources of Paurashavas are strengthened.

Human resources development is indispensable to provide the Priority Public Services identified in an effective and efficient manner. This goal can be identified from two aspects: (1) Knowledge and skills of elected representatives and officers & staff of Paurashavas and (2) The size of the Paurashava’s manpower.

Chapter 4: Objectives and Targets

4.1 Objectives

In order to achieve four goals explained in Chapter 3, the GOB set eight specific objectives, which are as follows.

Table 4-1: Objective 1 to 8

Objectives	
1. Collection of holding tax (HT) is improved and other revenue sources are identified.	Contribution to Goal 1
2. Allocation of grants from the government increases and becomes more equitable.	
3. Paurashavas formulate a realistic budget and execute it with full accountability.	Contribution to Goal 2
4. A Paurashava Development Plan is prepared appropriately in each Paurashava.	
5. Essential rules, regulations and other legal instruments meet the current requirements shown in The Paurashava Act, 2009 and its amendments.	Contribution to Goal 3
6. M&E of Paurashava's administrative activities are conducted properly.	
7. Elected representatives and officers & staff of Paurashavas increase their knowledge and skills for carrying out Paurashava's administrative activities efficiently and effectively.	Contribution to Goal 4
8. Paurashava's manpower is provided appropriately.	

The structure of the vision, goals and objectives (Vision Tree) is presented in Figure 4-1.

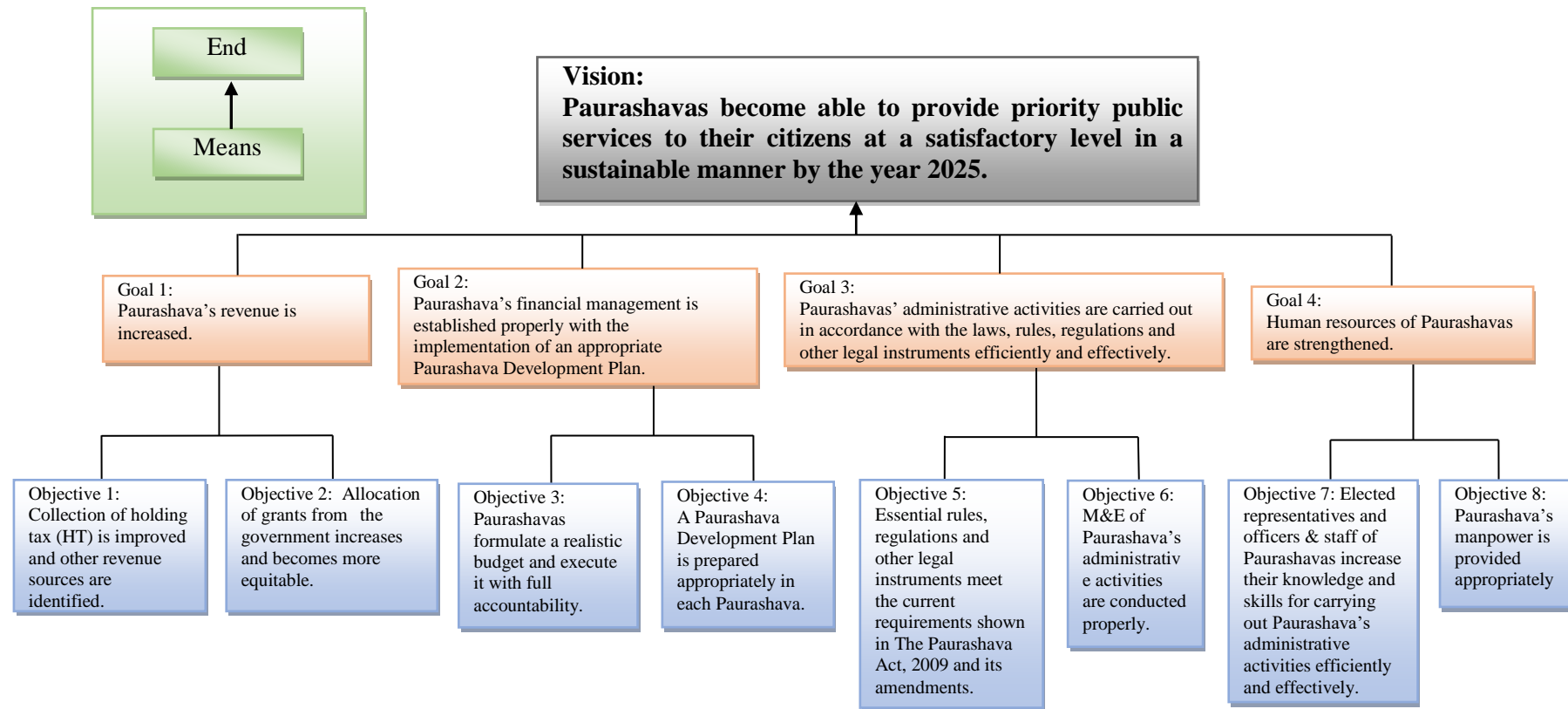


Figure 4-1: The structure of the vision, goals and objectives (Vision Tree)

4.2 Targets

In order to achieve the above objectives, the GOB intends to set the targets listed below.

Objective 1: Collection of holding tax (HT) is improved and other revenue sources are identified.

Increasing holding tax (HT) and other revenue sources will bring a positive impact on service delivery. Most of the Paurashavas have considerable room to increase revenue with their own efforts. Therefore, a high priority is put on the improvement of the collection of HT and the identification of other revenue sources in The Strategy. For this objective, the four targets are detailed as follows.

Table 4-2: Target 1.1 to 1.4

Target	
Target 1.1	Paurashavas are able to conduct tax assessment and tax collection according to the procedures stipulated in Paurashava Taxation Rules, 2013.
Target 1.2	Paurashavas generate and increase revenue from sources other than HT as specified in the Model Tax Schedule.
Target 1.3	Paurashavas monitor the monthly progress of internal revenue collection.
Target 1.4	Citizens' awareness on tax payment is increased.

Objective 2: Allocation of grants from the government increases and becomes more equitable.

The allocation of grants from the government is an important source of funding for infrastructure development for Paurashavas. The ADP Development Assistance Grant might be only steady source for Paurashavas who do not receive foreign-funded projects (e.g., UGIIP and NOBIDEP). Allocation of these ADP grants should be stable and increase with time to address the growing needs of Paurashavas. For this objective, the two targets are described as follows:

Table 4-3: Target 2.1 to 2.2

Target	
Target 2.1	The allocation of the ADP Development Assistance Grant is steadily increased for Paurashavas to provide a minimum level of urban services.
Target 2.2	A guideline is established and followed in allocating ADP Development Assistance Grant effectively and equitably.

Objective 3: Paurashavas formulate a realistic budget and execute it with full accountability.

Effective annual budget formulation is prerequisite for the proper execution of the annual budget. In order to improve the quality of budget, the estimation of revenues and expenditures should be as realistic as possible, considering the forecast of Paurashavas' own revenue and grants from the government. Since the predictability of revenues is important for budget formulation, the allocation of grants should be stable and a guideline to calculate them should be clarified. For the expenditure side of the budget, prioritization should be based on the Paurashava's plan and executed following the relevant rules and procedures. When purchasing goods, works and services, the procurement needs to be conducted strictly based on Public Procurement Rule 2008 and its subsequent amendments. This requires Paurashava officials to work hard to improve budget execution as well as budgetary accounting and reporting.

For this objective, the four targets are described on two major aspects: (1) Formulation of annual budget; and (2) Execution of annual budget (Table 4-4).

Table 4-4: Target 3.1 to 3.4

Target	
Target 3.1	Paurashavas formulate a realistic annual budget following the laws and rules.
Target 3.2	Paurashavas enhance accountability in the budget formulation process.
Target 3.3	Paurashavas monitor their budget execution following the rules and procedures.
Target 3.4	Paurashavas enhance accountability of their budget execution.

Objective 4: A Paurashava Development Plan is prepared appropriately in each Paurashava.

