

**A STUDY ON UNION PARISHAD
FOR
STRENGTHENING LOCAL GOVERNANCE IN BANGLADESH**

By

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GIFT

A thesis submitted to the University of Dhaka, Bangladesh
for
the degree of "Master of Philosophy (M. Phil)"

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Dedication

My Respectable Parents

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A. S. M. Humayun Kabir
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ACRONYMS AND ABBREVIATIONS

AC (Land)	Assistant Commissioner (Land)
ADC	Additional Deputy Commissioner
ADLG	Assistant Director Local Government
AVP	Assistant Vice President
BIRD	Bangladesh Academy for Rural Development
BRAC	Bangladesh rural Advancement Committee
CAG	Comptroller and Auditor General
CARE	Cooperative for American Relief Everywhere
CEO	Chief Executive Officer
DC	Deputy Commissioner
DDLG	Deputy Director Local Government
DRICC	District Rural Infrastructure Construction Committee
EU	European Union
FAO	Food and Agricultural Organization
FY	Financial Year
GO	Government
GOB	Government of Bangladesh
GP	Gram parishad
ILO	International Labour Organization
JAICA	Japan International Cooperation Agency
KOICA	Korean International Cooperation Agency

LGD	Local Government Division
LGED	Local Government Engineering Department
LGI	Local Government Institution
LGRD	Local Government and Rural Department
LIC	Learning and Innovation Component
LGSP	Local Government Support Project
MJSS	Manikganj Janashankka Shmitokaron Samitee
MOLGRD&C	Ministry of Local Government, Rural Development and Co-operatives
MORR	Ministry of Relief and Rehabilitation
MP	Member of Parliament
MJL	Mobil Jamuna Limited
NGO	Non Government Organization
NGDO	Non Government Development Organization
OECD	Organization of Economic Cooperation and Development
PDO	People's Development Organization
PDR	Public Demand Recovery
PIC	Project Implementation Committee
PIO	Project Implementation Officer
PP	Pilot Project
SDC	Scandinavian Development Countries
SDO	Sub Divisional Officer
SLGD	Sirajganj Local Government Development
SLGDP	Sirajganj Local Government Development project
SLGDFP	Sirajganj Local Government Development Fund project
TDC	Thana Development Committee
TR	Test Relief
TOR	Terms of References

TRP	Thana Rolling Plan
TOT	Training of Trainers
UFT	Union Facilitation Team
UNO	Upazilla Nirbahi Officer
UP	Union Parishad
UN	United Nations
UZP	Upazilla Parishad
URICC	Upazilla Rural Infrastructure Construction Committee
UNDP	United Nations Development Program
UNCDF	United Nations Capital Development Fund
UNICEF	United Nations International Children Emergency Fund
UDCC	Upazilla Development Co-ordination Committee
UZDCC	Upazilla Development Co-ordination Committee
VGD	Vulnerable Group Development
VGf	Vulnerable Group Feedings
VGDP	Vulnerable Group Development Project
WB	World Bank
WDC	Word Development committee
WFP	World Food Program
WHO	World Health Organization

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Chapter 1
INTRODUCTION

Chapter 1

INTRODUCTION

I. Background:

Local governments are Quasi-sovereign agency within the state. Like other units of government, local government units possess a defined area, a population, an organization and also the authority to undertake and the power to perform public activities. Within its territory, a local government unit tries to meet expectations and seeks opinion of the people in regard to local affairs. It enables them to choose their representatives to take care of local affairs on their behalf.

However, it would not be correct to say that the local government shares any part of the political sovereignty of the state or the legal sovereignty of the government, within the state. Though the word 'government' is used for this politico-administrative organization, it is not government in the sense of a legal sovereign by means. It is a semi-autonomous politico-administrative territorial organization, having come into existence in many countries as the result of decentralization of powers.

The goal of achieving "development with equity" may be facilitated by enlarging the scope, effectiveness and active involvement of local representative bodies in the development of rural areas.

Sometimes local government has been mistakenly considered an insignificant segment of the government. That this is far from the reality is borne by the fact that in industrialized countries, the number of civil servants at the local level is much larger than is commonly believed. Even in the developing countries like India, the number of local level employees is as high as 40 percent that of federal employees.

To avoid confusion, it is also necessary to distinguish 'local government' from 'local politics' and 'local administration'. Local politics is much wider term and cover a host of areas besides local government. On the other hand, local administration means implementation of decisions by not

only local government institution but also national/provincial government units operating at the field level.

II. Purpose of the Study:

The purpose of the study is to analyze the capability of Union Parishad, particularly, its financial condition for strengthening local governance.

III. Objectives of the Study:

1. Examine and analyze the existing system of Union Parishad.
2. Explore and identify the role and functions of Union Parishad and its linkage with central government, field administration and other organizations such as NGOs and community organizations.
3. Study and assess the financial situation in Union Parishad and its pattern of income and expenditure.
4. Recommendations and suggestions for strengthening Union Parishad as an effective institution for local governance.

IV. Importance of the Study:

Importance of local government is increasing day by day all over the world to solve local problems. Local government realizes local problems correctly, to observe its importance and follow ideal method to solve those problems. There is 4498 Union Parishad existing in Bangladesh. Each union comprises of some villages. Actually area of a Union is not very much larger. Usually it is possible for a Union Parishad to meet its problem. But presently Union Parishad does not capable to meet the demand of time. Inadequate and untrained man power, lack of real/local participation, poor budget, financial dependency of central government; it is not working according to its demand of age. Since it is very old local government institutions and its importance is increasing day by day, nonetheless it is not performing up to the expectations of people. So, strengthening of Union Parishad is extreme demand of the age and it is needed to be restructured for increase local participation and financial situation.

V. Methodology of the Study:

The following methods were adopted in preparing the study:

1. **Collection of Relevant Documents:** Relevant books, Articles, reports, government documents, ordinances, Acts, Rules, Regulations and Circulars were collected and reviewed.
2. **Case Study:** Three Case studies on three selected Union Parishads were carried out. These were namely Kamarkhali Union Parishad of Madhukhali Upazila under Faridpur district, Shodebpur Union Parishad of Kalihati Upazila under Tangail district and Choygaon Union Parishad of Bhedarganj Upazilla under Shariatpur district.
3. **Group Discussion:** Group Discussion was conducted with UP's Chairman, Members, female Members and with community people.
4. **The Field Visit:** Field visits were undertaken to gain insights and firsthand experience about implementation of projects /schemes in the selected UPs and other areas.
5. **Selection of UP:** Twelve (12) Union Parishads were selected through random sampling to know and analyze the income and expenditure of UPs. Six (6) Union Parishads from two Upazila of Gazipur district (nearer to the Capital of the country) and another 6 Union Parishads were selected from two Upazila of Sirajganj district. Table "A" presents the name of the sampled 12 Union Parishads from six Upazilas under 2 Districts.

Table A: The Sampled Area

SL. No.	District	Upazila	Union Parishad
1	Gazipur	Gazipur Sadar	Kashimpur
2	"	"	Mirzapur
3	"	"	Bashan
4	"	Kapashia	Chandpur
5	"	"	Ra'ed
6	"	"	Ghaghotia
7	Shirajgonj	Sadar	Kalia Horipur
8	"	"	Mesra
9	"	"	Saidabad
10	"	Kamarkhand	Johail
11	"	"	Zamtoil
12	"	"	Rai-Doulatpur

VI. Chapters of the study

The study consists of the following chapters:

Chapter One covers the Introduction.

Chapter Two discusses the meaning of local government institution.

Chapter Three focuses on the historical development of local government system in Bangladesh.

Chapter Four deals with the role and functions of Union Parishad.

Chapter Five discusses and analyzes the relationship of Union Parishad with different agencies.

Chapter Six presents an empirical analysis of Union Parishad finance, particularly its income and expenditure pattern.

Chapter Seven analyzes the three case studies regarding financial situation in Union Parishad.

Chapter Eight analyses and discusses the general observations of the study and highlights lessons learnt from Serajgonj Local Governance Development Fund Project.

Chapter Nine focuses general observations and recommendations.

Chapter 2
***THEORETICAL ANALYSIS OF LOCAL
GOVERNMENT***

Chapter 2

THEORETICAL ANALYSIS OF LOCAL GOVERNMENT

This chapter briefly discusses the meaning of local government institution, its attributes and various forms.

2.1. Meaning of Local Government:

In South Asia, local government is widely known as local self-government. This term is originated during the colonial times when most of south Asia did not enjoy any self- government, either at the central or provincial levels. At some point of time, a decision was taken by the British government to associate South Asians in administering local affairs. It meant a slice of self-government for the people. Today the term self-government has lost its old significance as all the seven countries of South Asia now enjoying self-government at the national level.¹

Duane Locker defines local government as a "public organization authorized to decide and administer a limited range of public politics within a relatively small territory which is a sub division of a regional or national government. Local government is at the bottom of a pyramid of governmental institutions, with the national government at the top and intermediate governments (states, regions, provinces) occupying the middle rang."²

This definition does not account the financial and legal status of local government nor does it specify its representative character.

The term local government normally refers to a political sub-division of a nation or state which is constituted by law and has substantial control of local affairs, including the power to impose taxes or exact labor for prescribed purpose. The governing body of such an entity is elected or otherwise locally selected.

¹ Siddiqui, Kamal(1994): *Local Government in Bangladesh*, University Press Limited, Dhaka, P-03

² Locker Duane: *An Article on Local Government in International Encyclopedia of Social Science*, Vol. Ix, (1968), P – 451.

The Encyclopedia of social sciences has identified five broad categories of local government. These are (a) federal decentralized system (b) unitary decentralized system, (c) Napoleonic prefect system, (d) communist system, and (e) post- colonial system.

Federal decentralized system: These federal systems which decentralize much authority to the regional governments that compose the federation also tend to be the nations that allow the broadest range of discretionary authority to local government.

Unitary decentralized system: In this category, unitary governments offer a considerable degree of decentralization of autonomous power to local bodies, despite supervision by the central government.

Napoleonic prefect system: In this system, the central government places agents in sub regions of the nation to oversee, and if necessary to countermand, suspend or replace local governments.

Communist system: In communist countries, local government generally represents deconcentration of authority rather than devolution. That is, a local government unit is, in reality, an agency of the central government and its functions as an integral part of the hierarchical administrative system of the state.

Post-colonial system: In this system, the legacy of colonialism is omnipresent. Thus the pre-existing system of local government, closely supervised by colonial officials and native subordinate administrators, has often reminded as the general pattern of local-central government relationship.

On the other hand, the U.N Working group of 1962 categorized four basic patterns of field administration and local government from the consideration of functions. These are: (a) Comprehensive local government system, in which most government services at the level are administered through multi-purpose local authorities and specialized agencies set up statutorily or

otherwise, (b) partnership system, in which some direct services are provided by field units of central agencies and others by local authorities, (c) dual system, in which technical services are administered by central agencies directly, while local authorities have autonomy to perform local services and also foster local development with little interaction between the two, and (d) integrated administrative system, in which central agencies directly administer all technical services, coordinating through a field coordinator or district coordinator of the central government, and the local organization, if any has little control over government activities or staff in the area. More than one of the four systems can be in operation in a country and each have its own advantages and drawbacks.

Finally, We shall define Local government essentially in terms of five attributes: Firstly, its statutory status; Secondly, its power to raise finance by taxation in the area under its jurisdiction; Thirdly, participation of the local community in decision making in specified subjects and in administration; Fourthly, the freedom to act independently of central control; and Lastly, its general purpose, in contrast to the single – purpose character of many autonomous bodies.

2.2. Attributes of Local Government:

1. Local government has legal entity and formed through an Act of legislature
2. It is an organization elected by the people for certain geographical area;
3. It has the power of administration and taxation over specific areas and has the right to manage their own affairs;
4. It is ultimately responsible to its electorate and subordinate to the national government.

2.3. What is Decentralization?

Decentralization is not easily defined. It takes many forms and has several dimensions. Indeed, this label encompasses a wide variety of institutional restructurings, and several variants may be operating at the same time within a country, and even within a sector.

Decentralization refers to the restructuring of authority so that it is shared between governing institutions at the central, regional, and local levels. Decentralizing government is thought to be conducive to good governance, although experience suggests decentralization alone has no guarantee. It can be a means to encourage participation in the public policy process and can hold governments more accountable for their actions. At the same time, decentralization enables local officials to take responsibility for economic and social development. For instance, decentralization can foster a more efficient use of resources if projects are locally conceived, and economic performance can be improved since local entrepreneurship tends to flourish in decentralized settings where there is often greater access to credit and information on business opportunities. Decentralized financial authority can improve the redistribution of tax revenues through more efficient collection thereby reducing income disparities among local communities.

There are several different approaches to decentralization: divestment, deconcentration, delegation and devolution.

- Divestment involves the transfer of planning and administrative functions to voluntary, private, or non-governmental institutions.
- Deconcentration customarily involves a very limited transfer of authority and financial management to local units such as district offices. These units are normally outposts of the central government, which maintains control over them.
- Delegation generally refers to the transfer of government decision-making and administrative authority to semi-independent local units who may still be legally accountable to the central government. Financial autonomy is not normally a feature of delegation.

I. Why Is Decentralization Happening?

In most countries decentralization reflects a broader process of political and economic reform (World Bank, 1997). Political changes worldwide have given voice to local demands and the need to bring economic and political systems closer to local communities. In some cases the very preservation of a national political system has required the decentralization of power. In addition,

technological changes and global integration of factor markets have changed the size of government needed to manage economic systems. On one hand, economic mobility has led to the creation of supranational bodies to manage the growing economic integration among nations. On the other, an increasing number of public services can be efficiently provided by decentralized (and often private) organizations (**World Bank, 1995**). For example, in metropolitan Buenos Aires the entire water and sewerage system is operated, maintained, and invested in by a consortium of private companies (Triche, Mehia, and Idelovitch, 1993). Finally, the collapse of central economic systems has encouraged regional and local government to participate in the political and economic process.

Decentralization is therefore not an end in itself, but the means through which government interventions can more effectively reach communities. The transfer of power from central to local governments is not merely a matter of general consensus. Local authorities who claim a greater degree of autonomy, financial autonomy in particular, must be able to demonstrate transparency, accountability, and the political will to deliver local services in a participatory manner.³

II. Political Decentralization and Administrative Decentralization:

Political decentralization means more participation from the common people and empowered them for the welfare of the state/country.

In some cases the very preservation of national political system has required the decentralized power. So, power should be divided among the common people for democratization and accountability of the government. A government may much popular to decentralize their power among elected local peoples.

Administrative decentralization means reduce workload to the central government and less important work should be vested on the local bodies.

III. Decentralization: A Complex Phenomenon:

Decentralization – the assignment fiscal, political, and administrative responsibilities to lower levels of government – is occurring worldwide for different reasons, at different paces, and

³ World Bank, (1998): *Rethinking Decentralization in Developing Countries*: Washington D. C.

through different means. The complexity inherent in the decentralization process is further aggravated by its crosscutting impact. For policymakers, who often have little control over the political genesis or pace of decentralization, the challenge is to implement it in a way that ensures the stability, efficiency and equity of the economic system.

2.4. Devolution:

Devolution of authority to autonomous local units of government is most commonly understood to be genuine decentralization. Under devolution, local units of government are autonomous, independent, and have legally recognized geographical boundaries. Central authorities exercise little or no direct control over these local units.⁴

2.5. Development:

"Development never will be, and never can be, defined to universal satisfaction"⁵

The term 'development' is frequently used with reference to the reform programs in the third world countries, encompassing almost anything and everything in their national life from industrialization, agricultural modernization and urbanization to mortality, curbing population growth and eradication of poverty. Development is an elusive concept. It means different things to different people. In the 1950s and 1960s the conceptual basis for development came from the dominant modernization paradigm. Development was often equated with modernization, industrialization, urbanization and westernization.⁶

The developing countries tried to utilize bureaucracy as the engine of development because in most case only the bureaucrats constituted the tangible social sector capable of undertaking development works. They believed that the process of development should be highly centralized one and guided by a central agency. All development projects should be coordinated and made to work under a central controlled agency.⁷

⁴ Ibid.

⁵ Independent Commission on international development issues (Under the chairmanship of Willy Brandt), *North-South: A Programme for Survival* (London, Pan Books, 1980), P – 48.

⁶ Siddiquee, Md. Noore Alam(1994), *Decentralization, Participation and Rural Development in Bangladesh: An Analysis of The Upazila System*, Manchester: Institute for Development Policy and Management.

⁷ Ahamed, Emajuddin et al. (1988), *Administrative Reorganization vis-a-vis. The Changes in Political and Economic Situation in Bangladesh*, JRP – Series No. 72, IDE.

More recently, the idea of development has been redefined and re-conceptualized. Development is no longer used as a term of 'economic development' as the thinkers of the 1950s and 1960s said, nor the 'fulfillment of basic needs' as the thinkers of the 1970s viewed. The concept of development as thought of now contains three specific goals: a) guaranteeing the provision of basic needs, b) the creation of employment opportunities, and c) the reduction of inequality in the society.⁸

Thus, Development is a complex phenomenon comprising many dimensions- social, political, economic, administrative and so on. According to Michael Todaro " Development as a multi-dimensional process involving changes in structures, attitudes, and institutions as well as the acceleration of economic growth, the reduction of inequality, and the eradication of absolute poverty."⁹

In sum, development has defined as a process of change, which improves the quality of human life. This process deals not only with the idea of economic betterment, but also with greater human dignity, self-reliance, security, justice and equity.

2.5. Governance:

Governance is viewed by UNDP as the exercise of economic, political, and administrative authority to manage a country's affairs at all levels and the means by which states promote social cohesion, integration, and ensure the well - being of their populations. It embraces all methods used to distribute power and manage public resources, and the organizations that shape government and the execution of policy. It encompasses the mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and resolve their differences.

I. Good Governance:

Good governance is characterized by an accountable government at the top, an independent judicial system, freedom of thought and expression, and all, freedom of choice for its citizens. Good governance is epitomized by predictable, open and enlightened policy making, a good

⁸ Hulme, D, and Turner, M. (1995): Administration, Policy and Development: A New Introduction Basingstoke: Macmillan.

⁹ Michel P. Todaro (1977): "Economics for Developing World" (London, Longman Group Ltd. P- 96.

bureaucracy imbued with professional ethos acting in furtherance of the public good, the rule of law, transparent process, and a strong civil society participating in public affairs. Good governance fosters strong, but sharply delimited states capable of sustained economic and social development and institutional growth. Good governance also implies a democratic structure, human rights and freedom of media.

Good Governance is much discussed topic now days. Governance is a precondition for the socio-economic development of a country. So, understanding good governance and practicing it in the individual's area of activity may contribute to the well - being of the people of a developing country.

Good governance therefore depends on public participation to ensure that political, social and economic priorities are based on a broad societal consensus and that the poorest and most vulnerable populations can directly influence political decision-making, particularly with respect to the allocation of development resources. Good governance is also effective and equitable, and promotes the rule of law and the transparency of institutions, officials, and transactions. These tenets of governance form the basis of UNDP's definition of governance, approved by its Executive Committee (Definitions' of sustainable human development and governance are taken from UNDP's Policy Document Governance for sustainable human development, January 1997). There are many actors - individuals, organizations, institutions, and social groups - essential for the elements of sound governance. Governance encompasses the state, but it clearly transcends it by including roles for both the private sector and civil society organizations. The state is generally defamed as including all political and public sector institutions. The state has particular responsibilities for the delivery of public services, the control and exertion of authority, and the establishment of an enabling environment for development at international, national, and local levels.

The private sector covers private enterprises active in the marketplace, such as manufacturing, trade, banking, and co-operatives, and includes activities of the informal sector. The private sector has a crucial role to play in sustainable human development since it is the primary source of opportunities for productivity, employment, income-generation, public investment, enterprise development, and economic growth.

Civil society lies between the state and the individual, comprising both individuals and groups interacting socially, politically, and economically. Civil society organizations facilitate public participation through social mobilization. The capacity of governments to engage civil society is critical to a nation's capability to sustain political and economic opportunities and social cohesion. Sustainable human development is impossible without the participation of a number of actors and institutions.

Five focus areas have been identified to facilitate UNDP's provision of comprehensive programme assistance to governance efforts in programmed countries. These areas are as follows:

- Governing institutions, which encompass the key political institutions of the state, including legislatures, legal and judicial systems, and electoral and human rights/ bodies;
- Public and private sector management, which focuses on institutions responsible for the management of economic transactions and social resources;
- Decentralization, referring to the distribution of the financial and administrative processes of decision-making and management of public program's among central, regional, and local levels;
- Civil society organizations, incorporating the numerous groups and individuals which can actively contribute to the public policy-making process and participate in the political, economic, and social affairs of the state; and
- Governance in special circumstances, addressing the particular needs of countries experiencing severe political, economic, or social crises and those countries undergoing transitions from centrally-planned to market-based economies.

One of the first major events undertaken after the launch of the UNDP Governance Policy was an International Conference on Governance for Sustainable Growth and Equity held in July 1997. UNDP convened the conference to examine the new demands being placed on nation states to build new international governance structures and standards. More than 1,100 delegates participated in the conference from most member states of the UN, including ministers and senior officials, parliamentarians, mayors and local government officials, representatives of civil society

organizations and the private sector, academics, representatives of bilateral donors, and UN agencies. The conference examined the changing role of the state, decentralization and local governance issues, and governance as it relates to poverty alleviation, gender equality, and environmental protection (see Report on the International Conference on Governance for Sustainable Human Development, UNDP, 1998).

II. Governance: A Basic Precondition for Sustainable Human Development:

For people to realize their potential and enlarge the scope of their choices, the social, economic, and political environments must reflect notions of security, participation, co-operation, equity, and sustainability. The term governance is commonly used to describe the processes that generate these conditions. In this way, governance and sustainable human development can be seen to be indivisible. Governance in the economic setting includes the processes that affect a country's economic activities and the relationships with the economies of other states. It clearly has major implications for equity, poverty, and quality of life. Governance in the political setting is the process of decision-making to formulate policy and laws, which in turn has ramifications for security, equity, participation and co-operation. Administrative governance, carried out through an independent and accountable public sector, is the system of policy implementation and has resulting consequences for the social setting. Encompassing all three, systemic governance relates to the processes and structures that guide political and socio-economic relationships.

The notion that governance is a prerequisite for sustainable human development was further examined in UNDP's 1997 document *Re-conceptualizing Governance: Discussion Paper 2*. The paper attempted to analyze the major realms of governance and the institutional landscape within which political, social, and economic activity takes place and the accompanying rules and organizational procedures. The discussion paper considered how the main parties to governance can help to attain sustainable human development.

2.7. Democratization:

The word "democracy" is over 2000 years old. It originated from the Greek words *demos* and *kratein*, which combined meant "rule of the people."

Through the years the word has been used in various ways, that now it is difficult to get agreement on a definition. Today, for example, "democracy" is commonly used to refer to two related but different things: (1) a political theory and (2) a form of government.

In the first case, we speak of philosophy or ideology, which esteems above all else human dignity and individual freedom. In the second case, we speak of a political system in which the laws regulating society are made by the people who are governed- or in the words of Abraham Lincoln, "government of the people, by the people, and for the people."

In any age the meaning of a word depends on its contemporary usage in spoken and written language. Today the term democracy is commonly used to denote a political system which is democratic in spirit but republican in form; that is a government in which the power of decision rests ultimately with the people, but in day-by-day affairs is wielded by elected officials. In modern usage, then, the terms democracy and republic have become virtually synonymous.

The successful functioning of democratic government involves much more than establishing appropriate offices and then holding elections. History has provided numerous examples of nations whose political systems were nominally democratic but which utterly failed to work and gave way instead to dictatorial government. The German Weimar Republic (1920-1933) for example, embodied all the devices of modern democratic government including a written constitution, provisions for universal suffrage, proportional representation, initiative and referendum, a strong executive, and a cabinet responsible to an elected legislature.

Democratizations mean a process or a way to reach ideal democratic system from autocratic and feudalism system.

2.8. Non Government Organization-NGO

From the beginning of seventeenth decade's private organization (NGO'S) are increasing in developed and developing countries. At present years, NGO's are actively participate different governmental management. Truly, NGO's gradually ahead with their experience and manpower.

NGO'S may be defined according to their preface, activities and their main principle.

In easy word, NGO'S mean any unprofitable welfare organization, which are associated with development, education or rules and regulation activities.

Taken literally, the terminology may be used to include any institution or organization outside the government, and as such, may include political parties, private and commercial enterprises, academic institutions, youth organizations even sports clubs, etc. But these are not the institutions which should be referred to by the terminology Non-government organization.

In fact the terminology includes all those organizations which are involved in various development activities with the objective of all alleviating poverty of the rural and urban poor. Such organizations are generally termed as development Non-government organizations to differentiate them from other organizations. Perhaps, a better nomenclature would have been Non-government Development Organization (NGDO) or people's Development Organization (PDO).

In Bangladesh, this terminology is used to refer to all such organizations and institutions that are registered with the Government under the Voluntary Social Welfare Agencies (registration and control) Ordinance of 1961 and the Foreign Donation (Voluntary Activities) regulations Ordinance of 1978.¹⁰

OECD defines NGO'S as an organization which is established and activated for the welfare of human being and unaided volunteering assistance with the help of personal manpower.

2.9. Participation:

Participation has been defined as involvement either of individuals or of groups, in economic and administrative processes, and making their own decisions, and calling for redistribution of control over resources and changes in the power structure in favour if those who live off their labour.¹¹ It refers to the involvement of the people in decision – making and implementation of development programmes, in sharing their benefits and also in evaluating such programmes. The value of participation lies in the fact that it allows the people decide upon and to take action which they believe are necessary for their own development.¹² Participation is also perceived to be beneficial for greater efficiency, effectiveness, self-reliance and sustainability of development activities. A

¹⁰ See Report of the Task Forces in Bangladesh Development Strategies for the 1960's. Managing the Development process. Volume Two – 1991, Page 373

¹¹ Chowdhury, A. N. (1989), *Let Grassroots Speak-people's Participation Self-help Groups and NGO's in Bangladesh*, Dhaka: University.

¹² Siddiquee, Md. Noore Alam(1994), *Decentralization, Participation and Rural Development in Bangladesh: An Analysis of The Upazilla System*, Manchester: Institute for Development Policy and Management.

descriptive definition of participation programmes implies the involvement of a significant number of persons in actions, which enhance their well being e.g. their income, security, or self-esteem.

The ideal conditions contributing toward meaningful participation can be discussed from three aspects: (a) what kind of participation is under consideration, (b) who participates in it, and, (c) how does participation occur. There are four components in participation that should be included in every rural development activity i.e. decision-making, implementation, benefits and evolution. Participation is, however, generally understood as process and not as some kind of static and product of development.¹³

The idea of people's participation in development means developing the potential of the hitherto neglected rural poor, enabling them to make decisions for their own, welfare, breaking away from dependencies, which suppress the creativity of the poor.

The development planners now favour participation; they want people to participate not only in sharing the fruits of development, but also in contributing to the process of development at every stage from planning to evaluation through implementation and monitoring.¹⁴ Planners are quite certain in their minds that without cooperation of the people, development goals cannot be achieved.

The real purpose of participation is to develop human capabilities for decision-making and action. Participation means a kind of local autonomy in which people discover the possibilities of exercising choice and thereby becoming capable of managing their own development.¹⁵

Basically, participation stands on the direct involvement of peoples in the process of administrative decision-making, policy formulation and policy implementation.

¹³ Oakley, Peter and David Marsden (1984): *Approaches to Rural Development and Participation*

¹⁴ Moris E, R. et.al(1976): *Strategies for small Farmer Development*

¹⁵ Mathur, H. M. (1985): "Participatory Development and Public Administration" *Administrative Change*, Vol. 12.

Chapter 3

*GROWTH OF UNION PARISHAD IN
BANGLADESH- HISTORICAL
PERSPECTIVE*

Chapter 3

GROWTH OF UNION PARISHAD IN BANGLADESH - HISTORICAL PARSPECTIVE

3. To understand the concept of the present Bangladesh Local Government system, it is necessary to look at its historical growth. Local Government system in Bangladesh developed through different periods of its history. We can classify the evolution of the local government growth in five different historical periods. such as –

1. Local government in Ancient period;
2. Local government in Mughal period;
3. British period;
4. Pakistan period; and
5. Bangladesh period.

This chapter attempts to describe and discusses the historical development of local government system in Bangladesh.

3.1. Local Government in Ancient Time:

Although the British create the modern structure of local government nevertheless in ancient and middle period a lot of local government system had existence in Bangladesh. Especially in village, village Panchayet had in existence as a local self-government organization. Villages of Bangla were cut off from rest of the world because of the communication system and for that reason they were self-sufficient. These self-sufficient villages were called "Little Republic" in the Word of Sir Charles Metakof. At that time alike modern state villages were administered by the head of the village that was elected by the common people of that community. Every village had self-sufficient and self administered in its own boarder. The elected representatives administered it to fulfill its own desire and they done it efficiently (I, e – to protect law and order situation, judgment, education and economic sectors). During the starting of Vidic period (1500 –1000 B.C) this character had remain in Gupta, Pale, Sena and Sultan periods.

3.2. Mughal Period:

In 1576, Bangladesh included to the Mughal regime and they turned it into a province named as "Suba Bangla". Mughal had a different culture and values from this country. They were isolated from the village people for a long period and they never intervene the activities of "Gram Panchayet". Mughals were in favour strong central administration and the administration was urban-based. In the system of local government credit of the Mughals goes to urban administration. They invented an effective way of collecting revenue from village to the center. In rural level the duty was upon 'Gram Panchayet' I, e., head of the village. He was bound to be accountable to the rulers for collecting and sending revenues whatsoever.

This character of Gram Panchayet creates so many contradictory opinions in case of democracy. Some opined the institutions were democratic in the infrastructure and in Taking decisions. On the other hand, some others think that in the then social structure of Gram Panchayet where so many levels were there, democratic policies could not be thought even.

3.3. British Period:

At the end of the mughal regime period the whole subcontinent including Bangladesh had been seen lawlessness and gradually the power captured by the East India Company. Such disorder situation local self government like Gram Panchayet had been weakened. After the Permanent Settlement Act, 1793 introduced by Lord Cornwallice which radically changed the land tenure system of the country. It created a new class of land owning Zamindars in our social system and abolished rest of the self-government system. This had been continued since 1857. The new Zamindars are not only responsible for collection of land revenue but also for the maintenance rural tranquility. As the system evolved the Zamindars failed to fulfill the obligation of rural administration.

After Sepoy mutiny 1857, people became the subject of torture and mal-treatment at the hands of Zamindars and law and order situation of Gram Bangla had rapidly discriminated. The British were anxious for that purpose. They felt for need of local authority and for that reason they declared Bengal village Chaukidari Act, 1870.

This Act tried to revive the old Panchayet system. Member of Panchayet and head of the village were appointed by the magistrate and to accept membership was mandatory. Otherwise they had been punished. This chaukidari panchayet might be called extended local administration, not local government and its aim was to control law and order situation. The Panchayet was given authority to appoint the village chaukidars and to assess and collect tax from the villagers to pay salaries of the chaukidars.

After 1857, in this subcontinent British rulers' attitude was conservative. But among these situation governor Lorance and Meo took initiative for local self-government in India. Lord Ripon totally realize to the need of local self-government. Ripon's Resolution on local self-government of 1882 explicitly stated its objectives – "it is not primarily with a view to improvement in administration that the measure is put forward and supported." For that reason Bengal local self-government Act 1885 declared. Under the Act three layers of local bodies came into operation, -

1. The District board in District,
2. The local board in a sub-division, and
3. The union committee in-group of villages.

The District board consisted of nine members, of who two third were elected and one third were nominated. Lt. Governor nominated the chairman of the board or elected by the members of the board subject to the approval of the Lt. Governor. The district board was the center point of administration.

The local boards were established at the sub divisional level. Number of members was at least 6 Persons. Two third were elected by vote and other were nominated. Chairman was appointed in the same manner like District Board. Local board had no power other than it had the supervisory power over Union Committee. In 1883 Kolkata Central Board constituted to supervise over the local Board activities.

In 1885 by enacting law Union Committee Constituted at Union level. Each union committee had 5 up to 9 members elected by villagers. Before 1914 there was no post for chairman. Union committee had power to impose tax. Union Committee and Chaukidari Panchayet were to work side by side in the same areas. For that reason, Union Committee's authority was not effective and very few Union had possible to Constitute Committee.

It was strongly felt the need of an effective and representative local government and for that purpose Morly-Minto report of 1909 was trying to execute. But peoples were not accepted the report and after that Montagu-Chelmsford report of 1918 was published. On behalf of this report the village self-government Act 1919 was pronounced. This Act brought important changes in the structure of local bodies. According to this Act, Chaukidari Panchayet and Union Committee were mixed up together and named Union Board. Abolishing local board two tiers of local government system was in positioned. Board President and Vice President were elected by member of union board. It was proved that the system of union board was very popular. Because up to in 1919 undivided Bengal had only 385 union committees after constituted union board this figure was radically changed. Step by step District Board had become more powerful. In 1885 to 1929 District Magistrate was Chairman of District board by virtues of his position. In 1921 District board, had given opportunity to elected their own Chairman of termination of British reign District board and union board was effective Considered Grameen Local government.

3.4. Pakistan Period:

The two-tier system of local self government introduced by the village self government Act of 1919 remained in force with some modifications till they were replaced by the Basic Democracies Order promulgated in 1959 by the martial law government of Ayub Khan. However, the East Pakistan government introduced universal adult franchise in the election of local bodies in 1956.

The Basic Democracies order in 1959 introduced 5 tiers hierarchical system of local self-government but later on the last one was abolished in 1962.

1. Union Council at the Union level;
2. Thana Council at the Thana level;
3. District Council at the District level;
4. Divisional Council at the Divisional level;
5. Two provincial developments Advisory Council for East and West Pakistan.

The basic Democracy system started full operation from 1962. The Union council and Thana council forming the rural local self-government structure but in effect the union council and district council formed the backbone of the Basic Democracy system.

