



# The Urban Governance and Infrastructure Improvement Project in Bangladesh

Sharing Knowledge on Community-Driven Development





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# Abbreviations

ADB	Asian Development Bank
CBO	community-based organization
CDD	community-driven development
LGED	Local Government Engineering Department
UGIAP	Urban Governance Improvement Action Program
UGIIP	Urban Governance and Infrastructure Improvement Project
TLCC	town-level coordination committee
WLCC	ward-level coordination committee

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Note: In this publication, “\$” refers to US dollars.

# Acknowledgments

This booklet on the Urban Governance and Infrastructure Improvement Project (UGIIP) in Bangladesh was prepared under the Asian Development Bank (ADB) regional capacity development technical assistance project, Sharing Knowledge on Community-Driven Development in Asia and the Pacific (RETA 7543). It describes how the UGIIP is helping to achieve inclusive growth in Bangladesh by improving urban governance and infrastructure through increased community participation and enhanced capacity of local governments to deliver services to the people.

The preparation of this booklet was made possible through the partnership of ADB and the Local Government Engineering Department, the executing agency of the UGIIP, and under the overall supervision of Yukiko Ito, project officer of the regional technical assistance.

The department—through its officials Md. Nurullah and Shafiqul Islam Akand—coordinated and facilitated the fieldwork in selected *pourashavas* and provided technical input for earlier drafts of this booklet. ADB staff (Md. Rafiqul Islam and Gobinda Bar) and consultants (Raul Gonzalez, Farid Hossain, and Rowena Mantaring) gave advice, drafted, and provided input for the finalization of the booklet. Abir Abdullah provided the photos, while Josef Ilumin rendered the graphic design. Teri Temple and Mary Ann Asico edited the manuscript. Princess Lubag facilitated the publication of this booklet.

Special mention goes to the leaders and residents of *pourashavas* interviewed for this booklet, who took the time to share their experiences in how the project has improved the conditions of *pourashavas* and their daily lives. Finally, the contributions of Hun Kim, who introduced the UGIIP model in Bangladesh, and Masayuki Tachiiri, who led the preparation of UGIIP-2, are also acknowledged. The Government of Bangladesh's support in making the project a success is noteworthy.



# Introduction

## General Introduction

This booklet describes how an urban development project—the Urban Governance and Infrastructure Improvement Project (UGIIP)—supported and financed by the Asian Development Bank (ADB) is transforming a select group of *pourashavas* (secondary towns) in Bangladesh. The project seeks to improve urban governance and infrastructure by increasing the participation of the community and enhancing the capacity of the *pourashava* local governments to deliver desired municipal services to the people.

The first project, UGIIP-1, was implemented from 2003 to 2010. UGIIP-2 was launched in 2009 and is scheduled to be completed in 2014.

Both UGIIPs are being implemented by the Local Government Engineering Department (LGED) of the Ministry of Local Government, Rural Development and Cooperatives, the national agency responsible for extending technical support to all rural and urban local governments, including those in *pourashavas*. The LGED, a unit within the ministry's Local Government Division, is the ministry's main executing department for urban infrastructure development projects within the municipalities and, to a limited extent, the city

corporations (including roads, drains, solid waste, markets, etc.). The LGED has implemented a large number of donor-assisted and Bangladesh government-funded infrastructure development projects over the last 3 decades and has considerable experience, systems, and procedures to implement projects efficiently. It is currently the single-largest national agency channeling infrastructure funding and technical assistance to *pourashavas*.

Both UGIIP-1 and UGIIP-2 have features that make them different from previously implemented urban development projects in Bangladesh. These projects (i) promote good governance; (ii) build capacity to improve the performance of *pourashavas* in mobilizing their own resources and delivering better services to the people, especially the poor; and (iii) assist municipalities in mobilizing the community through grassroots organizations for the planning, implementation, and monitoring of programs that affect their lives. These special features have one common characteristic: they put the community at the heart of development.

The chosen *pourashavas* know that they will receive development funds under the project, but only after they have fulfilled a number of designated tasks relating to improved urban governance and their own capacity. In the UGIIP, money is not meant to be charity; rather,

it is earned through performance. The key to good performance is the community and its citizens' active participation in the development of their own towns and cities.

This booklet seeks to showcase the achievements of the select *pourashavas* in their designated tasks, the lessons learned from their work, the effects on the government's urban development policy, and the efforts that still have to be made to sustain the momentum generated by an inspiring concept: that development should be for the people and by the people.

The booklet talks about people whose lives have changed for the better because of the poverty reduction activities of the project. UGIIP-1 and UGIIP-2 *pourashavas* have been able to mobilize their own resources through effective collection of taxes and nontax revenue earnings. They have also been more responsive to the needs of the community—spending a large part of the increased revenue to improve the living standards of the poor, especially the slum dwellers, by creating jobs for them through microcredit and providing their children with free education.

The booklet also describes how this new concept in urban development has built a bridge between the people and the *pourashava* councils they have elected to serve them. As the *pourashava* local governments provide better services, the residents respond by showing more interest in asking for even better facilities.

Finally, the booklet tells how other municipalities that are not part of the project look on the participating

*pourashavas* as models to emulate in planned and responsive urbanization. In the words of UGIIP-2 Project Director Shafiqul Islam Akand, "the UGIIP-2 project is now only about halfway through its stipulated project period. However, we are observing remarkable changes of project municipalities in ensuring the participation of communities in making decisions, in providing better services to citizens, and in improving their capacities especially in own-resource mobilization. We hope that, by the end of December 2014, these municipalities will have become horizontal learning centers for all other municipalities and will be playing leading roles toward sustainable urban development."

## Overview of the Urban Governance and Infrastructure Improvement Project

ADB has had a long history of involvement in urban sector development in Bangladesh. Before the UGIIP, ADB supported the two Secondary Towns Infrastructure Development Projects, which were implemented to upgrade municipal infrastructure facilities in 32 of the country's 64 district towns over the period 1993 to 2000.

UGIIP-1, which began in 2003 and was implemented over a 7-year period until 2010, covered 22–30 *pourashavas* at a total cost of \$87 million. ADB contributed \$60 million of this amount (69% of the total cost), and the rest was provided by the Bangladesh government (\$22.8 million, 26.1%), *pourashavas* (\$3.9 million, 4.5%) and community beneficiaries (\$0.3 million, 0.4%).

UGIIP-2, which is being implemented over a 6-year period that started in 2009, will be completed in 2014 at an estimated cost of \$167.5 million, double the investment in UGIIP-1. As UGIIP-2's lead donor, ADB is contributing \$87 million (51.9% of the total cost), while two German donors—KFW and GIZ—are providing \$36.1 million (21.6%) and \$4.7 million (2.8%), respectively. The Government of Bangladesh has invested \$31.7 million (18.9%) in UGIIP, and the *pourashava* local governments are contributing \$7.3 million (4.4%) and community beneficiaries \$0.7 million (0.4%). Thirty-five *pourashavas* in seven divisions of the country were included in phase 1 and successfully qualified for phase 2 of UGIIP-2.

Both projects are recognized as models of urban development that ensure sustainability, good governance, accountability, and transparency through community participation in the planning, monitoring, and implementation of projects identified and designed by the community people themselves.