The Paurashava Development Plan contributes not only to the well-planned infrastructure development of Paurashavas but also the improvement of the budget formulation process by revealing service delivery priorities. Even though there are Paurashava Development Plans in some Paurashavas, those Paurashava Development Plans have not been updated and are not specific enough to refer to when Paurashavas formulate their budgets. Formulating Paurashava Development Plans which provides consistent and comprehensive mid-term projections of development should therefore be promoted. For this objective, two targets are expected to be realized as shown in Table 4-5.

Table 4-5: Target 4.1 to 4.2

Target	
Target 4.1	Preparation of the Paurashava Development Plans is officially promoted.
Target 4.2	Paurashavas become capable of formulating and implementing their Paurashava Development Plan.

Objective 5: Essential rules, regulations, and other legal instruments meet the current requirements shown in the Paurashava Act, 2009 and its amendments.

One of the most significant problems in the administration of Paurashava activities is that rules, regulations and other legal instruments to which Paurashava officials should refer either do not exist or are out of date. Some of these existing legal documents do not meet the requirements shown in The Paurashava Act, 2009 and its amendments.

After the recent compilation of Paurashava rules and regulations by LGD, these documents need to be reviewed to identify the Paurashava rules and regulations that need to be prepared or amended and updated. After the amendments and updates in the central government rules and regulations, the Paurashavas then also need to prepare or amend and update their concerned resolutions, regulations and by-laws. In addition, the dissemination of amended and updated laws, rules and regulations among elected representatives and staff of Paurashavas is important. For this objective, the following three targets are detailed in Table 4-6.

Table 4-6: Target 5.1 to 5.3

Target	
Target 5.1	Rules which were framed after enactment of the Bengal Municipal Act, 1932 and the Paurashava Ordinance, 1977 are amended or updated to match The Paurashava Act, 2009 as well as to meet current requirements.
Target 5.2	Regulations and by-laws are formulated by Paurashava to match with the current needs within the provisions of The Paurashava Act, 2009.
Target 5.3	Paurashava officials become capable of the application of the new or amended laws, guidelines, rules, regulations, by-laws, etc.

Objective 6: M&E of Paurashava's administrative activities are conducted properly.

Paurashava administrative activities need to be monitored and evaluated to maintain the quality of services to specified standards. Establishing appropriate institutional arrangements is crucial to develop effective M&E systems. This should include the establishment of M&E standards and the involvement of citizens in M&E activities through the WC and TLCC. For this objective, the target is described in Table 4-7.

Table 4-7: Target 6.1

Target	
Target 6.1	Councilors and residents are involved in M&E activities through discussion in the Council and TLCC.

Objective 7: Elected representatives and officers & staff of Paurashavas increase their knowledge and skills for carrying out Paurashava’s administrative activities efficiently and effectively.

Improving the knowledge and skills of elected representatives and offices & staff of Paurashavas is extremely important. If Paurashava staff have more knowledge and skills, the administrative activities would be carried out more efficiently and effectively. This should include the standardization of the training curriculum, guidelines, and operational handbooks which will improve administrative activities and enable self-learning by Paurashava officers & staff for themselves. For this objective, the target is shown in the Table 4-8.

Table 4-8: Target 7.1

Target	
Target 7.1	Paurashava elected representatives and officers & staff become more knowledgeable or skillful about their expertise.

Objective 8: Paurashava’s manpower is provided appropriately.

Sufficient manpower is essential for the satisfactory implementation of administrative and governance responsibilities of Paurashavas. While the current levels of manpower are not sufficient to perform the functions of Paurashavas to a satisfactory level, the Paurashavas need to consider whether to increase expenditure for staff or increase expenditure on service delivery. In this regard, Paurashavas also need to consider how to improve the efficiency of their current manpower before increasing the number of staff. This requires Paurashavas to discuss adequate staff levels with appropriate staff structures. For this objective, the two targets are detailed in Table 4-9.

Table 4-9: Target 8.1 to 8.2

Target	
Target 8.1	Paurashava’s appropriate staff structure is prepared with job description for each post within the provisions of the organogram.
Target 8.2	Paurashava’s staff members are assigned for services according to the appropriate staff structure.

4.3 Relations between Goals, Objectives, and Targets

The overview of the relationship between the goals, objectives, and targets are shown in Table 4-10. The 19 targets set below establish the means to achieve the four goals and the eight objectives. To realize the vision, it is intended that the GOB, Paurashavas, citizens, and other stakeholders will make steady efforts to accomplish the 19 targets, which lead to the eight objectives and the four goals. Table 4-10 shows the relationship between goals, objectives and targets.

Table 4-10: Relations between Goals, Objectives, and Targets

Goals	Objectives	Targets
1. Paurashava's revenue is increased.	1. Collection of holding tax (HT) is improved and other revenue sources are identified.	1.1: Paurashavas are able to conduct tax assessment and tax collection according to the procedures stipulated in Paurashava Taxation Rules, 2013. 1.2: Paurashava generate and increase revenue from sources other than HT as specified in the Model Tax Schedule. 1.3: Paurashavas monitor the monthly progress of internal revenue collection. 1.4: Citizens' awareness on tax payment is increased.
	2. Allocation of grants from the government increases and becomes more equitable.	2.1: Allocation of ADP Development Assistance Grant is steadily increased for Paurashavas to provide a minimum level of urban services. 2.2: A guideline is established and followed in allocating ADP Development Assistance Grant effectively and equitably.
2. Paurashava's financial management is established properly with the implementation of an appropriate Paurashava Development Plan.	3. Paurashavas formulate a realistic budget and execute it with full accountability.	3.1: Paurashavas formulate a realistic annual budget following laws and rules. 3.2: Paurashavas enhance accountability in the budget formulation process. 3.3: Paurashavas monitor their budget execution following rules and procedures. 3.4: Paurashavas enhance accountability of their budget execution.
	4. A Paurashava Development Plan is prepared appropriately in each Paurashava.	4.1: Preparation of the Paurashava Development Plans is officially promoted. 4.2: Paurashavas become capable of formulating and implementing their Development Plan.
3. Paurashavas' administrative activities are carried out in accordance with	5. Essential rules, regulations and other legal instruments meet the current requirements shown in The Paurashava Act, 2009 and its amendments.	5.1: Rules which were framed after the enactment of the Bengal Municipal Act, 1932 and the Paurashava Ordinance, 1977 are amended or updated to match The Paurashava Act, 2009 as well as to meet the current requirements.

Goals	Objectives	Targets
the laws, rules, regulations and other legal instruments efficiently and effectively.		<p>5.2: Regulations and by-laws are formulated by Paurashavas to match with the current situation within the provisions of The Paurashava Act, 2009.</p> <p>5.3: Paurashava officials become capable of the application of the new or amended laws, guidelines, rules, regulations, by-laws, etc.</p>
	6. M&E of Paurashava's administrative activities are conducted properly.	6.1: Councilors and residents are involved in M&E activities through discussion in the Council and TLCC.
4. Human resources of Paurashavas are strengthened.	7. Elected representatives and officers & staff of Paurashavas increase their knowledge and skills for carrying out Paurashava's administrative activities efficiently and effectively.	7.1: Paurashavas' elected representatives and officers & staff become more knowledgeable or skillful about their expertise.
	8. Paurashava's manpower is provided appropriately.	<p>8.1: Paurashava's appropriate staff structure is prepared with job description for each post within the provision of the organogram.</p> <p>8.2: Paurashava's staff members are assigned for services according to the appropriate staff structure.</p>

Chapter 5: Strategic Components and Strategy Roadmap

This chapter describes specific strategies to contribute to the realization of the vision and the four goals. Specific strategies called “strategic components” are formulated to achieve the eight objectives shown in the previous chapters. Table 5.1 shows the relationship between the objectives and the strategic components.