The Basic Democracies Order was a retrogressive step as it again introduced the nominative element in the composition of the bodies; only the Union council had an elected chairman. The Divisional commissioner, the Collector and the SDO were the ex-officio chairman of the Divisional, District and Thana councils. The most corruptive effect was the use of the Basic democrats (members of the union council) as the members of the Electoral College for electing the president.

Even independent Pakistan could not do away with the hierarchy of local government, which is antithetical to self-governments, and the preoccupation with excessive government and official controls. The change in the nomenclature of the bodies with almost similar functions as before implies that the government wanted to create a new system, which could be manipulated to serve its political ends. The bodies could not develop as viable participatory institutions for development.

3.5. Bangladesh Period:

The 1972 constitution (chapter3) provided the legal basis and powers of local government bodies in independent Bangladesh. Article 59 of the Constitution started:

1. Local government in every administrative unit of the Republic shall be entrusted to bodies composed of persons elected in accordance with law.
2. Every body such as is referred to in clause (1) shall, subject to this constitution and any other law, perform within the appropriate administrative unit, such functions as shall be prescribed by Act of parliament, which may include functions relating to:-
 - a. administration and the work of public officers;
 - b. the maintains of public order;
 - c. the preparation and implementation of plans relating to public services and economic development.

Article 60 started: For the purpose of giving full effect to the provision of article 59, parliament shall be law confer powers on the local government bodies referred to in that article, including power to impose taxes for local purposes, to prepare their budgets and to maintain funds. However, under the 4th amendment of the constitution 1975, this provision was abolished. In

chapter – 2 of the constitution, corrected up to 28 February, 1979, there is only one sentence on local government, in clause no. 9:

“ the state shall encourage local government bodies composed of representatives from relevant areas and in these bodies, there shall be as far as possible, special representation of peasants, workers and women.”

Under the 12th Amendment of the constitution in 1991, it has been stated: “Local government in every administrative unit of the Republic shall be entrusted to bodies composed of persons elected in accordance with law. Every local body shall perform within the appropriate administrative unit such functions as shall be prescribed by Act of parliament, which may include functions relating to:-

- a. administration and the work of public officers;
- b. the maintains of public order; and
- c. the preparation and implementation of plans relating to public services and economic development.”

In a democratic set – up, local self-government is generally a legal entity derived either from the constitution or an Act or Parliament. It is thus obvious that the 12th amendment has simply restored what was there in the original 1972 constitution on local government, while the fourth amendment in 1975 symbolized the attitude to local government under autocratic conditions. The issue, therefore, is whether elaborate constitutional provisions in respect of local government are sufficient to strengthen the legal basis of local bodies. This is because it could be equally argued that in a country where the constitution is frequently amended and suspended, and democratic practice is yet to crystallize, a mere supra legal cover for the local bodies will not serve the purpose. There has to be, to begin with, a broad consensus among those in power and those aspiring to it regarding the overall political setup in the country, and within that setup, the role that local government bodies are required to play. Otherwise, constitutional guarantees by themselves may prove to be as in effective as, for example, the lofty proposals on local government in the first and second five year plans.

After the independence we got a well-written Constitution. In this constitution we got the instruction for promotion of local Government Institutions as “The state shall encourage local government institutions composed of representatives of the areas concerned in such institutions special representation shall be given, as far as possible, to peasants, workers and

women". – Article-9. In the Article 59 & 60 of the Constitution there is description of the formation, functions and powers of local government, that is: -

59(1) Local government in every administrative unit of the Republic shall be entrusted to bodies, composed of persons elected in accordance with law.

(2) Everybody such as is referred to in clause (1) shall, subject to this constitution and any other law, perform within the appropriate administrative unit such functions as shall be prescribed by Act of Parliament, which may include functions relating to –

- (a) Administration and the work of public officers;
- (b) The maintenance of public order;
- (c) The preparation and implementation of plans relating to public services and economic developments.

Article- 60 For the purpose of giving full effect to the provisions of article 59 Parliament shall, by law, confer powers on the local government bodies, referred to in that article, including power to impose taxes for local purposes to prepare their budgets and to maintain funds. After independence of Bangladesh we may identify the following basic legal instruments in respect of local government.

- (a) The President's Order No.7, 1972.
- (b) The President's Order No.22, 1973
- (c) The Local Govt. ordinance, 1976
- (d) The Local Govt. (Thana Parishad and Thana Admn. Reorganization). Ordinance, 1982.
- (e) The Local Govt. (Union Parishad) ordinance, 1983
- (f) The Local Govt. (Zila parishad) Ordinance, 1988
- (g) The palli Parishad Ordinance, 1989
- (h) The Local Govt. (UP) (Amendment) Ordinance, 1993
- (i) The Local Govt. (UP)(Second Amendment) Act, 1997
- (j) The Local Govt. (Gram Parishad) Act, 1997.
- (k) The Local Govt. (Union Parishad) Act, 2009¹

President Order 7 was promulgated in 1972 in absence of law making bodies. By this order arrangement was made to appoint administrators in all local Govt. bodies created under basic democracy orders and names of union, Thana and District councils were changed to Union

¹ The Local Government (Union Parishad) Act has been passed in 2009 by the parliament of Bangladesh. But in reality the effective implementation of this Act yet to start.

Panchayet, Thana Committee and Zilla Board respectively. Again president Order 22 made 1973 Union Panchayet made Union Parishad and provisions were made to divide a union into three wards and to elect 3 members from each ward and one chairman and one vice-chairman by direct votes.

3.6. Local Govt. Ordinance, 1976:

The local Government Ordinance 1976 was promulgated on 22 November 1976. The new ordinance provided for 1) a Union Parishad for Union, 2) a Thana parishad for a Thana, and 3) a Zila Parishad for a District. Some important features of the Ordinance is described below:

1. Union Parishad was to be constituted with a Chairman and 9 members to be elected by direct votes of the people of the Union.
2. Two women and two cultivators were to be nominated members.
3. Post of Vice-chairman was abolished.
4. Tenure of Union Parishad was fixed for 5 years.
5. Union Parishad will discharge 40 types of works which can be brought under 4 board heads like (a) Civil works, (b) Revenue works, (c) Works relating to law and order and (d) Development works.
6. Union Parishad was given judicial power by villager Court Ordinance, 1976.
7. Thana parishad Constituted under this Ordinance was more or less like Thana Council created under BDO. Sub- Divisional Officer and Circle Office (Dev) was to be ex-officio Chairman and Vice- Chairmans. The Thana Parishad was meant to co-ordinate development activity at Thana level.
8. Provision was made for elected Zila Parishad in each District. But no election was held under the Ordinance. Deputy Commissioner was made Chairman of the Zila Parishad. The main functions of the Zila Parishad were construction, preservation and repair of libraries, hospitals, dispensaries, roads, culverts, bridges, gardens, playgrounds, rest houses, etc. The main sources of its income were government grants, taxes, tolls, fees, etc.

A unified and uniform structure of local self-government as put into practice in the past is all characterized by bureaucratic dominance of the central government and the penetration of national politics in the local bodies.

The trend of development and reform in local bodies both during and after the Mughal, British and Pakistan period tend to substantiate this observation. Even during Bangladesh period, the dominance of the central government (exercised through its field administration) over the local affairs and local self-bodies continued. Local self-bodies have been in a state of chronic dependence, financially and administratively on the Government bureaucracy.

In our constitution (Article 59, 60 Chapter 3-Local Government) there are provisions of Local Government: Article 59(1) Local Government in every administrative unit of the Republic shall be entrusted to bodies, composed of persons elected in accordance with law.

Article 59(2) Everybody such as is referred to in clause (1) shall, subject to this Constitution and any other law, perform within the appropriate administrative unit such functions as shall be prescribed by Act of Parliament, which may include functions relating to –

- (a) Administration and the work of public officers;
- (b) The maintenance of public order;
- (c) The preparation and implementation of plans relating to public services and economic development.

Article 60 for the purpose of giving full effect to the provisions of article 59 parliament shall, by referred to in that article, including power to impose taxes for local purpose, to prepare their budgets and to maintain funds.

3.7. Local Government in Bangladesh:

Bangladesh has a long history of local government, and the Constitution provides for the creation of local government bodies at every administrative level. However, the only representative local government institution that has had a continuous existence, since the 1880s, is the Union Parishad (UP). There have been frequent policy changes and rearrangements of the tiers of local government, and elected local bodies have been created and abolished at various times at others levels- District (Zila), Sub-District (Upazila), and Gram (Ward/Village). Representative, statutory local government bodies at different levels

have been formed and abolished at various times since Bangladesh became independent in 1971, with Ups providing the only thread of continuity.

At present, the government system in Bangladesh is primarily "de-concentrated" rather than "devolved" and, outside the four major urban areas the only elected local government body is the UP (and the Pourashava in small urban areas).

I. Union Level - The Union Parishad:

Union parishads (UP) have had a continuous existence since the 1880s, though their functions and constitution have changed over time, and they are currently the only elected, statutory local government body. The Local Government (Union Parishads) Ordinance of 1983 and its subsequent Amendments provide the legislative framework for Ups, which are further regulated and controlled by orders and circulars issued by the LGD.

Membership of Ups: Elections under the amended legislation were held nationwide in December 1997. The new UPs comprise:

- Chairman, directly elected from the whole Union.
- Nine members, one elected directly from each of nine Wards in the Union - previously there were three members from each of three larger wards.
- Three women members, one directly elected (by male and female voters) per group of three Wards in the Union –previously, three word members were nominated by Government to serve on the UP.

For the first time, an elected member represents each of nine sub-divisions of the union. Perhaps more important, each UP now has three directly elected woman members, though as discussed subsequently there remains confusion and uncertainty over the roles of woman member in the new UPs.

Each UP has a full-time Secretary, a local policeman and village watchman, all appointed by deconcentrated authorities. None of the UP staff are directly recruited and employed by the UP. Ups are broadly responsible for economic, social and community development and have a list of 38 functions, not always well defined.

Sources of Finance: UPs have the power to raise revenue from various local sources, although these are limited and generally unbuoyant, and collection rates are low. UPs also

receive an annual revenue budget allocation and, indirectly, an annual allocation of development funds through the ADP Block Grant for Union and Upazila Development, managed by the UDCC. The use of the Block Grant is tied to strict guidelines, its local allocation is not always transparent and the timing often not synchronized to the local budget process. UPs may also receive development resources from the Special ADP (which is allocated by the Members of Parliament), Government food –aid for earthworks, and donor-supported programmes including food-aid programmes. Food aid is also a substantial resource for Union- level development.

Implementation of Development activities: Although the UPs have substantial implementation responsibilities for development activities they have only limited contracting powers. UPs can administer earthworks, tree plantation and food-aided schemes, and any projects financed from their own funds. However, under the Block Grant for Union and Thana Development a UP can only administer up to five schemes not exceeding Tk.50, 000 in total value in any year.

3.8. Overall Administrative, Government Structure and Local Government Institutions:

Bangladesh is divided administratively into six Division plus four Metropolitan (city) areas. Each Division is sub-divided into Districts. Each District is sub-divided into Thana's (rural) and one or more Pourashavas (municipalities – the urban or “secondary towns” within the District). Each Thana is sub-divided into Unions and each Union into Villages. There are:

Sl. No.	Administrative Name	Average Population/Area	Name of LGIs.
1.	64 District (also known as Zila):	average population, about 1.9 million Average land area, about 2,250 sq km	Zila Parishad
2.	460 sub-Districts or Upazilas	average population, about 250,000 average land area, about 300sq.km	Upazila Parishad ²
3.	About 4,500 Unions	average population, about 27,000 Average land area, about 30 sq km	Union Parishad
4.	About 68,000 Villages:	average population, about 1,500-1,750 Average land area, just over 2sq km	

² The Local Government (Upazila Parishad) Ordinance 2008 was passed by the Caretaker Government and an election was held under the Ordinance in 2009 by the elected Government. On the 6th of April 2009, the parliament passed the Upazila Parishad Amendment Bill retaining MPs as advisers of the local government bodies to play significant role within the Parishad despite protest from the newly elected Upazila Parishad Chairmen and Vice Chairpersons. Now this Local Government (Upazila Parishad) is functioning.

Chapter 4

*THE STRUCTURE AND FUNCTIONS OF
UNION PARISHAD*

Chapter 4

THE STRUCTURE AND FUNCTIONS OF UNION PARISHAD

4. Bangladesh has a long history of local government and the constitution provides for the creation of local government bodies at every administrative level. However, the only representative local government institution that has had a continuous existence, since the 1880s, is union parishad.

This chapter presented the structure, role and functions of Union parishad.

4.1. Present Structure of Union Parishad:

Union Parishads have had a continuous existence since the 1880s, though their functions and constitution have changed over time, and they are currently the only elected, statutory government body. The local Government (Union Parishads) Ordinance of 1983 and its subsequent Amendments provide the legislative framework for UPs, which are further regulated and controlled by Orders and Circulars issued by the Government.

According to Union Parishad (Amendment) Act, 1993, Every Union is divided into nine wards.

Each Union Parishad comprises of:

- A Chairman, who is directly elected from the whole Union.
- Nine members, each of them directly elected from each of the nine Wards in the Union – previously there were three members from larger three wards instead of nine wards.
- Three women members, they are directly elected by voters, per group of three wards in the union – previously, three women members were nominated by Government to serve on the Union Parishad.

Man Power: Each UP has a full time secretary – equivalent to third class government employee, a number of chawkidars and a Dafadar.

All appointed by deconcentrated authorities. None of the UP staff are directly recruited and employed by the UP.

4.2. Functions of Union Parishad:

UPs are broadly responsible for economic, social and community development and have a list of 40 functions, not always well defined. These 40 functions covering such major areas as – Civic functions: Police functions; Revenue functions; Development functions and judicial functions.

Besides these formally assigned functions each UP performs some very important functions for the people live within the UP, such as – Giving nationality certificate, Character certificate, Residence certificate and issuing license and permit; Salish work, and helping in the various census works.

All business and major decisions are transacted either through the general meetings of its committee. In addition to the above mentioned functions the UP is also charged with the planning function which is related to the respective UP.

The Union Parishad generally performs the following additional functions also – Relief work, Clearance of loan, Referral work in connection with treatment at the Thana health complex.

According to Local Government Ordinance 1976, Union Parishad has undertaken civic functions as enumerated in Part – 1 of the first schedule; police and defense functions as specified in Part – 2 of the first schedule; revenue and general administrative functions (such as assisting the preparation of records, revenue assessment, reporting offences to the police and cases of damages to other competent authorities, publishing all important matters in the union, development functions covering agricultural, industrial and community development in the union as per rules and regulations prescribed by the government.

Local government (Union Parishad) Ordinance was promulgated in 1983. The functions of the union parishad, according to the Ordinance, remained almost the same as those in the local Government Ordinance 1976. The ordinance of 1983 divides the functions of union parishad into five categories; (a) Civic functions (b) Police and defense functions, (c) Revenue and general administrative functions, (d) development functions and (e) Transferred functions.

The functions enumerated in the local government Union parishad Ordinance, 1983, were all retained in the local government (Union Parishad) Act, 1993. Part – 1 of the schedule of the 1983 Ordinance enumerated 38 civic functions of union parishad. However, sub-sections 2 of section 30 of the 1983 Act lays down that the union parishad will, in particular, undertake of the following functions

- Maintenance of law and order and rendering of assistance to the administration in the maintenance of law and order;
- Adoption of measures for preventing disorder and smuggling;
- Adoption and implementation of development in the fields of agriculture, forestry, fisheries, livestock, education, health, cottage, industries, communication, irrigation and flood production with a view to increasing economic and social upliftment of the people;
- Promotion of family planning;
- Implementation of such development as may be assigned to the union parishad by the Thana parishad;
- Development and use of local resources;
- Production and maintenance of public property, such as roads, bridges, canals, embankments, telephone and electricity lines;
- Review of development activities undertaken by different agencies at the union level, and submission of recommendation to the Thana parishad in regard to the activities of those agencies;
- Motivation and persuasion of the people to install sanitary latrines;
- Registration of births, deaths, blind people, beggars and destitute;
- Conducting of census of all kinds.

4.3. Financing Pattern of Union Parishad during Various Periods:

This section deal with financial management of UPs, basically (Local Government) Local governments need to strengthen their tax management capacities. A suitable local government financial equalization system needs to be developed to reduce gaps among different local governments and segments of population. Union Parishad has a weak resource base. Now we will see the scenario of it.

(a) British Period:

Financing pattern during British period, basically formal local government structure was introduced in bangla area by British. The bangla village Chowkidari Act, 1870 introduced union

panchayets in the rural area. These used to collect house tax from all the households to pay for the upkeep of chowkidars. These local bodies did not provide any amenities and performed only a watch and ward function. Lord Ripon's Resolution of 1882 brought about some significant changes in the local bodies of British India. Financial responsibilities and income resources of both urban and local bodies increased substantially as a consequence. The main source of income of union panchyets was land tax. The budget of the local bodies (UPs) was a part of provincial budget. The Act of 1919 enlarged the scope of local taxation. This increased the power, functions and financial condition of the local bodies (UP). Financing of union panchayet was done only on the instruction of higher authorities. At that time union panchayets were constantly facing financial problem owing to inadequate income. Even no significant change occurred in the financial conditions of UPs during the latter part of British rule.

During the British period the financing pattern of the local bodies can be characterized by the following:-

- Local bodies' income from their own sources was very limited, base of tax was narrow and administrative revenue was inadequate;
- Government grant (direct/indirect) was inadequate;
- No measures were introduced to raise loans from the general public or from the financial institution;
- Local bodies were not in a position in imposing taxes and fees or they did not have any mechanism to co-ordinate with the central government for ensuring equity and productivity;
- Finally, their income was not related to their services.

(b) Pakistan Period:

From 1947 to 1959 there was no remarkable change in financing pattern of local government institution. Government control over the local bodies significantly increased since 1959. This time central government could reject the budget of LGI. In accordance to financial autonomy and responsibilities, in general, this institution became weaker. The service of local bodies, the tax collection process and their revenue started deteriorating. There was no attempt increase revenue. At that time Union Council couldn't generate enough revenue to pay even its skeletal staff.

For rising government expenditure, it was not possible to give grants regularly to the local bodies. The services and responsibilities of the local institution were increasing steadily. But there was no

corresponding increase in financial autonomy. In this background, the martial Law authorities promulgated the "basic Democracies order, in 1959, which constituted the basis of local government institutions during the 60s. In this system, the Divisional Council and Thana Council were fully financed by the government. They did not have any power to levy taxes. With prior approval of provincial government district Council could levy the specified taxes and the prior sanction of divisional commissioner Union council could levy of specified taxes.

The district council and the union council derived their income from following sources:

- Local rates,
- Taxes, tolls &
- Government grants

Of the many sources of income of district & Union councils the main ones were: (a) tax on land & buildings, (b) rate for village police & (c) taxes on vehicles. Government grants to the various tiers of local government institutions increased to a very significant extend. Under the Basic Democracies Order of 1959, the union councils could collect 14 types of taxes, rates & fees.

(c) Financing Pattern of local Government after independence:

After independence the Bangladesh Government brought about a number of changes in the Local Government system. Union council was renamed as the union panchayet for some times. This was again changed to the union parishad. With the previous sanction of the prescribed authority the union parishad could levy specified taxes, rates, tolls & fees. Besides these, Government grants were also an important source of revenue. During the martial law period, elections were held for union parishad. In a war devastated a newly independent country, the financial position of local bodies was very dismal. Poor tax collection, corruption & low calibre of the local bodies personnel, tax evasion, etc. also contributed to the worsening financial condition of the local bodies. The whole financial administration remained under the full control of the national Government.

The local government ordinance promulgated in 1976 brought about certain rearrangements in the local bodies. According to the financial managements of the local bodies could be divided into

three parts, namely constitution of the local fund, revenue from tax and non tax sources and expenditure. Every local government institution was empowered to have local funds of its own. The Thana parishad was fully financed by the government. Under the 1976 ordinance the union parishad and Zilla Parishad were required to prepare their individual budget annually in a prescribed manner and form, then obtain sanction of the relevant authority before the commencement of the financial year. Local government budget has always been a family budget. The expenditure been undertaken in accordance with the income, the general tendency was to make it a balance budget.

According to the 1976 Local Government Ordinance, the union parishad could levy all or any of the 28 items of taxes, rates, tolls and fees (See Appendix –)

The only significant change in the union parishad ordinance in 1983 was reduction of number of items on which the union parishad could levy, taxes, rates and fees under the ordinance the union parishad could levy, taxes only the five items.

- Besides this Government Grant is the main source of revenue for the UPs. From 2004-2005 financial year significant change had been taken by the government and MOLGRD&C was directly allocated Annual Development Programme Block Grant to the UPs instead of Upazilla/Sub-district. Earlier all ADP Block Grant allocated to the Upazilla and Upazilla reimbursed to union parishad.

4.4. Present Expenditure Pattern Of UPs:

Under the 1976 Ordinance, the expenditure of local bodies could be broadly divided into two parts namely on establishment and development. The local fund was to be spend under the following heads

1. Payment of salaries and allowances to all the employees of local parishads
2. Meeting the expenditure charged on the local funds
3. Fulfillment of any obligations or discharge of any duty imposed on the local parishad
4. Meeting the expenditure declared by the local parishad with the previous sanction of the prescribed authority to be an appropriate change on the local fund
5. Meeting any expenditure as directed by the government

The charged expenditures which the local parishad had to meet were as follows:

1. Salary payments to the local parishads employees
2. Expenditure specified by the government from time to time i.e. election, maintenance of local parishad service, auditing of accounts etc.
3. Expenditure in connection with any decree, judgment or award against the local parishad by any court or tribunal
4. Any expenditure declared by the government to be so charged

Chapter 5

*THE RELATIONSHIP OF UNION PARISHAD
WITH DIFFERENT AGENCIES*

Chapter 5

THE RELATIONSHIP OF UNION PARISHAD WITH DIFFERENT AGENCIES

5. Local government institutions operate and maintain the relationship and linkages with numerous government and non government organizations. This chapter discusses and analyses the relationship between of Union Parishad and the government and non-government organizations and agencies.

5.1. Union Parishad and Central Government:

There is an unbalanced relationship existing between the central government and the Union Parishad. Generally, the centre-to Union Parishad linkage occurs in the matters of (i) Overseeing the functioning of Union Parishad:(ii) Providing financial support; and (iii) Assigning additional function to be performed on behalf of the central government.

Basically, the central government controls and regulates Union Parishad through various laws and also reserves unhindered authority to supersede its decision or to suspend an elected Chairman.

Although the Union Parishad enjoys a degree of operational autonomy it is in no way independent of the central government or of the overall administrative system of the country. As a result there are a number of areas of interaction between Union Parishad and the Government, which cover legal, operational and financial matters as well as control and supervision by the government. Its territorial jurisdiction the functions it can perform and the taxes it can impose, are all determined by central legislations. Not only are its basic features carved by central acts but its activities are also guided and supervised by departments of the central government. In Bangladesh there is a clear patron-client relationship between the national government and the local government.

Union Parishad had a number of Acts which are parsed and change from time to time since the British period through the legislation, the government determines the structure, composition and

tenure of the Union Parishad; mode of administration of oath and removal of functionaries, sources of funds and its expenditure pattern; method of levying taxes, rates, fees etc; preparation of budget; functions, powers duties and roles of its functionaries; personnel system and benefits to be given the employees; method of making bye-laws/regulations of its, and the extent of supervision and control by the government, even the central. Government retains the power to give direction to Union parishad. In exercise of this power the national government issues circulars and directives on various aspects to the UPs. The relationship between the central government and the Union Parishad, and the specific means of control exercised by the central government over the Union Parishad is discussed under three broad headings i.e. institutional, financial and administrative.

I. Institutional Control:

- (i) Territorial Jurisdictions – The 1983's ordinance vest in the government the authority to determine or modify the size and the boundaries of the Union Parishad. Here central government agent i.e. Deputy Commissioner.
- (ii) Composition of Councils – The central government possesses many discretionary powers with regard to the structure and composition of UP. The Union Parishad consists of elected chairman/ representatives, nominated and/or official members.
- (iii) Local Elections: Government control over election of Union Parishad is manifested in the decision (rules) regarding mode of elections date of election and settlement of disputes.
- (iv) Personnel – The Union Parishad secretaries are appointed or transferred by the deputy commissioner. It is central government decision that there will be only one secretary for each Union Parishad, and what will be the qualification and service conditions of UP Secretary's.
- (v) Functional Jurisdiction: The government actually determines and controls the functional jurisdiction of Union Parishad. Union Parishad can perform or exercises its powers and can work the functions that expressed/written/given within the Union Parishad ordinances. According to this ordinance central government has the discretion to assign Union Parishad any other function that it deems fit.

- (vi) Inter-institutional Disputes – Institutional government control extends to adjudication and settlement of Inter-institutional disputes. Although the Union Parishad is an independent entities in the same that it is corporate body, competent to sue and to be sued. According to 1983's ordinance (Sec-68) the disputes arising among the UP located within the district are settled by Deputy Commissioner. If the UPs are situated in different District, then the Divisional Commissioner sits in judgment. When it is an interdivisional affair then the government comes into the picture. In both cases the appeals against the decisions lie with the government and its decisions are final.

II. Financial Control:

In the field of finance central government supervision and control is as stringent and comprehensive as it is with regard to day-to-day administration. The government regulates the income of UPs. Sources of UPs income powers of taxation, nature of grants-in-aid and loans that may be raised are duly prescribe in detail are in the 1983's Ordinance, 1960's the Union Council (Taxation) Rule's and 1961's Model Tax Schedules of Union Councils. Some times it need to prior government sanction to imposing any tax other than the specifically mentioned. Though the government has obligation to provide grants to the UPs government exercises a considerable degree of control over the UPs by increasing or decreasing their quantum or by making their release subject to the fulfillment of certain conditions.

The government also exercises its control over the UPs is the maintenance of accounts. Government specifies that the funds of the UPs be kept in a government treasury or a bank transacting, business with a government treasury. Besides, this government control over the UPs with lays down the rules regarding the nature and form of account-books to maintain the procedure of operating funds, the authority for sanctioning expenditure and signing bills and limit of expenditure etc.

The government has also worked out the procedures and principles for preparation and sanction of annual budgets of UPs, users of union funds, purchase procedures and expenditures are maintained according to 1983's Ordinance. Another medium of financial control over the UPs is audit. These work is carried out by the UNO, ADLG, ADC (General) and DC. They also verify the accounts whenever they visit a UP.

III. Administrative Control:

Central Government wants to control the Union Parishad by using some administrative tools, these are: -

(i) Review of Resolution: - Upazila Nirbahi Officer and DC can review the resolution passed by UPs. They can pass orders to quash the proceedings suspend the execution of any resolution prohibit the doing of anything proposed to be done.

(ii) Periodic Inspections: - By conducting periodic inspection government exercises a lot of control over the UPs authorized government officials (DC, ADC (General), UNO, DDLG) conduct the inspection in accordance to given authority into the 1983's Ordinance. Even govt. can enquire any UP with a particular affairs either on its own initiative or by an application made by any person to the government.

(iii) Removal of Chairman/Member: According to the section 12 of the local government (Union Parishads) ordinance 1983's a Chairman or Member shall render himself liable to removal from his office if: -

- (a) He, without reasonable excuse, absents from three consecutive meetings of the UP;
- (b) He is involved in any activities prejudicial to the interest of the UP or of the State;
- (c) He becomes physically or mentally incapacitated from any loss or performing his functions; or
- (d) He is guilty of misconduct or responsible for any loss or misapplication of money or property of the UP.

(iv) Supersession and dissolution: The 1983's ordinance gives the government the extreme power of dissolving a UP if on inquiry is of the opinion that a UP is unable to discharge or persistently fails in discharging its duties, or is unable to administer its affairs or meet its financial obligation, or generally acts in a manner contrary to public interest, or otherwise exceeds or abuses its powers, or has failed without any reasonable excuse, to collect less than 75% of the total amount of tax, rate, toll, fee and other charges levied by it in a year (Section-64). During the period of supersession, the chairman and members of a UP cease to hold office, and all of its functions or authority as the government may appoint. However they act of superseding a local body is of a judicial or quasi – judicial nature and merely administrative.

IV. Miscellaneous Media of Administrative Control:

The government prescribes and provides various types of registers and forms to the UPs that they should maintain it's in their various administrative operations. Govt. also determines the mode of their day-to-day functioning and also how the meetings are to be conducted and funds shall be maintained and operated. Even, by issuing a number of circulars and directives from time to time, Govt. always tries to control UPs functions and supervises it works extensively.

5.2. Union Parishad and Field Administration:

Field Administration means the local agent of the central government i.e. Divisional Commissioner in division level, Deputy Commissioner in district level, Additional Deputy Commissioner and ADLG in district level, UNO, and other officers who worked in field offices on behalf of central government. Union Parishad had a continuous communication with the several offices situated in the Upazila level and Union level. Upazila Agriculture offices, Upazila Health Complex, & Family Planning office, LGED office, Education office, BRDP office, social welfare office, PHED office, AC (Land) office etc. are the focal point of communication for UPs. Sometimes it's happen formally and sometimes informally.

Government officials at the union level are the Tahshilder, the block supervisor, the family welfare Assistant and the Health Assistant. In the formal sense these officials are generally worked independently and have a little to do with the UPs. However, they have many informal linkages with the UPs elected members and chairman.

According to a government circular issued long ago, they are required to attend the UP meetings. However, this is not stipulated in the enactment on the UP. In practice, they generally avoid UP meetings and report directly to their bureaucratic superiors at the Upazilla level.

There are certain committees at the union level in which these officials and UPs elected functionaries are to work together. Unfortunately these committees are dormant for a long time.

There are much formal relationship between UP and UNO and other Upazilla officials. These are as follows:

- The UNO supervises elections of UP;
- The UNO inspects UP offices on behalf of the Deputy Commissioner;

- He conducts enquiries into allegations of misuse of power and corruption by the UP and recommends punitive actions including suspension/removal of UP functionaries to the DC.
- Sometimes in practice, the UP budget is routed through the UNO, so he has a scrutinizing role in this regard.
- Similarly the minutes of the UP meetings are sent not only to the DC. But also to the UNO.
- The UNO and the UP chairman are members of the Upazilla development and coordination committee (UDCC). The UNO is the member secretary, while the UP chairmen, by turn, preside over its meetings. The other members of the (UDCC) are the heads of nation building (development) departments at the Upazilla level. Through this committee the UP have a close interaction with the UNO and the Upazilla level officials;
- There are 18 committees at the Upazilla level, where the UNO is the chairman and UP chairman and the other officials are members. For example, there is the Khas land distribution committee in the Upazilla level headed by the UNO and the Assistant commissioner (land) is the member secretary of the committee and UP chairmen of the Upazilla and Tahshildars are the members.
- Health and family planning office Primary Education office, Agriculture office, Water development Board office, Rural Electrification Board office, Bangladesh forest industries development corporation office, Sericulture Board office etc. are have a close interaction with the UP for implementing development activities and new projects.

Here are some areas where Union Parishad has direct interaction with the field administration:-

- (i) Declaration of Union and alternation of limits thereof - DC. (Section 3, The Local Government (UP) Ordinance, 1983)
- (ii) Constitution of Union Parishad – LGD. (Section 4, The Local Government (UP) Ordinance, 1983)
- (iii) Appointment and delimitation officer, UNO. (Section 19, The Local Government (UP) Ordinance, 1983)

- (iv) Delimitation of words: UNO (Section 20, The Local Government (UP) Ordinance, 1983)
- (v) Decision of UP: All decision of UP shall be reported to the UNO along with a copy to deputy commissioner within fourteen days from the date on which the minute of the meeting are signed. (Section 37 (5), The Local Government (UP) Ordinance, 1983)
- (vi) Constitution of standing Committees: (Section 38(2), The Local Government (UP) Ordinance, 1983) The UP may with the previous approval of the DC, constitute additional Standing Committees for such purpose as may be prescribed by regulation

- (vii) Application/Uses of UP Fund: In meeting the expenditure declared by the UP with the previous sanction of the DC to be an appropriate charge on the Union Fund. (Section 45, The Local Government (UP) Ordinance, 1983)
- (viii) Charged Expenditure: Salary (Section 46, The Local Government (UP) Ordinance, 1983)
- (ix) Budget: Every UP shall in the prescribed manner prepare before the commencement of each financial year a settlement of its estimated receipts and expenditure for that year herein after referred to as a budget and sends it to the DC for approval. (Section 47(1), The Local Government (UP) Ordinance, 1983)
- (x) Statement of Accounts: An annual statement of the accounts shall be prepared after the close of every financial year and shall be forwarded to the DC by the thirty – first December of the following financial year. (Section 48(2), The Local Government (UP) Ordinance, 1983)
- (xi) Audit Report: On the completion of audit, authority shall submit to the DC an audit report (Section 49(3), The Local Government (UP) Ordinance, 1983)

- (xii) Development plans: Such plans shall be subject to the approval of the Deputy Commissioner (Section 51(2), The Local Government (UP) Ordinance, 1983)
- (xiii) Taxes to be levied: A UP with the previous sanction of the DC may be in the prescribed manner, all or any of the taxes, rates and fees mentioned in the second schedule. (Section 53, The Local Government (UP) Ordinance, 1983)

(xiv) Supervision over UPs: The government shall exercise general supervision and control over the UPs in order to ensure that their activities conform to the purposes of this Ordinance (Section 60, The Local Government (UP) Ordinance, 1983)

(xv) Disputes between UPs: If any dispute arises between two or more UPs the matter shall be referred to the DC, if the parties concerned are in the same district; (Section 68(b), The Local Government (UP) Ordinance, 1983)

The commissioner, if the parties concerned are in different districts within the same division. (Section 68(c), The Local Government (UP) Ordinance, 1983)

(xvi) Delegation of Powers: (1) The Government may, by notification in the official Gazette, delegate any of its powers under this Ordinance or the rules to a Commissioner, Deputy Commissioner, or any other officer subordinate to him or to any other person or authority. (Section 77, The Local Government (UP) Ordinance, 1983)

A Commissioner or Deputy Commissioner may, with the previous approval of the Government, delegate any of his powers under this Ordinance or the rules, not being powers delegated to him under sub-section (1), to any officer subordinate to him or to any other person or authority. (Section 77(2), The Local Government (UP) Ordinance, 1983)

5.3. Union Parishad and Other Field Level Government Departments:

There are some Organizations/Departments of the Ministries with which UP maintains close working relationship. These are:-

LGED: LGED (The Local Government Engineering Department) is responsible for giving various type of training for the UP Chairman and Members.