According to Md. Wahidur Rahman, LGED chief engineer:

LGED had earlier received a series of ADB urban sector assistance projects since the early 1990s. However, it was only after policy shifted from mere investment to a performance-based approach that remarkable change came about in the urban development efforts of the Bangladesh government. The approach, which links governance improvement and capacity

development with infrastructure investment, started in UGIIP-1 and has reached new heights through the ongoing UGIIP-2. The performance-based mechanism of UGIIP-1 and -2 is now well appreciated among other municipalities, which clearly understand how this project strategy can help them toward sustainability. We have received more than 100 applications from other municipalities, which have expressed interest in being included in the third phase of UGIIP-2. The government would like to continue this approach in the future together with ADB and other development partners.

The goal of UGIIP-2 is to promote human development and good urban governance in secondary (medium and smaller) towns and support them in leading sound and balanced urban development.

UGIIP-2 has two objectives in support of this goal: (i) to develop and improve urban infrastructure facilities to increase economic opportunities and to reduce vulnerability to environmental degradation, poverty, and natural hazards; and (ii) to enhance accountability in municipal management and strengthen the capacities of urban municipalities to deliver services.

The two objectives are to be achieved through the three key components of UGIIP-2:

- **Urban infrastructure improvement** covers the improvement or expansion of the following facilities: roads and bridges, stormwater drainage, low-cost sanitation, solid waste management, municipal facilities (e.g., bus and truck terminals, kitchen markets, and slaughterhouses), and slum improvement.
- **Urban governance improvement** includes the implementation of the Urban Governance Improvement Action Program (UGIAP) in six key result areas: (i) citizen awareness and participation, (ii) urban planning, (iii) women's participation, (iv) integration of the urban poor, (v) financial accountability and sustainability, and (vi) administrative transparency. In each of these six areas, the *pourashavas* will need to achieve well-defined performance targets, which will be closely monitored and evaluated during the implementation.
- Finally, **capacity building and implementation assistance** involves (i) project management, detailed engineering design, construction supervision, nongovernment organization support for community-based activities, and facilitation of community mobilization; and (ii) an institutional capacity-building program for *pourashavas* to enable them to successfully implement the UGIAP, including (a) an orientation program for *pourashava* chairpersons and ward commissioners; (b) a program tailored to the needs of female ward commissioners; (c) training programs for secretaries, chief executive officers, and other officials and staff

in the implementation of the community-based activities under the plan; (d) computerization of tax records and billing; (e) computerization of accounting management; (f) infrastructure inventory assessment and mapping; and (g) training for decentralized township planning.

While both projects have the same basic design, UGIIP-2 has a number of different features that reflect important lessons that policy makers learned from the implementation of UGIIP-1.

In UGIIP-1, there were no minimum improvements in governance that the original target *pourashavas* had to meet in order to receive the first allocation. Therefore, the linkage between infrastructure development and governance improvement was not strong (e.g., participatory planning was not always pursued rigorously in the first allocation of funds). Performance evaluation of the *pourashava* activities was also concentrated at the end of each phase, thus making it difficult to undertake corrective actions midway through implementation.

In contrast, UGIIP-2 requires all participating *pourashavas* to meet the minimum criteria of governance improvement—including participatory planning through the formulation of a *pourashava* development plan—even for the first allocation of funds. In this way, governance improvement and infrastructure development are planned and implemented in a more integrated manner. In addition, the progress of reform—particularly in governance—is monitored quarterly throughout the project.



## Context of the UGIIP

Bangladesh has a population of about 150 million<sup>1</sup>, of which over a quarter (43 million) reside in urban areas. In 1951, the country was predominantly agrarian and rural, with urban dwellers representing only 4% of the population. The urban population increased moderately to about 8% of the total population in the next 2 decades but grew rapidly after independence in 1971, to 19% by 1991, 26% by 2005, and 28% by 2011.<sup>2</sup>

Even though urbanization is relatively low, at about 28%, the rate of growth of the urban population is quite high. At 2.8%, the present growth rate of the urban population is more than double the 1.1% annual growth rate of the entire population. This urban population growth rate is expected to remain high even when the country achieves a high base of urban population. At existing growth rates, the country's urban population will reach 79 million, or 42% of the population, by 2035 (footnote 2). Urbanization has been rapid because of (i) the high natural increase in the urban population, (ii) the territorial expansion of the urban areas, and (iii) rural-to-urban migration.

Administratively, there are 532 urban areas in Bangladesh. Of these, eight are city corporations and 316 are *pourashavas* run by elected *pourashava* councils, which are further classified into A, B, and C categories.<sup>3</sup> About 60% of the urban population reside in the city corporations, while 40% live in the *pourashavas*. Urban

areas are contained within only 10,600 square kilometers (7%) of the country's 147,000 square kilometers (km<sup>2</sup>), reflecting a high urban population density, in 2011, of 4,028 persons per km<sup>2</sup> (compared with a much lower rural density of 790 persons).

Urbanization has also been a major contributor to the national economy. The contribution of the urban economy to gross domestic product (GDP) increased from 26% in 1973 to 42% in 1999. Currently, the urban share of GDP is almost 50%, a reflection of the rapid transformation of the country's economy over the last 2 decades.



Abir Abdullah

Part of the city of Narayanganj, a *pourashava* when the UGIIP was launched

<sup>1</sup> Bangladesh Bureau of Statistics. 2011. Population and Housing Census. Dhaka.

<sup>2</sup> United Nations Department of Economic and Social Affairs. 2011. *World Population Prospects: The 2010 Revision and World Urbanization Prospects: The 2011 Revision*. New York.

<sup>3</sup> *Pourashava* classes are based on the annual revenues collected over the last 3 years. *Pourashavas* in class A have an annual income of more than Tk6.0 million; those in class B, Tk2.5-Tk6.0 million; and those in class C, Tk1.0-Tk2.5 million.



ADB photo library

Income poverty in urban areas declined to 21.3% in 2010 but non-income poverty continues to be a challenge in these areas.

Bangladesh reported a significant and impressive reduction in income poverty, from 59% in FY1992 to 31.5% in 2010, one of the fastest rates of decline recorded worldwide. Urban poverty likewise declined, from 45% to 21.3% in 2010.<sup>4</sup> With the massive reduction in poverty incidence, the absolute number of urban poor declined from 10 million in 2005 to 9 million in 2010. Despite this, non-income poverty continues to be a challenge in the urban areas, particularly the slums which are in desperate need of basic services and infrastructure.

Higher income inequality in urban areas and a number of local and socioeconomic factors spell considerable misery for specific groups. For example, a 2005 ADB study reported that the poverty incidence among women-headed households in urban areas is higher by 14 percentage points than the urban average, and for those residing in slum locations, it is higher by 34 percentage points. Of course, the inadequacy of urban services—slum housing, sanitation facilities, and public health and education services—brought about by the rapidly growing urban population worsens the vicious cycle of social and economic disempowerment arising out of higher income inequities in the urban areas.

<sup>4</sup> Bangladesh Bureau of Statistics. 2011. *Report of the Household Income and Expenditure Survey 2010*. Dhaka.

# UGIIP'S Performance-Based Fund Allocation Strategy

## Conditions in the *Pourashavas* before the UGIIP

Urbanization in Bangladesh has produced unplanned and uncontrolled urban growth, resulting in an acute shortage of infrastructure, poor housing and transport, inadequate drinking water, and lack of drainage and sewage.