Table 5-1: Objectives and Strategic Components

Objective	Strategic component
1. Collection of holding tax (HT) is improved and other revenue sources are identified.	Increase of own source revenue
2. Allocation of grants from the government increases and becomes more equitable.	Governmental financial support
3. Paurashavas formulate a realistic budget and execute it with full accountability.	Budget management improvement
4. A Paurashava Development Plan is prepared appropriately in each Paurashava.	Paurashava Development Plan preparation
5. Essential rules, regulations and other legal instruments meet the current requirements shown in The Paurashava Act, 2009 and its amendments.	Formulation/Modification of legal documents
6. M&E of Paurashava’s administrative activities are conducted properly.	M&E improvement
7. Elected representatives and officers & staff of Paurashavas increase their knowledge and skills for carrying out Paurashava’s administrative activities efficiently and effectively.	Human resource development
8. Paurashava’s manpower is provided appropriately.	Paurashava manpower optimization

In formulating strategic components, it would not be enough only to increase the knowledge and skills of elected representatives for the capacity building of Paurashavas. Therefore, the following four approaches were considered: A) institutional; B) organizational; C) technical; and D) citizen participation.

A. Institutional approach at the GOB level: seeks to deal with Paurashavas’ problems related to the streamlining of model by-laws, rules and regulations at the GOB level. Engagement at this level is also important to improve the intergovernmental fiscal relationship of the GOB with Paurashavas.

B. Organizational approach at the Paurashava level: seeks to support Paurashavas to take initiative in addressing the administrative issues that plague them.

C. Technical approach towards elected representatives and officers & staff: seeks to deal with the problems caused by inadequate knowledge and insufficient technical capacity of Paurashavas’ elected representatives and officers & staff.

D. Citizen participation approach: seeks to deal with the problems caused by a lack of awareness and insufficient participation of citizens. This should seek to engage with pre-existing organizations for citizen participation.

It should be emphasized that, to address the problems that Paurashavas face and realize the objectives above in an effective manner, all the relevant stakeholders are expected to be involved in the implementation of the entire Strategy.

5.1 Strategic Components

5.1.1 Strategic Component 1: Increase of Own Source Revenue

This strategic component aims to realize **Objective 1**.

Objective 1	Collection of holding tax (HT) is improved and other revenue sources are identified.
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Verifiable indicators for the Objective

- (1) Collection ratio of annual defined tax, rates, tolls or fees: more than 75%.
- (2) Interim assessment of holding tax conducted every year and re-assessment conducted once in every 5 years.
- (3) Increase of revenue obtained from revenue sources other than HT.

Target and Activities

As shown in Table 5-2, each Target is expected to be realized by conducting each of the Main Activities below. The achievement of each Target will lead to Objective 1.

Table 5-2: Target and Main Activities

Target	Main Activities
1.1: Paurashavas are able to conduct tax assessment and tax collection according to the procedures stipulated in Paurashava Taxation Rules, 2013.	1.1.1: Conduct nationwide training activities. 1.1.2: Carry out HT assessment (interim and reassessment) according to the rules and regulations. 1.1.3: Take necessary procedures to secure HT revenue such as issuing reminders of tax payment, and attachment and sales.
1.2: Paurashavas generate and increase revenue from sources other than HT as specified in the Model Tax Schedule.	1.2.1: Generate revenue from new income sources, e.g., rent of property and lease charge. 1.2.2: Secure revenue from existing revenue sources such as business license fee.
1.3: Paurashavas monitor the monthly progress of internal revenue collection.	1.3.1: Conduct regular monitoring on revenue collection and report it to the Council meeting.
1.4: Citizens' awareness on tax payment is increased.	1.4.1: Conduct public awareness activities such as public announcement on tax payment. 1.4.2: Promote the citizens' understanding on the importance of tax payment through open budget meeting, WC and TLCC meetings.

Implementation Organization by Activity

Activity 1.1.1 (related to Strategic Component 7.)

An initiative is taken by LGD and training institutes with elected representatives and the officials of the Paurashavas as the target trainees. In the future, training will be expanded from the pilot Paurashavas to the remaining Paurashavas.

Activity 1.1.2.-1.4.2

All of the trained pilot Paurashavas will implement the activities as per the training. The implementation of this training will then be expanded to the remaining Paurashavas.

Necessary budget for the strategic component

Budget for training needs to be secured.

5.1.2 Strategic Component 2: Governmental Financial Support

This strategic component aims to realize **Objective 2**.

Objective 2	Allocation of grants from the government increases and becomes more equitable.
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Verifiable indicators for Objective

- (1) Steadily increase in the ADP Development Assistance Grant.
- (2) Guidelines are established on the ADP Development Assistance Grant.

Target and Activities

As shown in Table 5-3, each Target is expected to be realized by conducting each of the Main Activities below. The achievement of each Target will lead to Objective 2.

Table 5-3: Target and Main Activities

Target	Main Activities
2.1: Allocation of ADP Development Assistance Grant is steadily increased for Paurashavas to provide a minimum level of urban services.	2.1.1: Identify the financial capacity and needs of Paurashavas and plan the steady increase of ADP Development Assistance Grant. 2.1.2: Improve the financial support to Paurashavas. 2.1.3: Monitor and review the activities and take necessary steps.
2.2: A guideline is established and followed in allocating ADP Development Assistance Grant effectively and equitably.	2.2.1: Review the current situation of provision of ADP Development Assistance Grant. 2.2.2: Develop a guideline including the aspects such as the performance of Paurashavas, area and population, development potential, individual situation (for example whether a Paurashava is supported by any project of the GOB or development partners), emergency and so on, in the allocation of ADP Development Assistance Grant. 2.2.3: Implement the new guideline. 2.2.4: Monitor and review the activities and take necessary steps.

Implementation Organization by Activity

Any suitable section (or responsible officers) will be identified within LGD and that section (or responsible officers) will be responsible to conduct the necessary activities above.

Necessary budget for the strategic component

This issue is discussed in Chapter 6 (6.3 Financial arrangement in details).

5.1.3 Strategic Component 3: Budget Management Improvement

This strategic component aims to realize **Objective 3**.

Objective 3	Paurashavas formulate a realistic budget and execute it with full accountability.
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Verifiable indicators for Objective

- (1) Budget proposal is prepared based on the budget and actual expenses in the previous year.
- (2) Budget proposal is displayed at the Paurashava office.
- (3) Budget proposal is discussed at TLCC.

Target and Activities

As shown in Table 5-4, each Target is expected to be realized by conducting each of the Main Activities below. The achievement of each Target will lead to Objective 3.

Table 5-4: Target and Main Activities

Target	Main Activities
3.1 Paurashavas formulate a realistic annual budget following laws and rules.	3.1.1 Improve knowledge and skills of Paurashavas' officials for the formulation of realistic budget.
3.2 Paurashavas enhance accountability in the budget formulation process.	3.2.1 Organize standing committee meeting, WC meeting and TLCC meeting to discuss a draft budget before approval.
3.3 Paurashavas monitor their budget execution following rules and procedures.	3.3.1 Monitor the budget execution regularly, reporting to the Council and the mayor. 3.3.2 Conduct internal controls including an internal audit.
3.4 Paurashavas enhance accountability of their budget execution.	3.4.1 Activate Accounts and Audit Standing Committees and the WC and TLCC for monitoring budget execution.

Implementation Organization by Activity

Activity 3.1.1 (related to Strategic Component 7.)

An initiative is taken by LGD and training institutes with elected representatives and the officials of the Paurashavas as the target trainees. In the future, training will be expanded from pilot Paurashavas to the remaining Paurashavas.

Activity 3.2.1 – 3.4.1

All of the trained Paurashavas need to implement the activities as per the training. Implementation of this training will then be expanded to the remaining Paurashavas.

Necessary budget for the strategic component

Budget for training needs to be secured.

5.1.4 Strategic Component 4: Paurashava Development Plan Preparation

This strategic component aims to realize **Objective 4**.

Objective 4	A Paurashava Development Plan is prepared appropriately in each Paurashava.
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Verifiable indicators for Objective

- (1) The Paurashava Development Plan is prepared with project priority.
- (2) Paurashava Development Plan is monitored regularly by the Council and the TLCC.

Target and Activities

As shown in Table 5-5, each Target is expected to be realized by conducting each of the Main Activities below. The achievement of each Target will lead to Objective 4.

Table 5-5: Target and Main Activities

Target	Main Activities
4.1: Preparation of the Paurashava Development Plans is officially promoted.	4.1.1: Establish and implement a guideline for Paurashavas on the preparation of their Development Plans.
4.2: Paurashavas become capable of formulating and implementing their Development Plan.	4.2.1: Enhance capacity of Paurashava officials for formulation and implementation of their Development Plans.