DPHE: DPHE (Department of Public Health Engineering) is actually responsible for serving/distributing tube-well/deep tube-well and installation of the same for drinkable water of the villagers.

NILG: NILG (National Institute for Local Government) is the principal training institution in the area of Local Government. Training for UP secretaries has been a continuing function of NILG. Office Management, duties and obligations, Organizational law, budget and accounts, Tax assessment and collection, evaluation of UPs Planning, Gender and Family Planning, Sanitation, etc. are the course title.

BARD: BARD (Bangladesh Academy for Rural Development) emphasis on community organization, planning for development and local planning, and participants are 85% Chairman + 15 UP Secretaries.

RDA Bogra: RDA Bogra (The Rural Development Academy at Bogra) Generally arranged Orientation Course for the UP chairman and members, under this orientation Course they learned about rural development, decentralization, organization and management, Poverty Reduction, Environment, Gender awareness , Natural disaster etc.

Besides these UP has to maintain close working relationship with Police Department, Department of Agricultural Extension (DAE), Directorate of Relief and Rehabilitation, Department of Forest, Directorate of Livestock, Directorate of Fisheries, Directorate of Food, Director General of Health Service, Director General of Family Planning, Department of Cooperative, Bangladesh Rural Development Board, Directorate of Primary Education, Department of Social Service, Women Affairs Department and Department of Youth development .

5.4. Union Parishad and Non-Government Organization:

The relationship between UPs and NGOs has not yet been formalized in Bangladesh. But NGO's involvement in the growth and development of local communities are increasing day by day. Still interaction between UP and NGO's is negligible. Both sides have their valid perspectives and complaints. UPs are not felt that they need NGOs support to do their job accordingly. The NGOs also not appear in dealing with UPs actively, although some NGOs have worked out a support with UPs in their respective areas of operations. These co-operations have taken place.

NGO links with UP's are non-existent. For determining relationship between NGOs and UPs we have to consider some things –

Firstly, NGOs are not a recent phenomenon in a Bangladesh. What is significant is that in recent years, they have been responsible by the donor community in a most conspicuous manner. Secondly, in respect of legitimacy and accountability UPs have an edge over our NGOs, given the farmer's democratic nature and clear relationship with national government on the other hand, NGO have greater flexibility and innovativeness. Thirdly, while most NGOs in Bangladesh try to serve only the disadvantaged groups in the society, for the UPs the entire community is clientele. Fourthly, while both UPs and NGOs serve the aim of decentralization, their modus operandi is different. Decentralization through UPs appears to be more orderly. While decentralization through NGOs are random, growing out of their serves and development activities. Finally, in developing a formal relationship between UPs and NGOs the guiding principles should be to reduce conflicts promote complementarities and avoid duplication of efforts.

There are thousands of NGOs are working in Bangladesh. International, National and Local NGOs are there. BRAC (Bangladesh Rural Advancement Committee), CARE, VON, MJSS (The Manikganj Janasankhya Simitokoran Samittee) Baste shekha, etc. are the NGOs, which are working in Bangladesh.

National NGOs and international level NGOs provides training program for the UPs chairman, members and staffs about Women Empowerment, Gender awareness, disaster management, and environment, local planning, planning for development etc. NGOs are also participating with the UPs through collaboration programmes, providing skills development training, money plantation and pond re-excavation etc. NGOs are playing a leading role in organizing communities and increasing public awareness and consequence of right and responsibilities of the citizen.

Recently Development partners are always interested to involve NGOs in the national building activities particularly in the area of local government. They arrange training programme awareness program and facilitate the UPs for betterment of the services provided for the people.

5.5: Union Parishad and Other Donor/International Agencies:

UNICEF, UNDP, ILO, WFP, FAO, WHO, DFID, USAID, NORAD, JAICA, KOICA, etc. are implementing several type of socio-economic/infra-structural development and motivational

programme at UP level. For this they need help/support of UP's to implement their programme smoothly.

5.6. Union Parishad and Local Communities:

Community means representative form the communities people, generally who live in same area and maintain almost same culture, customs & norms and also they are called leader/Motabber/Head of para or Moholla/Imam of the Mosque, purahit of Mondir /Temple, Religious-leaders, Head-Master of schools, Chairman/President of the society/Club/Association. We know that UP consisted with elected public representative, generally, these elected people are came from community leader/head, so always they played vital, effective, significant and important role on UPs activities, it may be regular activities or situational/irregular activities.

Community played vital & significant role on crisis management during Flood, Cyclone, Tornado, Drought etc. When natural disaster occurs central government need support from UPs, NGOs, community as well as from local government. Because central government wants to help the affected people and it need to help of UPs, community, NGOs and local administration. To execute new programme, sometimes government /NGOs, needed support from UP as well as from community organization.

We already discussed about UPs concern with central govt. field administration and NGOs and it function. UP need help and supports from community to perform their duties and functions. Arbitration and settlement of disputes are one of the important tasks of UPs, and Community has a significant role/task to meet the settlement and disputes. The most important activities and sources of authority of the UPs is their role the Muslim family laws Ordinance and the conciliation courts Ordinance –1961, empower the UPs as local government body to play such a role.

In view of the above discussion it seems that Union Parishad is more engaged in doing multi various works/activities coming from several organizations rather than its own activities assigned by Union Parishad Legal framework.

Chapter 6

*LEGAL FRAMEWORK OF UNION PARISHAD
FINANCIAL MANAGEMENT AND
ANALYSIS OF ITS FINANCIAL CONDITION*

Chapter 6

LEGAL FRAMEWORK OF UNION PARISHAD FINANCIAL MANAGEMENT AND ANALYSIS OF ITS FINANCIAL CONDITION

6. Introduction and Objective:

Bangladesh economy and Society is primarily rural-agriculture based. Administratively, it is divided into 6 Divisions, 64 Districts, 482 Upazilas and 4483 Unions. The Local Government Division of Ministry of Local Government, Rural Development and Cooperatives (MOLGRD&C) looks after the operation of local government institutions both urban and rural. The Union Parishad is the lowest tier of local government institution and it is very much related and the nearest to the rural people, it can play an important role to providing goods and services to rural population and communities.

The objective of this chapter is to provide a clear understanding on local financial structure in terms of (a) Union Parishad legal framework and (b) analysis of UPs financial management in reality. The study covers the financial analysis of 12 selected UPs finance in terms of its income and expenditure. These 12 Unions are located in two districts, namely, Gazipur and Shirajganj. The selected Unions are as follows:

The Sampled 12 Unions

SL. No.	District	Upazilla	UP	Comment
1	Gazipur	Gazipur Sadar	Kashimpur	
2	"	"	Mirzapur	
3	"	"	Bashan	
4	"	Kapashia	Chandpur	
5	"	"	Ra'ed	
6	"	"	Ghaghotia	
7	Shirajgonj	Sadar	Kalia Horipur	
8	"	"	Mesra	
9	"	"	Saidabad	
10	"	Kamarkhand	Johail	
11	"	"	Zamtoil	
12	"	"	Rai-Doulatpur	

The study primarily discusses UP's finances in four major areas, which are as follows:

- Finance and Financial Management of Union Parishad;
- Government Grants;
- Income and Expenditure
- Accounting and Auditing;

6.1. A. Finance and Financial Management of Union Parishad (Legal Framework):

Financial management of Union Parishad (revenue/taxation) may be broadly classified under the following heads: -

- Receipt: Union Parishad's own income and receipt from central government
- Budget statement
- Expenditure
- Account maintenance
- Audit work

I. Union Fund and Its Sources:

Every Union Parishad must have a fund known as the Union Fund (Section-43). The Union Fund will comprise of the following:

- All receipts comprising taxes, rates and fees
- Receipts from trusts
- Profits from investment and proceeds from sources of income the Government may place at the disposal of a Union Parishad
- Sums and donations received from any person, institution or local authority
- Grants/assistance received from the Government and other authority
- Proceeds from sources of income as the Government may place at the disposal of the Union Parishad, such as, hats-bazar, feri ghat and jalmahal.

The Union Fund is the main instrument, which gives some financial strength as well as autonomy to a Union Parishad. The Ordinance requires that the money under the Union Fund must be kept in a Government treasury, or in a bank transacting the business of a Government treasury or in

such other institution as may be decided by the Government (Section-44). The operation of the bank account, if any, will be done with joint signature of the UP Chairman and Secretary. Presently cash in hand allowed under the Union Fund is only Taka.500/.

II. Revenue Raised Locally¹:

The statutory basis of taxation powers of Union Parishad is derived from Section- 53 of the Union Parishad Ordinance of 1983. The second schedule of the Ordinance lists the specific areas of taxes to be imposed and collected. The operational basis of taxation derives its authority from the Union Parishad Taxation Rules-1960, and Model Tax schedule of 1961 and Section 53 and 57 of UP Ordinance, 1983. UP Taxation Rules (1960) and Model Tax Schedule (1961) provide the procedural framework for imposition, assessment and collection of all taxes.

III. Union Taxes:

Taxes, Rates and Fees, which Union Parishad may levy and collect as per Section 53 and the Second Schedule of 1983 UP Ordinance, are as follows:

- Tax on the annual value of homestead and residential land adjacent thereto or union rate to be levied in the prescribed manner.
- Tax on the professions, trades and callings
- Tax on cinemas, dramatic and theatrical shows and other entertainment and amusements.
- Fees and licenses and permits issued by the UP
- Fees (lease money) from specified hats, bazar and ferries within the union boundaries to be determined by the Government.
- Fees (lease money) from jalmahals situated entirely within the union boundaries to be determined by the Government
- Movable property transfer fee 1% as fixed by the Government (Circular no. 30-R-6/ IM-18/94, dated- 20-02-97).

IV. Model Tax Schedule-1961: Union Council:

The model tax schedule of 1961 is still in practice and is the base for fixing any taxes, rates and fees by the Union Parishad. The following are some of the rates, which are being currently used in determining tax, rates and fees of the UP's:

¹ Section 53 relates to Taxes to be levied; Section 54 relates to Notification and Enforcement of Taxes; Section 55 relates to Model Tax Schedule.

<ul style="list-style-type: none"> • Tax on the annual value of buildings and land 	7% tax is levied
<ul style="list-style-type: none"> • Union rate for village police 	This should be fixed in terms of percentage of annual value of land & building to ensure adequate funds for meeting salaries & other charges on account of village police.
<ul style="list-style-type: none"> • License / Profession, trade callings <ul style="list-style-type: none"> ○ Company /firm ○ Firm/contractor ○ Wholesale merchant& Traders... ○ Doctors, Architects Engineer & Legal practitioner ○ Rice Mills ○ Retail trader/ wholesale trader/aratdar / good owns 	Tk.50/-annual Tk.50/-annual Tk.50/-annual Tk.24/ annual Tk.50/-annual Tk.50/ - annual
<ul style="list-style-type: none"> • Vehicles <ul style="list-style-type: none"> ○ Owner of scooter ○ Owner of Taxi ○ Owner of Bus ○ Owner of Truck ○ Owner of Launch ○ Cycle Rickshaw ○ Three wheeled carriage ○ Boats (passenger) ○ Cargo boats (weight age basis) 	Tk. 10/- annual Tk. 15/- annual Tk. 30/ - annual Tk.30/- annual Tk.50/- annual Tk.15/- annual Tk.08/- annual Tk. 10/- annual Tk.6/- to Tk. 20/- annual
<ul style="list-style-type: none"> • Fees on application for construction (thatched roof& plinth area) • Construction of buildings (C.I. sheet roofing & plinth area) • Tax on marriages: a) first marriage or after the death of wife, b) during the lifetime of the 1st wife, 2nd wife, 3rd wife, tax on each marriage. 	Tk.2 to Tk.5/- Tk.2/ to Tk.25/ Tk.2/- Tk. 100/- to Tk. 500/-

N.B: In view of the present situation, all the above rates are too low, which need early revision to strengthen UP's financial condition.

V. Union Parishad Taxation Rules-1960:

General provisions of rules relating to local taxes are as follows:-

Rule-3 Procedure for levying taxes:

a. All proposals for levy of any tax, rate, toll or fee under Section- 53 of the order will be considered and decided in a special meeting of the Union Council.

b. The Union Council should submit a proposal for levy of any tax, rate toll or fee to the Deputy Commissioner for sanction through UNO. While submitting the proposal the Union Council should mention:-

- Name of the tax, rate toll or fee;
- Rate or rates at which it is proposed to be levied,
- The annual estimated amount,
- The persons, properties or goods which will be subject to the tax, rate toll or fee;
- Whether any exemption is proposed (in addition to those provided for in these rules)
- Proposed arrangement for assessment and collection of the tax, rate toll or fee, and additional expenditure to be incurred for collection;
- Income and expenditure of the Union Council of the last 3 years, if available;
- Purpose for levying tax, rate, toll or fees, whether to meet deficit in the current account or to undertake any new development scheme;
- The proposed date of enforcement.

c. The Union Council will arrange for publication of the proposal within the Union. The Union Council will put up the proposal at the office of Union Council and such other places as directed by the Controlling Authority.

d. Persons affected by the proposed levy are entitled to make suggestions or make objections, within one month from the date of publication of the proposal. The Deputy Commissioner will consider these suggestions and objections. Suggestions or objections may be submitted direct to the DC, or submitted at the office of the Union Council who will forward it to the DC.

Rule-4 Sanction/Rejection of levy proposal:

The Deputy Commissioner may, after due consideration of the suggestions or objections, if any, either sanction the proposal with or without modification, or reject it.

Rule-5 Notification on the new levy proposal:

After the DC has sanctioned the levy of a tax, rate, toll or fee he will notify it through the official gazette and arrange for its publication in the Union. The date from which the levy will be effective shall be specified in the notification.

Rule-11 Postponement of realization/Collection of any tax etc:

A Union Council may postpone realization of any tax, rate toll or fee or any other money due to it, because of hardship, for a period not beyond six months.

Rule-15 Preparation of assessment List:

The Union Council is responsible for preparing a mouzawari assessment list containing the following information as well as information on any other particular items included by the Union Council.

- The number of building on the register;
- A description of the building;
- The annual value of the building;
- The name of the owner;
- The amount of tax or rate payable for the year (each tax or rate to be shown separately);
- The amount due quarterly and;
- If the building is exempted from assessment a note to that effect.

VI. Base of Holding Tax:

The base of holding tax is assessed on the yearly valuation of holdings in accordance with:

- 10 months rental valuation (actual or probable)
- If occupied by the owner only .25% of 10 months rental to be deducted
- If constructed with loan money from Bank, the interest paid to the bank to be deducted net valuation.

Tax rate:

It may be mentioned that a directive issued on the 29 December, 2001 by the Local Government Division, Ministry of Local Government, Rural Development and Cooperative, GOB, which requires UP to follow methods under PDR Act -1913 to recover its arrears tax, rate and fee through the empowered Certificate Officer. In this regard, Secretary of UP will submit requisition to the Certificate Officer (as per PDR Act) for filing a certificate case to recover all these arrears taxes, rates, and fees.

Holding7% of net valuation

Conservancy5% if provided

Street light3% if provided

Water5% if provided

.....
20% maximum

(The Union Council Taxation Rules 1960 Section-22 as amended in 1963)

Chowkidari tax is considered as the oldest traditional tax base for local government institution at Union level. In the Model Tax Schedule, 1961 at para 12, the formula for fixing village police rate is as follows- This rate is to be determined in terms of the annual value of buildings/holdings and lands. The percentage should be fixed as would ensure adequate funds for meeting salaries, cost of equipment and such other charges on account of the village police as well as proportionate cost of collection of the rate.

VII. Tax Assessment List:

Every five year Union Parishad will prepare tax assessment list.

Note: But the UP authority has not followed this rule. That's why it has seen that Model Tax Schedule 1961 did not reschedule yet.

VIII. Collection and Recovery of Taxes, Rates And Fees:

UP undertake collection and recovery of taxes, rates and fees in accordance with Section-57, which is as follows;

1. All taxes, rates and fees levied under this Ordinance should be collected by such person and in such manner as may be prescribed.
2. All arrears of taxes, rates and fees and other moneys claimed by a Union Parishad under this Ordinance should be recovered as a public demand.
3. Any member or official of a Union Parishad authorized in this behalf may, in the prescribed manner, seize and dispose of any goods for the purpose of recovery of arrears of taxes, rate or fee.

Earlier procedure followed regarding recovery of arrear taxes etc, under the Rule-12 of the UP Taxation Rules, 1960, which require that: (a) if any person fails to pay any tax, rate or fee, or any installment there of, or any other dues within the specified time; then the Union Council (Parishad) should prepare a list of such arrears and would display it on the notice board of its office.

(b) On the expiry of fifteen days from the date of posting of the notice, the Union Council may proceed to recover the arrears as a public demand or as arrears of land revenue, by distress and sale of movable property owned by the persons concerned.

Rule-13 of the Taxation Rules (1960) has empowered the Union Council (Parishad) chairman to issue the warrant of distress and sale of movable property to recover arrears taxes, rate, tolls and fees. The secretary of the Union Council or other salaried employee of the union council properly authorized by the Chairman will execute the warrant.

Rule-14 under the Taxation Rules (1960), states that the authorized person may orally demand payment of the arrears from the defaulter then and there. In case of refusal by the defaulter, the authorized person may proceed to attach the property belonging to the defaulter and will give a receipt of attachment to him.

6.1.1. Government Assistance/Grants:

Relief programmes like Vulnerable Group Development Programme (VGDP) and Vulnerable Group Fund (VGF) are run by Ministry of Relief and Disaster Management in order to provide support for impoverished women, abandoned children or handicapped husbands as well as poor and vulnerable people/households in times of scarcity and disaster. 'Food for work' is also a relief nature nation wide programme designed to provide employment opportunities and income for the poor and at the same time, to keep food prices stable during the agricultural slack season.

The Programme is implemented through earthwork related projects aiming at physical infrastructure development and increased food production. Test relief also runs along similar lines like 'Food for Work' but with some important differences and having short duration. Only smaller schemes focusing on mainly repair and maintenance of recently constructed roads, culverts and earth cutting projects.

Bangladesh government has been providing block grant under Annual Development Programme (ADP) about Tk.2500-2600 million as development assistance to the Upazilas. The Local Government Division will distribute the block allocation for development assistance among the Upazilas and Unions as per the weights/ criteria set by the government in terms of population (40%), land area (30%) and level of underdevelopment (30%). The government guidelines for allocation of block grant have clearly spelled out the maximum allocation that could be made to each of the selected sector, which are: (a) Agriculture and irrigation 15%-30%. (b) Transport and communication 25%-60%. (c) Physical activities such as water supply and sanitary latrines 10%-15%. (d) Educational development 10%-15%.

Despite the strongly centralized nature of financial system, some resources are available for local development and related purpose at Union level through different programs/projects. These are as follows:

I. Vulnerable Group Development Programme (VGDP):

The VGDP started as a pure relief program run by the Ministry of Relief and Rehabilitation (MORR) and the Women's Affairs Department. It targets various categories of impoverished

women and/or lactating children or handicapped husbands. Participants are given cards that entitle them to 30 kgs. of wheat a month for 18 months. The central administration decides how many cards will be allocated to each district. Districts then allocate to Upazilas and Upazilas to Unions. Next the unions consult in the different wards and draw up list of candidates. These are then checked and approved by the Upazila Committee (with the MP as adviser) and transmitted to the district. Allocation is directly from the District to the Union, with the latter responsible for distributing cards and rations.

II. Vulnerable Group Fund (VGF):

In addition, the Relief Ministry operates a VGF that provides support for poor and vulnerable households during times of scarcity and natural disaster. Allocations vary according to the extent of the problem encountered, but typically would be the order of 500 cards per union, each of which entitles the recipient to 5-10 kgs. of wheat. The decision making and allocation procedure is similar to VGD. Further cards are allocated to enable the poor to celebrate Eid or Puza, with 100-500 tons per union typically being made available each year.

III. Food for Work:

This is a relief oriented nationwide programme designed to provide employment opportunities, and income for the poor, and to keep food prices stable during the agricultural slack season, especially from November to February. The programme is implemented through small local earthwork projects intended to develop physical infrastructure and contribute to increased food production. Typically these would include the completion or maintenance of kaacha link roads, the construction of embankments, the installation of culverts, and the digging or re-excavation of ponds and canals. There is also provision, under a separate budget head, for the construction of pakka (concrete) bridges that is allocated on a rotating basis between Upazilas.

The procedure for allocating resources involves various parties and is quite complex. In outline, the steps being followed are as follows:

- ✓ The Ministry of Relief and Rehabilitation (MORR) allocates resources between Upazilas on the basis of population. The allocated resources will be used for formulating and implementing Union based infrastructure projects of local nature.

- ✓ The projects must be selected from the Thana Rolling Plan (TRP) book, which is being prepared every three years by Upazila Project Committee. The Upazila Rural Infrastructure Construction Committee (I in its meeting will decide and set priorities of the selected projects in order of importance for implementation. UNO will extend an invitation to the local MP for attending the meeting that will make final selection of projects. The final selection of projects will be made based on the advice of the MP and the views expressed by the majority members attending the meeting. It may be mentioned here that project not included in the TRP book can be selected for implementation under this programme.
- ✓ The decision of URICC is communicated to a Standing Committee at the District level known as the Rural Infrastructure Construction Committee (DRICC). This committee may be chaired by the Minister- in-charge of the concerned district /State Minister/ Whip/Deputy Minister and all local MPs of the area are its members. All concerned UNOs, all Pourashava chairman and district level officials of the relevant line agencies. This committee is responsible for giving approval to the decisions of the URICC.
- ✓ The Upazila committee informs union level committees who then submit a priority list of possible schemes to the PIO.
- ✓ For each scheme a Project Implementation Committee (PIC) is formed to oversee the work.
- ✓ The PIO visits the proposed schemes, prepares final versions, and submits to URICC
- ✓ URICC checks the PIC membership, makes a final determination as to how much wheat and or rice will be provided and approves the scheme.
- ✓ The URICC informs the DRICC
- ✓ The allocation is released, and work begins, with the PIO monitoring progress assisted by staff from other departments if necessary. The executing agencies are formally required to place a notice board at each Site giving the number of workers and their wheat entitlement.

IV. Test Relief:

A second programme known as Test Relief runs along similar lines like Food for Work, but with some significant differences. Such as:-

- ❖ Firstly, the range of schemes supported is somewhat smaller, with the focus mainly on the repair and maintenance of recently constructed roads and culverts, and earth cutting projects.
- ❖ Secondly, individual activities are on a smaller scale, with a maximum allocation of 6 tons of rice and wheat.
- ❖ Thirdly, the administration of the scheme is more flexible, with the standard annual allocation made to each union being complemented with an additional and rather larger component that can be embarked for locations encountering greater than normal difficulties at particular points in time.
- ❖ Fourthly, activities tend to be confined to the period between July and September.

V. Annual Development Programme (ADP) Block Grant:

Development assistance to the Upazila is the ADP allocation that directly reaches the Upazilas, but it has always been less than two percent of total ADP. During the last ten years 'development assistance to Upazilas' has slightly but gradually increased but it is difficult to discern the basis of this allocation. Again, from 1995-96 to 1998-99 this allocation was static without any explicit reason. It appears that no principle is being followed in allocating development assistance to the Upazilas. This block allocation is entirely given in local currency as no aid money is involved here.

In each year ADP amount to roughly Tk. 2500-2600 million is allocated as development assistance to the Upazilas and is distributed among 469 Upazilas. Consequently, as Upazila receives around Tk. 5-6 million for local development. Sometimes special allocation is given but that depends upon the clout of the local political leaders specially the MPs. Ruling party MPs have more access to the special allocation than the opposition MPs.

The way in which the money is used once it arrives at the Upazila is supposed to be determined by two formulas. The circular of planning commission guides ADP distribution and utilization at the Upazila level (Government Circular of 3rd August, 1994). According to the circular the Local Government Department (LGD) of LGRD ministry will distribute the block allocation for development assistance among the Upazilas and Unions by the following criteria:

- a) Population (on the basis of 1991 population census) 40%
- b) Physical area (area in square kilo metre) 30%
- c) level of underdevelopment (on the basis of communication facilities, rate of literacy, nutrition and unemployment) 30%

The circular states the sectors and the percentage of allocation, which may be made to those sectors at local level under ADP. No project could be taken up and implemented within the jurisdiction of Pourashava under the block grant. Type and nature of development activities that may be undertaken with ADP block grant in the various selected sectors are mentioned below.

VI. Guidelines for Allocation of Block Grant:

SL No	Sector	Minimum Allocation	Maximum Allocation
A.	Agriculture and Irrigation: Intensive crop production, seeds programme, pond and tank excavation, social afforestation, fisheries, poultry, cattle, etc. small scale water management, drainage, irrigation, small scale flood control structure construction.	15%	30%
B.	Transport and communication: Construction, repair and maintenance of rural roads, small bridges and culverts.	25%	60%
C.	Physical Activities: Provision of water supply and sanitary latrines	10%	15%
D.	Educational Development: Repair and development of primary and mass education institutions and supply of teaching aids	10%	25%

VII. Assistance to Union Parishad Establishment Cost:

Generally fifty percent (50%) establishment cost of Union Parishad is provided by Local Government Division, GOB in the form of annual assistance.

6.1.2. Expenditure and Budgeting:

Every UP must have a fund, known as the Union Fund consisting of all UP's own receipts through taxes, rates and fees, and other sources of income including grants /assistance received from government and proceeds from hats- bazar, fery-ghat and jalmahal (water bodies). Payment of salaries and allowances to UP's personnel is made from this fund. This fund may be used for meeting the expenditures as allowed under the Ordinance.

UP budgeting is the key instrument for the management of UP's receipts and expenditure and in strengthening its own financial capability. Every Union Parishad is responsible for preparing a statement of estimated receipts and expenditures for each year before the beginning of that financial year in the prescribed manner and submitting it to the Deputy Commissioner (DC) of a district for approval. This requirement seems to limit practically the autonomy of UP relating to budgeting decisions and implementation.

I. The Union Parishad Budget: Budget Preparation(Section 47)

The proper management of the income and expenditure of a Union Parishad is one of the major activities in the conduct of its responsibilities. Therefore, every Union Parishad requires preparing a statement of estimated receipts and expenditures for each year before the commencement of that financial year in the prescribed manner and submitting it to the D.C for approval. The budget is a key instrument for the management of UP's receipts and expenditure and in strengthening its own financial capability.

The Union Parishad must prepare the annual budget using A-Form (Annex-). The procedure to be followed in preparation of UP's budget is as follows: -

- Types of receipts to be shown in the budget may be divided into three sources such as, own source, Government source, and local government source (as shown in A-form).
- With prior approval from the Government, any new item may be included in the income and expenditure side.
- Before the beginning of the financial year (June), every Union Parishad would prepare an estimate of income /revenue from the various sources as well as draw up an estimate of

expenditure on different items. The budget statement must show the utilization of UP Fund in terms of the categories described below:-

- Payment of honorarium to the Chairman and Members
- Establishment charges including salary and allowances including village chowkidar's collection charges of taxes, rates and fees
- Any expenditure in fulfilling obligation or in discharging duty imposed on UP by the court or by the controlling authority
- Any expenditure imposed on UP by the Government

The yearly budget must be prepared keeping in view the actual income and expenditure of the last year as well as the estimated/expected income/revenue and expenditure based on a thorough calculation. The budget should be prepared in a manner so that some surplus remains at the end of the year. The minimum balance should not be under 1/12 of the total revenue, if the expenditure cost exceeds the income, and then UP must adopt measures in the form of enhancing revenue! Income from its own sources or reduces its expenditure. Any new item may be included in the budget provided they are clearly and properly explained in detail.

While preparing the UP budget, it is necessary to ensure that the expenditure will be within the limit of the current income. In case of any major gap noticed between the actual income /expenditure and the current allocation, such difference must be reviewed to find causes and take remedial measures. If necessary, a revised budget may be prepared. No expenditure can be incurred by UP on any item/head in excess of its allocated amount to that particular item/head (See Annexure 1).

II. Budget Approval:

The budget statement must be prepared and submitted at least one month before the commencement of the financial year (month of June) to the DC for his approval. Before submitting the budget to the concerned DC the budget should be considered and passed in a special meeting of the Union Parishad.

If the budget of the UP is not prepared before the beginning of any financial year and submitted to the concerned DC for approval UP's Chairman would be held responsible and accountable for such delayed submission. Under this situation, DC may have prepared the necessary statement

and certify it and such certified statement would be considered as the sanctioned budget of the Union Parishad.

The DC, if necessary, may revise the budget statement within 30 days from the date of its receipt from UP, and such revised statement would be treated as the sanctioned budget. When the DC neither makes such revision nor provides approval within 30 days, the budget should be considered as approved.

UP budgeting process is shown in Annex-1/A

Where any UP assumes office responsibility for the first time during the financial year, its budget should be prepared for the remaining period of that financial year.

III. Union Fund and Its Uses:

Every Union Parishad must have a fund known as the Union Fund (Section-43). This fund is the main instrument, which gives some financial strength as well as autonomy to a Union Parishad. The Ordinance requires that the money under the Union Fund must be kept in a Government treasury, or in a bank transacting the business of a Government treasury or in such other institution as may be decided by the Government (Section-44). The operation of the bank account, if any, will be done with joint signature of the UP Chairman and Secretary. Cash in hand allowed under the Union Fund is only Taka.500/.

Use of Cheque Book: -Cheque book must be kept under lock and key in the custody of the UP chairman. When any cheque is issued by UP, but not encashed within three months of its issuance, in this situation, the cheque may be reissued with changed date. Such change of date in the cheque must be recorded in its counterfoil. All cancelled cheques must be persevered carefully till audit period.

The purposes and priority of spending money from this fund is explained in Section- 45. Union Fund may be utilized for the purposes mentioned below: -

1. Payment of salaries and allowances to the officers and UP employees
2. Meeting the expenditures charged on the Union Fund under the Ordinance

3. The fulfillment of any obligation and in the discharge of any duty imposed on the Union Parishad
4. Meeting of expenditure declared by UP with prior approval of the Deputy Commissioner (DC)
5. Meeting expenditure declared by the Government to be an appropriate charge on the Fund.

IV. Purchase Procedure:

Each Union Parishad will constitute a five- member committee, headed by the concerned UP chairman, one female member and two male members and the UP secretary, as member-secretary. This purchase committee may procure materials up to Taka.500/only through spot quotation based on verification of prices in the local market. Any purchase within Tk.50, 000/- would require tendering by local advertisement with wide publicity; but purchase beyond Tk.50, 000/-would need to invite tender through newspaper advertisement.

6.1.3. Accounting and Auditing:

UP's accounts must be kept in the prescribed manner and form as required by section-48. It is also necessary for UP to prepare an annual statement of accounts after the close of each financial year (June) and forward it to the DC. UP is required to maintain about 21 account books and registers covering various areas of financial transactions.

It is legally imperative that the account of every Union Parishad is audited in a manner. After such intervals as may be prescribed. On completion of auditing, the audit authority would present the audit report to the DC.

I. Accounts Maintenance:

Keeping of proper accounts is an essential element of good budget management Section 48 requires that accounts should be kept in the prescribed manner and form, and that an annual statement of accounts would be prepared after the close of each financial year. It must be forwarded to the Deputy Commissioner by the 3 December of the following financial year.

Procedures to be followed by UP in accounts keeping and maintenance are as follows:

- keep separate accounts of government fund received and spent on each development project annually
- Project accounts separately maintained for the various projects implemented relating to Infrastructure
- All types of monetary receipts as well as expenditure must be recorded in the Cash book in the designated place of the Register
- Keep record of the various advance payment and subsequent adjustment of the account
- Maintenance of UP fund as per government directives and to keep proper accounts of the fund invested by UP
- Prepare annually, the statement of accounts on UP's revenue and expenditure
- Keep record of the payment of salary. Other allowances of the employees and maintain proper account-record of all demands and disbursement of fund on office work related expenses
- Maintain and manage all records relating to employee's leave and their service related all other records /information
- Undertake expenses and keep accounts on the various expenditures made by UP as per directives of the Government
- Prepare statement of accounts on annual revenue and expenditure- head wise, and forward it to the prescribed authority
- Make year-ending financial adjustment on various monetary transactions.

II. Account Books and Registers:

All books of account and registers should be well prepared with page number. The Chairman would need to certify the number pages contained in each of the registers. It may be noted that under any circumstances, no record could be kept in any loose sheet of paper. Furthermore, nowhere in registers, accounts statement, and in voucher or accounts keeping, any overwriting, or use of fluid to cover something is permissible. When any mistake is done, the authorized person could correct it through scratching a single line with signature. Account books and registers have been classified under three main heads to facilitate easy and smooth maintenance of accounts of Union Parishad. These are:-

- General account book and register: This type of account books and registers are commonly used in all government and local government institutions.

- Second Schedule related account book and register: These account books and registers are applicable special only for Union Parishad.
- Miscellaneous: It refers to all other different registers.