Urban residents, particularly low-income groups, suffer a lack of basic urban infrastructure and services. While 95% of the Bangladesh population reportedly has access to water, only 30% of urban households drink tap water and fewer than 20% have their own house connections.

The *pourashavas* and the elected councils are struggling to provide the key services they are mandated to deliver:

- provision and supply of pure water;
- construction and maintenance of roads;
- management and collection of garbage;
- installation and maintenance of street lights;
- registration of births and deaths;
- provision of citizenship and family certificates;
- building and provision of graveyards and cremation places;
- provision of street water pipes;
- planting of trees;



A woman fetches water from a truck.



- eradication of mosquitoes;
- running of primary health centers and elementary schools;
- construction and maintenance of public markets and toilets;
- provision of trade licenses;
- maintenance of slums, bus stations, and sanitary latrines;
- provision of vaccination programs;
- collection of property taxes;
- monitoring of the construction of buildings, shops, and public parks; and
- management of traffic and vehicle registration.

However, the performance of the *pourashavas* has been far from satisfactory. These local government institutions suffer chronic shortages of their own resources, leaving them dependent on national government allocations. Not only do they lack money and resources, they also lack capacity. Tax collection has been poor because not enough officials have been designated to collect taxes and the staff assigned lack the necessary skills, thus allowing many residents to stay outside the tax net. Even those willing to pay taxes on time have become defaulters simply because no government employees have approached them for payment.

The lack of a computerized database of taxpayers has reportedly allowed a few less-than-honest employees to take their time before depositing the collected taxes in municipal funds and having them entered into cash registers. This practice allows the employees to hold the money for days and invest it in their personal businesses.

*Pourashava* delivery of urban services also presents a dismal picture. Traffic congestion is common in the *pourashavas* because of lack of roads and poor traffic management. There is no systematic garbage collection plan for homes. Thus, garbage collection is slow and, in the absence of garbage bins in many places, stinking garbage is dumped on the streets, where it often lies uncollected for days. Pavements and streets are often littered with waste left by pavement vendors.

Many streets are dark at night, for lack of lights, making the streets and alleys havens for muggers. Ironically, many of these streets are sometimes lighted during the day when artificial lighting is clearly unnecessary. Such waste often goes unnoticed by *pourashava* employees, as well as by community residents.

*Pourashavas* are also known for poor sanitation. According to the UGIIP, at least 30% of urban residents have no access to sanitary latrines, and 40% of slum dwellers defecate in the open for lack of latrines. There are no sewage lines in most *pourashavas* and many residents do not seem to care about waste management.

Poor people who migrate to the towns in search of jobs and better living conditions usually end up in slums where amenities are virtually nonexistent. Dreams of work and better living conditions attract poor people from the impoverished rural villages to big and small towns. Once there, however, they find that their living conditions have hardly improved. For many of them, it is like jumping from the frying pan right into the fire.

More than the lack of funds, UGIIP has identified the poor state of governance and lack of community participation as the two major reasons for the poor performance of the *pourashavas*.

For decades, the elected representatives and local officials have decided what is good for the community. Community members have rarely been asked what they want and what the development priorities in their communities should be. Communities have been left out of the planning and implementation of projects and programs undertaken by the *pourashavas*.

It is normal for the citizens' relationship with the *pourashava* councils to end on the day of voting. The elected leaders are generally not available to hear about the problems of the voters until the next polls. There is no institutional arrangement for involving community residents in making decisions that affect their lives and the lives of their children. Nor is there any mechanism for making the elected representatives accountable to the community. Consequently, there is no transparency in the work of the *pourashavas*.

Thus, governance and the participation of communities in the affairs of their *pourashavas* have emerged as the key elements in enabling the *pourashavas* to deliver better services to the residents.

### The Performance-Based Fund Allocation Strategy

Despite a good amount of government funds and foreign aid over the past decades, the performance of the *pourashavas* has hardly improved in terms of

governance, capacity, and performance in delivering the services. Policy makers, elected representatives, and foreign donors have therefore been forced to review and redesign the whole strategy of urban development, especially the development of *pourashavas*, on the basis of the lessons learned from previously implemented urban sector development projects.

From past failures, policy makers have learned that, quite simply, the top-down approach does not work, as it alienates the community from the service providers. What is needed is a bottom-up approach. This allows community residents to mobilize themselves in organized bodies to discuss their needs and problems and make decisions about what is good for them. This is the basic principle that is being applied in the successful implementation of the UGIIP.



LGED

CBO members in an awareness-raising meeting at Jhalokathi *pourashava*

A key component of UGIIP-1 and UGIIP-2 is the UGIAP, which is the core of the performance-based fund allocation strategy. The UGIAP is being implemented in three phases and there are performance criteria set for each phase. A participating *pourashava* must fulfill the phase 1 performance criteria in order to move into phase 2, and so on.

The performance criteria for phase 1 of UGIIP-2 (first 1.5 years) include the following:

- formation of a town-level coordination committee (TLCC);
- formation of a ward-level coordination committee (WLCC);
- formation of a community-based organization;
- formation of a gender committee with a woman councilor as the chairperson;
- establishment of an urban planning unit of the *pourashava*;
- preparation of a *pourashava* development plan including a gender action plan and a poverty action plan; and
- continuation of the program to fix the holding tax for an interim period.

Tasks have been set for each of the seven activities. For example, each *pourashava* must form a 50-member TLCC in phase 1. Another mandatory condition is that a TLCC must meet at least three times during this period and prepare minutes of the meetings. The project *pourashavas* received 50% of their infrastructure allocation only after having successfully achieved the above performance criteria.

Participating *pourashavas* need to achieve all seven governance improvement milestones of phase 1 of UGIIP-2 to graduate to phase 2. *Pourashavas* that do not achieve these milestones will not graduate to phase 2 or receive infrastructure fund allocations until they do so, although they will not be dropped from the project. UGIIP provides capacity building and guidance to *pourashavas* to help them meet these performance requirements.

On graduating to phase 2, *pourashavas* are entitled to a maximum of 50% of their total infrastructure investment allocation under the project for use in phase 2.

In phase 2, participating *pourashavas* are required to achieve the following governance improvement milestones:

- ***Citizen participation and accountability improvements***, including (i) preparing and issuing a citizens' charter; (ii) initiating the conduct of "citizens' report card" surveys and publishing the results; (iii) establishing a customer and grievance redress cell; (iv) organizing regular town- and ward-level coordination committee meetings for the implementation of the *pourashava* development plan process and other input and decisions; (v) opening up the budget proposal to the public and the TLCC; and (vi) establishing a mass communication cell.
- ***Improvement of urban planning processes***, including (i) hiring a full-time town planner for all class A *pourashavas*, (ii) preparing or updating a base map and land use map; and (iii) preparing annual operations and maintenance work plans for subprojects supported under UGIIP-2.