Implementation Organization by Activity

Activity 4.1.1: An appropriate section of LGD will take an initiative in the activity.

Activity 4.2.1 (related to Strategic Component 7): An initiative is taken by LGD and training institutes with elected representatives and officers & staff of the Paurashavas as the target trainees. All of the trained Paurashavas need to implement development plans after receiving training.

Necessary budget for the strategic component

Budget for training needs to be secured.

5.1.5 Strategic Component 5: Formulation/Modification of Legal Documents

This strategic component aims to realize **Objective 5**.

Objective 5	Essential rules, regulations and other legal instruments meet the current requirements shown in The Paurashava Act, 2009 and its amendments.
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Verifiable indicators for Objective

- (1) Rules and regulations are amended and updated within the central government.
- (2) Paurashavas amend and update regulations and by-laws related to the amended and updated rules and regulations within the central government.

Target and Activities

As shown in Table 5-6, each Target is expected to be realized by conducting each of the Main Activities below. The achievement of each Target will lead to Objective 5.

Table 5-6: Target and Main Activities

Target	Main Activities
5.1: Rules which were framed after the enactment of the Bengal Municipal Act, 1932 and the Paurashava Ordinance, 1977 are amended or updated to match The Paurashava Act, 2009 as well as to meet the current requirements.	5.1.1: Review and update/modify the outdated rules and formulate new necessary rules.
5.2: Regulations and by-laws are formulated by Paurashavas to match with the current situation within the provisions of The Paurashava Act, 2009.	5.2.1: Provide external support for Paurashava for identification of the area which needs by-laws and regulations to support smooth Paurashava functioning. 5.2.2: Provide support for Paurashava to frame the important regulations and by-laws through model/sample by-laws (as done in case of standing committee).
5.3 Paurashava officials become capable of the application of the new or amended laws, guidelines, rules, regulations, by-laws, etc.	5.3.1: Publicize a new set of Paurashava manual based on the completed above tasks. 5.3.2: Conduct necessary trainings (class room and on the job) on the use of laws, guidelines, rules, regulations by-laws, etc. including motivation and awareness program on the importance of the rules and regulations in performing Paurashava business. 5.3.3: Monitor the situation, particularly Paurashavas' performance on revised or newly implemented rules and regulations and take necessary actions.

Implementation Organization by Activity

With regard to the formulation or revision of the acts, rules and regulations, the LGD will take the initiative.

With regard to the training of Paurashavas, LGD will provide the training with support from NILG, LGED, DPHE and so on.

Necessary budget for the strategic component

The budget to print the revised/amended acts, rules and regulations is needed in addition to training cost.

5.1.6 Strategic Component 6: M&E Improvement

This strategic component aims to realize **Objective 6**.

Objective 6	M&E of Paurashava's administrative activities are conducted properly.
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Verifiable indicators for Objective

- (1) A M&E standard is described in the operational handbook which is used for the trainings of Paurashavas.
- (2) M&E is carried out by the Council, Standing Committee and TLCC.

Target and Activities

As shown in Table 5-7, each Target is expected to be realized by conducting each of the Main Activities below. The achievement of the Target will lead to Objective 6.

Table 5-7: Target and Main Activities

Target	Main Activities
6.1: Councilors and residents are involved in M&E activities through discussion in the Council and TLCC.	6.1.1: Set roles and responsibilities of stakeholders in M&E. 6.1.2: Train concerned stakeholders.

Implementation Organization by Activity

The major responsible organization/personnel are as follows in each activity.

Activity 6.1.1: LGD takes the initiative.

Activity 6.1.2 (related to Strategic Component 7.): Training will be conducted by LGD and suitable other organizations. Implementation of the M&E activities will be conducted by Paurashavas after training.

Necessary budget for the strategic component

Budget for training needs to be secured.

5.1.7 Strategic Component 7: Human Resource Development

This strategic component aims to realize **Objective 7**.

Objective 7	Elected representatives and officers & staff of Paurashavas increase their knowledge and skills for carrying out Paurashava's administrative activities efficiently and effectively.
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Verifiable indicators for Objective

- (1) Training curriculum and materials and an implementation framework are prepared.
- (2) Standard trainings are provided for all Paurashavas by 2022 (the end of Phase II).

Target and Activities

As shown in Table 5-8, each Target is expected to be realized by conducting each of the Main Activities below. The achievement of the Target will lead to Objective 7.

Table 5-8: Target and Main Activities

Target	Main Activities
7.1: Paurashavas' elected representatives and officers & staff become more knowledgeable or skillful about their expertise.	<p>7.1.1: Formulate standard training package consisting of operational handbooks and training materials in the training courses (Table 5-9).</p> <p>7.1.2: Conduct necessary trainings for elected representatives and Paurashava officials nationwide in the training courses (Table 5-9).</p>

Table 5-9: Training courses

Training courses related with eight objectives		Training courses related with Priority Public Services
For elected representatives	For Paurashava officials	
<ul style="list-style-type: none"> • Orientation course on the basics of Paurashava administration • Development planning • Monitoring of Paurashava activities • Financial management (Budget formulation, monitoring, tax collection and assessment) 	<ul style="list-style-type: none"> • Development planning • Budget formulation, accounting, monitoring and reporting • Tax collection and assessment • Monitoring of Paurashava activities • Citizen' participation through WC and TLCC 	<ol style="list-style-type: none"> 1. Implementation of Master Plan including Urban Area Plan and Ward Action Plan 2. Preparation of Paurashava Development Plan 3. Approval of building plans 4. Inspection of completed buildings 5. Regulation of buildings 6. Inspection and control of execution of land development schemes 7. Approval of construction of new streets 8. Public street (construction and maintenance) 9. Drainage (construction and maintenance)

Training courses related with eight objectives		Training courses related with Priority Public Services
For elected representatives	For Paurashava officials	
		10. Waste management 11. Water supply (public) 12. Street light 13. Public toilet (construction and maintenance) 14. Civil defense (safety) of the municipality

Approaches of capacity building adopted in The Strategy

There are 3 kinds of approaches in the proposed capacity building for Paurashavas which are defined as follows:

- i) Core Training;
- ii) Accredited Training or specialized training, and
- iii) Peer Learning (Horizontal Learning).

In this Strategy, the emphasis is placed on the key aspects of “Core training”. The remaining approaches will be developed under the CapDev Framework (Capacity Development Framework) for Paurashavas which will be formulated under the leadership of NILG with support from development partners and other stakeholders.

Implementation Organization by Activity

Activity 7.1.1: This activity will be completed in Phase I.

Activity 7.1.2: This activity will be implemented by the “Strategy implementation committee” with LGD as a head organization along with other supporting governmental agencies such as NILG, LGED and DPHE which will provide training and technical support to Paurashavas locally as supportive organizations. NILG will be responsible for non-technical subjects, while LGED and DPHE will be responsible for technical subjects.

Necessary budget for the strategic component

Budget for training needs to be secured.

5.1.8 Strategic Component 8: Paurashava Manpower Optimization

This strategic component aims to realize **Objective 8**.

Objective 8	Paurashava's manpower is provided appropriately.
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Verifiable indicators for Objective

Paurashava's optimal staff structure is prepared and made functional.

Target and Activities

As shown in Table 5-10 each Target is expected to be realized by conducting each of the Main Activities below. The achievement of each Target will lead to Objective 8.

Table 5-10: Target and Main Activities

Target	Main Activities
8.1: Paurashava's appropriate staff structure is prepared with job description for each post within the provision of the organogram.	8.1.1: Increase revenue budget in order to hire a sufficient number of officials. 8.1.2: Conduct assessment of staff sufficiency within each Paurashava and recognize appropriate staff assignment.
8.2: Paurashava's staff members are assigned for services according to the appropriate staff structure.	8.2.1: Recruit the appropriate personnel through transparent recruitment process. 8.2.2: Allocate the personnel to suitable posts.

Implementation Organization by Activity

Through all the stages, each Paurashava should take an initiative.

Necessary budget for the strategic component

Budget is necessary to meet necessary personnel expenses owing to possible increase of posts.