Twenty-one (21) different account books and registers have to be maintained by UP. Description of these books of accounts / registers and procedure to be followed by UP are as follows:-

(i) Grant Register:

UP will keep detailed record of the receipt and expenditure of the government grant in a register as per UP Form. 2 (Annex-2)

(ii) Cash Book:

The Cash book is the most important and the main accounts record. All financial transactions of UP need to be regularly recorded using UP Form.3 in the Cash book on daily basis. All kinds of receipts and expenditure must be recorded and calculated and show the balance in the cash book at the end of each month. One cash book should be used for one year. The monthly cash balance of the cash book must be checked against the balance of the bank account shown in the bank statement in order to reconcile the two. After doing this, it has to be signed by the concerned UP official dealing with finance. (Annex-3)

(iii) Bill Register:

Information of all expenses such as salary, allowances, purchases and cost on infrastructure construction etc. must be recorded in this register. All vouchers should be attached in support of the bills submitted. When the payment is made through cheque, it should be issued in the name of the real recipient. Any payment above Tk.4999/ must be done through crossed cheque. (Annex-4)

(vi) Register On Stationery Materials:

There should be one register for all types of stationary materials to be maintained by one employee of UP as per Form-5. All stationary materials received and distributed must be recorded at the time of action taken. (Annex-5)

(v) Register on incidental (Contingency) Expenditure:

Payment on all incidental expenses must be done through submission of bills and then disburse the amount spent. In support of the expenditure, attachment of voucher/bill is necessary. If payment is made by cheque, it should be issued in the name of the real recipient. (Annex-6)

(vi) Master Roll Register:

When any works (construction) done under the supervision /management of UP member or officer, it is essential to record the daily attendance of laborers using Form-7. (Annex- 7)

(vii) Annual Accounts Description Register:

After the end of each financial year, UP must prepare the annual accounts report as per Form-8, and it should be submitted to the Deputy Commissioner by the 30th September of the next financial. (Annex- 8)

(viii) Property Register:

All properties like land, road side land, building, pond, open space for building construction under UP's ownership and possession must be recorded as per UP Form-9 and preserved in the property register. In case of sale or transfer of any of these properties, these matters should be recorded in the remark column under the signature of the Chairman. Once in every year, the chairman would verify the property register and puts his signature with date for certification. (Annex- 9)

(ix) Tax, Rate and Miscellaneous Collection Receipt Book:

Union Parishad should keep a receipt book as per Form-10 in order to maintain the record of all collections-, tax, rate etc. Every day collection with all the details must be recorded immediately in

the receipt book. On the first day of each month, the tax collector would deposit the collected amount along with the collection counter receipt to the Chairman. Every fortnight, the Chairman would deposit this amount to the savings account of the Union fund kept either in treasury or post office. He would also verify it with the collection register and acknowledge the receipt of the amount by giving his signature in the collection receipt used lastly. (Annex- 10)

(x) Union Tax Assessment Register:

Assessing annual valuation of each household, the holding tax is fixed. All records as per UP Form-II should be preserved in this register. Once the holding tax list is finally fixed, all necessary information must be recorded in this register. (Annex- 11)

(xi) Union Tax /Rate Collection Register:

After collection of Union tax/rate, this has to be recorded as per UP Form-12 in this register. Tax collection in terms of date and amount must be recorded in the designated column of this register. Moreover, the amount received under this head must be recorded also in the cash book. (Annex- 12)

(xii) License Fee Collection Register;

Except motor vehicle, all fees on transport such as rickshaw, rickshaw van, push cart, etc. must be collected with the help of UP Form-13 as per fixed rate, and licenses (annual) would be given against fees. All the relevant records must be kept in this register. (Annex-13)

(xiii) Occupation, Trade License and Permit Fees:

Fees charged for license/permit on trade/business, occupation should be collected using UP Form-14, and it must be recorded in this register. The amount received under this head must be recorded in the cash book as well. (Annex- 14)

(xiv) Cinema, Drama/Jatra and Other Recreational Fees Collection Register:

Within the jurisdiction of Union Parishad, it would collect fixed fees on cinema, drama jatra and other recreation related functions. The amount collected under this head must be deposited in the Union Fund and recorded in this register as per UP Form-15. (Annex- 15)

(xv) Hat- Bazar, Feri-Ghat and Jalmahal Lease and Collection Register:

Union Parishad would determine and collect lease money based on government directive/order relating to hat-bazar, ferri-ghat and jatmahal within its jurisdiction. The collected amount should be recorded as per UP Form-16 in this register. (Annex- 16)

(xvi) Miscellaneous Demand and Collection Register:

In case of any other imposed tax/fee or rent on UP land /building is collected. It should be recorded in this register as per UP Form-17. The amount received under this head should also be recorded in the cash book. (Annex- 17)

(xvii) Receipt Book: Stock and Issue Register:

Each year receipt forms in duplicate format must be printed with page number and bounded like a book. The Chairman would keep this receipt book under his personal custody, and the receipt book could be issued only by his order. The Chairman should sign in the receipt register book while he gives it to the tax collector. (Annex- 18)

(xviii) Register for Donation Paid by UP:

A register must be maintained as per UP Form- 19 to keep record of donations given by UP. Details of each donation contributed should be noted in this register immediately. (Annex-19)

(xix) Advance - Adjustment Register:

If any member of UP or contractor takes advance, proper record of it must be kept as per UP Form-20. No new advance is allowed in cases where the previous advance has not been

adjusted. The details of the advance must be recorded in the advance register, while the Cashbook in its payment side would record the payment of the advance immediately. In case of adjustment made through bill or money realization, details of such adjustment must be recorded in the relevant column of the cash book and advance adjustment register. Moreover, when advance is adjusted through work-bill, it must be recorded in the adjustment register as per the above Form. (Annex- 20)

(xx) Investment Register:

Union Parishad must maintain an investment register, which would keep record as per UP Form- 21 on all types of its investment including fixed deposit. Nature of all types of investment, and amount involved and other relevant information as recorded in the investment register should be sent along with the annual statement. (Annex-21)

(xxi) Land Transfer: Income and Expenditure Register:

This register must be maintained for keeping record of all income and expenditure due to land transfer. (Annex-22)

(xxi) Travel allowance:

Travel bills of UP employees must be prepared (as per its travel allowance Rule, 1961) in the prescribed form as used by the government employees. Travel allowance related expenditure would be considered under "others" head. Travel allowance of UP employees would be regulated by the travel rules of the government. In case of the non official member, the travel allowance as announced by the government from time to time would be applicable.

III. Audit:

It is legally imperative that the accounts of every Union Parishad must be audited in a manner, after such intervals, as may be prescribed.

The audit authority must have access to all books and other relevant documents relating to accounts and can examine the chairman/members, officer/employee of UP. On completion of auditing, the audit authority would present the audit report to the Deputy Commissioner.

The audit report as required by section-49 must take into such matters as:

- Cases of embezzlement
- Cases of loss, waste or misapplication of UP fund
- Cases of irregularities in the maintenance of accounts, and
- Names of persons who are directly or indirectly responsible for any embezzlement, loss, waste, misapplication or irregularities.

The government has introduced an independent audit system to examine and verify whether the provisions, rules-regulations, orders, directives etc. relating to UP's financial management are being properly observed and whether financial accounting system is being followed, and registers are being kept as required.

The responsibilities of auditing covers assessing such issues as:

- Whether all UP expenditures are done lawfully,
- Whether assigned functions of UP are performed adequately and properly,
- Whether funds have been misappropriated or not.

The auditing of accounts is being carried out in two ways: (1) Internal audit system, and (2) audit system instituted by the government, that is, audit by the office of the Comptroller and the Auditor General. As per chapters 128 to 132 of the Constitution of Bangladesh and CAG — (additional responsibility) Act, 1974- require that the Comptroller and Auditor General will arrange for auditing of the local government institutions. After completion of audit, the audit authority will send the audit report to the Deputy Commissioner. In respect of irregularities found in the audit, the Deputy Commissioner/UNO may take actions against the concerned persons.

There are important matters relating to UP's accounts and audit that have to be looked into by the audit authority. The government directives on financial management of UP (2001) have identified some areas on which attention must be focused with regard to accounts auditing of UP. These are as follows: -

- Whether the accounts on UP's income and expenditure are properly recorded and maintained
- Whether all receipts of the UP are accounted for and afterwards, the amount is either deposited in the bank account or kept in the postal savings account, as practiced by UP
- Whether the budget is being formulated, approved and expenditures are made accordingly, and the budget is revised as per rule as and when required
- Whether the amount received and spent is recorded and maintained in the cash book as per rule, and whether the cash in hand conforms to the balance amount in the cash book
- Whether the amount collected under different revenue sources is deposited under the proper head, and the amount received as shown in the receipt is properly recorded in the cash book
- Whether tax, rate and lease money are being collected as per government decision
- Whether all receipts, grants, property (land) and material stock and stamp etc. are properly recorded in the respective registers as per prescribed Forms
- Whether the estimate of the works programme is being recorded as per government's issued circulars and orders
- Whether account's related all files and records are being properly maintained
- Whether the amount paid as advance to the Project Committee has been properly spent and also adjusted
- Whether the vouchers in support of expenses are properly maintained
- Whether the property register is being properly maintained

The above mentioned circumstances reveals that UP has it shaped laws and administrative framework for strengthening its capability and make this organization effective, efficient, and transparent. Since independence in 1971 a number of attempts has been made to improve local government in Bangladesh but its continued to be managed and controlled by elites and heavily dependent on the administrative structures². Sirajganj Local Government Development Fund Project is the attempts to improve UPs capacity to make this institution participatory, vibrant, accountable and better service orient

² Three different Commissions/ Committees were constituted in 1993, 1997 and 1999 respectively to reform/ reorganize and strengthen the role, structure and functions of local government in Bangladesh. However, it was observed that no significant attempts has subsequently been made to operationalize and or implement the major recommendations of these reform commissions/committees.

6.2. B. Union Parishad Financial Situation in Reality:

6.2.1 Introduction:

The Local Government Ordinance (UP) assigned a list of functions to Union Parishad, however, in reality; this institution could undertake only a few of them, in view of its current financial ability generated from its own revenue. To understand the financial activities of Union Parishad in reality, it needs to discuss its financial activities in terms of its income and expenditure pattern.

6.2.2. Income through Revenue Collection:

Every Union Parishad must have a fund known as the Union Fund. The main sources of revenue of Union Parishads in Bangladesh are taxes and rates, non-tax revenues, voluntary contributions, government grants and loans from other sources. In the first place, the capacity to collect revenue is not very satisfactory in our selected twelve unions. Only the auctioning of hat and bazaar, brought more or less satisfactory result. The UP tax/chowkhdari tax which on paper was supposed to be one of the largest contributor, however, in fact did not perform well, reflecting a situation where UP officials are reluctant to exert pressure on peers on whose votes they must depend to remain in power. The amounts raised elsewhere were too small to discuss, and the overall **Total** was barely sufficient to cover the Union's own share of salary and related costs, leaving virtually very little for development activities.

The **Total** collection performance of taxes, rates and fees of these Unions were not very satisfactory. The Union Parishad officials and other relevant persons identified different reasons for this low collection. These are as follows:

- Poverty level of the area;
- Low productivity in different years;
- Inadequacy of the revenue sources;
- Unwillingness of the chairman and members to collect taxes in order to obtain their popularity and vote bank for the next election; and

- Natural calamity

Incomes through revenue collection of twelve (12) Union Parishads are presented in the Table 1.1 to Table 1.12 as follows:

Table 1.1 presents the Kashimpur UPs real income through revenue collection for the financial year 2000-2001 to 2003-2004. This union collected UP tax more than targeted in the financial year 2000-2001 and 2003-2004. But it did not able to collect the targeted amount fixed by it in the financial year 2002-2003. The collection performance of Kashimpur Union Parishad more or less satisfactory as it collected almost 50% or more than that.

Table 1.1 Income of Kashimpur Union through Revenue Collection:

Sl. No.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax				
	Assessment Target	1,00,000	N/A	1,60,000	1,00,000
	Actual Collection	2,30,000	N/A	1,00,000	1,70,000
	Percentage of Collection	230%	N/A	62.5%	170%
2.	Tax on Profession, Trades and calling				
	Assessment Target	2,00,000	N/A	2,50,000	3,00,000
	Actual Collection	2,50,000	N/A	2,00,000	2,50,000
	Percentage of Collection	125%	N/A	80%	83.33%
3.	Tax on Cinemas dramatic and theatrical shows				
	Assessment Target	25,000	N/A	5,000	5,000
	Actual Collection	5,000	N/A	25,000	5,000
	Percentage of Collection	20%	N/A	500%	100%
4.	Fees for licenses and permits issued by UP				
	Assessment Target	75,000	N/A	1,50,000	1,50,000
	Actual Collection	50,000	N/A	75,000	1,50,000
	Percentage of Collection	66.67%	N/A	50%	100%
5.	Lease money from specified hats bazaars and ferries				
	Assessment Target	2,00,000	N/A	1,00,000	1,00,000
	Actual Collection	20,000	N/A	1,000	1,00,000
	Percentage of Collection	10%	N/A	1%	100%
6.	1 % land transfer fess and Others				
	Assessment Target	5,20,000	N/A	6,05,000	8,05,000
	Actual Collection	3,17,658	N/A	3,34,400	4,23,455
	Percentage of Collection	61.09%	N/A	55.27%	52.60%

N/A = Not Available

Mirzapur Union Parishad collection performance is relatively good as its collection was almost nearer to assessment. The highest amount of collection is come from the land transfer fees and the lowest amount is come from the tax on cinemas, dramatic and theatrical. The collection from UP tax and lease money from specified hats bazars and ferries were about 100% as shown in the table no.1.2.

Table 1.2 Income of Mirzapur Union through Revenue Collection:

Sl. No.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax				
	Assessment Target	89,000	90,000	89,000	88,000
	Actual Collection	N/A	88,000	88,000	N/A
	Percentage of Collection	N/A	97.78%	98.88%	N/A
2.	Tax on Profession, Trades and calling				
	Assessment Target	15,000	15,000	18,000	18,000
	Actual Collection	N/A	8,000	11,000	N/A
	Percentage of Collection	N/A	53.33%	61.11%	N/A
3.	Tax on Cinemas dramatic and theatrical shows				
	Assessment Target	N/A	N/A	N/A	2,000
	Actual Collection	N/A	N/A	N/A	N/A
	Percentage of Collection	N/A	N/A	N/A	N/A
4.	Fees for licenses and permits issued by UP				
	Assessment Target	6,500	6,500	6,500	5,000
	Actual Collection	N/A	5,000	7,000	N/A
	Percentage of Collection	N/A	76.92%	107.69%	N/A
5.	Lease money from specified hats bazars and ferries				
	Assessment Target	20,000	20,000	20,000	40,000
	Actual Collection	N/A	20,000	20,000	N/A
	Percentage of Collection	N/A	100%	100%	N/A
6.	1% land transfer fees and Others				
	Assessment Target	1,64,358	1,64,358	2,27,848	7,92,052
	Actual Collection	N/A	1,13,358	4,31,133	N/A
	Percentage of Collection	N/A	68.97%	189.22%	N/A

N/A = Not Available

Collection performance in according to the assessment target Ba'sion UP was excellent. Irrespective of amount it was also better than the other. Ba'shion UP collected more than 7,00,000/- every financial year as UP tax. It was the highest when tax on cinemas, dramatic and theatrical was none. Lease money was collected exactly to the assessment target as presented in the table no.1.3.

Table 1.3 Income of Ba'sion Union through Revenue Collection:

Sl. NO.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax				
	Assessment Target	7,00,000	8,00,000	7,50,000	8,00,000
	Actual Collection	7,00,000	7,00,000	8,00,000	7,50,000
	Percentage of Collection	100%	87.5%	106.67%	93.75%
2.	Tax on Profession, Trades and calling				
	Assessment Target	1,80,000	2,30,000	1,50,000	2,00,000
	Actual Collection	1,75,000	1,80,000	2,30,000	1,00,000
	Percentage of Collection	97.22%	78.26%	153.33%	50%
3.	Tax on Cinemas dramatic and theatrical shows				
	Assessment Target	N/A	N/A	N/A	N/A
	Actual Collection	N/A	N/A	N/A	N/A
	Percentage of Collection	N/A	N/A	N/A	N/A
4.	Fees for licenses and permits issued by UP				
	Assessment Target	1,73,200	1,85,000	2,40,000	3,66,000
	Actual Collection	95,000	1,73,200	1,86,000	3,14,000
	Percentage of Collection	54.85%	93.62%	77.5%	85.79%
5.	Lease money from specified hats bazars and ferries				
	Assessment Target	60,000	60,000	60,000	60,000
	Actual Collection	N/A	60,000	60,000	60,000
	Percentage of Collection	N/A	100%	100%	100%
6.	1% land transfer fessand Others				
	Assessment Target	50,000	50,000	50,000	1,00,000
	Actual Collection	50,000	50,000	50,000	1,00,000
	Percentage of Collection	100%	100%	100%	100%

N/A = Not Available

Chadpur UPs performance regarding UP tax collection was good according to assessment target. Every financial year of my study period it has collected near to 100%. The highest amount has been collected from land transfer fees whereas it did not collect any amount from tax on cinemas, dramatic and theatrical. It has collected below 2000/- Tk. from fees for license and permit heads as shown in the table no. 1.4.

Table 1.4 Income of Chadpur Union through Revenue Collection:

Sl. No.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax Assessment Target Actual Collection Percentage of Collection	1,03,800 1,02,000 98.27%	1,03,800 1,03,800 100%	1,01,200 1,03,800 102.57%	1,00,500 1,01,200 100.69%
2.	Tax on Profession, Trades and calling Assessment Target Actual Collection Percentage of Collection	14,500 14,000 96.55%	12,000 14,500 120.83%	12,500 12,000 96%	17,000 12,500 73.53%
3.	Tax on Cinemas, dramatic and theatrical shows Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	N/A N/A NA	N/A N/A N/A	N/A N/A N/A
4.	Fees for licenses and permits issued by UP Assessment Target Actual Collection Percentage of Collection	1,450 1,400 96.55%	1,600 1,450 90.63%	1,400 1,600 114.29%	1,600 1,400 87.5%
5.	Lease money from specified hats bazars and ferries Assessment Target Actual Collection Percentage of Collection	1,00,000 1,00,000 100%	1,00,000 1,00,000 100%	1,00,000 1,00,000 100%	50,000 1,00,000 200%
6.	1% land transfer fessand Others Assessment Target Actual Collection Percentage of Collection	1,22,000 46,000 37.07%	1,44,000 1,22,000 84.72%	1,54,000 1,44,000 93.51%	4,05,000 4,04,000 99.75%

N/A - Not Available

Ra'ed UPs achievement is far away from the target. The target was not so high. In every heads of tax it was below the figure of Lac Tk. Percentage wise collection performance was also not satisfactory. It has collected highest amount from the lease heads, other hand it has not able to collect any amount from the cinemas, dramatic and theatrical heads. The assessment of UP tax and other heads were not so big.

Table 1.5 Income of Ra'ed Union through Revenue Collection:

Sl. NO.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax				
	Assessment Target	48,760	48,760	48,760	96,117
	Actual Collection	7,960	20,208	13,200	48,760
	Percentage of Collection	16.32%	41.44%	27.07%	50.73%
2.	Tax on Profession, Trades and calling				
	Assessment Target	45,000	45,000	75,000	1,00,500
	Actual Collection	2,075	28,530	6,120	48,000
	Percentage of Collection	4.61%	63.4%	8.16%	47.76%
3.	Tax on Cinemas dramatic and theatrical shows				
	Assessment Target	N/A	N/A	10,000	N/A
	Actual Collection	N/A	N/A	N/A	N/A
	Percentage of Collection	N/A	N/A	N/A	N/A
4.	Fees for licenses and permits issued by UP				
	Assessment Target	31,000	37,000	18,000	27,000
	Actual Collection	4,120	N/A	N/A	9,000
	Percentage of Collection	13.29%	N/A	N/A	33.33%
5.	Lease money from specified hats bazars and ferries				
	Assessment Target	1,00,000	1,00,000	1,00,000	50,000
	Actual Collection	86,200	N/A	1,00,000	N/A
	Percentage of Collection	86.2%	N/A	100%	N/A
6.	1% land transfer fessand Others				
	Assessment Target	1,00,000	1,05,000	1,07,000	1,07,000
	Actual Collection	N/A	N/A	5,300	N/A
	Percentage of Collection	N/A	N/A	4.95%	N/A

N/A = Not Available

The Collection performance of Ghagutia UP is near to assessment target. It has collected almost the 100% in every financial year, in every heads, in my study period. It has earned the highest amount from the UP tax heads when it was the lowest income on Tax on Cinemas, dramatic and theatrical shows, only tk. 700/- of each financial year.

Table 1.6 Income of Ghagutia Union through Revenue Collection:

Sl. No.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax Assessment Target Actual Collection Percentage of Collection	60,300 60,310 100.02%	1,00,300 60,300 60.12%	1,00,300 1,00,300 100%	1,80,000 1,75,000 97.22%
2.	Tax on Profession, Trades and calling Assessment Target 4 Actual Collection Percentage of Collection	15,000 15,000 100%	15,000 15,000 100%	25,000 15,000 60%	20,000 20,000 100%
3.	Tax on Cinemas dramatic and theatrical shows Assessment Target Actual Collection Percentage of Collection	7,00 7,00 100%	7,00 7,00 100%	7,00 7,00 100%	7,00 7,00 100%
4.	Fees for licenses and permits issued by UP Assessment Target Actual Collection Percentage of Collection	4,200 4,700 111.90%	4,200 4,200 100%	4,200 4,200 100%	4,800 6,000 125%
5.	Lease money from specified hats bazars and ferries Assessment Target Actual Collection Percentage of Collection	12,000 12,000 100%	10,000 12,000 120%	10,000 10,000 100%	N/A N/A N/A
6.	1% land transfer fessand Others Assessment Target Actual Collection Percentage of Collection	1,59,831 1,01,200 63.32%	1,32,189 1,59,831 120.91%	1,50,200 1,31,200 87.35%	N/A N/A N/A

N/A =Not Available

Kalia Horipur Union Parishads' assessment target is not based on logic. As it has fixed its UP tax in the financial year 2002-2003 Tk. 3,18,000/- the previous year it was only Tk. 65,500/- and the next year it was Tk. 1,14,000/-. The actual demand and actual collection of tax by Kalia Horipur is not satisfactory at all as shown in Table 1.7. Its highest income Tk. 1, 18,000/- in the financial year 2003-2004 and the lowest was 62,000/-Tk. in the financial year 2000-2001. It has earned the highest amount in the land transfer fees and the lowest in the tax on Profession, Trades and calling. It has not collected any amount in the two heads, such as Tax on Cinemas dramatic and theatrical shows and Lease money from specified hats bazaars and ferries.

Table 1.7 Income of Kalia Horipur Union through Revenue Collection:

Sl. NO.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax				
	Assessment Target	65,000	65,500	3,18,000	1,14,000
	Actual Collection	62,000	N/A	1,16,500	1,18,000
	Percentage of Collection	95.38%	N/A	36.64%	103.51%
2.	Tax on Profession, Trades and calling				
	Assessment Target	7,000	1,000	20,000	20,000
	Actual Collection	7,000	N/A	10,000	20,000
	Percentage of Collection	100%	N/A	50%	100%
3.	Tax on Cinemas dramatic and theatrical shows				
	Assessment Target	N/A	N/A	N/A	N/A
	Actual Collection	N/A	N/A	N/A	N/A
	Percentage of Collection	N/A	N/A	N/A	N/A
4.	Fees for licenses and permits issued by UP				
	Assessment Target	41,650	41,650	71,400	1,20,000
	Actual Collection	41,410	N/A	41,650	71,400
	Percentage of Collection	99.42%	N/A	58.33%	59.5%
5.	Lease money from specified hats bazars and ferries				
	Assessment Target	N/A	N/A	N/A	N/A
	Actual Collection	N/A	N/A	N/A	N/A
	Percentage of Collection	N/A	N/A	N/A	N/A
6.	1 % land transfer fessand Others				
	Assessment Target	3,67,100	3,96,384	1,72,301	1,84,886
	Actual Collection	2,03,755	N/A	1,45,935	1,67,301
	Percentage of Collection	55.50%	N/A	84.70%	90.49%

N/A= Not Available

Mesra UP did not make demand in two heads such as tax on Cinemas dramatic, and theatrical shows and lease money from specified hats bazaars and ferries. The actual demand and actual collection of tax by Mesra UP is not satisfactory at all. Its highest collection was 1, 36,000/- Tk. from land transfer fees in the financial year 2002-2003 and the lowest was 2,000/-Tk. in the financial year 2001-2002. It has fulfilled the expectation to collect UP tax according to assessment target as presented in the table no. 1.8.

Table 1.8 Income of Mesra Union through Revenue Collection:

Sl. NO.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax Assessment Target Actual Collection Percentage of Collection	60,000 60,000 100%	60,000 60,000 100%	60,000 60,000 100%	1,00,000 1,00,000 100%
2.	Tax on Profession, Trades and calling Assessment Target Actual Collection Percentage of Collection	4,000 3,400 85%	4,300 4,000 93.02%	4,500 4,300 95.56%	7,000 4,500 64.29%
3.	Tax on Cinemas dramatic and theatrical shows Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A
4.	Fees for licenses and permits issued by UP Assessment Target Actual Collection Percentage of Collection	2,000 3,400 170%	2,500 2,000 80%	2,500 2,500 100%	6,000 2,500 41.67%
5.	Lease money from specified hats bazars and ferries Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A
6.	1 % land transfer fessand Others Assessment Target Actual Collection Percentage of Collection	73,200 40,200 54.92%	73,000 40,200 55.07%	1,36,400 16,6000 22.74%	N/A N/A N/A

N/A = Not Available.

The overall collection performance of the Saidabad UP is not satisfactory at all as it appeared from the Table 1.9. It has not changed its collection target (UP tax) for four years. So its demand for collection also remained static. In case of tax on profession, Trades and calling the assessment target and collection performance was good but it was not good regarding collection of tax on Cinemas dramatic and theatrical shows in the financial year 2002-2003.

Table 1.9 Income of Saidabad Union through Revenue Collection:

SL. No.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax Assessment Target Actual Collection Percentage of Collection	80,000 8,556 10.70%	80,000 80,000 100%	80,000 80,000 100%	80,000 N/A N/A
2.	Tax on Profession Trades and calling Assessment Target Actual Collection Percentage of Collection	6,800 5,600 82.35%	7,400 7,400 100%	12,000 20,000 166.67%	5,000 N/A N/A
3.	Tax on Cinemas dramatic and theatrical shows Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	5,000 N/A N/A	5,000 5,000 100%	10,000 N/A N/A
4.	Fees for licenses and permits issued by UP Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	N/A N/A N/A	10,000 N/A N/A	20,000 N/A N/A
5.	Lease money from specified hats bazars and ferries Assessment Target Actual Collection Percentage of Collection	4,500 4,500 100%	5,000 5,000 100%	15,000 1,85,000 1233.33%	1,50,000 N/A N/A
6.	1% land transfer fees and Others Assessment Target Actual Collection Percentage of Collection	2,31,386 2,77,600 168.90%	2,82,186 1,69,186 54.96%	7,65,265 5,11,444 224.49%	13,60,900 N/A N/A

N/A--= Not Available.

It appears that Johail UPs collection performance under few heads in the selected financial years were near to expected collection but few heads like Lease money from specified hats bazaars and ferries and Tax on Profession, Trades and calling were not satisfactory. The highest income was from land transfer heads and the lowest was from the Tax on Cinemas dramatic and theatrical shows as presented in the table no. 1.10.

Table 1.10 Income of Johail Union through Revenue Collection:

Sl. No.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	50,000 14,326 28.65%	1,00,000 1,00,000 100%	1,00,000 1,00,000 100%
2.	Tax on Profession, Trades and calling Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	36,500 4,600 12.60%	25,500 25,500 100%	4,000 3,500 87.5%
3.	Tax on Cinemas dramatic and theatrical shows Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	N/A N/A N/A	2,000 2,000 100%	N/A N/A N/A
4.	Fees for licenses and permits issued by UP Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	N/A N/A N/A	12,500 16,500 132%	1,000 7,00 70%
5.	Lease money from specified hats bazars and ferries Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	1.40.000 53.800 38.43%	90,000 90,000 N/A	30,000 48,000 160%
6.	1% land transfer fessand Others Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	6,36,996 N/A N/A	7,86,846 6,75,620 85.86%	12,91,908 11,35,097 87.86% ^s

N/A = Not Available

The Zamtoil UP did not have organized process in preparing and preserving their budget documents. So, a lot of information was unavailable like other UPs within our study. Zamtoil UP was able to collect 100% of its target a few cases like Fees for licenses and permits issued by UP in the financial year 2002-2003 and Lease money from specified hats bazaars and ferries in the financial year 2001-2002 and 2002-2003. The highest income come from the land transfer heads and lowest from Fees for licenses and permits issued by UP. It has failed to collect any amount from the heads of Tax on Cinemas dramatic and theatrical shows as presented in the Table no. 1.11.

Table 1.11 Income of Zamtoil Union through Revenue Collection:

Sl. NO.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax Assessment Target Actual Collection Percentage of Collection	89,000 N/A N/A	90,000 88,000 97.78%	89,000 88,000 98.88%	88,000 N/A N/A
2.	Tax on Profession, Trades and calling Assessment Target Actual Collection Percentage of Collection	15,000 N/A N/A	15,000 8,000 53.33%	18,000 11,000 61.11%	18,000 N/A N/A
3.	Tax on Cinemas dramatic and theatrical shows Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	2,000 N/A N/A
4.	Fees for licenses and permits issued by UP Assessment Target Actual Collection Percentage of Collection	6,500 N/A N/A	6,500 5,000 76.92%	6,500 7,000 107.69%	5,000 N/A N/A
5.	Lease money from specified hats bazaars and ferries Assessment Target Actual Collection Percentage of Collection	20,000 N/A N/A	20,000 20,000 100%	20,000 20,000 100%	40,000 N/A N/A
6.	1% land transfer fessand Others Assessment Target Actual Collection Percentage of Collection	1,64,358 N/A N/A	1,64,358 3,88,358 236.29%	2,27,848 6,73,238 295.4	7,92,052 N/A N/A

N/A – Not Available

Rai-Doulatur UPs demand under UP tax in the financial year 2000-2001, 2001-2002 and 2003-2004 was only Tk.50, 000/- and Tk. 60,000/ respectively. Its collection performance was also not satisfactory. The highest collection came from the heads of land transfer and the lowest was the Fees for licenses and permits issued by UP. This UP is also weak in preparing and preserving its budget document. In fact, this was the reason for not getting more information/documents regarding its financial matters. Rai-Doulatur UP did not collect any amount under the heads of Tax on Cinemas dramatic and theatrical shows. The overall performance of this UP was not up to the expectation.

Table 1.12 Income of Rai-Doulatur Union through Revenue Collection:

SL.NO.	Revenue Source	2000-2001	2001-2002	2002-2003	2003-2004
1.	UP Tax Assessment Target Actual Collection Percentage of Collection	45,000 N/A N/A	45,000 90,000 200%	90,000 45,000 50%	50,000 N/A N/A
2.	Tax on Profession Trades and calling Assessment Target Actual Collection Percentage of Collection	3,250 19,00 58.46%	3,250 25,00 76.92%	3,500 N/A N/A	3,000 N/A N/A
3.	Tax on Cinemas dramatic and theatrical shows Assessment Target Actual Collection Percentage of Collection	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	15,000 N/A N/A
4.	Fees for licenses and permits issued by UP Assessment Target Actual Collection Percentage of Collection	45,000 3,150 7%	45,000 5,100 11.33%	4,250 N/A N/A	7,75,000 N/A N/A
5.	Least-money from specified hats bazars and ferries Assessment Target Actual Collection Percentage of Collection	1,00000 48,6,52 48.65%	1,00000 75,000 75%	55,000 N/A N/A	60,000 N/A N/A
6.	1% land transfer fees and Others Assessment Target Actual Collection Percentage of Collection	1,05,340 1,07,470 102.02%	1,05,570 1,66,770 157.97%	2,17,839 N/A N/A	1,85,156 N/A N/A

N/A = Not Available

6.2.3. Comparative Revenue collection Performances of the selected twelve Union Parishads:

Revenue collection Performances of the selected twelve Union Parishads are not satisfactory at all. While the three (3) Unions of Gazipur Sadar Upazila has collected on an average nine lacs during financial year 2000 to financial year 2004. On the other hand three (3) the Unions of Kamarkhand Upazila has collected only on an average around four lacs during the same period. In Kapatia Upazila, the three (3) selected Unions on an average collected only around three lacs during financial year 2000 to 2004, while the three (3) selected unions of Sirajganj Sadar Upazila has collected on an average around three lacs during the same financial years. It appears that the performance of Gazipur Sadar Upazila's Unions was the best. As these Unions situated just besides the Capital Dhaka, and it is the industrial/resourceful area, so, they were able to collect the amount. It does not indicate that the Unions of rural Bangladesh can also be able to collect the same.

Table 1.13 shows that some Union Parishad has collected relatively higher amount than the previous financial year during the whole study period. Performances of Ba'sion, Chadpur, Kashimpur and Rai-Doulatpur Unions were relatively good.

It has been observed during field visits that the UP officials did not properly maintain actual collection register of levies, taxes and fees. Even they did not assess the taxes properly and year wise. They usually fixed the taxes /levies based previous records .They do not assess the taxes through survey. Some of the UP officials are dishonest and not sincere to raise revenue for UPs.

The above mentioned tables revealed a very poor and weak financial picture of local government institution. There is a few of Union Parishad who has no ability to collect even Tk. two lacs in a financial year.