- **Promotion of gender equity and gender mainstreaming**, including (i) finalizing a gender action plan, and (ii) allocating and spending a specific percentage of the *pourashava* budget on gender activities as outlined in the plan.
- **Integration of the urban poor**, including (i) implementing the poverty reduction action plan, (ii) forming slum improvement committees in slums targeted by the project, and (iii) allocating a budget for the poverty reduction plan activities.
- **Financial accountability and sustainability**, including (i) computerizing accounting system; (ii) computerizing tax records and generating bills by computer; (iii) preparing financial statements, and



Abir Abdullah

Farida Parvin, a municipal computer specialist, processes trading licences.

having them audited by the audit standing committee of the *pourashava* (internal audit) within 3 months of the closing of the financial year; (iv) undertaking an annual interim assessment of property taxes and increasing collections by at least 10% each year; (v) achieving annual increases in nontax revenue income that are at least equal to the inflation rate; (vi) repaying in full all debts owed to government and other entities, according to schedule; and (vii) paying in full all outstanding bills, including electricity and telephone bills.

- **Administrative transparency**, including (i) developing an adequate staff structure (according to size and needs) with detailed job descriptions to enable the *pourashava* to undertake its current and future obligations effectively, (ii) training elected representatives and executive personnel, (iii) submitting timely progress reports on UGIAP implementation and other activities to the project management office, (iv) establishing and activating standing committees at *pourashavas*, (v) performing quality assurance of infrastructure works and involving regional LGED offices, and (vi) initiating e-governance activities.

*Pourashavas* that do not achieve even the minimum performance ratings at the end of phase 2 will not be permitted to graduate to phase 3. They will receive no further funding and will be dropped from the project.

Achieving the *minimum* performance ratings in phase 2 will allow a *pourashava* to graduate to phase 3 and receive another 25% of its investment allocation.

Fully satisfactory performance in phase 2 will entitle a *pourashava* to the remaining 50% of its funding allocation from the project. In addition, it will be eligible for additional funds for infrastructure investments from the unused allocations of *pourashavas* that have not achieved the minimum or achieved only the minimum performance in their phase 2 milestones. The disposition of these unused funds will be decided by the project management office and ADB after phase 2 evaluations.

UGIIP-2 puts emphasis on enhancing the *pourashavas'* performance in tax collection. The project requires each *pourashava* to carry out an annual reassessment of the holding tax and to increase collection by more than 5% annually (up to 80% collection efficiency) to stay in the project and move to phase 3. Nonperformers will be dropped from the project. This rigorous

requirement has stirred the *pourashavas* to action and set off a competition to do even better, resulting in the increased collection of property taxes and license fees of businesses operating in the municipal areas.

ADB's senior project officer, Md. Rafiqul Islam, assesses the performance-based allocation strategy as follows:

*The resource allocation is conditional on compliance with a set of performance targets relating to citizen participation, improved capacity, and better service delivery. The municipalities are now practicing discipline. Municipal development plans have been prepared, and tax collection has substantially increased, from an average of 30% to around 80%. Staff salaries are regularly paid. Accounting and billing are computerized. Annual budgets and development subprojects are discussed and endorsed by citizens. Citizens are now happier than ever before.*

### **The Improving Conditions in UGIIP-Supported *Pourashavas***

At present, Bangladesh has 316 *pourashavas*, statutory bodies that are meant to serve their residents with better streets, sanitary latrines, pure drinking water, street lights, and efficient management of garbage and poverty reduction programs for the poor.



Municipal office of Tongi, a *pourashava* covered by UGIIP

Abir Abdullah

With the support of the UGIIP and its development partners, 65 *pourashavas* (30 in UGIIP-1 and 35 in UGIIP-2) are blazing a new path, gradually transforming themselves into competent entities that are responsive to the needs of the community, accountable for their actions, and transparent in their activities.

The *pourashavas* supported by the UGIIP are showing the way for other municipalities outside the project. Their efficiency in tax collection has improved a great deal, as their staff have been trained to use computers in issuing trade licenses and water bills. The streets in these *pourashavas* are cleaner, with trucks procured with project funds collecting garbage from homes. Community residents in these project *pourashavas* are more aware of their responsibilities and eager to visit their *pourashava* local governments to express their opinions.

What have these improvements meant to ordinary citizens?

Following are the perceptions of *pourashava* residents themselves as gathered through (i) a comprehensive evaluation of UGIIP-1 participating *pourashavas* to determine the effects and impact of the project on urban governance and infrastructure improvement, and (ii) field interviews done to gather data for this booklet. The evaluation study also involved consultations with a sample of residents from the participating *pourashavas* and comparisons of their current perceptions with baseline studies done before the start of UGIIP-1 in 2003.

**Income improvements.** Compared with the assets they possessed during the baseline survey period,

respondent households claim that they now have more assets. Household incomes have likewise increased and the increase is attributed mainly to the improvements in urban infrastructure facilities brought about by the UGIIP interventions. The evaluation found that 56% of respondent households considered their income sufficient to meet household expenses, an increase of six percentage points over the 50% of households that told the baseline survey staff that their income was sufficient for household needs.



Abir Abdullah

Mala Rani Das, 45, makes brooms with the Tk20,000 she borrowed from Bhairab municipality under the slum development component of UGIIP.



### Box 1: Case Studies on Microfinance

In one of the slums, Mala Rani Das, 45, was shaping a cleaning stand with long, thin sticks gathered from coconut tree leaves. With help from her husband, she makes enough stands to earn her Tk200 (\$2.40) a day. That takes her monthly income to Tk6,000 (\$73), more than the monthly wage of an average industrial worker in Bangladesh. Rani is a member of a 15-member, women-only credit group whose objective is to help its members get small loans provided by Bhairab *pourashava's* poverty reduction program. The amount of loans for a person ranges from Tk5,000 (\$60) to Tk50,000 (\$602) depending on the borrower's repayment record.

There are 1,800 poor families covered by the poverty reduction program in Bhairab, says Syed Ahaduzzaman, the slum development officer. Rani's family is among them and she has recently taken out a new loan of Tk10,000 (\$120) to expand her business.

In another part of town, on the banks of the Meghna River, Safia Akther, 45, is rearing a cow she bought 4 months ago at a cost of Tk10,000 (\$120), and in the next 3 months she hopes to sell it for at least Tk50,000 (\$602). Any other expenditure, over and above the money from the loan? "My labor only. I collect grass for the cow from the riverside near my house." Akther borrowed the money under the *pourashava's* small loan program, which helps poor people start small businesses so they can pull themselves out of poverty.

"This is amazing. This is happening in a country where a large number of people live on only \$2 a day," says Md. Shahin, the mayor of Bhairab. One of the mandatory provisions for getting the loan is that each borrower must deposit Tk30 (36 cents) a month in a savings account at a state-run bank, to be returned on demand to meet any emergency of the borrower. The loan carries an interest rate 15% lower than what the commercial banks charge, and no installment is to be paid in the first month.



Abir Abdullah

Safia Akther, 45, with the cow she bought with the money borrowed from Bhairab municipality under the UGIIP

**Improved living conditions.** As many as 95% of respondent households said that they draw water from a nearby water supply source or pipeline that has been constructed by the *pourashava*. Eighty-five percent of respondents stated that the water quality is good and in sufficient quantity.

According to 75% of survey respondents, road surfaces are good. Drains are likewise well maintained by *pourashava* workers.

More than 90% of sample respondents claimed to use sanitary latrines, a remarkable improvement over reported usage during the baseline survey period.

These sanitation improvements are also partly due to the government's goal of 100% sanitation coverage by 2013. At the same time, 90% of respondents considered the condition of their latrines either good or satisfactory. These improvements have likewise been attributed to the UGIIP interventions.