5.2 Strategic Components and Implementation Organizations

The following table summarizes the implementation organizations in charge of respective activities.

Table 5-11: Implementation Organizations by Main Activity

Strategic Component	Objectives	Targets	Main Activities	Implementation Organizations
1. Increase of own source revenue	1. Collection of holding tax (HT) is improved and other revenue sources are identified.	1.1: Paurashavas are able to conduct tax assessment and tax collection according to the procedures stipulated in Paurashava Taxation Rules, 2013.	1.1.1: Conduct nationwide training activities.	LGD, NILG, LGED, DPHE (tentative)
			1.1.2: Carry out HT assessment (interim and reassessment) according to the rules and regulations.	Paurashavas
			1.1.3: Take necessary procedures to secure HT revenue such as issuing reminders of tax payment, and attachment and sales.	Paurashavas
		1.2: Paurashava generate and increase revenue from sources other than HT as specified in the Model Tax Schedule.	1.2.1: Generate revenue from new income sources, e.g., rent of property and lease charge.	Paurashavas
			1.2.2: Secure revenue from existing revenue sources such as business license fee.	Paurashavas
		1.3: Paurashavas monitor the monthly progress of internal revenue collection.	1.3.1: Conduct regular monitoring on revenue collection and report it to the Council meeting.	Paurashavas
		1.4: Citizens' awareness on tax payment is increased.	1.4.1: Conduct public awareness activities such as public announcement on tax payment.	Paurashavas
			1.4.2: Promote the citizens' understanding on the importance of tax payment through open budget meeting, WC and TLCC meetings.	Paurashavas
2. Governmental financial support	2. Allocation of grants from the government increases and becomes more equitable.	2.1: Allocation of ADP Development Assistance Grant is steadily increased for Paurashavas to provide a minimum level of urban services.	2.1.1: Identify the financial capacity and the needs of Paurashavas and plan the steady increase of ADP Development Assistance Grant.	LGD
			2.1.2: Improve the financial support to Paurashavas.	LGD

Strategic Component	Objectives	Targets	Main Activities	Implementation Organizations
			2.1.3: Monitor and review the activities and take necessary steps.	LGD
			2.2.1: Review the current situation of provision of ADP Development Assistance Grant.	LGD
		2.2: A guideline is established and followed in allocating ADP Development Assistance Grant effectively and equitably.	2.2.2: Develop a guideline including the aspects such as the performance of Paurashavas, area and population, development potential, individual situation (for example whether a Paurashava is supported by any project of the GOB or development partners), emergency and so on, in the allocation of ADP Development Assistance Grant.	LGD
			2.2.3: Implement the new guideline.	LGD
			2.2.4: Monitor and review the activities and take necessary steps.	LGD
3. Budget management improvement	3. Paurashavas formulate a realistic budget and execute it with full accountability.	3.1: Paurashavas formulate a realistic annual budget following laws and rules.	3.1.1 Improve knowledge and skills of Paurashavas' officials for the formulation of realistic budget.	LGD, NILG, LGED (tentative)
		3.2: Paurashavas enhance accountability in the budget formulation process.	3.2.1 Organize standing committee meeting, WC meeting and TLCC meeting to discuss a draft budget before approval.	Paurashavas
		3.3: Paurashavas monitor their budget execution following rules and procedures.	3.3.1 Monitor the budget execution regularly and report it to the Council and the mayor.	Paurashavas
			3.3.2 Conduct an internal control including an internal audit.	Paurashavas
		3.4: Paurashavas enhance accountability of their budget execution.	3.4.1 Activate Accounts and Audit Standing Committees and the WC and TLCC for monitoring budget execution.	Paurashavas

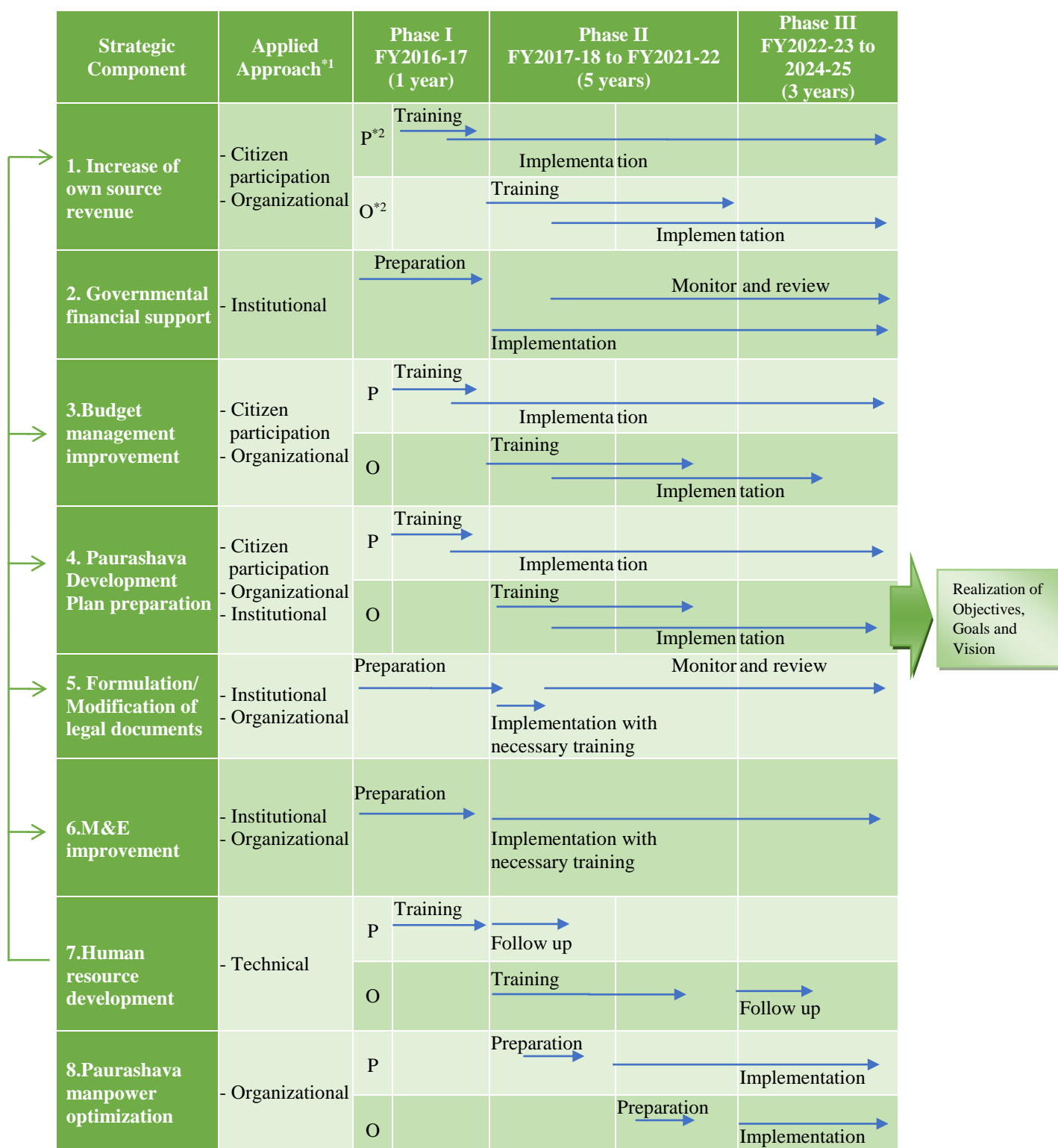
Strategic Component	Objectives	Targets	Main Activities	Implementation Organizations
4. Paurashava Development Plan preparation	4. A Paurashava Development Plan is prepared appropriately in each Paurashava.	4.1: Preparation of the Paurashava Development Plans is officially promoted.	4.1.1: Establish and implement a guideline for Paurashavas on the preparation of their Development Plans.	LGD
		4.2: Paurashavas become capable of formulating and implementing their Development Plan.	4.2.1: Enhance capacity of Paurashava officials for formulation and implementation of their Development Plans.	LGD, NILG, LGED (tentative)
5. Formulation/ Modification of legal documents	5. Essential rules, regulations and other legal instruments meet the current requirements shown in The Paurashava Act, 2009 and its amendments.	5.1: Rules which were framed after the enactment of the Bengal Municipal Act, 1932 and the Paurashava Ordinance, 1977 are amended or updated to match The Paurashava Act, 2009 as well as to meet the current requirements.	5.1.1: Review and update/modify the outdated rules and formulate new necessary rules.	LGD
		5.2: Regulations and by-laws are formulated by Paurashavas to match with the current situation within the provisions of The Paurashava Act, 2009.	5.2.1: Provide external support for Paurashava for identification of the area which needs by-laws and regulations to support smooth Paurashava functioning.	LGD
			5.2.2: Provide support for Paurashava to frame the important regulations and by-laws through model/sample by-laws (as done in case of standing committee).	LGD
		5.3: Paurashava officials become capable of the application of the new or amended laws, guidelines, rules, regulations, by-laws, etc.	5.3.1: Publicize a new set of Paurashava manual based on the completed above tasks.	LGD, NILG, LGED, DPHE (tentative)
			5.3.2: Conduct necessary trainings (class room and on the job) on the use of laws, guidelines, rules, regulations by-laws, etc. including motivation and awareness program on the importance of the rules and regulations in performing Paurashava business.	LGD, NILG, LGED, DPHE (tentative)