1.13 **Total** Income of selected twelve Union Parishads during the financial year 2000-2001 to 2003-2004, financial year wise:

1	2	3	4	5
Name of UP	Total income of UP FINANCIAL YEAR 2000-2001	Total income of UP FINANCIAL YEAR 2000-2002	Total income of UP FINANCIAL YEAR 2002-2003	Total income of UP FINANCIAL YEAR 2003-2004
Kashimpur	9,85,000	N/A	10,20,000	12,80,000
Mirzapur	N/A	5,09,358	7,99,238	N/A
Basion	10,20,000	11,63,200	13,26,000	13,24,000
Chandpur	2,63,400	3,41,750	3,61,400	6,19,100
Ra'ed	1,00,355	48,738	1,24,620	1,05,760
Ghagutia	2,33,910	2,92,031	3,01,400	2,41,700
Kalia Horipur	4,34,000	N/A	3,14,085	2,76,701
Mesra	2,63,000	1,39,200	1,39,800	1,07,000
Saidabad	2,10,251	3,68,786	8,75,765	N/A
Johail	N/A	72,726	3,14,085	12,87,297
Zamtoil	N/A	5,09,358	1,39,800	N/A
Rai-Doulatpur	1,62,272	3,41,470	8,75,765	N/A

Basion union parishad of gazipur sadar upazila during the financial year financial year 2000-2001, financial year 2001-2002, financial year 2002-2003, and financial year 2003-2004 respectively, has collected the highest levy from different heads. Table no. 1.14 to 1.17 shows that collection performance of UP tax of Kashimpur Union is the lowest among the Unions of Gazipur sadar Upazila during study period. Table no. 1.14 through 1.17 shows that the collection performance of Ra'ed Union was the lowest among the Unions of Kapashia Upazila. The collection performance of Mesra Union was the lowest among the Unions of Shirajganj Sadar Upazila and the collection performance of UP tax of Zamtoil Union was the lowest among the unions of Kamarkhand Upazila. Basion UP collected the highest amount when the Rai-Doulatpur was the lowest during the period under my review. Among the 12 UPs, only Kashimpur UP was able to collect the tax on cinemas dramatic and theatrical.

1.14 Collection Performance of selected 12 Union Parishad during the financial year 2000-2001, Category wise:

1	2	3	4	5	6	7	8	9
Name of UP	UP Tax	Tax on profession on trades and calling	Tax on Cinemas dramatic and theatrical shows	Fees for licenses and permit	Lease money from Hat, Bazar and Ferries	Land transfer fee	Demand of UP tax	Actual collection of UP tax
Kashimpur	2,30,000	2,50,000	5,000	50,000	20,000	4,30,000	11,20,000	9,85,000
Mirzapur	N/A	N/A	N/A	N/A	N/A	N/A	2,94,858	N/A
Basion	7,00,000	1,75,000	N/A	95,000	N/A	50,000	11,63,200	10,20,000
Chandpur	1,02,000	14,000	N/A	1,400	1,00,000	46,000	3,41,750	2,63,400
Ra'ed	7,960	2,075	N/A	4,120	86,200	N/A	3,25,760	1,00,355
Ghagutia	60,310	15,000	700	44,700	12,000	1,01,200	3,02,031	2,33,910
Kalia Horipur	62,000	7,000	N/A	41,410	N/A	3,23,590	4,80,750	4,34,000
Mesra	60,000	3,400	N/A	3,400	N/A	1,96,200	1,39,200	2,63,000
Saidabad	8,556	5,600	N/A	N/A	4,500	1,91,595	3,22,686	2,10,251
Johail	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Zamtoil	N/A	N/A	N/A	N/A	N/A	N/A	2,94,858	N/A
Rai-Doulatpur	N/A	1,900	N/A	3,150	48,652	1,08,570	2,98,590	1,62,272

Table 1.15 shows that the Ba'slon UP collected the highest amount of UP tax, and the Johail was the lowest among the 12 UPs. While the information of two UP namely, Kashimpur and Kalia Horipur was not available. Out of twelve UPs, only Ghagutia and Saidabad were able to collect tax on cinemas, dramatic and theatrical shows,

1.15 Collection Performance of selected 12 Union Parishad during the fiscal year 2001-2002, Category wise:

1	2	3	4	5	6	7	8	9
Name of UP	UP Tax	Tax on profession on trades and calling	Tax on Cinemas dramatic and theatrical shows	Fees for licenses and permit	Lease money from Hat, Bazer and Ferries	Land transfer fee	Demand of UP tax	Actual collection of UP tax
Kashimpur	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mirzapur	88,000	8,000	N/A	5,000	20,000	3,88,358	2,95,858	5,09,358
Basion	7,00,000	1,80,000	N/A	1,73,200	60,000	50,000	13,25,000	11,63,200
Chandpur	1,03,800	14,500	N/A	1,450	1,00,000	1,22,000	3,61,400	3,41,750
Ra'ed	20,208	28,530	N/A	N/A	N/A	N/A	3,37,760	48,738
Ghaguti	60,300	15,000	700	44,200	12,000	1,59,831	3,02,989	2,92,031
Kalia Horipur	N/A	N/A	N/A	N/A	N/A	N/A	5,04,534	N/A
Mesra	60,000	4,000	N/A	2,000	N/A	73,200	1,39,800	1,39,200
Saidabad	80,000	7,400	5,000	N/A	5,000	2,71,386	3,74,586	3,68,786
Johail	14,326	4,600	N/A	N/A	53,800	N/A	8,63,496	72,726
Zamtoil	88,000	8,000	N/A	5,000	20,000	3,88,358	2,95,858	5,09,358
Rai-Doulatpur	90,000	2,500	N/A	5,100	75,000	1,68,870	2,98,820	3,41,470

In the financial year 2002-2003 Ba'sion UPs collection performance was the best and it was Tk.13, 26,000/- while Rai Dulatpur shows the lowest collection amounting Tk. 45000/-. Three (3) Union Parishads, namely, Kashimpur, Saidabad and Johail were able to collect Tax on Cinemas, dramatic and theatrical shows as shown in the Table no 1.16.

1.16 Collection Performance of selected 12 Union Parishad during the financial year 2002-2003, Category wise:

1	2	3	4	5	6	7	8	9
Name of UP	UP Tax	Tax on profession on trades and calling	Tax on Cinemas dramatic and theatrical shows	Fees for licenses and permit	Lease money from Hat, Bazer and Ferries	Land transfer fee	Demand of UP tax	Actual collection of UP tax
Kashimpur	1,00,000	2,00,000	25,000	75,000	1,00,000	5,20,000	12,70,000	10,20,000
Mirzapur	88,000	11,000	N/A	7,000	20,000	6,73,238	3,61,348	7,99,238
Basion	8,00,000	2,30,000	N/A	1,86,000	60,000	50,000	12,50,000	13,26,000
Chandpur	1,03,800	12,000	N/A	1,600	1,00,000	1,44,000	3,69,100	3,61,400
Ra'ed	13,200	6,120	N/A	N/A	1,00,000	5,300	3,48,760	1,24,620
Ghagutia	1,00,300	15,000	700	44,200	10,000	1,31,200	3,30,400	3,01,400
Kalia Horipur	1,16,500	10,000	N/A	41,650	N/A	1,45,935	5,81,701	3,14,085
Mesra	60,000	4,300	N/A	2,500	N/A	73,000	2,03,400	1,39,800
Saidabad	80,000	20,000	5,000	10,000	1,85,000	5,75,765	9,22,265	8,75,765
Johail	1,00,000	25,500	2,000	16,500	90,000	6,75,620	10,16,846	9,09,620
Zamt oil	88,000	11,000	N/A	7,000	20,000	6,73,238	3,61,348	2,99,238
Rai-Doulatpur	45,000	N/A	N/A	N/A	N/A	N/A	3,70,589	45,000

Table 1.17 shows that in the financial year 2003-04 almost every Union Parishad collected revenue under every item/heads. Ba'sion was the best among the twelve (12) Union Parishads. Kashimpur, Johail, Saidabad and Mirzapur Union Parishad also did relatively well in terms of Total income.

1.17 Collection Performance of selected 12 Union Parishad during the financial year 2003-2004, Category wise:

1	2	3	4	5	6	7	8	9
Name of UP	UP Tax	Tax on profession on trades and calling	Tax on Cinema as dramatic and theatrical shows	Fees for licenses and permit	Lease money from Hat, Bazer and Ferries	Land transfer fee	Demand of UP tax	Actual collection of UP tax
Kashimpur	1,70,000	2,50,000	5,000	1,50,000	1,00,000	6,05,000	14,60,000	12,80,000
Mirzapur	N/A	N/A	N/A	N/A	N/A	N/A	7,92,052	N/A
Basion	7,50,000	1,00,000	N/A	3,14,000	60,000	1,00,000	15,26,000	13,24,000
Chandpur	1,00,500	12,500	N/A	1,400	1,00,000	4,04,000	5,74,100	6,19,100
Ra'ed	48,760	48,000	N/A	9,000	N/A	N/A	3,80,617	1,05,760
Ghagutia	1,75,000	20,000	700	46,000	N/A	N/A	2,45,500	2,41,700
Kalia Horipur	1,18,000	20,000	N/A	71,400	N/A	1,67,301	4,38,886	2,76,701
Mesra	1,00,000	4,500	N/A	2,500	N/A	N/A	1,13,000	1,07,000
Saidabad	N/A	N/A	N/A	N/A	N/A	N/A	16,25,900	N/A
Johail	1,00,000	3,500	N/A	700	48,000	11,35,097	14,26,908	12,87,297
Zamtoil	N/A	N/A	N/A	N/A	N/A	N/A	4,45,052	N/A
Rai-Doulatpur	N/A	N/A	N/A	N/A	N/A	N/A	10,88,156	N/A

Table 1.17 shows that Mirzapur, Saidabad, Zamtoil and Rai-Doulatpur was not able to collect any revenues from UP tax, tax on profession, trades and calling, while only Kashimpur and Ghagutia able to collect tax on Cinemas, dramatic and theatrical shows during financial year 2003-2004. In this respect, Ba'sion UP also took the first place among the twelve Union Parishad.

6.2.4. Expenditure pattern of Union Parishad

Union Parishad expenditure are divided into two parts, i.e. revenue expenditure and development expenditure. The salaries and allowances of the employees together with other establishment expenditure have accounted for the major portion of the UP expenditure. After meeting the establishment expenditure Union Parishad is left with a small amount of resources to undertake development activities. Therefore, few developments works such as the construction and repair of rural roads, culverts are undertaken by the Unions Parishad. These types of projects are usually financed under the Food for Works, Test relief, and Rural Maintenance Program and co-ordinated by the central government ministries. Twelve Union Parishad's category wise expenditure during the four financial years (2000-2001 to 2003-2004) is discussed below.

Kashimpur UP spends the highest amount on salaries and allowances for the officers and employees and honorarium of the chairman and members. It spends the highest amount of Tk.8,00,000/- and Tk.6,00,000/- in house construction and repair in the financial year 2003-2004 and 2002-2003 respectively, and the lowest amount Tk.10,000/- in the health and sewerage system in the financial year 2000-2001. This UP's expenditure was relatively very small in the development head such as agricultural project and health and sewerage system as shown in the table no.2.1.

Table 2.1. Expenditure of Kashimpur Union Parishad by category:

SL.	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	Establishment Expenditure				
	a) Honorarium of the chairman and members	1,18,800	N/A	1,18,800	1,18,800
	b) Salaries and allowances of the officers and employees	1,86,150	N/A	1,76,400	1,74,260
	c) Establishment expenditure in tax collection	77,800	N/A	96,000	1,33,000
	d) Contingency	N/A	N/A	N/A	N/A
2.	Stationary'	N/A	N/A	N/A	N/A
3.	Miscellaneous	75,000	N/A	50,000	1,00,000
	Total	4,57,750	N/A	4,41,200	5,26,060
	Development expenditure Works Program				
	(a) Agriculture project	20,000	N/A	50,000	50,000
	(b) Health and sewerage system	10,000	N/A	50,000	50,000
	(c) Road construction /repair	1,09,725	N/A	1,64,400	1,99,500
	(d) House construction repair	N/A	N/A	6,00,000	8,00,000
	(e) Education	5,00,000	N/A	45,000	25,000
	(f) Others	1,05,000	N/A	1,55,000	2,25,000
	Total	7,44,725	N/A	10,64,400	13,49,500

N/A= Not Available

Mirzapur UP has paid regularly salaries and allowances to the officers and employees. It has spent Tk. 7, 00,000/- to Tk. 30, 00,000/- on the development sectors during four years of our study time. It has spent the highest amount Tk. 19, 59,157/- in the health sector in the financial year 2000-2001 and the lowest amount was in the agricultural project, which was Tk. 14,600/-, in the financial year 2000-2001 as shown in the Table no. 2.2.

Table 2.2 Expenditure of Mirzapur Union Parishad by category:

SL.	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	I. Establishment Expenditure				
	a) Honorarium of the chairman and members	70,200	70,200	1,18,800	1,18,800
	b) Salaries and allowances of the officers and employees	1,56,428		1,82,420	1,84,380
	c) Establishment expenditure in tax collection	67,200		63,750	1,04,250
	d) Contingency	N/A		N/A	15,000
2.	Stationary	N/A		N/A	20,000
3.	Miscellaneous	1,25,000		28,000	N/A
	Total	4,18,828		3,92,970	4,42,430
	Development expenditure Works Program				
	(a) Agriculture project	14,600		4,75,000	5,70,000
	(b) Health and sewerage system	19,59,157		7,13,000	5,76,920
	(c) Road construction /repair	17,22,732		9,50,000	13,05,000
	(d) House construction /repair	N/A		N/A	1,65,000
	(e) Education	N/A		2,40,135	6,50,000
	(f) Others	67,600		76,500	1,52,655
	Total	37,64,089		24,54,635	34,19,575

N/A= Not Available

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Ba'sion UP's revenue expenditure was regular i.e. honorarium of the chairman and members and salaries and allowances of the officers and employees were paid in the financial year 2000-2001 to 2003-2004 in my study period. In development expenditure the highest amount was Tk. 20,00,000/- in the road construction /repair heads in the financial year 2003-2004 and the lowest was the agriculture project was Tk. 1,000/- only in the financial year 2000-2001. Expenditure on agricultural project and health and sewerage system were get less priority in our study period as shown in the Table no. 2.3.

Table 2.3 Expenditure of Ba'sion Union Parishad by category:

SL.No	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	Establishment Expenditure				
	a) Honorarium of the chairman and members	1,18,800	1,18,800	1,18,800	1,18,800
	b) Salaries and allowances of the officers and employees	1,83,600	2,25,400	2,29,700	2,39,200
	c) Establishment expenditure in tax collection	1,35,000	1,50,000	1,50,000	1,50,000
	d) Contingency	N/A	N/A	N/A	4,000
2.	Stationary	N/A	N/A	N/A	20,000
3.	Miscellaneous	30,000	30,000	25,000	1,00,000
	Total	4,67,400	5,24,200	5,23,500	6,32,000
	Development expenditure Works Program				
	(a) Agriculture project	10,000	15,000	20,000	25,000
	(b) Health and sewerage system	20,000	24,000	10,000	20,000
	(c) Road construction /repair	2,25,000	3,00,000	2,50,000	20,00,000
	(d) House construction /repair	N/A	N/A	N/A	2,00,000
	(e) Education	50,000	50,000	25,000	50,000
	(f) Others	18,08,000	20,29,000	24,43,000	2,05,000
	Total	21,13,000	24,18,000	27,48,000	25,00,000

N/A= Not Available

Chadpur UP's revenue expenditure i.e. honorarium of the chairman and members and salaries and allowances of the officers and employees was regular. It has spent the highest amount Tk. 2, 80,000/- in the financial year 2003-2004 in the health and sewerage system heads and the same amount in the Road construction/repair heads in the financial year 2001-2002. On the other hand the education heads was the lowest under our review period. House construction/ repair and agricultural project sectors were not get any allocation in our four years review period as shown in the table no.2.4.

Table 2.4 Expenditure of Chandpur Union Parishad by category:

SL.No	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	Establishment Expenditure				
	a) Honorarium of the chairman and members	1,18,800	1,18,800	1,84,200	1,64,400
	b) Salaries and allowances of the officers and employees	1,69,143	1,78,393	1,79,743	2,08,900
	c) Establishment expenditure in tax collection	60,899	53,943	40,728	43,856
	d) Contingency	N/A	N/A	N/A	N/A
2.	Stationary	N/A	N/A	N/A	N/A
3.	Miscellaneous	N/A	30,000	1,62,000	30,000
	Total	3,48,842	3,81,138	5,66,671	4,47,156
	Development expenditure Works Program				
	(a) Agriculture project	N/A	N/A	N/A	N/A
	(b) Health and sewerage system	81,000	70,000	2,50,000	2,80,000
	(c) Road construction/ repair	1,20,000	2,80,000	75,000	60,000
	(d) House construction /repair	N/A	N/A	N/A	N/A
	(e) Education	19,000	N/A	18,400	N/A
	(f) Others	3,79,621	1,41,026	62,000	1,32,000
	Total	5,99,621	4,91,026	4,05,400	4,72,000

N/A= Not Available

Ra'ed UP has paid regularly honorarium of the chairman and members and salaries and allowances of the officers and employees. UP has spent the major portion of its revenue expenditure for these two items/heads under our review period. In the development sector the highest expenditure of Ra'ed UPs was Tk. 75,000/- in the agricultural sector in the financial year 2003-2004 and the lowest was the Road construction/repair in the financial year 2001-2002, which was Tk. 5000/- only. There were no allocations in the house construction /repair and health and sewerage system under our review period as shown in the Table no.2.5.

Table 2.5 Expenditure of Ra'ed Union Parishad by category:

SL.NO	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	I. Establishment Expenditure				
	a) Honorarium of the chairman and members	66,000	70,200	1,10,400	1,18,800
	b) Salaries and allowances of the officers and employees	1,27,300	131,400	1,74,334	1,82,335
	c) Establishment expenditure in tax collection	21,104	25,286	30,620	42,685
	d) Contingency	N/A	18,500	N/A	N/A
2.	Stationary	N/A	N/A	N/A	N/A
3.	Miscellaneous	1,19,900	9,000	25,000	23,500
	Total	3,34,304	2,94,386	3,40,354	3,67,320
	Development expenditure				
	(a) Agriculture project	N/A	N/A	20,000	75,000
	(b) Health and sewerage system	N/A	N/A	N/A	N/A
	(c) Road construction /repair	N/A	5,000	50,000	N/A
	(d) House construction /repair	N/A	N/A	N/A	N/A
	(e) Education	N/A	N/A	17,500	N/A
	(f) Others	N/A	1,22,000	80,500	54,000
	Total	N/A	1,27,000	1,68,000	1,29,000

N/A= Not Available

Ghagutia UP's revenue expenditure i.e. the honorarium of the chairman and members and salaries and allowances of the officers and employees was regular. It has spent the major portion of its revenue expenditure in my four years review period. The highest expenditure of Ghagutia UP in the development sector was Tk. 21,000/- in the agricultural project in the financial year 2000-2001 and the lowest was the Health and sewerage system in the financial year 2001-2002 and 2002-2003 only Tk. 300/-each. There was no allocation in the house construction /repair heads in the financial year 2000-2001, 2001-2002 and 2002-2003. It was interesting that Ghagutia Union Parishad allocate Tk. 300/- only for a development sector in a financial year as shown in the Table no.2.6.

Table 2.6 Expenditure of Ghagutia Union Parishad by category:

SL NO	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	1 .Establishment Expenditure				
	a) Honorarium of the chairman and members	1,18,800	1,18,800	1,18,800	1,50,000
	b) Salaries and allowances of the officers and employees	62,200	1,56,536	1,64,957	1,67,481
	c) Establishment expenditure in tax collection	1,19,530	37,000	40,000	35,000
	d)Contingency	N/A	N/A	N/A	N/A
2.	Stationary	N/A	N/A	N/A	N/A
3.	Miscellaneous	4,500	5,000	7,000	N/A
	Total	3,05,030	3,17,336	3,30,757	3,52,481
	Development expenditure Works Program				
	(a)Agriculture project	21,900	1,200	1,500	1,500
	(b)Health and sewerage System	15,00	300	300	500
	(c)Road construction /repair	7,000	7,500	9,000	43,500
	(d)House construction /repair	N/A	N/A	N/A	14,000
	(e)Education	15,00	1,500	N/A	1,200
	(f)Others	72,000	72,500	62,000	55,000
	Total	1,03,900	83,000	72,800	1,15,700

N/A = Not Available

Kalia Horipur UP's revenue expenditure i.e. honorarium of the chairman and members and salaries and allowances of the officers and employees was the major portion of its revenue expenditure in our four years review period. The highest expenditure of Kalia Horipur UP was in the development sector Tk.37, 25,000/- in the Road construction/repair in the financial year 2003-2004 and the lowest was the Health and sewerage system in the financial year 2000-2001 Tk. 1000/- only. There was no allocation in the house construction /repair sector under our four years review period.

Table 2.7 Expenditure of Kalia Horipur Union Parishad by category:

SL.NO	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	I. Establishment Expenditure				
	a) Honorarium of the chairman and members	70,200	70,200	1,18,800	1,18,800
	b) Salaries and allowances of the officers and employees	1,49,540	1,51,880	1,54,408	1,56,736
	c) Establishment expenditure in tax collection	1,14,417	1,42,171	2,00,295	30,000
	d)Contingency	N/A	N/A	N/A	N/A
2.	Stationary	20,500	20,500	50,500	50,500
3.	Miscellaneous	73,000	76,000	59,000	61,000
	Total	4,27,657	4,60,751	5,83,003	4,17,036
	Development expenditure Works Program				
	(a)Agriculture project	15,000	15,000	43,000	55,000
	(b)Health and sewerage system	1,000	5,000.	5,000	20,000
	(c)Road construction/repair	N/A	29,14,561	31,08,290	37,25,790
	(d)House construction/repair	N/A	N/A	N/A	N/A
	(e) Education	15,000	N/A	20,000	5,000
	(f)Others	18,000	26,000	25,000	10,000
	Total	67,505	29,56,061	31,96,790	38,15,790

N/A= Not Available.

Mesra UP's revenue expenditure i.e. honorarium of the chairman and members and salaries and allowances of the officers and employees was the major portion of its revenue expenditure in our four years review period. The highest expenditure of Kalia Horipur UP in the development expenditure was Tk 5,30,000/- in the Road construction/repair sector in the financial year 2003-2004 and the lowest was the Health and sewerage system in the financial year 2000-2001 and agricultural sector in the financial year 2000-2001 to 2002-2003 Tk. 5000/-each only, as shown in the table no.2.8.

Table 2.8 Expenditure of Mesra Union Parishad by category:

SL NO.	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	1. Establishment Expenditure				
	a) Honorarium of the chairman and members	70,200	70,200	68,400	90,600
	b) Salaries and allowances of the officers and employees	74,000	N/A	53,700	2,10,636
	c) Establishment expenditure in tax collection	26,250	19,000	11,250	21,000
	d) Contingency	N/A	N/A	7,000	N/A
2.	Stationary	N/A	N/A	N/A	12,000
3.	Miscellaneous	10,000	10,000	12,000	7,000
	Total	1,80,450	99,200	1,52,350	3,41,236
	Development expenditure Works Program				
	(a) Agriculture project	5,000	5,000	5,000	85,000
	(b) Health and sewerage system	5,000	10,000	N/A	70,000
	(c) Road construction /repair	18,500	38,500	41,000	5,30,000
	(d) House construction /repair	N/A	N/A	N/A	50,000
	(e) Education	N/A	N/A	N/A	30,000
	Others	6,000	4,500	2,550	35,000
	Total	34,500	58,000	48,550	7,93,700

N/A = Not Available

Saidabad UP has paid regularly honorarium to the chairman and members and salaries and allowances to the officers and employees. It was the major portion of its revenue expenditure in our four years review period. It has spent Tk.4, 000/- to 4, 26,000/- on the development sectors during four years study period. It has spent the highest amount Tk. 4,26,000/- in the Road construction /repair sector in the financial year 2002-2003 and the lowest amount in the education sector which was Tk.5000/- in the financial year 2002-2003 as shown in the Table no.2.9.

Table 2.9 Expenditure of Saidabad Union Parishad by category:

SL.NO	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	I. Establishment Expenditure				
	a) Honorarium of the chairman and members	69,600	69,600	1,18,800	1,56,350
	b) Salaries and allowances of the officers and employees	1,67,686	1,70,086	1,90,320	1,92,975
	c) Establishment expenditure in tax collection	16,000	16,000	16,000	22,000
	d) Contingency	N/A	N/A	N/A	48,675
2.	Stationary	N/A	N/A	N/A	16,000
3.	Miscellaneous	18,000	21,000	20,000	97,000
	Total	2,71,286	2,76,686	3,45,120	5,33,000
	Development expenditure Works Program				
	(a) Agriculture project	5,000	18,600	10,000	1,50,000
	(b) Health and sewerage system	N/A	N/A	N/A	50,000
	(c) Road construction /repair	30,000	60,000	4,26,000	2,00,000
	(d) House construction /repair	N/A	N/A	N/A	1,00,000
	(e) Education	N/A	N/A	4,000	N/A
	(f) Others	52,038	62,089	68,700	10,25,000
	Total	87,038	1,40,689	5,08,700	15,25,000

N/A= Not Available

Johail UP's revenue expenditure i.e. honorarium of the chairman and members and salaries and allowances of the officers and employees was the major portion of its revenue expenditure in our four years review period. The highest expenditure of this Union Parishad in the development expenditure was amount Tk. 4, 15,000/- in the Road construction/repair sector in the financial year 2000-2001 and the lowest amount in the Agricultural project and health and sewerage system which was Tk. 5,000/ in the financial year 2001-2002 and 2002-2003 each, as shown in the Table no.2.10.

Table 2.10 Expenditure of Johail Union Parishad by category:

SL.NO	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	I. Establishment Expenditure				
	a) Honorarium of the chairman and members		69,600	69,600	1,12,800
	b) Salaries and allowances of the officers and employees		1,73,331	N/A	1,65,908
	c) Establishment expenditure in tax collection		1,17,500	95,000	89,500
	d) Contingency		N/A	10,000	2,000
2.	Stationary		N/A	10,000	10,000
3.	Miscellaneous		27,000	11,000	39,600
	Total		3,87,431	1,65,600	4,19,808
	Development expenditure Works Program				
	(a) Agriculture project		5,000	5,000	1,10,000
	(b) Health and sewerage system		5,000	5,000	50,000
	(c) Road construction /repair		4,15,000	20,000	1,50,000
	(d) House construction /repair		18,615	N/A	N/A
	(e) Education		10,000	10,000	1,00,000
	Others		44,000	56,500	6,25,000
	Total		4,97,615	96,500	10,35,000

N/A = Not Available

Zamtoil UP's revenue expenditure i.e. honorarium of the chairman and members and salaries and allowances of the officers and employees was the major portion of its revenue expenditure in our four years review period. It has spent the highest amount Tk. 4,35,558/- in the Road construction /repair sector in the financial year financial year 2002-2003 and the lowest amount in the education sector which was Tk. 3,000/- in the financial years 2000-2001 and 2001-2002 as shown in the Table no.2.11.

Table 2.11 Expenditure of Zamtoil Union Parishad by category:

SL.	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	1 .Establishment Expenditure				
	a) Honorarium of the chairman and members	70,200	70,200	77,400	66,000
	b) Salaries and allowances of the officers and employees	1,72,486	1,66,456	1,60,280	1,67,552
	c) Establishment expenditure in tax collection	45,432	N/A	N/A	26,850
	d)Contingency	N/A	N/A	N/A	12,000
2.	Stationary	N/A	N/A	N/A	10,000
3.	Miscellaneous	19,000	19,000	19,000	49,600
	Total	3,07,118	2,55,656	2,56,680	3,32,002
	Development expenditure Works Program	N/A	N/A	N/A	N/A
	(a) Agriculture project	8,000	8,000	15,000	50,000
	(b)Health and sewerage system	22,500	22,500	37,500	50,000
	(c)Road construction /repair	23,500	23,500	4,35,558	2,50,000
	(d)House construction /repair	N/A	N/A	N/A	50,000
	(e)Education	3,000	3,000	5,000	1,00,000
	(f)Others	20,660	20,660	34,500	1,06,674
	Total	77,6,60	77,6,60	5,27,558	6,06,674

N/A- Not Available

Rai Doulatpur UP's revenue expenditure i.e. honorarium of the chairman and members and salaries and allowances of the officers and employees was the major portion of its revenue expenditure in our four years review period. The highest expenditure of Rai Doulatpur UP in the development sector was Tk. 2, 00,000/- in the Road construction /repair heads in the financial year 2003-2004 and the lowest amount in the education sector which was Tk. 25,000/- in the financial year 2000-2001 and 2001-2002 each as shown in the table no.2.12.

Table 2.12 Expenditure of Rai-Doulat pur Union Parishad by category:

SL.No.	Revenue expenditure	2000-2001	2001-2002	2002-2003	2003-2004
1.	1 Establishment Expenditure				
	a) Honorarium of the chairman and members	69,600	69,600	3,53,800	98,600
	b) Salaries and allowances of the officers and employees	1,01,916	91,940	1,67,252	1,94,408
	c) Establishment expenditure in tax collection	18,000	18,000	13,500	1,94,000
	d) Contingency	N/A	N/A	8,000	N/A
2.	Stationary	N/A	N/A	27,000	20,000
3.	Miscellaneous	10,500	11,500	8,000	5,00,000
	Total	2,00,016	1,91,040	5,77,552	10,07,008
	Development expenditure Works Program	N/A	N/A	N/A	N/A
	(a) Agriculture project	40,000	30,000	30,000	30,000
	(b) Health and sewerage system	26,360	30,360	N/A	N/A
	(c) Road construction /repair	50,000	25,000	38,610	2,00,000
	(d) House construction /repair	N/A	N/A	N/A	1,50,000
	(e) Education	25,000	25,000	26,000	25,000
	(f) Others	25,100	32,400	1,38,550	10,000
	Total	1,66,460	1,42,760	2,33,160	4,15,000

N/A = Not Available

The people of Bangladesh are economically dependent on the agricultural activities, educationally, they are far away from the expectation or backward and the health and sewerage system of Bangladesh is not developed as required, still it is surprising to note that the Union Parishad is not giving due priority to these sectors according to other sectors.

Chapter 7

*THREE CASE STUDIES ON
UNION PARISHAD FINANCE*

Chapter 7

THREE CASE STUDIES ON LOCAL GOVERNMENT FINANCE

7. Introduction:

In Bangladesh Union Parishad's financial strength and capability present a very gloomy situation. This needs to change for better financial Condition.

These chapter discusses three case studies namely, I. Kamarkhali UP (Upazilla: Madhukhali, District: Faridpur), II. Shodebpur UP, (Upazila: Kalihati, District: Tangail) and III. Choygaon UP (Upazilla: Bhedarganj, District: Shariatpur). Data on three case studies are collected through field visits and interviews with local government officials and elected representatives and available official budget documents. However, the data collection activities were hampered in some cases for poor record keepings of the local government institutions, posting and transfer or absence of officers.

Three case studies primarily discuses (a) Resource mobilization (b) Allocation and utilization of annual development program (ADP) block grant (c) Income and expenditure of Union Parishad.

7.1. Case Study One: Kamarkhali Union Parishad (Upazila: Madhukhali, District: Faridpur):

7.1.1. Socio-Economic Profile of Kamarkhali Union:

I. Location and Geographical Position:

The distance from the Union Parishad office to the Upazila Parishad headquarters is about 10 kilometres. It is bordered on the north by Dumain Upazila, on the south by Mohammadpur Upazila (Magura), on the east by Baghat and Meghchami Upazila and on the west by Magura Sadar Upazila.

II. Area, Size and Number of Holdings:

The Kamarkhali Union under Madhukhali Upazila occupies an area of 21 sq. kms. As all other Union Parishad, the Kamarkhali Union has 9 wards with 27 villages. Ward No. 1 consists of 3 villages, Ward No. 2 consists of 6 villages, Ward No.3 consists of 4 villages, Ward No. 4 Consists of 3 villages, Ward No. 5 consists of 2 villages, Ward No. 6 of 2 villages, Ward No. 7 of 3 villages, Ward No. 8 and 9 of 2 villages each. According to the records of the Union Parishad, there are 2,918 holdings and the average population size of each holding is 6.3.

III. Demographic and Occupational Features:

The total population of the Union is 18,273. Among them, 9,612 are male and 8,661 are female. In Kamarkhali Union, about 44.55% of the population is farmers, 23.98% are engaged in trade, business and small industry, 10.28% in government and non- government service, 13.70% in manual labour and 19.46% in other activities like fishing, transport, carpentry etc. The information collected from the field reveals that ijicoine is less than Tk. 700/- per month in 200 households, Tk. 701-1500/- Per month in 768 households, Tk. 1501-3000/- per month in 1500 households, Tk .3001-6000/- per month in 300 households, Tk. 6000-9000/- Per month 100 households and Tk, 9001 and above per month in 50 households.

IV. Literacy Rate and Educational Facilities:

The literacy rate in Kamarkhali Union is 36%. There are 10 primary schools of which 6 are government, one is satellite and 3 are registered as private. The Union has one government and 3 private/non-government secondary schools, one private college and 2 government madrasah.

V. Religious and Recreational facilities:

In Kamarkhali Union, there a 36 mosques, 8 temples, 2 churches, 1 graveyards and 5 cremation centres. It has 3 clubs. 4 playgrounds and one village fair place where fair takes place annually.

VI. Infrastructural and other Facilities:

The Kamarkhali Union has total 44 kilometres roads of which 2 kms. highway, 1 km. metalled, 1 km. brick-paved and 40 kms. katcha/earthen roads. There is 1 permanent, 1 temporary hat/bazaar and 1 growth centre in the Union. The drain length of the Union is only 2.35 kms. of which 2 km. are katcha and 350 metres are open. The water bodies of the Union are about 46% of the total area and the numbers of ponds are 100 while the sources of its drinking water are mainly managed from tube wells. There is one Union health centre operated and managed by the government but no private or NGO owned hospital or clinic. There are 50 cottage industries and most of them are involved in bamboo and cane activities. It has also 10 small and medium sized enterprises (e.g. saw mills), 20 fishery and 4 poultry farms.