Most respondents reported that they dispose of their household wastes in dustbins placed by the *pourashavas* in selected places. This is in contrast to the findings of the baseline survey that only 10% of survey households used garbage bins. Evaluation respondents mentioned two important benefits from the use of the dustbins for solid waste disposal. The first benefit is getting rid of the bad smell from rotting garbage. The second is getting rid of the flies and mosquitoes that used to accompany the open garbage. Significantly, 70% of respondents are prepared to pay for solid waste collection services in the future, if required.



Abir Abdullah

A slum dweller collects water from a tube well built by Narayanganj municipality under the UGIIP.

## Box 2: Better Quality of Life

In Narayanganj, an industrial river port city, UGIIP has transformed overcrowded slums into clean residential blocks of brick houses. Dirt, mud, and garbage that used to pile up along the overflowing drains are long gone. Even though the streets in the slums are still narrow and overcrowded, these are now made of concrete and the drains are covered with slabs so smooth that children can play games like cricket on them. The Rishipara slums stand beside a canal and are connected with the main streets by several small bridges. There are latrines and street lights, once considered luxuries for poor people.

Farther northeast from Narayanganj is Bhairab, another river port town with a population of 130,000, nearly one-third of them living in 24 slums. Most of the slum dwellers depend on odd jobs such as repairing shoes, cleaning the streets, or running small convenience shops. Before the UGIIP came, the slums were clusters of mud-and-straw huts with no sanitary latrines, no supply of pure drinking water, and no schools for the children. With no regular jobs, women in the slums would pass the time lazing around and sometimes pick quarrels with neighbors over trivial matters. Many lived by borrowing money at high interest rates from big money lenders, plunging themselves further into debt and misery.

Today, the slum dwellers have concrete homes to live in, with pure drinking water available from wells dug with funds made available by UGIIP, lights for the narrow but clean alleys, small loans for women, and schools for children—services unavailable in the country's many other small towns.



People queue up to pay their taxes at the municipal office of Tongi.

Abir Abdullah

**Improved tax collection.** In Faridpur, a UGIP-2 town, the *pourashava* council has formed several “Red Brigades” comprising officials and volunteers to go after defaulters and collect the outstanding taxes. The brigades are so named because the members wear red T-shirts during their campaigns.

“We serve notices to the defaulters and wait for 15 days to clear their dues,” says Faridpur Mayor Sheikh Mahtab Ali Methu. “We send the Red Brigades only when the defaulters fail to respond by the deadline.” Movable assets of the chronic defaulters are often seized as a collection tactic.

This measure, Ali says, is working. In FY2011, the rate of tax collection in his *pourashava* was only 60%. The rate had already increased to 65% by May of FY2012, which ended on 30 June. The tax collection rate was expected to rise further, up to at least 80%, as many people pay taxes on the last day of the fiscal year.

Tongi *pourashava*, a UGIP-1 town just outside the capital, Dhaka, is doing even better. The rate of collection of property taxes in this industrial town rose to 98% in FY2011, up from 11.5% in 1995. “Our tax collection has become more efficient. We are not going below 90%,” says Mayor Md. Azmat Ullah Khan. “We know that if we fall behind in meeting the performance criteria, we will be dropped from the project.”



Schoolchildren attend a class in a pre-primary school run by the Bhairab municipality under the UGIP.

Abir Abdullah

**Improved education services.** Bhairab *pourashava* has even more tales of accomplishment. It runs 25 elementary schools for free for about 15,000 slum kids, providing them with books, pencils, and other education materials.



In one of these schools in Madhya Rishipara, 36 boys and girls take lessons from their teacher, Archana Rani Sutradhar, also a slum resident. Under a tin-roof hut, the students learn about the alphabet, recite rhymes, and learn how to count.

On a hot summer day in June, the students greet a group of visitors with the chorus “Twinkle, twinkle, little star. How I wonder what you are...”

Binti, a 6-year-old, demonstrates her dancing skills while Sharif, a slightly older child, sings a song. “I want to be a doctor,” a shy Binti tells the visitors. Sharif says he will become a teacher. They are dreaming big, but their dreams are not impossible.

**Improved responsiveness to citizens’ needs.** Every UGIIP *pourashava* has prepared a citizens’ charter detailing the services it provides to the citizens, the location of the facilities, and the fees. The services must be listed on a large board put up in the *pourashava* compound and open to public view. The services available are also made known to the public through leaflets and small boards in different parts of the town.

Citizens’ complaints are now better heard and attended to. “I’ve come here to get a mistake in my birth certificate corrected,” says Abdul Halim, a college student in Tongi, a *pourashava* just outside Dhaka. “That has been done. My name is already in the computer database. So it was easy for the staff to fix the mistake,” he says with a smile as he leaves the neat and clean *pourashava* complex.

With the improvement in the amount and quality of services, community members are demanding even more from the *pourashavas*. “It is my *pourashava*. I belong to it



Abir Abdullah

Two men read the citizens’ charter that details the services offered by the municipality of Tongi to its constituents.

and so it is my responsibility to take care of it," says Tara Begum, a slum resident, at a TLCC meeting in Faridpur.

The grievance redress cell set up in each *pourashava* enables citizens to submit their complaints in writing. This cell also serves as an arbitration mechanism as elected representatives and *pourashava* officials must find early solutions for these complaints. Citizens feel encouraged to seek redress for disputes over land, business, or even family conflicts from the *pourashavas*

before going to court. "Around 60% of such disputes are now settled at the *pourashava* level," claims Chowdhury Fazle Bari, team leader of the UGIIP-2 governance improvement and capacity development consulting team, speaking on the basis of information his team has gathered from the participating *pourashavas*.

The ADB country director for Bangladesh, M. Teresa Kho, considers the UGIIP one of the best examples of a performance-based investment project. According to her,

*The project has inspired resource-constrained municipalities to improve service delivery through a substantial increase in local revenues and the participation of citizens. ADB feels encouraged as the government and other development partners (KfW, GIZ, and JICA) have cooperated to replicate this approach.*



Abir Abdullah

Women and men attend a town-level coordination committee meeting in Faridpur.

# Citizen Participation in the UGIIP

## Emerging Concepts of People's Participation

Community-driven development is a subset of the much broader community-based development approach, encompassing a wide range of projects that actively include beneficiaries in their design, management, and implementation. ADB defines community-driven development (CDD) projects as having five key elements:

- They are community focused: the target beneficiary, grantee, or implementing agent is some form of community-based organization or representative local government.
- They involve participatory planning and design.
- The community has direct control over key project decisions, as well as the management of investment funds and other resources.
- The community is involved in implementation through direct supply of input, labor, or funds, or indirectly through management and supervision of contractors or operation and maintenance functions.
- CDD projects employ community-based participatory monitoring and evaluation to ensure downward accountability to the community.



Abir Abdullah

Community members take an active part in the construction of a small road over a drain in a slum in Bhairab.



CDD has much in common with social accountability, which is an approach to building accountability through civic engagement—that is, actions taken by ordinary citizens and their organizations to exact accountability from government. The objective of social accountability is to monitor government conduct and performance, and hold public officials accountable, as the latter use public resources to deliver services, improve people's welfare, and protect people's rights.

Both CDD and social accountability aspire to the important development outcome of enhanced democratic governance and improved service delivery to citizens, especially to the poor.