Strategic Component	Objectives	Targets	Main Activities	Implementation Organizations
			5.3.3: Monitor the situation, particularly Paurashavas' performance on revised or newly implemented rules and regulations and take necessary actions.	LGD
6. M&E improvement	6. M&E of Paurashava's administrative activities are conducted properly.	6.1: Councilors and residents are involved in M&E activities through discussion in the Council and TLCC.	6.1.1: Set roles and responsibilities of stakeholders in M&E.	LGD
			6.1.2: Train concerned stakeholders.	LGD, NILG
7. Human resource development	7. Elected representatives and officers & staff of Paurashavas increase their knowledge and skills for carrying out Paurashava's administrative activities efficiently and effectively.	7.1: Paurashavas' elected representatives and officers & staff become more knowledgeable or skillful about their expertise.	7.1.1: Formulate standard training package consisting of operational handbooks and training materials in the training courses (Table 5-9).	LGD, NILG, LGED, DPHE (tentative)
			7.1.2: Conduct necessary trainings for elected representatives and Paurashava officials nationwide in the training courses (Table 5-9).	Strategy Implementation Committee ³³ , LGD, NILG, LGED, DPHE (tentative)
8. Paurashava manpower optimization	8. Paurashava's manpower is provided appropriately.	8.1: Paurashava's appropriate staff structure is prepared with job description for each post within the provision of the organogram.	8.1.1: Increase revenue budget in order to hire a sufficient number of officials.	Paurashavas
			8.1.2: Conduct assessment of staff sufficiency within each Paurashava and recognize appropriate staff assignment.	Paurashavas
		8.2: Paurashava's staff members are assigned for services according to the appropriate staff structure.	8.2.1: Recruit the appropriate personnel through transparent recruitment process.	Paurashavas
			8.2.2: Allocate the personnel to suitable posts.	Paurashavas

³³See subsection 6.1.4

5.3 Strategy Roadmap

The following Strategy roadmap is the summary of Chapter 5 and shows the list of strategic components, applied approaches, and major activities with a certain timeframe.



Note: *1. Details are explained on the first and second pages of Chapter 5.

*2. P means Seven Pilot Paurashavas, and O means other Paurashavas.

Figure 5-1: Strategy Roadmap

The feature of the above Strategy roadmap is as follows.

1. “7. Human resource development” is the basis for many other strategic components. Development of capacity of elected representatives and Paurashava officials contributes to the implementation of other strategic components such as “1. Increase of own source revenue”, “3. Budget management improvement”, “4. Paurashava Development Plan preparation”, “5. Formulation/Modification of legal documents” and “6. M&E improvement”.
2. Various kinds of training are conducted in “7. Human resource development” stepwise. First, by the end of Phase I, training for seven pilot Paurashavas (P in the Figure above) is conducted. In the next Phase, training to remaining Paurashavas (O in the Figure above) is conducted (**Detail Training Plans will be formulated on each training subject**).
3. Activities are started from 2016 in most of strategic components except for “8. Paurashava manpower optimization”.
4. “8. Paurashava manpower optimization” is implemented later than other strategic components, because it will take some time before the budget size of each Paurashava actually increases, which is a precondition of the realization of this strategic component.

Chapter 6: Implementation and Monitoring of Strategy

6.1 Implementation Arrangement

The Strategy will be implemented by the Urban Wing, LGD together with Paurashavas and with the support of governmental agencies such as NILG, LGED and DPHE. LGD takes the initiative of Strategy implementation either individually or by taking the leading role in the Strategy Implementation Committee (to be explained later).

6.1.1 LGD

The implementing authority of The Strategy is LGD. LGD has the Mission and Major Functions shown in Table 6-1.

Table 6-1: Mission and Major Functions of LGD

Mission:

Improving the standard of living of the people by strengthening local government systems and institutions and implementing activities for social, economic and infrastructure development.

Major Functions:

- a) Manage all matters relating to local government and local government institutions
- b) Finance, control and inspect local government institutions established for the running of local government and local administration
- c) Manage all matters relating to drinking water
- d) Develop water supply, sanitation and sewerage facilities in rural and urban areas
- e) Construct, maintain and manage Upazila, union and village roads including the roads of towns and municipal areas and bridges/culverts
- f) Manage matters relating to village police
- g) Develop, maintain and manage growth centres and hats-bazaars connected via Upazila, union and village roads
- h) Develop, maintain and manage small scale water resource infrastructures within the limit determined by the government

The implementation of The Strategy is closely related with both mission and major functions of LGD, particularly those items related to Paurashavas. LGD is expected to conduct its responsible activities based on its own **Action Plan** to be formulated.

6.1.2 Paurashavas

Paurashavas are recipients in terms of capacity development but they are also expected to function as implementers of The Strategy under the guidance of LGD. Each Paurashava will make its own **Action Plan** for the implementation of their responsibilities within The Strategy with the guidance of the Strategy Implementing Committee. The format of this Action Plan should be concise to enable it to also serve as the monitoring format.

6.1.3 Support Organizations

It is intended that governmental agencies such as NILG, LGED and DPHE will support the implementation of The Strategy. More specifically, these agencies will support the Strategy Implementation Committee in making a **Detailed Training Plan** and conducting the training of Paurashavas.

6.1.4 Strategy Implementation Committee

Many of the Strategy implementation activities undertaken by LGD and other governmental agencies will be the responsibility of the Strategy Implementation Committee. This committee will be established with LGD as the leading agency headed by an Additional Secretary/Joint Secretary with NILG, LGED and DPHE as support agencies. A concerned Deputy Secretary will act as Member-Secretary of the Strategy Implementation Committee.

The Committee will have two roles concerning The Strategy, which are as follows.

- (1) Implementation of Strategic Component 7 and the monitoring of various training activities
- (2) Monitoring of the progress of all the other Strategic Components (See the section, 6.2. “Monitoring arrangements”)

The meeting of the Committee will be held on a quarterly basis.

In order to implement training nationwide, a Detailed Training Plan will be formulated by the Committee. The Detailed Training Plan will comprise of the time frame, training subjects, responsible agencies, training team formation, the Paurashavas to be trained and the trainees, the venue, training method and so on. The expected agencies responsible to organize and manage the training programs will be NILG, LGED and DPHE which will also provide technical support to Paurashavas. NILG will be responsible for non-technical subjects such as the orientation of elected representatives, administrative procedures and public financial management.

LGED will be responsible for technical subjects on urban planning and infrastructure facilities, while DPHE will be responsible for technical subjects on water supply and sanitation.

6.1.5 Strategy Steering Committee

The Strategy Steering Committee is responsible for the policy related issues raised by the Strategy Implementation Committee. The committee will be headed by Secretary, LGD and the head of the Strategy Implementation Committee will be the Member Secretary. Members of the Strategy Steering Committee will comprise of representatives from the relevant Ministries, agencies of the government including NILG, LGED and DPHE and representatives of the Paurashavas. Strategy Steering Committee meetings will be held at least twice a year.