Sonali Bank carries out its banking activities in the Union through a branch located in the Union headquarter, Five insurance agencies viz., Jana Bima, Loko Bima, Islami Bima, Rupali Insurance and Meghna Insurance operate in the Union. Two non-governments-managed libraries are available in Kamarkhali Union. It has also one unauthorized slum, which consists of 20 households with 150 population. Private mobile telephone network Facilities is also available in the Union,

VII. NGO Activities:

NGOs are carrying out their various development activities in Kamarkhali Union viz. BRAC, Grameen Bank, ASA, PEP, Alo, VIS, VHCR - all providing micro credit including other sectors as Sanitation, Health, Nutrition, Education, Poultry, Tree plantation, Youth training, Institution building etc.

7.1.2. Resource mobilization at Kamarkhali Union:

The study discusses resource mobilization in Kamarkhali UP primarily in terms of VGD, VGF, Food for Works, Government Grants and its own revenue.

Relief programs: - There are mainly two types of relief programs at Union level i.e. Vulnerable Group Development Program (VGDP) and Vulnerable Group Fund (VGF). There are other types of relief programs, which are involved with public works. These are 'Food for Work' program and Test Relief program. The procedure for allocating resources involves various parties and is quite complex. Generally the central administration decides the amount of resources to be allocated to each District. Districts then allocate to Upazillas and upazilla's to Union Parishad, using the relative degree of destitution as the official criterion. The following tables show the different amount of resources distributed at Kamarkhali Union Parishad under Madhukhali Upazila of Faridpur District in different financial years.

Table 2.1. Number of VGDP and VGF cards and amount (cash or in kind) of relief distributed at Kamarkhali Union:

	FY 00-01	FY 01-02	FY 02-03	FY 03-04
Number of VGDP Cards at Upazilla level	540	540	540	540
Distribution of VGDP cards at Kamarkhali union	59	59	59	59
number of VGF Cards at Upazilla level	26,100	9,100	7,200	4,500
Distribution of VGF cards at Kamarkhali union	2,900	1000	800	500

Table 2.1 reveals that number of VGDP cards distributed at Union level was constant in different years comparing to the distribution of VGF cards. The relief ministry operates a VGF that provides support for poor and vulnerable households during time of scarcity and natural disaster. Normally more cards are allocated among the poor during special festival such as Eid or Puja.

Table 2.2. Amount of resources (cash or in kind) allocated to the Upazilla and Union for the 'food for work' & test relief program.

All figures are in Metric ton except 2 figures in 2003—2004

	FY 2000-01	FY 2001-02	FY 2002-03	FY20 03-04 (Partly)
Resource for food for work programme at Madhukhali Upazilla	474	263	141	Tk 13,31,778
Resource for Kamarkhali union	47.21	33	22	Tk 1,61,000
Resource for test relief programme at Madhukhali Upazilla	129.5	219	141	39
Resource for Kamarkhali union	11	18	13.8	4

Relief programs related to public works operate centrally. Both the food for work and test relief program are relief oriented nationwide program designed to provide employment opportunities & income for the poor, and to keep food prices stable during the agricultural slack season. The

number of cards distributed in a particular Union generally depends on level of unemployment, poverty, and higher price level of foodstuffs within that area.

7.1.3. Allocation and Utilization of Annual Development Program (ADP) Block Grant:

ADP Block Grant distributed to Upazilla directly from LGD, and Upazilla redistributed it to Union Parishads according to government guidelines. Equal distribution may not be occurred due to political and other interferences.

The Madhukahali Upazila has received respectively Tk. 63,00,000 Tk. 48,00,600 and Tk. 38,00,000 in three phases (installment) from the government under ADP grants in the financial year 2000-2003 for redistributed to Union Parishad. Although during the last ten years 'development assistance to Local government' has slightly but gradually increased at national level but in Madhukhali Upazila this amount has been decreased in the last three years as revealed by the Table 3.1. Each year some special allocation is also given to the Upazila level. These block allocations are being distributed among the different Union Parishad of the Upazila on the basis of the area and level of backwardness. In most of the cases special allocation depends upon the clouts of the local political leaders specially the MPs. Ruling party MPs have more access to the special allocation than the opposition MPs. The following tables show the amount of block and special allocation at Madhukhali Upazila and kamarkhall Union as well as other Union Parishad of the same Upazila.

Table 3.1. Amount of ADP Block Grant and Special Grant at Upazila and Union level

All figures are in taka

Total allocation of ADP grant at Upazilla	63,00,000	48,00,000	38,00,000	19,00,000
Distribution of ADP grant at Kamarkhali Union	3,79,660	4,69,060	3,95,901	1,66,320
Distribution of Block & Special grant at Kamarkhali Union	BG 3,19,660 SG 60,000	BG 3,69,060 SG 1,00,000	BG 3,95,901 SG ----	BG 1,66,320

BG= Block Grant,
SG= Special grant

ADP allocations are distributed to the Upazilla level in 3 to 4 installments. In most of the cases the 1st installment of the ADP was received at Madhukhali Upazilla during the month of October and November of a financial year. The second installment was received between the month of December to March and the 3rd installment was received in the month of March to May of a financial year. Redistribution of ADP allocation to the Union Parishad always delayed in the name of guidelines and procedure. The special grants were distributed to the Union level in different months of the year. The uncertainty about the ADP disbursement hampers the development planning and project implementation both Upazilla and Union level.

The sectoral allocation at Kamarkhali Union remained almost within the approved sectoral boundaries, although this would not have been difficult given the considerable degree of latitude these allowed. There is a tendency to maximize the allocation in transport and physical activity sector to fulfill the political commitments made by elected representatives during the election period. Perhaps this is because output of these sectors is more tangible and visible in short term than educational development. Moreover, transport and communication development has a multiplier effect as well as on the economy. In overall terms it may not be unreasonable to conclude that the system ensures that all sectors get an amount corresponding very broadly to their entitlement.

The actual amount of government grants including land transfer tax share distributed for Kamarkhali Union, under Madhukhali Upazila during different financial year from 2000—2001 to

2003-2004 (partly) is shown in the Table 3.2. During the year 2002-2003 Kamarkhali Union received somewhat more allocation for overall development particularly in agriculture sector.

Table 2.2. Government Grants and Land Transfer Tax Share:

All figures are in Taka

	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04 (Partly)
1. Development sector				
A) Agriculture	73,000	45,000	95,000	17,500
B) Health & Sewerage	54,750	95,500	58,000	66,000
C) Road Construction/Repair	1,64,250	1,85,210	1,20,000	2,49,000
D) House construction/Repair	x	x	x	x
E) Others- Education	73,000	40,000	39,021	N/A
2. Establishment				
A) Allowances of the chairman & Members	49,500	28,200	56,400	28,200
B) Salaries & allowances of Secretary & other Employees	92,146	81,541	1,16,458	1,13,318
3. Others				
A) Land transfer Tax	53,000	32,110	58,030	53,000
B) Special	x	x	x	x

N/A= Not Available.

7.1.4. Income and Expenditure of Kamarkhali Union Parishad:

Union Parishads are obliged to produce an annual budget indicating how they will cover their establishment costs and the planned development activities. To enable them to do this they are empowered to raise their own revenue in a number of different ways. These include:

- a) A tax on the annual value of buildings and lands (sometimes still known by its historical name of chowkhidari tax)

- b) Fees from specified hats, bazaars and ferries
- c) A tax on profession and trades
- d) A tax on cinemas, dramatic and theatrical shows and other entertainments
- e) Fees for licenses and permits
- f) Fees from water bodies used for fishing
- g) Property income

They are also supported by three types of general purpose government grants one for development, one which provides a 50% contribution to staff salaries and allowances, and one which is intended to contribute to any budget deficit arising as a result of shortfalls elsewhere.

Practical consideration made it difficult to determine with precision how the budget was actually administered in Kamarkhali Union, the area of this study. In common with what has been found elsewhere. it was clear that the process was not very well understood by the actors involved and that it was to some extent treated as a paper exercise conducted to satisfy an official requirement. Based on the data collected at Union level, some general conclusions can be made.

I. Revenue Collection of Kamarkhali Union Parishad:

In the first place the capacity to collect revenue is not very satisfactory in Kamarkhali Union as revealed in the Table 4.1 only the auctioning of Hat and Bazaars, brought more than 100% of assessment target in the year 2001-2002. The UP tax/chowkidari tax which on paper was supposed to be one of the largest contributor, in fact only raised TK. 8,015/- or 10.02% of the target in the same year, reflecting a situation where UP officials are reluctant to exert pressure on peers on whose votes they must depend to remain in power. The amount raise elsewhere were to small to discuss, and the overall total was barely sufficient to cover the Union's own 50% share of salary and related costs, leaving virtually very little for development activities.

Table 4.1. Assessment Target and Actual Collection of Taxes, Rates, and Fees of Kamarkhali Union Parishad:-

All figures are in Taka

Revenue Tax	FY 2000-2001	FY 2001-2002	FY 2002-2003	FY 2003-2004
UP Tax				
Assessment Target	80,000	80,000	80,000	80,000
Actual Collection	8,160	8,015	41,600	5,900
Percentage of collection	10.20%	10.02%	52.00%	7.34%
Tax on Profession, Trades & Calling				
Assessment Target		20,000	20,000	20,500
Actual Collection	N/A	3,400	15,250	2,250
Percentage of collection		17.00%	76.25%	10.98%
Fees for licenses & permits issued by UP				
Assessment Target	20,000		5000	6000
Actual Collection	4,450	N/A	4,855	250
Percentage of collection	22.25%		97.10%	4.17
Lease money from specified hats bazars & ferries				
Assessment Target	60,000	88,000	88,000	60,000
Actual Collection	71,125	2,42,742	67,750	71,125
Percentage of collection	118.54%	275.84%	76.99%	118.54%
1% land transfer fees:				
Assessment Target	60,000	60,000	70,000	75,000
Actual Collection	53,000	32,110	58,030	0
Percentage of collection	88.33%	53.52%	82.90%	0%

NA= Not Available.

The actual demand of tax under different heads and actual collection of tax by Kamarkhali Union was not satisfactory at all. It's the highest achievement was 32.88% in FY 2001-2002 and the lowest was 25.45% in 2002-2003. The Union parishad officials and other relevant persons identified different reasons for this low collection. These are as follows:

- Poverty level of the area

- Low productivity in different years
- Inadequacy of the revenue sources
- Unwillingness of the chairman and members to collect taxes in order to obtain their popularity and vote bank for the next election
- Natural calamity

The overall revenue collection situation at Kamarkhali Union would be well understood from the per capita revenue contribution. In the financial year 2001-02 one inhabitant of this Union paid Tk. 0.44 as UP tax, Tk. 0.19 as tax on profession, trades and calling, Tk. 13.28 as lease money of hat bazaars and Tk. 1.76 as land transfer fees. So leasing the hats, bazaars and ferries accounted almost 85% of total revenue income in that respective year. The UP tax, which is supposed to be the biggest part of the total revenue income, in fact it accounted only 2.79% of the revenue income. The following tables, namely Table 4.2 and 4.3 illustrate the per capita revenue and percent distribution of revenue at Union in different financial years under review

Table 4.2. Union Parishad Real per Capita Revenues by Source (%):

All figures are in Taka

Revenue Source	FY 2000-2001	FY 2001-2002	FY 2002-2003	FY 2003-2004
UP tax	8,160	8,015	41,600	5,900
	0.45	0.44	2.28	0.323
Tax on Profession, Trades & Calling	N/A	3400	15,250	2,250
		0.19	0.835	0.123
Fees for licenses & Permits issued by UP	4,450	N/A	4,855	250
	0.244		0.27	0.014
Lease money from specified hats bazars & ferries	71,125	2,42,742	67,750	N/A
	3.89	13.28	3.7	
1% land transfer fees	53,000	32,110	58,030	N/A
	2.9	1.76	3.18	

N/A: Not Available.

Based on total population 18,273

Table 4.3. Percent Distribution of Union Parishad Revenue:

Revenue Source	FY 2000-2001	FY 2001-2002	FY 2002-2003	FY 2003-2004
UP tax	5.36%	2.79%	20.66%	N/A
Tax on Profession, Trades & Calling	2.93%	1.18%	7.57%	N/A
Fees for licenses & Permits issued by UP	N/A	N/A	2.41%	N/A
Lease money from specified hats bazars & ferries	46.76%	84.56%	33.65%	N/A
1% land transfer fees	34.84%	1.12%	28.82%	N/A

N/A= Not Available

The overall collection performance of the Kamarkhali Union can be illustrated easily through the Table 4.4 which shows that Kamarkhali's highest performance rate is 115.75% in 2001-2002 financial years while the lowest rate is 69.14% in 2000-2001. The year 2003-2004 shows only partial view, as the financial year has not ended. In 2001- 2002 FY, actual collection on account of hat/bazaar lease money shoot up from estimated Tk. 88,000 to 2, 42,742 as illustrated in a previous table 4.1.

Table 4.4. Overall Collection Performance of Union Parishad for the Financial Year 2000-2004(partly)

All figures are in Taka

Fiscal Year	Assessment Target	Actual Receipt	Percentage of Collection
2000-2001	2,20,000	1,52,108	69.14%
2001-2002	2,48,000	2,87,067	115.75%
2002-2003	2,63,000	2,01,341	76.56%
2003-2004 (Partly)	2,41,500	79,525	32.93%

The overall amount contributed by the government is quite significant in the Union parishad budget. The following table illustrates that the main source of the Kamarkhali Union is government

grants. UP own revenue source is very limited compared to the government grant. On average 70% of the UP budget came from government grants in the last three financial years. It means the Kamarkhali Union is heavily dependent on the government grants not only for local development works but also to meet compulsory payments like wages and salaries of staff and compulsory services.

Table 4.5. The Percentage of the Total Government Grants compared to Union Parishad's Own Source of Revenue in Kamarkhali Union

All figures are in Taka

<i>Fiscal year</i>	<i>UP,s Own Revenue</i>	<i>Total Govt. Grants</i>
<i>FY 2000-2001</i>	1,52,108 23.09%	5,06,686 76.91%
<i>FY 2001-2002</i>	2,87,067 37.63%	4,75,451 62.35%
<i>FY 2002-2003</i>	2,01,341 29.34%	4,84,879 70.66%
<i>FY 2003-2004</i>	N/A	N/A

II. Expenditure of Kamarkhali Union Parishad:

Union Parishad expenditures are divided between two parts, i.e. revenue expenditure and development expenditure. This study revealed that the average revenue expenditure constituted more than 86% of the annual expenditure of the Kamarkhali Union during the financial year 2000-2003. The Table 4.6 shows that the salaries and allowances of the employees together with other establishment expenditure have accounted for the major portion of the UF expenditure in various years under review. After meeting the establishment expenditure this particular Union was left with small amount of resources to undertake development activities. Few development works that were being undertaken by the Kamarkhali Union included the construction and repair of rural roads, culverts, etc. These types of projects are usually financed under the Food for Works, Test relief and rural maintenance program co-ordinated by the central government ministries.

In the year FYOI-02, the highest expenditure of the Kamarkhali Union in the development budget was only 4.32 % (in road construction and repair) as shown in Table 4.6 the lowest was .05% (in education sector). The total development expenditure accounted for 11.67% of the total budget in that respective year. Although the people of the Kamarkhali Union are economically dependent on

the agricultural activities, it is surprising to note that the Union Parishad did not take any agricultural project in the last 3-4 year.

Table 4. 6. UP's Expenditure by Category, as Percentage of Total Expenditures

All figures are in Taka

	<i>FY2000-2001 (percentage%)</i>	<i>FY2001-2002 (percentage%)</i>	<i>FY2002-2003 (percentage%)</i>	<i>FY2003-2004 (percentage%)</i>
Revenue expenditure				
1) Establishment expenditure				
a) Honorarium of the chairman & members	75,211.27 (25.90%)	39,016 (9.73%)	1,32,263 (41.75%)	N/A
b) Salaries & allowances of the officers & employees	1,61,660.67 (55.67%)	3,00,018 (74.82%)	1,22,030 (38.52%)	N/A
c) Establishment expenditure in tax collection	958.29 (0.33%)	1,083 (0.27%)	5,987 (1.89%)	N/A
d) Contingency	N/A	N/A	N/A	N/A
2) Stationery	1,452 (0.50%)	5,984 (0.142%)	6,114 (1.93%)	N/A
3) Miscellaneous	7,260 (2.50%)	12,350 (3.08%)	8,649 (2.73%)	N/A
Total	2,46,542 (84.9%)	3,53,228 (88.04%)	2,75,043 (86.82%)	N/A
Development expenditure Works programme				
a) Agricultural project	N/A	N/A	N/A	N/A
b) Health & sewerage system	2090 (0.72%)	3,649 (0.91%)	760 (0.24%)	N/A
c) Road construction / Repair	3,775 (1.03%)	17,323 (4.32%)	25,914 (8.18%)	N/A
d) House construction / Repair	11,935 (4.11%)	5,112 (1.25%)	8,997 (2.84%)	N/A
e) Education	5,430 (1.87%)	200 (0.05%)	3,453 (1.09%)	N/A
f) others	21,372 (7.36%)	20,610 (5.14%)	2,280 (0.72%)	N/A
Others				
a) Audit expenditure				

b) Others				
Total expenditure =	2,91,143	4,00,986	3,16,757	N/A

N/A= Not Available

It is also interesting to see the difference between the per capita Union parishad expenditure in the establishment sector and development sector. The table 5.2 shows that per capita UP expenditure in the health, communication, housing and education sector were Tk.0 .20, Tk. 0.95, Tk. 0.27 and Tk. 0.01 in the financial year 2001-02. In comparison with that the per capita expenditure in salaries of chairman/members and salaries of officers/employees were Tk. 2.13 and Tk. 16.42 in the same year. Therefore, the analysis of this table reveals that the expenditure on establishment constituted the major share of the annual expenditure of the Kamarkhali Union.

Table 4.7. Per Capita Union Parishad Real Expenditures by Type

All figures are in Taka

	<i>FY2000-01</i>	<i>FY2001-02</i>	<i>FY2002-03</i>	<i>FY2003-04</i>
Revenue expenditure				
1) Establishment Expenditure				
a) Honorarium of the chairman & members	4.12	2.13	7.24	N/A
b) Salaries & allowances of the officers & employees	8.85	16.42	6.68	N/A
c) Establishment expenditure in tax collection	5	0.06	0.33	N/A
d) Contingency	N/A	N/A	N/A	N/A
2) Stationery	0.08	0.03	0.33	N/A
3) Miscellaneous	0.58	0.69	0.49	N/A
Development expenditure programme Works				
a) Agricultural project				
b) Health & sewerage system	0.11	0.2	0.04	N/A
c) Road construction / Repair	0.6	0.95	1.4	N/A
d) House construction/Repair	0.65	0.27	0.51	N/A
e) Education	0.3	0.01	0.19	N/A
f) others	0.99	1.8	0.11	N/A
Others				
a) Audit expenditure	x	x	x	x
b) Others	x	x	x	x

N/A= Not available

7.2. Case Study Two: Shodebpur Union Parishad (Upazila: Kalihati, District: Tangail):

7.2.1. Socio-Economic Profile of Shodebpur Union:

I. Location and Geographical Position:

Shodebpur Union is situated 15 kilometres from Kalihati Upazila headquarter. It was established in 1968. Paikara Union bound it on the east, to the west by Elenga Union, on the north by Bangra Union and in the south by Tangail sadar.

II. Area, Size And Number Of Holdings:

Shodebpur Union occupies an area of 13.5 square kilometres. It consists of 9 wards and 22 villages. Ward no. 1 (Shodebpur) consists of 3 villages, ward no. 2 (Pathunda) consists of 4 villages, ward no. 3 (Terki) consists of 4 village, ward no. 4 (Bhabanipur) consists of 3 village, ward no. 5 (Baniapur) consists of 1 village, ward no. 6 (Poujan) consists of 3 villages, ward no. 7 (Bhukta) consists of 1 village, ward no. 8 (Aqua) consists of 2 villages and ward no. 9 (Chamuraia) consists of 1 village. According to the Holding register of the Union Parishad, there are 5,500 holdings and the average population size of each holding is 4.8.

III. Demographic And Occupational Facilities:

The total population in the Union is 26,688, of which 13,708 are male and 12,980 are female. it may be noted that 65% of the population work as farmers, 15% are engaged in trade/business/small industry, 5% in service (govt./non-govt.), 13% in manual labour and 2% in other occupations. An analysis of the socio-economic category of households approximately shows that income is less than Tk. 700/- per month in 70% of households, between Tk. 701-1500/- per month in 16% of households, between Tk. 1501-3000/- in 11% of households, between Tk. 3001-6000/- in 2% of the households, between Tk. 6001-9000/- in 0.5% of the households and Tk. 9001 and above in 0.0 1% households.

IV. Literacy Rate And Educational Facilities:

The literacy rate in this Union is approximately 65%. There are 9 primary government schools and 2 private owned primary schools. The government does not have any schools at the secondary

and higher secondary levels nor any colleges or madrasahs. There are 2 private secondary schools and 2 privately owned madrasahs. There is one non- government library in south Chamuria Bazar.

V. Religious And Recreational Facilities:

In Shodebpur Union there are 29 mosques, 9 temples, 3 graveyards, 15 clubs, 7 playgrounds and 2 post offices.

VI. Infrastructural and other Facilities:

The Union has 5 kilometres metalled, 10 kilometres semi metalled and 25 kilometres katcha/earthen roads, there are five (5) permanent bazaars. There are Five (5) temporary hats and one commercial growth centre (Poujan hat) in this Union. There are approximately 5.6 square kilometres of water bodies, 40 ponds, 175 shallow tube wells and 12 deep tube wells. There is one government health clinic and 3 private community clinics. Rupali and Garneen bank carry on banking facilities, Delta life is the only insurance agency. Cottage industries consist of Pati (carpet) 65, handloom 650, and bamboo 43. Small/medium industries consist of 2 bidi factories, 3 sawmills, 15 rice mills and one oil mill. There is one fish hatchery, 100 fishery farms and 25 poultry (broiler) farms. Mobile phone network system is present in the Union,

VII. NGO Activities:

Nine NGOs are operating in the region viz., BRAC, Granleen Bank, Grameen Samajik

Unnayan Sangstha (GSUS) - which deals with micro credit, Binimoy and Osman Gani Smriti Trust deal with sanitation, Cgorcha Bangladesh Unemployed Rehabilitation Organization (BURO) - Tangail all deal with micro credit.

7.2.2. Resources Mobilization at Shodebpur Union Parishad:

The study discusses resource mobilization in Shodebpur UP primarily in terms of VGD, VGF, Food for Works, Government Grants and its own revenue.

Relief Programme: The following tables show the different amount of distributed at Shodebpur union through Upazila in different financial years:-

Table. 2.1. Number of VGDP and VGF cards and amount (cash or in kind) of relief distributed to Shodebpur Union in the following years:

	FY 2000-2001	FY 2001-2002	FY 2002-2003	FY 2003-2004
Number of VGDP Cards at Upazilla level	1524	1524	1524	1524
Distribution of VGDP cards at Shodebpur union	127	127	138	138
number of VGF Cards at Upazilla level	44,400	18,800	8,800	9,100
Distribution of VGF cards at Shodebpur union	3,700	1500	800	500

Table 2.1 reveals that number of VGDP cards distributed at Union level was constant in different years comparing to the distribution of VGF cards. The allocations in different years varied according to the extent of the problem encountered. Cards were allocated in last two years to enable the poor to celebrate festival like Eid or Puza only.

Table 2. 2. Amount of resources (cash or in kind) allocated to the Shodebpur Union Parishad for the 'food for works' and 'test relief program

All figures are in Metric ton except one figure 2002-2003 and 2 figures in 2003-2004

	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04(Partly)
Resource for food for work programme at Kalihati Upazilla	698	772	a)425.896 b)Tk.10,68,053	Tk. 44,73,110
Resource for Shodebpur union	54.3	65	a)8 b)N/A	Tk. 1,69,700
Resource for 'test relief' programme at Kalihati Upazilla	269.3	431	364	276
Resource for Shodebpur union	10.2	30.5	27	20

N/A= Not available

Relief programmes are operated centrally through relief ministry. That is why sometimes it is difficult to explain the rationale behind the different distribution pattern of the relief at Upazila and Union level without analyzing the overall food security situation of the whole country and also the specific areas in the respective years. The above tables, namely, Table 2.1 and 2.2 present the information on the amount of VGDP and VGF cards, Food for Works and test relief distributed to Shodebpur Union.

7.2.3. Allocation and Utilization of Annual Development Program (ADP) Block Grant:

The Kalihati Upazila has received respectively Tk. 37, 00,000 Tk. 66, 00,000 and Tk. 52, 25,000 from the government under ADP grants in the financial year 2000-2003 for redistributed to Union Parishad. Although the overall 'development assistance to Local government' during the last decade has slightly but gradually increased at national level but in Kalihati Upazilla this amount seems to have increased in the second year and then again it decreased in the 3 and 4 years. Each year some special allocation is also given to the Upazila level for redistributed to UP. The table 3.1 shows the amount of block and special allocation at Shodebpur Union.

Table 3.1. Amount of ADP Block Grant and Special Grant at Upazila and Union level:

All figures are in Taka

	FY2000-2001	FY2001-2002	FY 20002-2003	FY2003-2004 (partly)
Total allocation of ADP grant at Upazilla	37,00,000	66,00,000	52,25,000	20,00,000
Distribution of ADP grant at Shodebpur Union	3,13,000	5,50,000	4,75,000	97,780
Distribution of Block & Special grant at Shodebpur Union	BG 313000 SG 275000	BG 353830 SG 183333	BG SG 365909 109090	BG 97780 SG

BG= Block Grant, SG= Special Grant

In most of the cases the 1st installment of the ADP was received at Shodebpur union during the month of September to December of a financial year. The second and third installment was received between the month of December to March and the 4 installment was received in the

months of March to May of a financial year. The special grants were distributed to the union in different months of the year. The uncertainty about the ADP disbursement hampers the development planning and project implementation at Union level.

The government guidelines for allocation of block grant were more or less followed (except transport and communication sector) at Shodebpur union. The sectoral allocation at Shodebpur union remained within the approved sectoral boundaries in agriculture, physical activities and education sector. In transport and communication sector the allocation exceeded the 60% limit in the all four financial year. Even in current year the allocation in this sector has already reached at 70.87%, whereas the education sector did not get any allocation in this year. It means the sectoral allocation depends not solely on the developmental considerations, but also the political and other factors tend to influence the allocation at union level.

The actual amount of government grants including land transfer tax allocated to Shodebpur Union of Kalihati Upazila in 2000-2001 to 2003-2004 (partly) is presented in the Table 3.2. The table shows that Shodebpur Union appears to have received increased allocation under government grant during 2002-2003 for development sector.

Table 3.2. Government Grants and Land Transfer Tax share

All figures are in Taka

	<i>FY 2000-2001</i>	<i>FY 2001-02</i>	<i>FY 2002-03</i>	<i>FY 2003-04 (Partly)</i>
1. Development sector				
A) Agriculture	50,750	53,475	71,250	17,300
B) Health & Sewerage	29,000	34,418	47,500	11,180
C) Road Construction/Repair	198,000	215,462	285,000	69,300
D) House construction/Repair	x	x	x	x
E) Others- Education	32,250	50,475	71,250	N/A
2. Establishment				
A) Allowances of the chairman & Members	59,400	59,400	59,400	59,400
B) Salaries & allowances of Secretary & other Employees	81,735	89,050	90,987	95,865
3. Others				
A) Land transfer Tax	N/A	N/A	53,169	67,406
B) Special	x	x	x	x

N/A= Not available

7.2.4. Income and Expenditure of Shodebpur Union Parishad:

Union Parishad are obliged to produce an annual budget indicating how they will cover their establishment costs and the planned development activities. To enable them to do this they are empowered to raise their own revenue in a number of different ways. These include:

- a) A tax on the annual value of buildings and lands (sometimes still known by its historical name of chowkhidari tax)
- b) Fees from specified hats, bazaars and ferries
- c) A tax on profession and trades
- d) A tax on cinemas, dramatic and theatrical shows and other entertainments
- e) Fees for licenses and permits
- f) Fees from water bodies used for fishing
- g) Property income

They are also supported by three types of general purpose government grants one for development, one which provides a 50% contribution to staff salaries and allowances, and one which is intended to contribute to any budget deficit arising as a result of shortfalls elsewhere.

Practical consideration made it difficult to determine with precision how the budget was actually administered in Shodebpur Union, the area of this study. In common with what has been found elsewhere. It was clear that the process was not very well understood by the actors involved and that it was to some extent treated as a paper exercise conducted to satisfy an official requirement. Based on the data collected at Union level, some general conclusions can be made.

I. Revenue collection of Shodebpur Union Parishad:

In the first place, the capacity to collect revenue in Shodebpur Union is comparatively better than the other Union Parishad. The auctioning of hat and bazaar, brought more than 84% of assessment target in the FY 2000/2001. The UP tax/chowkhidari tax raised Tk.1, 27,152 or 90.82% of the target in the FY 2001/2002 as shown in Table 4.1.

Table 4.1. Assessment Target and Actual Collection of Taxes, Rates, and Fees by the Union Parishad

All figures are in Taka

Revenue Tax	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04
UP Tax				
Assessment Target	1,40,000	1,40,000	1,40,000	1,40,000
Actual Collection	59,026	1,27,152	23,731	15,522
Percentage of collection	42.16%	90.82%	16.95%	11.08%
Tax on Profession, Trades & Calling				
Assessment Target	N/A	5,000	7,000	2,000
Actual Collection		1,175	N/A	N/A
Percentage of collection		23.50%		
Tax on Cinemas dramatic & theatrical shows				
Assessment Target	N/A	N/A	N/A	1,000
Actual Collection				N/A
Percentage of collection				
Fees for licenses & permits issued by UP				
Assessment Target	10,000	N/A	N/A	4,000
Actual Collection	1,700		4,800	3,475
Percentage of collection	17.00%			86.87%
Lease money from specified hats bazars & ferries				
Assessment Target	20,000	30,000	30,000	20,000
Actual Collection	16,985	13,830	30,600	27,054
Percentage of collection	84.22%	46.10%	102.00%	135.27%
1% land transfer fees:				
Assessment Target	50,000	70,000	50,000	80,000
Actual Collection	N/A	N/A	53,169	67,406
Percentage of collection			106.33%	84.25%

N/A Not Available

The collection performance of UP tax of Shodebpur Union was only 42.16% in the financial year 2000-2002. The total collection performance of taxes, rates and fees of Shodebpur Union was not very satisfactory. The best performance of the Shodebpur Union was 17.78% in collection FY 2001-200 and the lowest performance was 12.59% FY 2000-2001.

The overall revenue collection situation at Shodebpur Union would be well understood from the per capita revenue distribution. In the financial year 2001-2002 one inhabitant of this Union paid Tk. 4.76 as UP tax, Tk. 0.04 as tax on profession, trades and calling, Tk. 0.51 as lease money of hat bazaars as shown in Table 4.2. Table 4.3 presents percent distribution of revenue of Shodebpur Union Parishad. UP tax accounted almost 89.40% of total revenue income in the FY 2001-2002

Table 4.2. Union Parishad Real Per Capita Revenues by Source:

All figures are in Taka

<i>Revenue Source</i>	<i>FY 2000-01</i>	<i>FY 2001-02</i>	<i>FY 2002-03</i>	<i>FY 2003-04</i>
UP tax	2.21 (59,026)	4.76 (1,27,152)	0.88 (23,731)	0.58 (15,522)
Tax on Profession, Trades & Calling	N/A	0.04 (1,175)	N/A	N/A
Tax on Cinema, Dramatic & Theatrical shows	N/A	N/A	N/A	N/A
Fees for licenses & Permits issued by UP	0.06 (1700)	N/A	0.17 (4,800)	0.13 (3,475)
Lease money from specified hat bazar & ferries	0.63 (16,985)	0.51 (13,830)	1.14 (30,600)	1.01 (27,054)
Lease money from Jalmahals	N/A	N/A	N/A	N/A
1% land transfer fees	N/A	N/A	1.99 (53,169)	2.52 (67,406)

N/A- Not Available

Total Population 26,688

Formula used - Actual amount collected/ total population

Table 4.3. Percent Distribution of Union Parishad Revenue

All figures are in Taka

Revenue Source	FY 2000-2001	FY 20001-2002	FY 2002- 2003	2003-2004
UP tax	75.90%	89.40%	21.10%	13.60%
Tax on Profession, Trades & Calling	N/A	1.83%	N/A	N/A
Fees for licenses & Permits issued by UP	2.18%	N/A	4.27%	3.06%
Lease money from specified hats bazaars & ferries	21.80%	9.72%	27.20%	23.80%
1% land transfer fees	N/A	N/A	47.30%	59.41%

N/A Not Available

Any One may get a general view of the collection performance of the Shodebpur UP by looking at the Table 4.4 This table shows that the best performance in tax collection was as good as 58.02% in 2001-2002 and the lowest was 35.32% found in 2000-2001. This table gives the overall view of collection performance of the Shodebpur Union Parishad during last few years.

Table 4.4. Overall Collection Performance of Shodebpur Union Parishad for the Financial Year 2000 to 2004(partly)

All figures are in Taka

Fiscal Year	Assessment Target	Actual Receipt	Percentage of Collection
2000-2001	2,20,000	77,711	35.32%
2001-2002	2,45,000	1,42,157	58.02%
2002-2003	2,27,000	1,12,300	49.47%
2003-2004 (Partly)	2,47,000	1,13,457	45.93%

The overall amount contributed by the government is quite significant in the Union parishad budget. The table 4.5 shows that the main source of revenue of the Shodebpur Union Parishad is government grants. UP own revenue source is very limited compared to the government grant.

On average 83% of the UP budget amount has come in the form of government grants in the last three financial years.