Ensuring public accountability is a two-step process. First, the state needs to have a clear understanding of what its citizens want. For this to happen, citizens must be able to draw on the political process to hold the state (policy makers and politicians) to account. This relationship is referred to as *voice*. The state, in turn, acting as the representative of the people, must be able to transmit these demands to the actual provider of services and ensure that the providers perform their functions effectively. This relationship is known as the *compact*.

Accountability is ensured when the policy makers can accurately reflect the voice of their constituents to the service providers and manage to create incentives that motivate the providers to follow the voice of their constituents accurately and conscientiously.

Today, there is increasing recognition of the inherent limitations of traditional accountability channels and growing acknowledgement that citizen engagement with the state—that is, citizens acting as “watchdogs”

of government actions—plays an important role in strengthening responsiveness and accountability in service delivery.

More recently, however, a number of citizens' actions have questioned this separation between the state and society. Their experience suggests that accountability is best obtained in “co-governance” spaces that blur the boundary between the state and society. Citizen groups in various parts of the world are experimenting with the approach of inserting themselves more directly into the core functions and everyday workings of the state apparatus, monitoring the latter's previously opaque operations, and influencing policy from the *inside*.

The UGIIP represents yet another experience in co-governance. In this instance, citizens become involved in development planning and in the monitoring of the actual delivery of public services, thus breaking state monopoly over an area that previously belonged exclusively to the government.

### Citizen Participation in the UGIIP

The mayor of Tongi *pourashava*, Md. Azmat Ullah Khan, is a busy man, sitting in his office surrounded by ordinary men and women for whom the mayoral office is always open. During the interview, Khan was signing a number of certificates of birth and citizenship, and family succession testimonials needed for land deeds.

“So many things have changed here,” says Khan, showing a poster that is used to remind citizens it is time to pay their municipal taxes. “Where before we were the ones reaching out to the community, now it is the community people

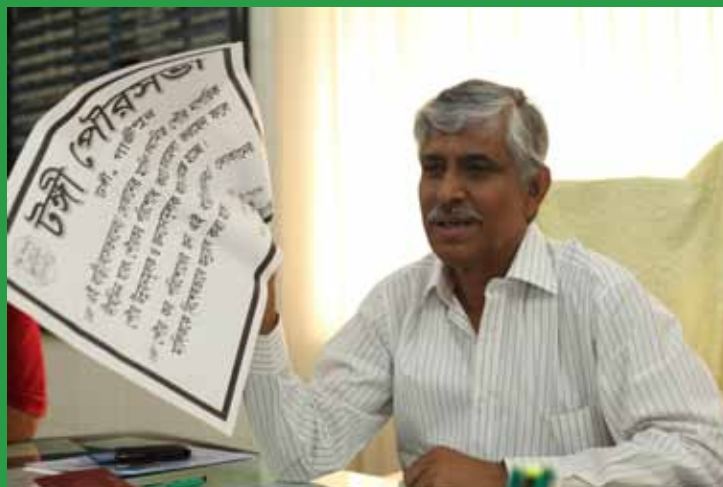


who are coming to us. It's really becoming the place to be," he says, nodding toward two middle-aged women who have come to ask the mayor to attend their family meeting and settle land disputes among the siblings.

Khan, who is also the president of an association of the country's mayors and councilors (the Municipal Association of Bangladesh), says the key to the success of UGIIP-2 lies in the participation of the community. Three grassroots bodies organized into a three-tier structure are actively involved in preparing, implementing, and supervising the *pourashava* development plan and its processes: the community-based organization, the ward-level coordination committee, and the town-level coordination committee.

**Community-based organization.** Citizen participation starts with the community-based organization (CBO), which usually comprises 200 to 300 families in a locality. The UGIIP-2 has already formed a total of 1,750 CBOs in the 35 participating *pourashavas*, or an average of 50 in each municipality.

The head of a family or a representative above 18 years is entitled to become a member of the CBO. The members elect a 12-member executive committee, one-third of which must be made up of women. There must also be representatives from the poor as they make up, on average, 30% of the *pourashava* population. The executive committee comprises five office bearers and seven members. Responsibilities are distributed among the members (there is a member in charge of drain and sanitation management, another for household solid waste disposal, another for cleanliness, etc.). The ward councilor in each ward advises the executive committee of the CBOs in that ward.



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Tongi Mayor Md. Azmat Ullah Khan, an advocate of UGIIP programs, shows a poster that reminds the community to pay property tax.



LGED

CBO formation meeting at Chandpur *pourashava*



Abir Abdullah

Women at a community meeting discuss social issues including the importance of paying taxes, and water and electric bills.



LGED

A CBO- owned van collects wastes at Kalapara *pourashava*.

While it is not mandatory, the mayor and the local ward councilor usually attend CBO meetings to know firsthand the problems that are raised and the decisions taken. The CBO—as the lowest grassroots organization—takes up social issues in its agenda, such as drug addiction among the youth and sexual harassment of schoolgirls, a common form of harassment. Preventing child marriage, reducing poverty, and giving women jobs (e.g., by providing them with sewing machines) are also included in the meeting agenda and activities of CBOs.

“In our last meeting, we adopted a resolution to conduct a mass awareness campaign to prevent child marriages,” says Sharmin Sultana, a member of the CBO in Ghorasal *pourashava*, a UGIP-2 railway town east of Dhaka. “We held several courtyard meetings attended mostly by women. Women at the meetings agreed that child marriage is not good for the society.” In Bangladesh, the legal age for a boy to marry is 21 years while for girls, it is 18. However, marriage below the legally permissible age is common, especially among girls.

Ghorasal Mayor Shariful Haq, who was also present at the CBO meeting, says “the CBOs play a crucial role in mobilizing the community members against social ills. We take the decisions made here seriously.”

The activities of the CBOs—who meet once every month—are well worked out: management of drainage and sanitation, management of household solid waste, management of clinical and marketplace waste, maintenance of community infrastructure, cleaning of streets, and supervision of street lights.

**Ward-level coordination committee.** The ward-level coordination committee (WLCC) meets every 3 months. Headed by the local ward councilor, the WLCC is the middle rung on the community participation ladder. The WLCC is a forum where community members can raise their local development and social issues more intensely.

At a WLCC meeting in Faridpur, another UGIIP-2 *pourashava* west of Dhaka, ward members raised the issue of waterlogging, poor garbage collection, and lack of pure drinking water. The ward councilor briefed the meeting participants on the progress made in solving the waterlogging problem and assured them that steps are being taken to address the other problems.

Women and the poor are strongly represented in the WLCC, which consists of not more than 10 members. Of these, four must be women and at least three members must be from the poor. A typical WLCC has the councilor of the local ward as its president, while the female councilor, who is elected from the seats reserved only for women, is its vice president. The members include representatives of civil society, professional groups, and the poor community. An assistant engineer or sub-assistant engineer (nominated by the mayor) is the member secretary for the WLCC.

**Town-level coordination committee.** The third and most important body is the TLCC, which has no more than 50 members. The TLCC is a unique entity because, unlike other local government bodies, its membership includes both government officials from the *pourashava* council and representatives of citizens' groups and other local stakeholders. This organization, which is headed by the mayor, is known as the parliament of the *pourashava*. All councilors of a *pourashava* sit in the TLCC, along with representatives from the district administration; Local Government Engineering Department; Department



Abir Abdullah

Members of the WLCC attend a meeting to discuss the development concerns of Faridpur.

of Public Health Engineering; Roads and Highways Department; Public Works Department; Ministry of Social Welfare; Department of Cooperatives; and Ministry of Posts and Telecommunications.