6.2 Monitoring Arrangement

6.2.1 Monitoring Organization

As stated above, the main forum to monitor the implementation of The Strategy is Strategy Implementation Committee. Details of monitoring organizations are stated below.

(1) Monitoring of implementation of various trainings

Support organizations, such as NILG, LGED and DPHE are the main monitoring organizations. They will regularly report the progress of training to the Committee against the Detailed Training Plan. The Committee will conduct monitoring based on these reports.

(2) Monitoring of progress of all the Strategic Components

Paurashavas shall monitor the progress of activities against their Action Plans. The Deputy Director of Local Government (DDLG) and the Director of Local Government (DLG) will be involved in the collection of the progress of Paurashavas' monitoring and deliver them to LGD. LGD will share the information with the Strategy Implementation Committee. Agencies such as NILG, LGED and DPHE will provide technical support to Paurashavas as necessary.

6.2.2 Monitoring Method

(1) Monitoring of Implementation of Various Trainings

The support organizations (NILG, LGED and DPHE) will monitor progress against the Detailed Training Plan and propose the corrective actions to address shortfalls in the implementation of the training plan. This information will be included in routine monitoring reports (in a standard format) that is submitted to the Strategy Implementation Committee on a monthly basis. The reports will provide the basis for the Strategy Implementation Committee to take any necessary corrective action.

(2) Monitoring of progress of all the Strategic Components

Monitoring will be conducted based on the Paurashavas' Action Plans. There are the following two types of monitoring.

Indicator Monitoring

This refers to the monitoring of the indicators attached to each of the eight Objectives of The Strategy. This monitoring will be conducted bi-annually or annually with each Paurashava monitoring the degree of realization of the indicators against a standard monitoring format. If it is perceived by the Strategy Implementation Committee that the activities of the Paurashavas have not led to improvements in the performance indicators, the Committee will take the necessary corrective actions. The Committee may even propose modifications to the content of the Strategic Components of The Strategy if deemed necessary.

Activity Monitoring

This refers to the monitoring of the progress of Paurashavas' Action Plans. Monitoring will be conducted quarterly and each Paurashava shall monitor the results and records in a prescribed monitoring format. DDLGs shall collect the results of Paurashavas' monitoring reports when visiting Paurashavas at the time of regular inspection. DDLGs will collate the monitoring reports quarterly for the benefit of the Strategy Implementation Committee. Each Paurashava will be required to state the degree of progress, the reasons for any poor performance and the corrective actions proposed. On receipt of the collated monitoring report, the Strategy Implementation Committee will give necessary collective advice to Paurashavas. If the planned activities of Paurashavas were not undertaken because of external factors beyond the control of Paurashavas, the Strategy Implementation Committee will take the necessary corrective measures. Information of corrective action will be directed to Paurashavas with information to DLG and DDLG.

Figure 6-1 shows the organizational structure for both implementation and monitoring of The Strategy.

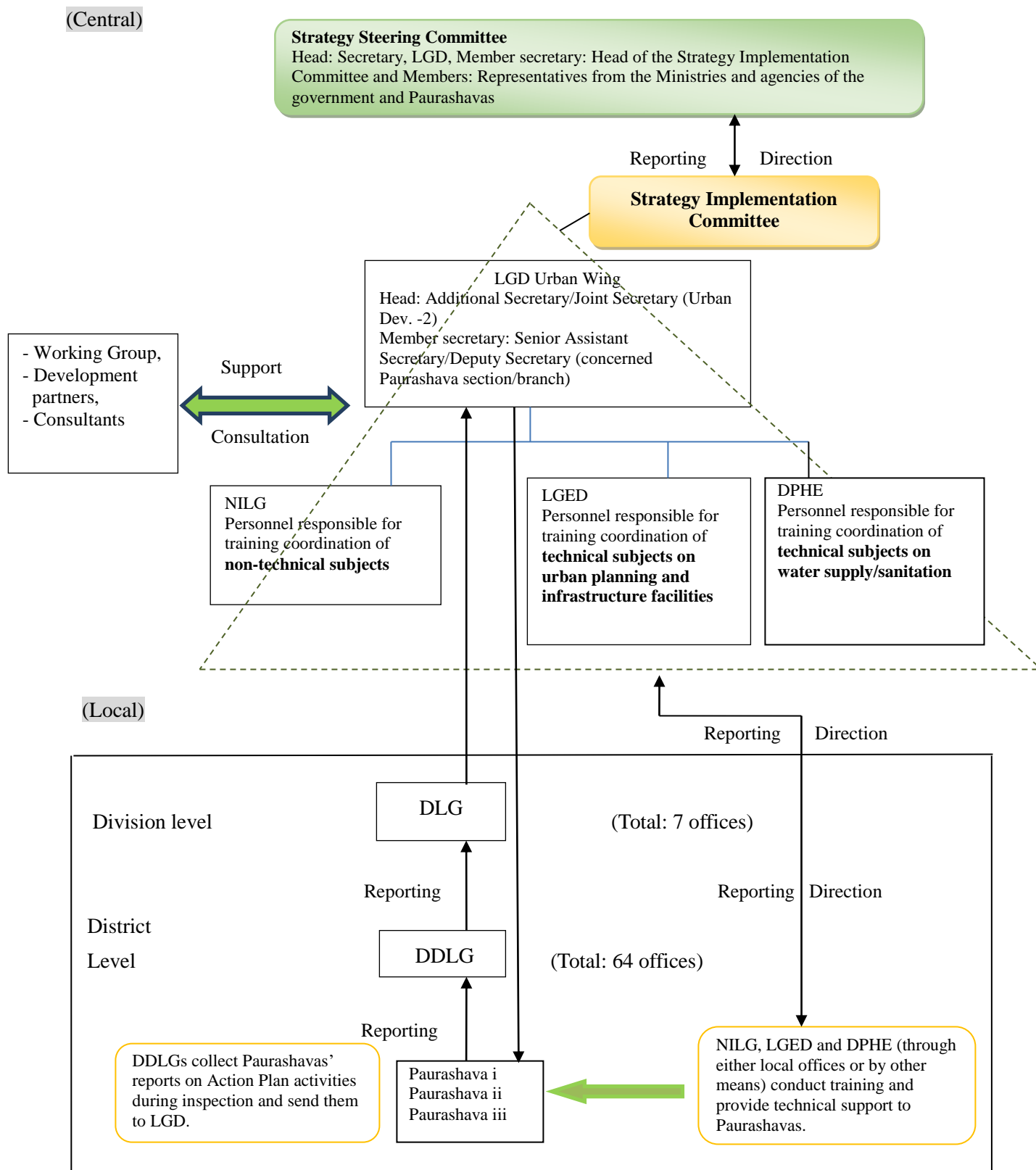


Figure 6-1: Strategy implementation and monitoring structure

6.3 Financial Arrangement

In order to realize the Vision of Paurashavas defined in this Strategy, two types of financial resources are necessary. One is the resource of the various trainings. Another is the resource to be used for improving infrastructure and increasing the number of officials, which are directly related to the provision of better public services. The exercise of estimating the cost for the implementation of The Strategy was based on i) training and ii) improving infrastructure and increasing the number of officials.

6.3.1 Necessary Funds for Training

The estimate of the necessary funds for human resource development described in Strategic Component 7 has been made based on the assumptions below.

- (1) All the training will be conducted locally (outside Dhaka).
- (2) The model case of training in any subject will be:
 - a. One training session covers 5 Paurashavas and totally 65 training sessions will be held.
(328 Paurashavas / 5 Paurashavas)
 - b. The number of trainees is 20 per session.
 - c. The number of lecturers is 4 per session.
 - d. The duration of training is 3 days per subject.
- (3) The total number of training subjects is 16 tentatively.
- (4) Training will be conducted twice in all the subjects for the period of five years.

Necessary funds for (estimated) training are shown in Table 6-2.