Table 4.5. The Percentage of the Total Government Grants compared to Union Parishad's Own Source Revenue: FY 2000-2001 to FY 2002-2003

All figures are in Taka

Fiscal Year	UP's Own Revenue	Total Govt.Grants
2000-2001	77,711 (14.62%)	4,54,135 (85.48%)
2001-2002	1,42,157 (22.00%)	5,02,324 (77.90%)
2002-2003	1,12,300 (13.41%)	7,00,387 (46.18%)
2003-2004 (Partly)	N/A	N/A

N/A Not Available

II. Expenditure of Shodebpur Union Parishad:

This study revealed that the average revenue expenditure constituted more than 63% of the annual expenditure of the Shodebpur Union during the financial year 2000-2003. The table 4.6 shows that the salaries and allowances of the employees along with other establishment cost constitute the major item of UP expenditure during the years under review. Few development works that were being undertaken by the Shodebpur Union included mainly the construction and repair of rural roads, culverts, etc.

In the FY2001-2002, the total development expenditure accounted for 38% of the total budget, and the highest 24.11% of the development budget was spent in road construction and repair in the same year. There were no allocation in the field of Health and Sanitation system and education in last three financial years as shown in Table 4.7.

Table 4.7. UP's Expenditure by Category, as Percent of Total Expenditures:

All figures are in Taka

	<i>FY 2000-2001 (percentage%)</i>	<i>FY 2001-2002 (percentage%)</i>	<i>FY 2002-2003 (percentage%)</i>	<i>FY 2003-2004 (percentage%)</i>
Revenue expenditure				
1) Establishment expenditure				
a) Honorarium of the chairman & members	20.94% (16,444)	18.39% (27,801)	46.38% (35,519)	N/A
b) Salaries & allowances of the officers & employees	14.73% (11,569)	18.35% (27,753)	7.29% (5,542)	N/A
c) Establishment expenditure in tax collection	11.16% (8,764)	14.76% (22,314)	4.65% (3,560)	N/A
d) Contingency	0.25% (200)	0.13% (200)	x	N/A
2) Stationery	2.53% (2,004)	5.18% (7,844)	14.69%(2+3) (11,252)	N/A
3) Miscellaneous	7.53% (5,914)	4.65% (7,045)		N/A
Total	44,895(57.17%)	92,957(61.48%)	55,873 (72.97%)	N/A
Development expenditure				
a) Agricultural project	x	0.26% (400)	x	x
b) Health & sewerage system	x	x	x	x
c) Road construction / Repair	27.17% (21,345)	24.11% (36,450)	13.70% (10,516)	N/A
d) House construction/Repair	x	x		N/A
e) Education	x	x		N/A
f) others	12.22% (9,595)	14.06% (21,177)	13.30% (10,185)	N/A
Others				
a) Audit expenditure	x	x	x	x
b) Others	x	x	x	x
Total expenditure =	75,835	1,51,194	76,573	N/A

N/A Not Available

It is also interesting to see the difference between the per capita Union parishad expenditure in the establishment sector and development sector. The table 4.7 shows that per capita UP real expenditure in the Agriculture, communication sector, and others were Tk. 0.014, Tk. 1.36, and Tk. 0.79 in the financial year 2001-2002. In comparison with that the per capita expenditure in salaries of chairman/members and salaries of officers/employees were Tk. 1.04 and Tk. 1.039 in the same year. So it may be easily said that the expenditure on establishment constituted, at present, the major item of the annual expenditure of the Shodebpur Union Parishad.

Table 4.7. Per Capita Shodebpur Union Parishad Real Expenditures by Type

All figures are in Taka

	<i>FY 2000-01</i>	<i>FY2001-02</i>	<i>FY2002-03</i>	<i>FY2003-04</i>
Revenue expenditure				
1) Establishment expenditure				
a) Honorarium of the chairman & members	0.616	1.041	1.33	N/A
b) Salaries & allowances of the officers & employees	0.433	1.039	0.207	N/A
c) Establishment expenditure in tax collection	0.328	0.836	0.133	N/A
d) Contingency	0.007	0.007	x	N/A
2) Stationery	0.0075	0.293		N/A
3) Miscellaneous	0.221	0.224	0.421(2+3)	N/A
Development expenditure Works programme				
a) Agricultural project	x	0.014	x	N/A
b) Health & sewerage system	x	x	x	N/A
c) Road construction / Repair	0.811	1.365	0.394	N/A
d) House construction/Repair	x	x	x	N/A
e) Education	x	x	x	N/A
f) others	0.327	0.793	0.381	N/A
Others				
a) Audit expenditure	x	x	x	x
b) Others	x	x	x	x

N/A= Not Available

7.3. Case Study Three: Choygaon Union Parishad (Upazila: Bhederganj, District: Shariatpur):

7.3.1. Socio-Economic Profile of Choygaon Union Parishad:

I. Location And Geographical Position:

Choygaon Union is 9 kilometres from Bhedarganj Upazila. It is bounded on the east by Bhedarganj Upazila, to the west by Shariatpur district headquarter, on the north by Naria Union and in the south by Mohisar Union.

II. Area, Size and Number of Holdings:

Choygaon Union occupies an area of 10.45 square kilometres. There are nine wards in this Union. Ward No. 1 consists of 2 village, Ward No 2 consists of 3 villages, Ward No. 3 consists of 1 village, Ward No 4 includes 1 village, Ward No. 5 includes 3 villages. Ward No. 6 consists of 2 villages, Ward No. 7 of 4 villages, and Ward no.8 and 9 consist of 1 village each. The number of holdings in the Union Parishad is approximately 3,000 but unfortunately it does not maintain a holding register.

III. Demographic and Occupational Features:

The Union has a total population of 13,717. Among its total population 6,932 are male and 6,785 female. In Choygaon Union, approximately 70% of the population are farmers, 10% are engaged in trade/business/small industry, 10% in service (govt. /non-govt.), 5% in manual labour and 5% in other activities. An analysis of the socio-economic category of households shows that income is less than TK. 700/- per month in 2,500 households, Tk. 701-1500/ per month in 1000 households, Tk. 1501—3000/- per month in 800 households, Tk 3001-6000/- per month in 500 households, Tk. 6001-9000/- per month in 120 households, Tk. 9001/- and above per month in 80 households.

IV. Literacy Rate and Educational Facilities:

The literacy rate in Choygaon Union is approximately 30%, there are 12 primary schools of which 10 are operated by the government and 2 are registered as private. There are no secondary

schools or collages in the Union. There are no government owned higher secondary schools; however 2 are maintained by NGOs/ private ownership. 2 Madrasahs operated by private/NGO ownership are present in the Union but there is no govt. owned madrasahs.

V. Religious and Recreational Facilities:

In Choygaon Union there are 4 clubs and 2 playgrounds. There are approximately 40 mosques and 2 temples.

VI. Infrastructure and Other Facilities:

The Union has 8.6 kilometres semi-metalled and 15.35 kilometres katcha /earthen roads but no metalled or brick-paved roads.. There is one permanent and one temporary hat/bazaar in the Union. There are approximately 20% of water bodies in the total area of the Union. The number of ponds is approximately 656 and drinking water source is mainly from tube well. There is one Union health centre but no private/NGO owned hospital or clinic.

There is one handloom cottage industry and one small ice-cream factory. The number of medium poultry farms is 3 and one small. There are privately owned mobile network system. Insurance agencies, namely, ALICO, Jiban Bima and Delta Life are operating here.

VII. NGO Activities:

Bangladesh Rural Advancement Committee (BRAC) is involved in extending micro credit facilities, providing seed and tree plantation programmes. Shariatpur Development Society (SDS) extends credit and provides training disaster management. ASA and Grameen Bank provide credit. CAre provides road and communication facilities and

Madaripur Legal Aid Association (MLAA) provides legal aid.

7.3.2. Resource Mobilization at Choygaon Union Parishad:

The study discusses resource mobilization in Choygaon UP primarily in terms of VGD, VGF, Food for Works, Government Grants and its own revenue.

Relief programs: This section discusses the different amount of resources distributed at Union level through Upazila during the years selected for review.

Table 3.1. Number of VGDP and VGF cards and amount (cash or in kind) of relief distributed at Union level

	FY 2000-2001	FY 2001-2002	FY 2002-2003	FY 2003-2004
Number of VGDP Cards at Upazilla level	2973	2973	2973	2973
Distribution of VGDP cards at Choygoan union	181	219	181	181
number of VGF Cards at Upazilla level	N/A	11,700	10,400	19,500
Distribution of VGF cards at Choygoan union	N/A	900	800	1500

N/A: Not Available

Table 3.1 reveals that number of VGDP cards distributed at Union level was more or less similar in different years compared to the distribution of VGF cards. The allocations of VGF cards during the different years under review varied according to the extent of the problems faced.

Since policies for relief programs are managed centrally by relief ministry, it is difficult to analyze and describe the rationale underlying the distribution pattern of relief at Upazila and Union levels without relating it to overall food security situation of the country as well as specific area situation during specified years.

Table 3.2. Amount of resources (cash or in kind) allocated to the Upazila and Union level for the 'food for work' and 'test relief program

All figures are in Metric ton except 1 figure in financial year 2003-2004

	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04(Partly)
Recourse for food for work programme at Bhederganj Upazilla	312	310	229	Tk. 1,38,490
Resource for Choygoan union	12	23	15	N/A
Resource for 'test relief' programme at Bhederganj Upazilla	249	180	84	49
Resource for Choygoan union	N/A	12	14	3

N/A Not Available

Relief programs related to public works operate centrally. Both the food for work and test relief program are relief oriented nationwide program designed to provide employment opportunities & income for the poor, and to keep food prices stable during the agricultural slack season. The number of cards distributed in a particular Union generally depends on level of unemployment, poverty, and higher price level of foodstuffs within that area.

7.3.3. Allocation and Utilization of Annual Development Program (ADP) Block Grant:

The Bhedargonj Upazila has received respectively Tk. 36, 00,000 Tk. 44, 00,000 and Tk. 40, 25,000 from the government under ADP grants in the financial year 2000-2003. Although during the last few years development assistance to Upazilas has somewhat increased, but in Bhedargonj Upazila though the ADP allocation has shown some increase in FY 2001-2002 compared to allocation in FY 2000-2001. Allocation under this head again decreased in FY 2002-2003 year as illustrated in Table 3.1. Each year some special allocation is also given to the Upazila. In most of the cases the 1st installment of the ADP was received at Choygaon Union on the month of October to December of a financial year. The second installment was received between the month of December to March and the 3 installment was received in the months of May and June of a financial year. The special grants were distributed to the Union level during different month of the year. The uncertainty about the ADP disbursement hampers the development planning and project implementation in Union level.

Table 3.1. Amount of ADP Block Grant at Upazila and Union level:

All figures are in Taka

	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04 (partly)
Total allocation of ADP grant at Upazilla	33,36,000	76,05,500	66,24,121	18,00,000
Distribution of ADP grant at Choygaon Union	2,65,428	3,24,094	2,85,988	1,15,845

The government guidelines for allocation of block grant are more or less followed (except physical activities sector) at Bhedarganj Upazila as well as Choygoan Union. The sectoral allocation at Choygoan more or less conforms to the government guidelines set for allocation in agriculture, transport and education sector. In physical activities sector the allocation exceeded the 15% limit during the last two years. Even in current year the allocation in this sector has already reached at 25%, whereas the education sector most of the time got the minimum allocation i.e. 10%. It shows that the sectoral allocation is not always guided mainly by the developmental considerations, but the other factors in local politics do play some role in matters of financial allocation at Union level.

The actual amount of government grants including the share of land transfer tax received by Choygaon Union in Bhedarganj Upazila during FY 2000/2001 to 2003/2004 (partly) is shown in The Table 3.2. In the FY 2001/2002 government grants increased particularly for development sector in this Union.

Table 3.2. Government Grants and Land Transfer Tax share

All figures are in Taka

	<i>FY 2000-01</i>	<i>FY 2001-02</i>	<i>FY 2002-03</i>	<i>FY 2003-04 (Partly)</i>
1. Development sector				
A) Agriculture	53,085	65,000	31,000	23,169
B) Health & Sewerage	25,000	48,433	44,000	17,377
C) Road Construction/Repair	1,59,257	1,80,000	1,10,000	52,130
D) House construction/Repair	N/A	N/A	30,000	11,585
E) Others- Education	28,087	30,661	24,496	11,584
2. Establishment				
A) Allowances of the chairman & Members	37,800	55,000	56,400	56,400
B) Salaries & allowances of Secretary & other Employees	70,200	1,05,485	1,03,695	1,03,495
3. Others				
A) Land transfer Tax	25,000	N/A	N/A	N/A
B) Special				

N/A= Not Available

7.3.4. Income and Expenditure of Choygaon Union Parishad:

The Choygaon Union of Bhedarganj Upazila was comparatively weak in preparing and preserving their budget document. It was possible to collect maximum information available regarding the budget of FY2000/2001 and FY 2001/2002. At the time of data collection the Union Parishad informed the non-availability of budget document of FY 2002-2003 and 2003-2004. It may be mentioned here that real expenditure side of FY 2001/2002 budget was not available as well. All these factors restricted considerably this financial analysis on Choygaon Union Parishad.

I Revenue collection of Choygaon Union Parishad:

As it appears from the Table 4.1 the collection performance of UP taxes was low both in FY 00/01 and FY 01/02. Table 4.2 and Table 4.3 illustrate the total demand of tax and actual collection by various UP under Bhedarganj Upazila. Based on whatever limited data was available, it may say that the collection performance of UP tax of Choygaon Union was not the last in the Bhedarganj Upazila. Percentage wise Choygaon UP's tax collection performance is 41.05% and 37.84% during FY 00/01 and FY 01/02

Table 4.1. Assessment Target and Actual Collection of Taxes, Rates, and Fees by the Union Parishad during the FY: 2000-2001 to 2003-2004

Revenue Tax	FY 2000-2001	FY 2001-02	FY 2002-03	FY 2003-04
UP Tax				
Assessment Target	2,05,000	2,39,200		
Actual Collection	84,158	90,530		
Percentage of collection	41.05%	37.90%		
Tax on Profession, Trades & Calling				
Assessment Target	2,000	100		
Actual Collection	2,000	N/A	N/A	N/A
Percentage of collection	100.00%			
Fees for licenses & permits issued by UP				
Assessment Target	2,500	2,000	N/A	N/A
Actual Collection	2,000	1,300		
Percentage of collection	80.00%	65.00%		
Lease money from specified hats bazars & ferries				
Assessment Target	3,000	3,000	N/A	N/A
Actual Collection	3,000	N/A		
Percentage of collection	100.00%			
Lease money from Jalmahal				
Assessment Target	25,000	25,000	N/A	N/A
Actual Collection	25,000	N/A		
Percentage of collection	100.00%			
1% land transfer fees:				
Assessment Target	N/A			
Actual Collection	25,000	N/A	N/A	N/A
Percentage of collection				

N/A= Not Available

The overall revenue collection situation at Choygaon Union may be understood better from the analysis of per capita revenue by source. In the financial year 00-01 one inhabitant of this Union paid Tk. 6.13 as UP tax, Tk. 0.15 as tax on profession, trades and calling, Tk. 0.21 as lease money of hat bazaars. So UP tax accounted almost 77.09% of total revenue income in that

respective year, the table 4.2 and 4.3 illustrate the per capita revenue and percent distribution of revenue of Choygaon Union Parishad during different financial year under this review.

Table 4.2. Union Parishad Real Per Capita Revenues By Source

All figures are in Taka

Revenue Source	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04
UP tax	6.13 (84,158)	6.6 (90,530)	N/A	N/A
Tax on Profession, Trades & Calling	0.15 (2,000)	N/A	N/A	N/A
Fees for licenses & Permits issued by UP	0.15 (2,000)	0.09 (1,300)	N/A	N/A
Lease money from specified hats bazars & ferries	0.21 (3,000)	N/A	N/A	N/A
1% land transfer fees	1.82 (25,000)	N/A	N/A	N/A

N/A Not Available

Table 4.3. Percent Distribution of Union Parishad Revenue

Revenue Source	FY 2000-2001	FY 20001-2002	FY 2002- 2003	2003-2004
UP tax	77.09%	83.18%	N/A	N/A
Tax on Profession, Trades & Calling	1.83%	N/A	N/A	N/A
Fees for licenses & Permits issued by UP	1.83%	1.19%	N/A	N/A
Lense money from specified hats bazars & ferries	2.73%	N/A	N/A	N/A
1% land transfer fees	10.00%	N/A	N/A	N/A

N/A Not Available

Table 4.4. Collection Performance of Union Parishad for the Financial Year 2000 to 2002

All figures are
in Taka

Fiscal Year	Assessment Target	Actual Receipt	Percentage of Collection
2000-2001	2,37,500	1,09,158	45.96%
2001-2002	2,70,200	1,08,830	40.28%
2002-2003	N/A	N/A	N/A
2003-2004 (Partly)	N/A	N/A	N/A

N/A Not Available

Table 4.5. The Percentage of the Total Government Grants compared to Union Parishad's Own Source of Revenue FY 2001-2002

All figures are
in Taka

<i>Fiscal year</i>	<i>UP,s Own Revenue</i>	<i>Total Govt. Grants</i>
<i>FY 2000-2001</i>	1,09,158 22.62%	3,73,429 77.38%
<i>FY 2001-2002</i>	1,08,830 18.34%	4,84,579 81.66%
<i>FY 2002-2003</i>	N/A	N/A
	N/A	N/A
<i>FY 2003-2004</i>	N/A	N/A

N/A Not Available

II. Expenditure of Choygaon Union Parishad:

Union Parishad expenditures are divided between two parts, i.e. revenue expenditure and development expenditure. This study revealed that the average revenue expenditure constituted more than 72% of the annual expenditure of the Union during the financial year 2000-2001. The table 4.6 shows that the salaries and allowances of the employees together with other establishment expenditure have accounted for the major portion of the UP expenditure in various

years under this review. After meeting the establishment expenditure this particular Union was left with small amount of resources to undertake development activities. Few development works that were being undertaken by the Union included the construction and repair of rural roads, culverts, etc. These types of projects are usually financed under the Food for Works, Test relief and rural maintenance program coordinated by the central government ministries through district and Upazila.

Table 4.6. UP's Expenditure by Category, as Percent of Total Expenditures

All figures are in Taka

	FY2000-01 (percentage)	FY2001-02 (percentage)	FY2002-03 (percentage)	FY2003-04 (percentage)
Revenue expenditure				
1) Establishment expenditure				
a) Honorarium of the chairman & members	25,000 (27.13%)	N/A	N/A	N/A
b) Salaries & allowances of the officers & employees	33,350 (36.19%)	N/A	N/A	N/A
c) Establishment expenditure in tax collection	8,306 (9.01%)	N/A	N/A	N/A
d) Contingency	N/A	N/A	N/A	N/A
2) Stationery	N/A	N/A	N/A	N/A
3) Miscellaneous	N/A	N/A	N/A	N/A
Total	66,656 72.33%	N/A	N/A	N/A
Development expenditure Works programme				
a) Agricultural project	N/A	N/A	N/A	N/A
b) Health & sewerage system	N/A	N/A	N/A	N/A
c) Road construction / Repair	20,000 (21.70%)	N/A	N/A	N/A
d) House construction/Repair	N/A	N/A	N/A	N/A
e) Education	500 (1.63)	N/A	N/A	N/A
f) others	N/A	N/A	N/A	N/A
Others				
a) Audit expenditure	2,000 (2.17%)			
b) Others	2,000 (2.17%)			
Total expenditure =	91,156	N/A	N/A	N/A

N/A= Not Available

Table 4.7. Per Capita Union Parishad Real Expenditures by Type

All figures are in Taka

	FY 2000-2001	FY 2001-2002	FY 2002-2003	FY 2003-2004
Revenue expenditure				
1) Establishment expenditure				
a) Honorarium of the chairman & members	1.82 (25,000)	N/A	N/A	N/A
b) Salaries & allowances of the officers & employees	2.43 (33,350)	N/A	N/A	N/A
c) Establishment expenditure in tax collection	0.60 (8,306.5)	N/A	N/A	N/A
d) Contingency	N/A	N/A	N/A	N/A
2) Stationery	N/A	N/A	N/A	N/A
3) Miscellaneous	N/A	N/A	N/A	N/A
Development expenditure Works programme				
a) Agricultural project	x	N/A	N/A	N/A
b) Health & sewerage system	x	N/A	N/A	N/A
c) Road construction / Repair	1.45 (20,000)	N/A	N/A	N/A
d) House construction/Repair	0.10 (1,500)	N/A	N/A	N/A
e) Education	x	N/A	N/A	N/A
f) others	x	N/A	N/A	N/A
Others				
a) Audit expenditure	0.14 (2,000)	N/A	N/A	N/A
b) Others	0.14 (2,000)	N/A	N/A	N/A

N/A= Not Available

Usually Union Parishad does not maintain its records without some exception. Tables given before shows that a lot of information are not available.

Chapter 8

*LESSONS LEARNT FROM THE SIRAJGANJ
LOCAL GOVERNANCE DEVELOPMENT
FUND PROJECT (2000-2005)*

Chapter 8

LESSONS LEARNT FROM THE SIRAJGANJ LOCAL GOVERNANCE DEVELOPMENT FUND PROJECT (2000-2005)

8. This Chapter includes a general discussion on major lessons learnt from the Sirajganj Local Governance Development Fund Project for improving local government.

8.1. Introduction:

In line with the decentralization policy of the GOB, UNDP/UNCDF along with Ministry of LGRD and Cooperatives initiated an area specific pilot project entitled "Sirajganj Local Governance Development Fund Project" (SLGDFFP) aiming at promoting decentralized participatory planning and effective local governance in Bangladesh.

The project aims to contribute to poverty reduction by increasing access to basic services and infrastructure for the rural population of Sirajganj District. The project will assist Union Parishads in Sirajganj District to support local development initiatives in an effective, sustainable and participatory manner. At the end of the project, UPs will have been supported to improve their performance and accountability; to conduct participatory planning processes at local (Ward) level; to formulate, select and implement LDF schemes; and lesson learned will have been analyzed and disseminated. (See Annex-23)

8.2. Lesson Learnt:

Through the study of Sirajganj Local Governance Development Fund Project, several lessons have been learnt and these are discussed and presented below:

8.2.1. Financial Management:

It is believed that the Cash Book is the heart of the financial management of the Union Parishad as all the transactions, payments, fund receive has to be recorded in the cash book. Government has provided a standard cash book format to the Union Parishads and every day this cash book has to be updated based on the transaction made by the Union Parishads. This cash book supported by vouchers, bank pass books, check books and other relevant financial documents.

It has been found that most of the Union Parishad under pilot district are maintaining the cash books, bill/vouchers are available, bank transactions are almost regular, pass books are updated, Check Books are used and registers are in order. The key feature of these Union Parishad is the practices of transparency in financial management. Community have access to the financial transactions of the Union Parishad, they can ask the UP officials for any specific transactions.

8.2.2. Local Resources Mobilization:

Though, the overall picture of the revenue earning of the UPs in Bangladesh is very gloomy, but some exceptional example has been found in Pilot Project UPs. Most of the UPs in other parts of the country are reluctant to use their key revenue source i.e the holding/house tax due to fear of losing their popularity while in Sirajganj, it has been found that maximum UPs are now collecting this tax, and the amount has been increased substantially. Not only in the collected amount, but also targeted amount of house tax has been increased in different Union Parishad of Sirajganj. It has also been found that some non conventional tax, rates, fees are also been collected by the UPs under Sirajganj district which was not evident five years back. Even, the other UPs in different districts are not much habituated to collect these revenues. The trend of revenue earning for last two/three years, specially, in case of collection of house/holding tax in the UPs of Sirajganj district are encouraging. In 2003-2004 the collection rose to more than 200% in this regard. It is also found that total income from revenue has been increased in last two/three years while in other Union Parishad under other districts remain almost same for last couple of years. The revenue increase in the pilot union resulted considerable improvement in the quality service delivery of the Union Parishad. UPs are now able to implement some development schemes with their own revenue, can provide assistance to poor families, observe different national programmes, meet emergency needs and all these are reflected in their respective budgets.

Local resources mobilization requires assessment of actual Taxes, Fees and Levies. To facilitated this self assessment process has been introduced. The self assessment process is being facilitated by UP members or other influential persons from community. But community's support is essential for self-assessment and collect of revenue. Enhancement of local revenue mobilization is one of the key criteria for accessibility to funds. It is mentionable that total Revenue

generation of the Union Parishad has been enhanced five times more after the project intervention. Community participation in Budget meeting and Para level participation in need assessment meeting also ensures efficiency of revenue collection and motivates the tax payers to pay their taxes. Due to proper motivation different service providers like Marriage Registrar, Banks, educational institutions, NGOs with regard to regular payment of taxes seems to be very effective and innovative mechanism.

The achievement was done by using following measures:-

- The assessment done once a year in a particular day in presence of local people
- The self-assessment procedure has been introduced with support/assistance from UP members and the community leaders and members
- Participation of 100-300 persons (including 20-30% women) in the assessment workshop
- The transparent revenue assessment process of UPs injects confidence among the eligible tax payers

8.2.3. Decentralised Resource Management/ Government grant:

Measures taken under the project to strengthen UP financially was initiated in the form of direct funding by the Government to UP for local development. Direct transfer of fund to UP facilitates its planning and managing development works.

The key benefits associated with SLGDP include the following:-

- Greater certainty in the allocation levels for the grants.
- Performance based funding which only allows funding to UPs which meet minimum standards, and by which those UPs which have performed well in the previous year are eligible for additional funding in the next year.
- The timing of the SLGDP grant announcement allows the UPs to determine their expenditure priorities within a known budget constraint, and so to prepare a more considered and realistic budget (by contrast, the UPs usually receive notification of their ADP allocations in October, whilst annual budgets are prepared in June).

- The UP is facing problem UP in obtaining Upazila Engineers technical support as the fund is coming direct to UP.
- Partial or less cooperation from Upazila administration hinders the development process.
- Financial Management of the participating UPs are in order;
- Performance based Fund allocation for UPs proved to be feasible and contributed enormously in enhancement of UP performance including accountability and transparency.
- Introduction of eligibility criteria for access to Block grant reveals as a means to make the UPs accountable and motivated for doing good work.
- Introduction of Direct block fund for Union Parishads by the government in 2004-05.

Guideline for use of Union Parishad Block Fund reflected the learning of SLGDF project:

- The assessment done once a year in a particular day in presence of local people
- 30% of funds earmarked for women
- Use of formula-based predictable grant
- Timely disbursements to the UPs
- Fund owned by UPs
- Decentralized & performance-based funding

It is worth to mention that the impact of transparent and efficient financial management of the UPs is quite remarkable. This practice makes the UPs dependable, trusted, efficient, and peoples friendly organization for local development. The transparent financial process of UPs creates lot of scope to have support from their constituents, government and the development partners for local level development. It is well accepted that the local development is impossible without involvement of local government bodies. In this line, the pilot Union Parishad have already set milestone to catch up the attention of both the government and the development partners. In the mean time, many development partners already comes up with their proposals to assist UPs financially to respond to the peoples need in an efficient manner.

8.2.4. Open Budget Session:

Open Budget meetings usually attended by 100-500 persons UP Budget prepared through consultation with community: opinion of all figures is in Takalocal stakeholders on allocations to

different activities Community's concerns are reflected in the budget. UPs are found to be more conscious about the financial management as they have to face people's questions during budget sessions and in different occasions (during local level planning, scheme approval meeting, Follow-up meeting of budget implementation etc.). The open budget sessions and budget follow-up mechanism substantially reduce the scope of embezzlement of public money as well as keep the UPs aware about their responsibility to use the resources in an efficient manner.

8.2.5. Expenditure Pattern:

According to the guideline of the UP budget, there are two types of expenditures; those are recurrent expenses and the development expenditures. The recurrent expenses encompasses the salary of the staff, maintenance of office equipments, honorarium of the UP representatives, travel allowances, meeting and other costs while the development expenditures mostly concentrated on the infrastructure development.

But in the pilot Union Parishad, it has been found that the expenditure heads are a bit expanded and some non traditional expenses are incorporated in the budget. Financial assistance to the poor student, disaster management fund, awareness building campaign, assistance to the poor families, different national day observance, sports & plantation are among the list of expenditures in the pilot Union Parishad. The change of expenditure pattern reveals interesting findings.

As there is provision for open budget sessions and follow-up mechanism of budget implementation by the community, so it is quite easy for the constituents to know about the whole expenditure pattern and income sources of the Union Parishads. The open budget sessions and budget follow-up mechanism substantially reduce the scope of embezzlement of public money as well as keep the UPs aware about their responsibility to use the resources in an efficient manner. It is agreed that transparency is one of the major issue of good governance. In the pilot Union Parishad, the transparency is practiced in many ways. The resources allocated by the project for development schemes are shown in the budget, available in the UP notice board, discussed in the ward level meetings and mentioned in the scheme notice board. Not only the resources for development schemes, the funds available for training / capacity building / workshops are also made public for ensuring transparency in the expenditures.

8.2.6. Participation:

It is very encouraging that due to continuous afford given by the Government and project personnel poor people as well as women are participating in the decision making process. The participatory planning process has been widely recognised as improving scheme selection, implementation and O&M. The project has sought to ensure that women and the poorest are given 'voice' within the planning process and that their priorities are, to some degree, represented in the final scheme selection. The promotion of participatory planning processes at ward level as part of wider improvements in accountability and governance. Para level participatory need assessment, scheme selection and planning process has been found effective and a breakthrough against traditional practices and processes. The experienced motivated UP members are given responsibility to support the female members for activating the low performing WDC as well as building capacity of female UP members in respect of improved output. Men and women identify local problems and prioritize them for immediate solution. People's participation in planning, implementation is greater value addition to many of the schemes improving the quality of the final output.

I) Women Participation:

Women Empowerment, Women members are able to exercise their rights; UP Women members are very organized now. They are trained through Women Development Forum at district & Upazila level. At least 30% of local committees are chaired by female members. 30% local development fund are earmarked for women now. Women are participating in the decision making process. Women participation ensured by introducing themselves as a member of several committees as Women Development Committee.

II) Community Participation:

It is a big achievement for the UPs to ensuring Good governance that Communities are involve with the UP as much as it need. Whilst there has been no formal requirement for cost recovery or

community contributions to the schemes, the involvement of people has brought additional contributions in the form of both cash and 'sweat equity' (provision of labour, earth (for roads) etc). This has been forthcoming because people have been involved in the selection process, recognized the value of the scheme and felt a sense of ownership. Community's involvement with the UPs is as follows: -

- Information on different sources of revenue and expenditures provided to communities;
- Community are informed about the use of revenue collected by UPs;
- UP approved projects are implementing, monitoring & maintaining by the community committees;
- Community satisfaction with the UP performance have been enhanced;
- Community ownership of the local development activities has been increased;
- Community involvement in planning, implementation, monitoring have been ensured;
- Community members are ready to shoulder responsibilities if they are consulted and delegated specific responsibilities. Involvement of community representatives in different committees ensures transparency, quality and efficient implementation of the projects;
- Community as a whole is also enthusiastic to offer voluntary support to the project if they get access to the planning process;
- Community involvement in scheme finalization has tremendous effect in regard to sustainability of the schemes as it creates community ownership;
- Community participation in UP function is ensured by community based monitoring system;
- Community participation in Budget meetings also ensures efficiency of the budget and motivates the tax payers to pay their taxes;
- Community involvement in planning, implementation, supervision and monitoring can be possible and is able to address the real needs of the locality; Even Men and women can identify local problems and prioritize them for immediate solution
- Community ward's meeting before annual budget session (at UP level);
- Community participation in local resource mobilization;
- Community gathering at the start and handover of schemes;
- Access of communities to UP financial transactions;
- Assessment of the UP Activities by the community;
- Introduction of Ward Level committees involving UP representatives and community for local level development found to be effective and seems to have empowered the community;
- Participation of 100-300 persons (including 20-30% women) in the assessment workshop; The accountability of the UP can be ensured through the introduction of Performance Checklist. Community involvement in the M&E activities appears to be effective tools to achieve the project goals and results in sustainability of the projects;

- Operation and maintenance of the implemented schemes by the community found to be effective;

8.2.7. Women Representation:

Whilst the reservation of one third of seats for women has served to increase their Representation in elected office, the fact is that women do not have clear ward representation (but rather are elected to represent three wards, each of which has a parallel male representative) serves to reduce their legitimacy and democratic mandate. Moreover women councillors continue to face de facto marginalisation in the performance of their duties.

8.2.8. Activated Standing Committees:

UPs are supposed to constitute 13 Standing Committees. In most cases the Standing Committees are hardly formed by the UP. Empirical evidences further suggest that non pilot UP Chairmen/ officials are not even aware of the legal bindings of constituting such committees. In case of pilot UP all 13 standing committees were constituted who are contributing to some and or greater extent in area specific development arena. The non pilot union is still reluctant to constitute standing committees. Standing Committees have also had some impact on improved accountability. Standing Committees have in some cases begun to take up some local initiatives to improve services in their areas.

8.2.9. Formation of New Committees:

Word Development Committee, Scheme Supervision Committee are playing a vital and significant role in local level planning, budgeting, implementing and monitoring of scheme/project for PP UPs. These committees are also helping to assess and collect revenue.

8.2.10. Office Management:

Office Management are better than earlier. Opening of Office are regular now. Maintenance of Records are satisfactory. Regular Meeting are holding now. Capacity building training, workshop, Study tour(abroad) for Unskilled Man Power, cross visit, and exposer visit are going on. offices are now open every working days, Secretaries are regular in the offices, Services are being

provided in a transparent manner, the selection of poor families/persons for VGD/VGF and other relief activities has done impartially, the development plan has taken by UPs in transparent way and not favor to certain vested quarters, the quality of development projects are not questionable because there is participation of community in implementation and monitoring of the development projects. The community views are rarely taken in to account and general mass people felt owner for getting access in the UP decision making process. In PP UP the community people have been mobilized and motivated to a great extent to participate in schemes implementation process that facilitates the enhancement of good governance within the UP. Bank transactions are evident and passbooks, bank reconciliation, bank statements are available in the UP offices (Earlier it was hard to find any evidence of bank transactions). Monthly meeting is being holding regularly

8.2.11. Awareness Building:

The community awareness about the UP activities also enhanced considerably. (Earlier, the community had shallow ideas about it). They only felt that the UP's sole responsibility was to provide some relief, conduct Salish, provide nationality certificates and provide some infrastructure services. But they have no idea about UP's functions that it has to plan & implement different development activities, prepare yearly budget, conduct regular village courts, assess and collect revenues, hold monthly meetings, coordinate all the GO/NGO service agencies available in the villages, organize and functioning of different standing committees, report to different government bodies, implement national programmes like sanitation, birth & death registration, campaign against dowry/child marriage/women repressions etc. Through awareness building mass people / community are now well known about it.