Most significantly, the TLCC draws a diverse membership from the public, ranging from the elite in the town to its slum dwellers. It is mandatory that one-third of TLCC members are women, while the poor in the community must be represented by at least seven members, including two women.

The business of the TLCC is serious. This is where the *pourashava* council—comprising the mayor and the councilors—are held accountable for their performance. However powerful and popular the mayor and the councilors may be, they are answerable to the people who elected them.





Dr. Selina Hayat Ivy, mayor of Narayanganj and key person running the UGIIP

This is also the forum where the community people get a sense of ownership of their own town. They come to know that the town belongs to them and that they are also responsible for keeping it clean and doing everything possible to prevent waste and pilferage. These all have been done to improve governance and enhance the performance of the *pourashavas*.

UGIIP has injected new zeal into the *pourashavas* and brought them closer to the community. As Salina Hayat Ivy, the popular mayor of Narayanganj City Corporation (a *pourashava* when the UGIIP was launched), puts it: “UGIIP has built a bridge between the *pourashava* and its residents.”

### Box 3: The Town-Level Coordination Committee—Parliament in a Small Town (A Case Study)

The meeting begins with everyone introducing himself or herself. The mayor takes the lead. “I’m Sheikh Mahtab Ali Methu, the mayor of Faridpur, presiding over today’s meeting.” Then, the 50-odd men and women attending the meeting of the TLCC state their names and what they do.

The TLCC meeting, which was called to discuss the draft budget of the 143-year-old Faridpur *pourashava* for FY2013, has brought together the town’s elite, along with commonly ignored residents like Tara Begum, a woman from the slums. Also present at the meeting are college teachers, women’s rights activists, development workers, town councilors, businessmen, journalists, and lawyers.

The secretary of the *pourashava* makes a PowerPoint presentation detailing the minutes of the last meeting for approval. After making a few changes, the participants unanimously adopt the minutes and then proceed to the main agenda of the day: the draft budget.

The mayor tells the group that the *pourashava* is building two shopping centers in the town and that women will have priority in the allotment of the stores. He expresses appreciation for the committee’s earlier endorsement of his plan to form Red Brigades to collect taxes (mostly property taxes) from defaulters. The move has helped increase the tax collection rate, which is now hitting 75%, up from 70% in 2011. “We hope to raise the rate to 90% by the end of June, when most people pay their taxes,” says the mayor.

Before the TLCC approves the Tk1,200 million (\$14.4 million) budget with some amendments, Asma Akhtar Mukta, a development worker, draws the attention of the mayor to an earlier promise that shopping centers in the city will have separate toilets for women. She wants to know if any progress has been made in this regard.

“We have built toilets for women in some of the shopping centers,” says an apologetic mayor. “Others are in the pipeline.”

“I’m happy that I’ve got my answer,” says Mukta. “This is a good example of accountability.”



# Policy Reform and the UGIIP

## The Policy Context of *Pourashava* Governance before the UGIIP

To bring about more balanced urban growth and ease the pressure on the resources and infrastructure of the bigger cities, the development of *pourashavas*, the secondary towns that hold about 40% of the urban population—is of prime importance. *Pourashavas* have the potential to improve living conditions, economy, and infrastructure—in short, an alternative destination for those who would otherwise migrate to larger urban centers.

Despite the rapid urbanization in Bangladesh during the last few decades, very little attention has been given to increasing the capacity of the urban local bodies to deal with the emerging problems. As a result, most *pourashavas* are severely deficient in basic infrastructure and services and clearly unable to keep pace with rapid urbanization.

Before the Local Government (*Pourashava*) Act of 2009, the municipalities of Bangladesh were administered under the legal framework of the *Pourashava* Ordinance 1977. The ordinance had no specific provision for encouraging the participation of community or citizens' groups in the planning and decision-making processes



Abir Abdullah

A new road built by Narayanganj municipality under the UGIIP

of municipalities. Instead, the municipality was governed by an elected chair and ward commissioners, who constituted the *pourashava* council. However, since the ward commissioners were not directly given any powers under the ordinance, the chair was the supreme decision-making authority.

Earlier assessments before UGIIP-1 had established the following key issues and challenges of *pourashava* governance:

- **Pourashava-level weaknesses** related to (i) concentration of powers in the chairperson, (ii) weak staffing and capacities (with vacancies in staff positions as high as 30%), (iii) poor revenue recovery, (iv) overdependence on meager national government grants, and (iv) persistent neglect of operations and maintenance.
- **Inadequate finances**, because of (i) inadequate investments at the *pourashava* level that are not commensurate with demand for infrastructure, (ii) lack of proper long-term and municipal-wide investment planning, and (iii) overwhelming dependence on national transfers that are inadequate and not responsive to local needs.
- **Lack of policy and physical planning.** Urban development policy and programming have not been clearly laid out, leaving *pourashavas* without direction. Earlier efforts to prepare land use and services master

plans have been discontinued, resulting in unplanned, uncontrolled, and unregulated development.

- **Lack of national support for pourashava strengthening.** The control exercised by the national government over *pourashavas* in terms of finances, staffing, and powers relegates the latter to the subsidiary role of de-concentrated bodies working as agencies of the national government rather than as elected local governments.

In response to the above issues, ADB provided technical assistance support in UGIIP-1 for a group of six national consultants to support the high-powered Committee on Urban Local Governments, which was formed in February 2004 with the minister for local government, rural development and cooperatives as its chair. Members of the committee included political leaders of *pourashavas* and city corporations, senior government officials, and representatives of professional organizations. The activities of the committee included, among others, the preparation of the National Urban Sector Policy, the review and revision of the 1977 *Pourashava* Ordinance, and the examination of other critical issues related to sustainable urban development.

The consultants helped the ministry draft a revised *Pourashava* Ordinance, which eventually became the *Pourashava* Act of 2009, and the draft National Urban Sector Policy. UGIIP-2 is monitoring the finalization of the National Urban Sector Policy, which is expected to be approved within a few months.

## The Broader Influence of the UGIIP

### Local Government (*Pourashava*) Act of 2009.

Soon after assuming office following a landslide election victory in 2009, Prime Minister Sheikh Hasina's government enacted the Local Government (*Pourashava*) Act 2009 to further strengthen local government institutions. The new local government act was one of the recommendations made by the Committee on Urban Local Governments that was supported by ADB technical assistance provided in support of UGIIP-1.

A number of provisions of the 2009 law reflect the experience gained in the implementation of UGIIP. The most important of these provisions is the recognition of the concept of participation by citizens and communities through the TLCC and the WLCC. In the new law, citizen participation in government committees has become a statutory requirement. This model of citizen participation is now being emulated in non-UGIIP *pourashavas* and in projects funded by other foreign donors, such as the Japan International Cooperation Agency and the World Bank.

"The institutional arrangements for community participation in the affairs of *pourashavas*, which were pioneered by the UGIIP, have now found recognition and a place in the Local Government (*Pourashava*) 2009 Act," says Tongi Mayor Md. Azmat Ullah Khan. "It is encouraging to see that the project is having an impact on the policy reforms being undertaken by the government."