Table 6-2: Necessary funds for training		(Tk.)
Total amount of funds for five years		567,488,000
Amount of funds per year		113,497,600

Source: JICA SPGP Team

Nationwide training courses are expected to be provided from FY 2017-18 to 2021-22 according to the Strategy Roadmap elaborated in Chapter 5. The funding sources for training, including GOB funds and development partners' funds, will be secured by LGD along with the Detailed Training Plan, which the Strategy Implementation Committee will formulate.

6.3.2 Necessary funds for improving infrastructure and increasing the number of officials

For the improvement of the provision of the Priority Public Services listed in Chapter 3, improvements in infrastructure development and increases in the number of officials are crucial.

Necessary Funds for Improving Infrastructure

Paurashavas can improve their local infrastructure utilizing a wide variety of financial sources, such as the ADP Development Assistance Grant, GOB funds, Paurashava own budgets (revenue surplus), and Development partner supported funds.

The ADP Development Assistance Grant is provided to every Paurashava totaling 3,700,000,000 Tk. in FY 2014-2015.

Apart from ADP Development Assistance Grant, the GOB also provides funds for Paurashavas infrastructure development. For example, BDTIDP executed by LGED provided 4 Paurashavas with the GOB funds to develop infrastructure such as roads, bridges/culverts, drains, bus terminals, and markets. The total amount of project funds for infrastructure from 2004 to 2014 was TK.18.2 Million, while 105 Paurashavas under UTIDP received funds for infrastructure amounting to TK. 1,590 Million from 2004 to 2015. DPHE also implemented several projects with the GOB funds over the last five years.

In regards to development partner supported project funds, only 137 Paurashavas received support in the past ten years through nine major projects. Those projects are: 1) NOBIDEP; 2) UGIIP; 3) UGIIP-II; 4) UGIIP-III; 5) MSP; 6) MGSP; 7) CRDP; 8) CTIIP; and 9) STIFPP-II. Those are the GOB loan projects and the GOB also contributes some of its own budget for the implementation of these projects. The impact of projects assisted by development partners has been substantial towards the improvement of infrastructure for Paurashavas.

As only 137 out of the 328 Paurashavas have received funds from main nine development partner supported projects³⁴, it is assumed that the remaining 191 Paurashavas should be targeted for future infrastructure improvement activities.

Assumptions for the estimation of the funds required for Paurashava infrastructure development are shown as follows.

- (1) The funds required for A category Paurashavas has been calculated referring to the average of the total allocations of UGIIP-III for their 29 Paurashavas (i.e. 586,610,345 Tk.). The estimate per year is obtained assuming an infrastructure life of 20 years.
- (2) The funds required for B category Paurashavas has been calculated referring to the average allocation (across 400,000,000Tk.) by UGIIP-III over a 20-year life span.
- (3) The funds required of C category Paurashava has been calculated referring to the allocations

³⁴As at December, 2015.

(100,000,000Tk.)³⁵ by both UGIIP-II and NOBIDEP over a 20 year life span.

Considering the allocation mentioned above for the different categories of Paurashavas, the necessary funds for improving Infrastructure has been estimated in Table 6-3.

Table 6-3: Necessary funds for improving infrastructure

(Tk.)

Category	Number of Paurashavas not receiving main development partners supported funds* (A)	Amount of funds per Paurashava per year (B)	Total amount of funds per year (C=A*B)
A	34	29,330,517	997,237,578
B	86	20,000,000	1,720,000,000
C	71	5,000,000	355,000,000
Total	191		3,072,237,578

Source: JICA SPGP Team, *As at December, 2015

Table 6-3 indicates that an additional 3.1 billion Taka will be needed for improvement of infrastructure in addition to the existing ADP Development Assistance Grant. LGD needs to examine the real situation of infrastructure in the Paurashavas that are supported by development partners through projects and the other Paurashavas not supported by the projects, to suggest how to secure the budget to fill the gap between the current budget and the necessary investment.

Necessary funds for increasing the number of officials

The performances of Paurashavas are restrained due to lack of funds for hiring local staff. An estimate of necessary funds for increasing the number of officials has been made on the basis of the following assumptions:

- (1) The necessary funds for increasing the number of officials are calculated only for the pay and allowances for permanent officers and staff.
- (2) The target job occupancy rates against the sanctioned number of permanent officers and staff of Class A, B, and C are: 60%, 50%, and 40%, considering the current situation where occupancy rates are: 51.18%, 27.65%, and 20.98%, respectively³⁶.
- (3) The expenditure on salary in the government pay scale for FY2015-2016 is 170% of the salary pay scale of FY2014-2015.

³⁵There are some claims that the amount of allocation for C category Paurashava in UGIIP-II and NOBIDEP is too small compared to their needs. However, this matter is not taken into consideration in this estimation.

³⁶Yunus, Mohammad and Sultan Hafeez Rahman. 2015. *An Assessment of Municipal Finances in Bangladesh*. BRAC Institute of Governance and Development.

The funds necessary for the pay and allowances to increase the number of staff in paurashavas are shown in Table 6-4.

Table 6-4: Additional pay and allowances for increasing officers and staff (Tk.)

Category (A: Number of Paurashavas)	Actual pay and allowances of officers and staff in 2014 per Paurashava per year ³⁷ (B)	Revised pay and allowances per Paurashava per year (C) ³⁸	Additional pay and allowances per Paurashava per year (D=C-B)	Total Amount per year (E=A*D)
A (171)	12,716,240	25,343,034	12,626,794	2,159,181,774
B (106)	3,757,160	11,550,039	7,792,879	826,045,174
C (51)	1,596,920	5,175,908	3,578,988	182,528,388
Total (328)				3,167,755,336

Source: JICA SPGP Team

This is indicative of the necessary amount of funds that needs to be secured by the effort of both the GOB and Paurashavas.

6.4 Consideration for the Effectiveness and Sustainability of The Strategy

This Strategy is not very reliant on external conditions to realize the Vision. Most factors in the delivery of The Strategy have been internalized as much as possible within The Strategy. In order to make The Strategy effective and sustainable, however, the following factors should be realized.

- The strong commitment and effort of related governmental agencies, elected representatives and officers & staff of Paurashavas and residents
- Strong coordination among related governmental agencies, elected representatives and officers & staff of Paurashavas and residents
- Continuous communication and establishment of public relations to strengthen and maintain the motivation of the above stakeholders
- Continuous support from development partners

³⁷Yunus, Mohammad and Sultan Hafeez Rahman, op. cit.

³⁸For example, with regard to Category A, the amount in column C (25,343, 034) will be reached by the amount in column B x 170% x 60%/51.18%.

6.5 Concluding Remarks

This is the very first Strategy formulated to improve governance in Paurashavas in the entire Bangladesh. It has the following characteristics.

- *National coverage:* There have been many projects to support Paurashavas by the GOB or development partners so far, however, the regions or subjects have been rather limited.
- *Acceleration of coordination among development partners:* Development partner support to Paurashavas has not truly been harmonized. This Strategy is expected to strengthen coordination among development partners.
- *Reflection of various stakeholders' opinion:* The Strategy was formulated through the adoption of the recommendations of the Working Group representing numerous Development Partners, Departments and other important stakeholders. Consequently, important views were collected in The Strategy and also the content is fairly feasible.
- *Focal point of strategy documents in the governance sector:* The Strategy has clear linkage with other strategy documents such as Capacity Development Framework of all the LGIs supported by UNDP, the Capacity Development Framework for Paurashavas formulated under the leadership of NILG³⁹ and also the APA (Annual Performance Assessment). Consequently, The Strategy seeks to contribute to the realization of strategic objectives of the entire governance sector.

It is expected to improve the public services provided by Paurashavas to enrich the life of residents in Paurashavas through the implementation of the eight Strategic Objectives.

Among those Strategic Objectives, Objective 7 related to the human resource development is the critical one and it is necessary to conduct nationwide training of Paurashava staff and elected representatives.

In order to implement the nation-wide training of Paurashava staff and elected representatives, a Detailed Training Plan has to be formulated by the Strategy Implementation Committee. With regard to the other major activities also, the responsible Paurashavas and LGD should formulate Detailed Action Plans in order to implement the expected activities smoothly and monitor them. The formulation of these plans is the very first step towards the realization of the Strategy.

³⁹These two frameworks are under preparation as at December, 2016.