8.2.12. Transparency & Accountability:

Accountability and transparency of operations and functions of the LG units are essential for ensuring their credibility to the electorate. This can only be achieved through adequate supervision and monitoring. Legally the Monitoring & Evaluation Wing of the Local Government Department of the Ministry of Local Government Rural Development and Cooperatives (LGRD&C) is responsible for monitoring the functions of the local bodies. But it has been observed that the monitoring mechanism of the said wing is weak, inadequate and ineffective.

The other mechanism is through the inspection and visits by the field level government functionaries, such as, the UNO and the DDLG. But their functions are more of controlling nature than of monitoring. The relevant LG regulations prescribe that UPs are to ensure public display of (in the UP notice board) the budget and major decisions of the UP meetings particularly with regard to development projects. But this practice is almost absent in most Union Parishads. Empirical evidences also suggest that less than 1 percent of the UPs have even been directly audited.

Accountability of UPs to the community has been strengthened. The Performance Review Process has served as an important mechanism for improving accountability, relative efficiency, effectiveness and quality of different institutional arrangements. The provision of support and incentives for the Union Parishads, improve their performance and Accountability. The Transparency and Accountability of UP has been raised and found in place because of the regular dissemination of information through display board, community meetings, etc. The promotion of participatory planning processes at ward level as part of wider improvements in accountability and governance.

8.2.13. Government/Political commitment:

Local government has a significant constitutional mandate. The GOB policy documents over the years, irrespective of the regimes, have also highlighted the importance of local government. In addition all major political parties have equivocally acknowledged the need and importance of strong local government in their respective election manifesto, but in reality no serious attempts have been made either by the party in power or major opposition to strengthen the local government system. Most of the recommendations of two different high powered Local Government Commission reports constituted by the two political regimes did not get implemented. Strengthening local government thus appears to be more of a populist and political Government Commitment towards decentralization the local government bodies have been used by the national political leaders as political mobilization platforms and not as genuine institutional partners. The gram sarkar (though not a formal local government body) is criticized by many as the political platform of the ruling regime than a genuine institution building effort for popular participation. Similarly the Zila parishad as a local body does not have, as yet, a democratic

makeup. The chairman/CEO is still appointed by the government and is liable to be removed anytime for no reason. Under such circumstances, the Zila parishad served well as a political tool of the party in power than as a socio-economic development tool.

Review of the experiences of the strengthening Union Parishad in Bangladesh reveals the following core issues:-

Rhetoric than real development commitment¹;

- lack of comprehensive planning for decentralization;
- absence of wider consultation with people before devising decentralization strategies;
- lack of mobilization of popular support in the reform process;
- over- emphasis on deconcentration in the decentralization plans;
- inadequate power and authority to people's representatives;

At the policy level there were also some un-clarity and confusion. These include:-

- Schemes of decentralization were found to be more of political rhetoric than real commitment
- There were tendency to disregard Constitutional commitments.
- Major political parties overemphasized the need of the role of the MP in decentralized governance.
- Inadequate legal and regulatory framework for decentralization
- Lack of transparent process of inter governmental fiscal transfer
- Lack of mechanism for integration of plans (local and regional with national)

Schemes of decentralization were found to be more of political rhetoric than real commitment.

8.2.14. Intervention of Local Political Bosses:

The participation of the members of parliament (MPs) in local government affairs has been a contentious issue since early 1980s. As a matter of fact, since the inception of the Upazila system, there has been a hitch between the elected Upazila chairman and the member of the parliament elected from the constituency where the Upazila falls. Before the introduction of the Upazila, the local MP was more or less the unquestioned political leader of the then Thana. He

¹ Empirical evidences prove that the national political leaders use the local government units as their "power house" and "vote banks" and "political platforms." Ironically it is also observed that the Ministry of Local Government has always been held by a senior member of the cabinet who also holds a highly influential position in the party hierarchy.

was the sole political representative and was involved in designing and approving different local level development projects. Through the introduction of Upazila, the role and responsibilities of the MPs were considerably curbed as far as local level development management was concerned. Upazila parishad and the Upazila chairman have become the source of authority and power for both local politics and development management. For the members of the parliament, irrespective of their party affiliations, the very institution of Upazila parishad became a "sore throat". After the abolition of the Upazila system, the so-called 'advisory' role of the MP has further crippled the functional authority of the TDC and even the UPs. Intervention of local legislator in local development activities sensitize of politicians towards strong local governance.

8.2.15. Bureaucratic Intervention:

Bureaucratic expansion and dominance in the name of decentralization, sensitize of the bureaucrats towards strong local governance. Usually, bureaucrats are not in a position to welcome UP Chairman as their bosses, because of their earlier position in the society. They are not well recognized both in educational and social back ground. Decentralization measures so far taken in Bangladesh at different phases involve both deconcentration and devolution, although the extent of deconcentration is more prevalent than devolution. There is neither any concrete attempt to debureaucratize the system nor any efforts to give sustainability to local government units.

8.2.16. Limited Autonomy:

Although the UPs have substantial implementation responsibilities for development activities they have only limited financial management and contracting powers. UPs can administer earthworks, tree plantation, food-aid schemes and any projects financed from their own funds. However, under the Annual Development Plan Block Grant for Union and Upazila Development, a UP can only administer up to eight schemes per year not exceeding TK 50,000 in total value. Schemes of more than this value are undertaken through commercial contracts managed by line departments at Upazila level

8.2.17. Overlapping Responsibilities:

A wide range of functions have been ascribed to the UPs in law without the associated provision of the functionaries and financial authority. Some functions assigned to UPs also overlap with those of central government departments and agencies. There is, for example, considerable duplication in the local infrastructure responsibilities of the UPs and departments such as, LGED and DPHE.

8.2.18. Weak Capacity:

The UP institutions are also weak in terms of staffing numbers and skills. Training is inadequate, with only one institution, NILG, mandated to provide training to all levels of local government. NILG does not, however, have an effective mechanism for devolved training provision. Wider monitoring and support of the UPs are also limited. For example far fewer than the 64 DDLG positions that should play this role at district level are filled.

8.2.19. Weak Development Planning and participation:

For the planning and management of various developmental activities, UPs are supposed constitute 13 Standing Committees. In most cases the Standing Committees are hardly formed by the UP. Empirical evidences further suggest that UP Chairmen/ officials are not even aware of the legal bindings of constituting such committees. UP development activities therefore become "Chairman centered" and lack participation and broader social accountability. It is also to be noted that as of now the TOR for such standing committee has not been formulated by the Ministry of LGRD&C.

8.2.20. Limited Geographical Scale:

As a result of their small geographical coverage, UPs have limited political influence and narrow planning horizons.

8.1.21. Perception of Elite bias:

There is often little transparency in planning and resource allocation and there is a general perception that elite bias and corruption exist. This is reinforced by weak auditing systems as well as the fact that certain powers are centrally ascribed to the Chairman rather than to the UP members as a whole.

8.2.22. Corruption:

There is a huge allegation against UP representatives for corruption. A general perception is that theft/corruption is the real enemy of development. : As we know that corruption abolishes the entire dream as well as all the initiative for betterment. So, every one should stand against it. Effective & proper public participation can reduce corruption. Government commitment against corruption can enlighten the villages with the light of development & hope. Expectation of achieving good governance corruption free UP must be done by any cost.

8.2.23. Effect and Impact:

Community satisfaction with the UP performance have been enhanced; Community ownership of the local development activities has been increased, Union Parishads are in better position to deliver different services to the community, Project innovations are well accepted by government, development partners, civil society, LGIs and Community, Different development partners (WB, EU, SDC) are coming forward to upscale the Sirajganj model in the other parts of the country

- Good quality schemes are implemented; Increased ownership and better management of decentralized funds by the union parisha. Institutionalization of capacity building activities as well as Participatory processes at local level. Implementation of constitutional provision regarding local government

- Performance based funding which only allows funding to UPs which meet minimum standards, and by which those UPs which have performed well in the previous year are eligible for additional funding in the next year.

8.3. Issues and Challenges:

- The WDC members seem less active in performing their roles as they have not received training from UFT because UFT was formed in 2008 but did not receive any TOT yet.
- It appears that the current UFT members are not in a position to provide training to different committees. However, the members of UFT seem to be very weak with regard to knowledge, skills and they lack spirit of volunteerism.
- The UP is facing problem UP in obtaining Upazila Engineers technical support as the fund is coming direct to UP.
- Partial or less cooperation from Upazila administration hinders the development process.
- It is difficult to find people who will give voluntary time to UP. For better implementation of the schemes, the voluntary effort is required but it has been a great challenge for the UP to find out people with voluntary spirit.
- The biggest challenge for the UP is to keep this Voluntary UFT working through out the project year. As there is no remuneration for the UFT members their commitment level turns out to be very low.
- Coping up with growing activities with limited staff is a great challenge for the UP.
- There is a huge need to make them understand the concept of the project and get acclimatized with all the activities and processes.
- Within two years the overall achievement is encouraging but the issues and challenges UP is facing are:
 - No selection criteria for UFT;
 - intensive TOT for UFT by professionals;
 - planned but frequent participatory monitoring to improve the performances
- The poverty issue in this area is a big challenge and linking the hardcore people with other service agencies like NGOs for economic development still remains a big challenge for the UP.

Chapter 9

*GENERAL OBSERVATIONS AND
RECOMMENDATIONS*

Chapter 9

GENERAL OBSERVATIONS AND RECOMMENDATIONS

9. Based on the analysis and discussion of the study report, some general observation and recommendations are made. These are as follows:

9.1. General Observations:

Union Parishad is the first tier of local government system in the rural areas. The Union Parishad for being an essentially service-oriented local government institution envisages a strong framework as would ensure direct participation of the local people in all the development activities in the area. The lack of sufficient financial resources coupled with management and manpower problems seen as part of broader governance problems at the grass root levels, which in turn affects significantly on its quality of service delivery. A few observations have come out through this study. Some of the observations are as Follows:

- If we consider an institution as a vehicle than finance is its fuel. Without having sufficient financial capacity, no institution can achieve targeted goal and objective. The finance is more crucial for the service-oriented organizations and in no doubt, the local government bodies are mandated to provide some emergency services to the people. Due to lack of financial capacity, these institutions can hardly satisfy their constituents. Due to poor and inefficient financial management capability, government and development partners never felt confident to provide any resources directly to the UPs until 2004. However, a tiny light has been observed at the end of the tunnel due to intervention of SLGDFP (Sirajganj Local Government Development Fund Project) Pilot Project, 2000-2005.
- Decentralization measures so far taken in Bangladesh at different phases involve both deconcentration and devolution, although the extent of deconcentration is more prevalent

than devolution. There is neither any concrete attempt to debureaucratize the system nor any efforts to give sustainability to local government units.

- The relationship between central government and local government institution of Bangladesh has been characterized by bureaucratic dominance and control. Major activities and finances of local government bodies have been largely controlled by the government through field administration.
- Inadequacy of finance is a permanent problem of Union Parishad. Although UP had a larger tax base than Upazila Parishad, yet financial resources of UP were inadequate to carry out its social and development activities. Local government institution like UPs is mostly dependent on various types of government's grants. Thus the financial inadequacy, perhaps, results from undervaluation of property for tax assessment and lack of collection of estimated revenues, acts as one of the most serious impediments to carry out UPs functions and responsibilities.
- In some cases revenue bases of UP and Upazila overlaps which might weaken further the financial position of Union Parishad.
- Administrative capability of Union Parishad is very weak and is not adequate enough to respond to the challenging tasks of development. UP representatives are not very much experienced in managing the affairs of UP and a significant majority of the selected officials do not have any administrative or managerial experiences or training.
- Union Parishad basically depends on the central government finances. As a result, development functions and program schedule in most cases depend upon the discretion of field level officials of the central government. Complex financial rules and budgetary control imposed by the government affect the general performance of the UP.

- Developmental, administrative and functional relationships involving local bodies and concerned field administration operate more on the basis of informal linkage and understanding between the parties concerned rather than on the basis of functional rationality. Relationship between UP representatives and the field level government officials appears to be "cool" to great extent and less conducive for collaborative efforts.
- Control and domination of the field level officials over the UP also stand as a significant hindrance towards the smooth functioning of the local government institution.
- Usually Union Parishad does not engage full-time tax collectors. Tax collectors works on a commission basis. Collection of tax is not satisfactory. Poverty, absentee of payees and negligence of payees are major reasons for non-realization of estimated taxed. UP has the legal authority to realize unpaid taxes through sale and auction of movable and immovable property, this type of actions are not adopted by UP because UP members and Chairman think that this kind of action might make them politically unpopular and evoke criticisms from the people. Union Parishad does not maintain cash book, receipt book, voucher file properly. Even Union Parishad does not prepare annual statement regularly of its accounts not send it to the Deputy Commissioner through UNO for information. Interesting enough that the auditing of UP's finances are rarely done.
- Overall administrative capabilities of the UP's are very poor—that eventually affects the project management, supervision, quality and cost. In addition to these the lack of administrative authority, negative bureaucratic attitude and control of the field staff, strict and outmoded financial rules, budgetary control, lack of expert consultation, corrupt practices of the professional field staffs, inadequate funding etc. affect inversely the performance of the program/projects at Union Parishad level.
- Development work is highly dependent upon the support, assistance and cooperation of the field level administration of the central government. In general, the field officials and the extension workers of the line agencies do not always cooperate with the Union

Parishad functionaries as expected. Developmental and other program inputs and logistic, consultative support usually do not reach the Union Parishad in time and in adequate quality and scale. UP officials, therefore, go for persuasions and other formal and informal means to get things done. Generally this persuasion ranges from personnel and political influence to financial incentives.

- Financial incentives/bribe is more effective mechanism than personal/political persuasion to get the needed things done by these field level officials of the central government. Thus, one broad generalization can be drawn that the existing administrative and development functional network at the field level involving local bodies and field bureaucracy operates primarily on informal influences and relationships between the parties concerned.
- Union Parishad financial management is controlled by the national government through its field officials in preparation, approval and implementation of all financial expenditures including budget.
- In most cases, annual audit of the UP are not carried out in time.
- UP is subjected to extensive control and supervision in implementing development projects exclusively funded by the central government. Major hardships/problems are as follows:
 - a) too much control in disbursement process;
 - b) unnecessary paper work that takes time;
 - c) delay in processing the financial documents;
 - d) insufficient allocation in each installment which affects the costing of the project-i.e. resource allocation process is not rational;
 - e) corrupt practice of the government officials.

9.2. Recommendations:

- **Providing Adequate Man Power:**

Basically UP is a big organization. It has to provide various services to the peoples in its own area. Assessment of taxes, rates & fees, collection of that revenue, making list for VGD, VGF, Relief, boyoshk bhata, matritto kalin bhata, construction & maintenance of roads, culvert , execution of TR, kabikha, special programme (100 days programme, kabita, special allocation for MPs), Operating village Court, Birth & Death registration & issuing certificates, selection of projects, executing & monitoring the projects etc. are not possible to do all the official work accordingly & accurately by a secretary. In view of UP secretary's heavy workload some additional manpower is essential. To manage is activities properly a diploma engineer, a assessor & a collector, should provided to each UP immediately.

- **Community Participation:**

More community participation specially by women and various interest group at local level may be involved in UP activities.

- **Effective Monitoring:**

There is a monitoring system through UNO, DDLG, DC & Ministerial high official. But it is not working accordingly and properly due to local political influence. For public interest government should think seriously how to enforce effective monitoring. Basically central/ ministerial monitoring is the demand of situation. Frequent/unscheduled high official visit can improve the situation. For, ensuring good governance at local level frequent/unscheduled high official visit by deputy secretary/senior assistant secretary may be considered. Office of the DDLG should be strengthened and made effective to undertake monitoring and offer other technical support to DDLG.

- **Announced/ Published Information:**

Every year Government is allotting money and resources for supporting development activities of UPs. These information should be published so that local people knows the amount of money/resources received by UP from the government source.

- **Open Budget Meeting/Session:**

Open budget meeting is such a tool which can ensure accountability. Actually it's a demand of time. Through open budget meeting people can know & understand the UPs activities as a whole and can put their views as their expectation. So, it should be introduced as a compulsory function of UP.

- **Introducing of new tax areas**

In the light of the existing condition of financial witnesses of the Union Parishad some specific areas of local taxes can be included, which could strengthen the financial base of the UP. These are as below:

- Taxes on ponds, big khamar, fisheries projects, plantation, poultries etc.
- Taxes on irrigation projects, private construction works (building)
- Taxes on local industries/enterprises.

- **Self Assessment:**

Self assessment tax system may be introduced to strengthen UP financial condition.

- **Corruption Free UP:**

Corruption hampers development efforts of UP. Effective and proper public participation in UP activities will enhance transparency, accountability which may reduce corruption. Without strong and real commitment of the central government corruption free UP is not possible.

- **Storage of Data:**

Comprehensive or detail data should be collected. Every Union should have its own statistics comprising all type of data (family wise) related to family members, occupation, financial status employee, unemployed, detail agricultural production/income present taxes, fees and levies, infrastructures(paka and semi-paka road) total K.M, land, ponds, trees, home, latrine etc. by door to door and plot to plot survey. Upazilla Statistical Office can do it by Central government decision. Using these data UPs can minimize its works. It also can help a UP to distribute relief and provide government contribution. Presently UPs are expending huge time to preparing list of VGV/VGF/ Relief and others.

- **Prize/Punishment:**

Performance evaluation is necessary for rewarding Union Parishad for its performance of local resources mobilization, implementation of development project, regular service delivery to the people etc can be used as criteria for measuring performance.

- **Commitment of Government:**

It is found that government organizations are not doing well in Bangladesh without special attention of central government. In spite of huge scope UPs are not functioning expectedly. In fact maximum UPs elected representatives are not dedicated or committed to serve the people or responsible to their works even without some exception it is very tough to find out that it has constituted its standing committees. To strengthening UP govt. should reexamine that why it is not functioning according to expectation? For strengthening UP immediately Governments commitment is highly required.

▪ **Formation of New Committees:**

There are 13 standing committees to be constituted by UPs. In most cases the standing committees are hardly formed by the UPs. Government should take initiative so that UP forms this committees as per government rules. In addition to this required committees, UP may consider to form the following four new committees:-

- i. Para development committee;
- ii. Schemes development committee; &
- iii. Word development committee
- iv. Union facilitation team

9.3. Final Remarks:

As the Union Parishad is the base tier of local government system, operating at the grassroots level, it deserves special attention. Strengthening the existing financial capacity of Union Parishad is not enough. Its managerial and functional capacity also be strengthen for make this oldest local government institution more effective, efficient and accountable.

ANNEXURE

ANNEXURE

Annex— 1

Expenditure	Next year's budget	Current year's budget/revised budget (Tk)	Actual of previous year (Tk)
1	2	3	4
A. Revenue 1) Establishment expenditure a) Honorarium of the chairman & members b) Salaries & allowances of the officers and employees c) Establishment expenditure in tax collection d) Contingency (1) Stationery (2) Miscellaneous B. Development Works Programme a) Agriculture project b) Health and sewerage system C) Road construction/repair d) House construction/repair e) Education f) Others C. Others a) Audit expenditure b) Others			
Grand Total			

 Signature of the Secretary

 Signature of the Chairman

UP Budgeting Process

Each year Government communicates the estimated income from local rate and grants etc. to be given to the Union Parishad



On receipt of the estimate of the local rate/rants etc. from the Government. Union Parishad proceeds to prepare the revenue estimate and the expenditure estimate in the prescribed format.



UP display the budget in the public place for comments and undertake necessary amendments in the proposed budget on the basis of comments/ suggestions



The proposed budget would be presented and pass in a special meeting of the UP, and it should be submitted to the Deputy Commissioner before the first June.



UP may prepare a revised budget with necessary changes if situation demands, but the rule for preparation of budget estimate would apply to the formulation of the revised estimate as well.



Incase, if DC neither makes any revision in the proposed budget nor provides approval to it within 30 days of its receipt, the budget should be considered as approved.

Annex-2

UP Form-2
Grants Register

.....Union Parishad, Thana/Upazila,Distct
Financial Year.....

Sl.no.	Date	Statements of the authority from where received	Received for the work & service	Amount (Tk)	Expenditure Statements	Voucher no. & Date	Amount (Tk)	Balance	Signature of the Secretary	Comments
1	2	3	4	5	6	7	8	9	10	11

UP Form -3
Cash Book

.....Union Parishad,Thana/Upazila,.....Distct
Financial Year.....

Date	Voucher no.	Particulars of receipts	Amount (Tk)		Account head	Date	Voucher no.	Particular of repayment	Amount (Tk)		Account Head
			Cash	Bank/ post office					Cash	Bank/ post office	
1	2	3	4	5	6	7	8	9	10	11	12
		Opening balance									
		Total						Total			
								Closing balance			
		Grand Total						Grand Total			

Annex-3

UP Form -4
Bill Register

.....Union Parishad,Thana/Upazila,.....Distct
Financial Year.....

Month	Name designation & pay scale	Salary & allowance				Purchase				Works & others			Signature of the Secretary	
		Basic salary	Allowance	Total	Details of amount of deduction	Amount of net paid (Tk)	Voucher no. & date	Details of purchased goods & amount (Tk)	Quantity & amount of given goods	Balance	Bill no. & date	Statement of work, amount (Tk), cheque no. & date		Name & signature of the bill recipient
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

UP Form -5
Stationery Materials' Register

.....Union Parishad,Thana/Upazila,.....Distet
Financial Year.....

Date	Opening stock	No. & quantity of received goods	Total (2+3)	The person given to	No./ quantity of given goods	Balance (4-6)	sign. of deliver officer	Name & sign. of receiving officer	Comments
1	2	3	4	5	6	7	8	9	10

**UP Form -6
Contingency Expenditure Register**

.....Union Parishad,Thana/Upazila,.....Distct

Expenditure head.....No. of voucher.....Month.....Financial Year.....

Sl.no. of sub-voucher	Detailed statements of expenditure & names of authority for all expenditure receiving special & date	Amount (Tk)	Comments
1	2	3	4

It is certified that, the money shown for expenditure in this bill can not be avoided keeping interest of Parishad in mind.

Date:.....Signature of the Secretary

Date:.....Signature of the Chairman

**UP Form -7
Contingency Expenditure Register**

..... Union Parishad, Thana/Upazila, District

..... Name of works Month Financial Year Signature of disbursement officer

Sl. no.	Labo-urer's name	Father's bus-band's name	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total days	Rate	Amount (Tk)	Signature of thumb impression of recipient	Signature of disbursement officer	
1	2	3	4	5	6	7	8	9	1	1	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	

Daily total

Signature of the daily attendance keeper.....

Signature of the supervising member/officer.....

Tk..... (in words).....approved

Signature of the Chairman

UP Form -3

Annual Account Statement Register

.....Union Parishad,Thana/Upazila,.....Distct
 Financial Year.....

Income												Grants & subscription	
Tax, rate, fee etc.												Government	Zala pan shad
opening balance of the year	1 men tax rate & fee	Tax on homes tead	Tax on trades, professions & callings	Taxes on cinemas & other entertainments & amusements	Lease fee on hat, bazar	Ferry station lease	Jalmhad lease	Registration tax on vehictes fater than motor velucles)	Fees for heences & perients grants	Fee from rent & profit of property	Grand total of taxes, rates & fees etc	13	14
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Total income				Expenditure							
Total income				General establishment						Works & Programme	
Upazila parishad	Other references (fine & advance reconciliation etc)	Excluding opening balance	Including opening balance	Allowances of the chairman & members	Salaries & allowances of employees	Other establishment taxes	Total	Collection expenditure	Contingency expenditure	Agriculture	Health & sanitation
15	16	17	18	19	20	21	22	23	24	25	26

UP Form -9
Property Register

.....Union Parishad,Thana/Upazila,Distet

Sl. no.	Description & location of property	Date & value of receipts	References, purchase & rent etc. of receipts	Comments	Signature of the chairman
1	2	3	4	5	6

UP Form -10

Receipt Book of Tax, Rate and Miscellaneous Receipts

.....Union Parishad,Thana/Upazila,.....Distct

Name of the Payer.....Father's/Husband's Name.....

Village.....Ward.....

Collection details

Sl. no.	Head	Previous years arrears (if any) Tkfromto time Tk	Total amount	Sl. no. of tax determining
1	2	3	4	5	6
1.	Taxes on annual value of homestead				
2.	Tax on trades/professions/callings				
3.	Tax on cinemas/jatra/theatre/other entertainments and amusements				
4.	Licence and permit fee Licence/Permit no.....				
5.	Fee from hat-bazar/ferry station/jalmahal lease				
6.	Land/building rent				
7.	Income from auction sale				
8.	Fine (if any)				
9.	Other claims collection (if any)				
10.	Miscellaneous				

Name of the Collector:

Signature:.....

UP Form-11

Union Tax Imposition Register

.....Union Parishad

Sl.no.	Name	Father's name	Ward & holding no.	Village	Statements of property	Annual estimate	Amount of annual taxes	Comments
1	2	3	4	5	6	7	8	9

UP Form-12

Union Tax/Rate Collection Register

.....Union Parishad.....Thana/Upazila.....District

ward no	No of tax determining list	Name of the tax payer	Amount of aarcars	First quarterly				Second quarterly				Third quarterly				Fourth quarterly				Grand total of annual taxes (Tk)	Amount of rebate money	Amount of collectable money	Amount of collected money	SI No of receipt book	Balance	Signature of the chairman
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19								

UP Form-13

Licence Fee Collection Register

Financial Year.....

Licence Counterfoil

Licence

.....Union Parishad
.....Thana/Upazila
.....District

.....Union Parishad
.....Thana/Upazila
.....District

Book no:

Licence. no.

Name of the Licencee:

Father's/husband's name:

Date:

Book no:

Licence. no.

Name of the Licencee:

Father's/husband's name:

Date:

Address:

Type of profession:

Valid until.....

Amount of fees paid (Tk) (in word)

Address:

Type of profession:

Valid until.....

Amount of fees paid (Tk) (in word)

Date:

Signature of the Chairman

Date:

Signature of the Chairman

UP Form-14

Tax on Trades, Professions & Callings and Fees Imposition on Licences and Permits and Collection Register
Union Parishad.....Thana/Upazila,.....District
 Financial Year.....

Sl. no.	Name address trade profession callings details of the tax payer	Tax on trades, professions & callings						Registration fee on vehicles (other than motor vehicles)				Other taxes/fees of licence			Signature of the chairman
		Amount of arrears	Amount of the money of the current year	Amount of grand total collectable money	Amount of the collected money	Balance	Name & address of the owner and details of registered vehicles	Licence fee rate of registered vehicles	Registration no. & date & amount (Tk)	Licence no. & date	Name, address & profession details of licence tax payer	Licence no. & date	Amount of paid fee tax		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	

UP Form-15

Tax Imposition on Cinemas, Drama and Theatrical Shows, and Other Entertainments & Amusements & Collection Register
Union Parishad.....Thana/Upazila,.....District

Financial Year.....

Sl.no	Name of the tax payer	Name of the cinema hall	Amount of arrears	Amount of money of the current year	Amount of grand total collectable money (Tk)	Amount of collected money	Balance	Sl. no. of receipt book	Jatra, drama & other entertainments & amusements		Sl. no. of receipt book	Balance	Signature of the chairman	
									Description	Amount of imposed money (Tk)				Amount of collected money (Tk)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

UP Form-16

Lease Imposition and Collection Register of Hat, Bazar, Ferry station and Jalmahal

.....Union Parishad.....Thana/Upazila,.....District

Financial Year.....

Sl. no.	Name location and description of hat, bazar, jalmahal & ferry station	Name & address of the lease taker	Name of father husband	Hat, Bazar					Jalmahal					SI no of receipt book	Signature of the chairman						
				Amount of arrears	Amount of imposed money of the current year	Amount of grand total collectable money (Tk)	Amount of collected money (Tk)	Balance	Amount of arrears	Amount of imposed money of the current year	Amount of grand total collectable money (Tk)	Amount of collected money (Tk)	Balance								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	Dhaka University Institutional Repository

UP Form-17
Miscellaneous Claims & Collection Resister

.....Union Parishad.....Thana/Upazila,.....District

Financial Year.....

Sl. no.	Name of the month	Name & address of person from whom realized	Building Rent		Leased land		Earned money from auction sale		Fine		Other claims		Sl. no. of receipt book	Signature of the secretary	Signature of the chairman
			Building details	Amount (Tk)	Leased details	Amount (Tk)	Auctions details	Amount (Tk)	Fine details	Amount (Tk)	Claims details	Amount (Tk)			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

UP Form-15

Tax Imposition on Cinemas, Drama and Theatrical Shows, and Other Entertainments & Amusements & Collection Register
Union Parishad.....Thana/Upazila,.....District

Financial Year.....

Sl.no	Name of the tax payer	Name of the cinema hall	Amount of arrears	Amount of money of the current year	Amount of grand total collectable money (Tk)	Amount of collected money	Balance	Sl. no. of receipt book	Jatra, drama & other entertainments & amusements		Sl. no. of receipt book	Balance	Signature of the chairman	
									Description	Amount of imposed money (Tk)				Amount of collected money (Tk)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

UP Form-16

Lease Imposition and Collection Register of Hat, Bazar, Ferry station and Jalmahal

.....Union Parishad.....Thana/Upazila,.....District

Financial Year.....

Sl. no.	Name location and description of hat, bazar, jalmahal & ferry station	Name & address of the lease taker	Name of father husband	Hat, Bazar					Jalmahal					SI no of receipt book	Signature of the chairman						
				Amount of arrears	Amount of imposed money of the current year	Amount of grand total collectible money (Tk)	Amount of collected money (Tk)	Balance	Amount of arrears	Amount of imposed money of the current year	Amount of grand total collectible money (Tk)	Amount of collected money (Tk)	Balance								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	Dhaka University Institutional Repository

UP Form-17
Miscellaneous Claims & Collection Resister

.....Union Parishad.....Thana/Upazila.....District
Financial Year.....

Sl. no.	Name of the month	Name & address of person from whom realized	Building Rent		Leased land		Earned money from auction sale		Fine		Other claims		Sl. no. of receipt book	Signature of the secretary	Signature of the chairman
			Building details	Amount (Tk)	Leased details	Amount (Tk)	Auctions details	Amount (Tk)	Fine details	Amount (Tk)	Claims details	Amount (Tk)			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

UP Form-18

Stock of Receipt Book & Issue Register

.....Union Parishad.....Thana/Upazila,.....District

Financial Year.....

Receipt at the beginning of the year (including previous year's balance)		Issue			Balance		Return date of the recipient employee	Sl. no.		Signature of the return recipient officer	Comments
Date	Amount of received from	Serial no.	Date	Serial No.	Serial no.	From		To	From		
1	2	From 3	5	From 6	8	From 9	11	12	13	14	15
		To 4		To 7		To 10					

UP Form-19

Grants Register Provided by Union Parishad

.....Union Parishad.....Thana/Upazila,.....District

Sl. no.	Grants description	Grants provided to whom	Details of goods/ amount (Tk)	Reference	Signature of the chairman	comments
1	2	3	4	5	6	7

UP Form-20
Advance and Reconciliation Register
 Union Parishad,..... Thana/Upazila,..... District
 Name of the chairman/member/contractor.....
Financial Year.....

Advance payment					Advance Reconciliation							
Date	Head of advance	Voucher no.	Amount (Tk)	Total	Signature of the secretary	Date	Voucher no.	Amount (Tk)	Cash return	Total amount (Tk)	Balance after each transaction	Signature of the secretary
1	2	3	4	5	6	7	8	9	10	11	12	13

Sirajganj Local Governance Development Fund Project (SLGDFP)

Country:	Project Title:	Project Number
Bangladesh	Sirajganj Local Governance Development Fund Project	
Duration	Project Cost and Financing	GOB:
Start: July 2000	Total Project Cost: US\$ 8,923,950	UNDP:
End: December 2005 (est)		UNCDF:
		Taka 100,000 + in kind
		US\$ 1,720,650
		US\$ 7,203,300

Goal of the Project:

For socio-economic development and poverty alleviation in rural Bangladesh, participatory local government shall be established.

Objectives of the Project:

1. To deliver sustainable basic infrastructure and socio-economic services in Sirajganj District which meet local priorities and contribute to poverty alleviation and socio-economic development.
2. To build the capacity of elected local government bodies in Sirajganj District to plan, finance, implement and manage service delivery in response to local needs.
3. To derive lessons on innovative ways of planning, financing and managing service delivery which is of wider relevance to the local government reform process in Bangladesh.

Key Activities of the Project:

1. To train the UPs on their roles and responsibilities and to monitor their activities.
2. To train the UPs on the management of technical matters and development of skills on the resource mobilization.
3. To arrange income generation and revenue earning.
4. To develop infrastructure of the UP.
5. To empower the women at the local level, they will be organized and trained.
6. To develop the monitoring system of the local Government Division monitoring.
7. To provide fund to the UP for developing socio-economic infrastructure through participation of people.

Sectors

General Development Issues

Area Development

Local Government

Primary type of intervention:

Secondary type of intervention:

Primary target beneficiaries:

Secondary target beneficiaries:

Government Executing Agency:

Local Government Division

Sub-Sector

Public Administration & Management

Regional Planning and Development

Local Governance & Decentralization

Capacity building

Institution Building

Investment oriented

Local government organizations

Rural poor

Government Implementing Agency:

Union & Upazila Parishad

MIE Planning Wing, LGD

UN Cooperating Agency: UNDP, UNOPS (originally)

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