**Inclusion of other *pourashavas* in UGIIP-2.** UGIIP-2 contains a provision that allows, after an evaluation of the phase 2 performance of the existing 35 project municipalities, the inclusion of new municipalities if there are funds that have been de-obligated from the original allocation of nonperforming and poorly performing project municipalities. Because of the widespread recognition of the successful performance of the UGIIP, more than 100 municipalities have been motivated to apply for entry into phase 3 of UGIIP-2. Even if their applications are still pending, these new municipalities have begun to implement the provisions of the UGIAP within the limits of their current capacity,



Abir Abdullah

Members of the town-level coordination committee discuss the municipal budget for FY2012–2013.

with specific focus on building citizen participation through the town-level and ward-level coordination committees and community-based organizations, and the computerization of all accounting records, tax records and billing, trade license records, etc. Since 2003, UGIIP and the World Bank–assisted Municipal Support Project have been supporting LGED efforts to provide training and capacity development of *pourashavas* in the scope and mechanics of the UGIAP, thus influencing almost all the *pourashavas* in the country.

**Other development efforts.** The success of the UGIIP approach has come to the attention of other development partners. The World Bank’s technical assistance team for the preparation of Municipal Support

Project-2 has shown interest in introducing a “*Pourashava Development Plan*” in its upcoming urban sector project. JICA has gone one step further: it will introduce the UGIAP strategy of UGIIP-2 in two upcoming projects with LGED. The Department of Public Health Engineering has also adopted the UGIAP in an ongoing ADB-assisted water supply and sanitation project. The Ministry of Local Government, Rural Development and Cooperatives has already issued an official order establishing town-level and ward-level coordination committees in all *pourashavas* in the country and making these functional in accordance with the UGIIP approaches of ensuring the participation of stakeholders and citizens, including representatives of women and the poor.



# Lessons Learned

The UGIIP has brought about many changes in the ways that *pourashavas* are run in Bangladesh. The governed—not only the wealthy but also the slum dwellers—now have a say in the planning, implementation, and monitoring of development programs. This paradigm shift in the governance of the UGIIP-assisted *pourashavas* is now being emulated by many other *pourashavas* not covered by the UGIIP.

According to Salina Hayat Ivy and Azmat Ullah Khan, “it will now be difficult to break away from this new practice and keep the community at bay. The new system has now gained an inherent strength that will sustain the good work and encourage policy makers to make more pro-community reforms.”

The following are the major lessons from the implementation experience of the two phases of the UGIIP:

- The principal achievement of UGIIP is that it has proved that a performance-based project design can indeed be implemented, as evidenced by the overall satisfactory response of the participating *pourashavas* to performance-based project rules. Therefore, the transformation of project rules from infrastructure provision to governance-led infrastructure provision is indeed possible and desirable. This sets out a significant change in governmental fiscal relations relating to urban development and management.



Abir Abdullah

A new bridge built by Tongi municipality under the UGIIP



Sheikh Mahtab Ali Methu, mayor of Faridpur, monitors the construction of a drain.

- The governance improvements sought to address a wide range of areas simultaneously—from participation to financial to administrative. The design of the urban governance improvements was innovative even in the wake of pre-committed resources to the *pourashavas*. Stakeholders agreed to the governance milestones and some even welcomed these as an opportunity to correct their shortcomings.
- Governance-led infrastructure provision needed the support of good-quality and timely capacity-building input. It was also demonstrated that the front-loading of capacity development helps greatly in enhancing the preparedness of the *pourashavas*.
- The considerable quantitative progress achieved in a relatively short period of time showed that it is possible for the *pourashavas* to adapt to a new body of practice in a short period of time. This was not without

its difficulties but, in many cases, *pourashavas* were able to complete the activities and reach the milestones.

- The performance of *pourashavas* was particularly good and durable in areas where indicators were objective and indicative of achieving the expected output. For instance, financial measures were easy to comprehend and measure for both the *pourashavas* and the project performance evaluators. This also suggests that performance milestones need to be as output-oriented as possible.
- *Pourashavas* took greater ownership and interest in areas where their legitimacy and performance of core functions in the local public eye improved more immediately. They were less enthusiastic in areas where visible quick wins were not as obvious. For example, convening TLCC meetings is a high-profile activity that easily caught the imagination of *pourashava* leadership. On the other hand, leaders were less passionate about the preparation of base maps, despite their critical importance for sound development planning.

Md. Nurullah, superintending engineer (urban management) of LGED, summed up the lessons learned from UGIP when he said, “the concept has already become an urban development model for its effective implementation and acceptance by the development practitioners, municipal authority, civil society, and urban dwellers. What has made the project a beauty are governance improvement, citizen participation and sustainability. Obviously, the model can be replicated in other densely populated countries with a cultural context similar to that of Bangladesh.”

# Closing Remarks

The project is not without its challenges. While the performance-based strategy has made *pourashavas* more competitive in mobilizing their own resources and lessened dependence on the central government, mayors interviewed for this booklet realize it will be a tough job to keep the momentum going, especially if foreign funding stops.

For now, however, the gains of the project are unmistakable. As 90-year-old Surjo Moni, who first came to the slums in Narayanganj *pourashava* as a 15-year-old newlywed, recalls:

My memory is fading, but I still can remember the day when I first arrived as a bride. It was a rainy day and the streets were overflowing with muddy water. It was so difficult for my in-laws to find a dry place where I could stand for the wedding rituals.

Before UGIIP-1 came to her slum, Moni and her fellow residents had great difficulty collecting safe drinking water. Even when she was 89 years old, Moni was still forced to walk to a canal running beside her slum to collect water for washing clothes and utensils.

She used to send her children some blocks away to collect drinking water from tube wells, the only sources of safe water.

Moni, with her family of 16 children and grandchildren, lived in a garbage-infested shanty house until recently, when the *pourashava* council began implementing its UGIIP project to develop the slum. The *pourashava* now has a permanent slum development officer who supervises the area to ensure that residents have a regular supply of pure drinking water. Moni says:

I want to forget those days. Today we are happy to get drinking water from tube wells installed by the *pourashava* people. Earlier we used to get sick with diarrhea, typhoid, and jaundice because of drinking polluted water from the canal. Today, we drink tube well water and such diseases are rare.

## **The Urban Governance and Infrastructure Improvement Project in Bangladesh**

### **Sharing Knowledge on Community-Driven Development**

The project responds to the growing need for infrastructure and service delivery for the rapidly increasing urban population in Bangladesh by building the capacity of resource-constrained *pourashavas* (municipalities) to deliver services, and by increasing community participation in decision making and subproject implementation, a common element of the community-driven development approach.

This booklet presents the project's key features and its impact on *pourashavas* and the lives of ordinary people. It discusses how the performance-based fund allocation strategy has proven to be effective in improving the *pourashavas'* capacity for service delivery, increasing citizen participation, and inspiring the Bangladesh government and other development partners to join ADB in replicating the approach.

### **About the Asian Development Bank**

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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6 ADB Avenue, Mandaluyong City  
1550 Metro Manila, Philippines  
[www.adb.org](http://www.adb.org)  
Publication Stock No. ARM124937

August 2012



Printed on recycled paper.

Printed in the Philippines