

**PERFORMANCE MANAGEMENT SYSTEM FOR LOCAL
GOVERNMENT INSTITUTIONS: A STUDY ON SOME
SELECTED PERFORMANCE IMPROVEMENT PROJECTS/
PROGRAMMES FOR UNION PARISHADS IN BANGLADESH.**

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Department of Public Administration

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BANGLADESH.**

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ABSTRACT

Quest for excellence in performance has become a prime pursuit in the arena of local and central governments worldwide. This study negotiates this issue from a global perspective starting from tracing the evolution of the concepts of performance management especially in the western industrialised countries and finally zooming in on the state of affairs prevailing in the context of performance management in the local governments of Bangladesh. The study approaches the issue from two angles. The theoretical background of the concepts of performance measurement and performance management is presented by analysing the relevant literature on the subject. Considering the prevailing ideas on PM, the recently completed or ongoing projects at the UPs are analysed to pinpoint the relevant parts that deal with performance improvement or performance management. Secondly, the idea is to find through case study method how far the performance improvement attempts produced positive impact on the study samples. The historical development of the performance measurement and management concepts has been discussed referring to the concerned literature available in the books and journals. Background and rationale of the study covers the statutes that directly or tangentially touches the issues of performance management in the local government. Literature review extensively covers the discourses on performance measurement and management of the local government as far as they concern the focus of the study. The status of performance measurement doctrines and initiatives at the Union Parishads in Bangladesh is the prime focus of this discussion. The various attempts in the recent past and at present by the government to improve performance of the local government is scanned with the theoretical framework to find the impact of such drives at the Union Parishad level. The role of the other actors like the NGOs is also analysed. Some measures already undertaken abroad at the local government level for performance improvement by various actors are examined to test their relevance in Bangladesh. At the end, some recommendations are presented with a view to improving the performance management efficiency of the Union Parishads.

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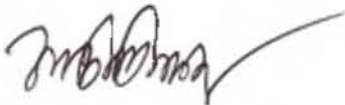


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DECLARATION

I hereby declare that this report is my own unaided original work and, to the best of my knowledge and belief, contains no material previously published or written by another person nor material which, to a substantial extent, has been accepted for the award of any other degree or diploma of a university or other institute of higher learning, except where due acknowledgement has been made in the text. I also declare that all reference sources have been accurately reported and acknowledged.



Kabir M. Ashraf Alam

30 June, 2013

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PREFACE

Organizational performance management is one of the most talked about and popular terms in public sector management terminology. It is argued that management of performance of either the employee or the system or both facilitates the effective delivery of strategic and operational goals of an organisation. Performance management, unlike performance measurement, is a comparatively new idea worldwide. The concept is yet to be established with full importance in the current context of public and non-profit management. In the developed western countries including the U.S.A. local governments, like the central government, have been using performance management concepts and ideas vigorously. However, public sector use of the tool is still very limited in the developing countries. This is more so in the case of local governments.

Workload and worker efficiency measurement was an important component of the scientific management approach that influenced academicians and government reformers in the thirties on both sides of the Atlantic. After the passage of more than seven decades, interest on organisational performance has become more accentuated and permeated in to the realm of public sector management. Different types of stakeholders including legislative bodies, other elected officials, chief executive officers, upper echelon government offices and field units, managers and employees, customers and constituents and pertinent professional organisations and the citizens of a particular locality have an interest in the use of performance measures in the government.

Bangladesh falls within the group of nations that have been less able to use successfully the latest management tools to their advantage for scores of reasons which can not be elaborated here because of limitation of space and also absence of contextual relevance. But that does not mean that this country is altogether away from the modern tools and concepts of management. This can be said about both the central and local government units.

This study was contemplated to examine the existing status of performance management especially at the Union Parishad (UP) level. Excepting Serajganj Local Governance Development Project (SLGDP), the scope and coverage of which was essentially very limited,

there have been no clear-cut concerted performance improvement attempts at that level before the introduction of Local Governance Support Project (LGSP). The number of Union Parishads in the country is 4558 which is enormous by any standard. So it was thought that implementation of any performance improvement measure for the UPs should surely be a very challenging and gigantic task. For effective and efficient service delivery by the UPs, it is felt that performance management tools can be of great help. With this end in view, the status of the Upazilas of Ullapara in Serajganj and Feni Sadar in Feni district was studied to reach a conclusion about their present situation and prospect of fostering any future attempts to improve performance through introduction of performance management tools.

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ABBREVIATIONS & ACRONYMS

ACR	Annual Confidential Report
ADP	Annual Development Programme
AusAID	Australian Agency for International Development
BBG	Basic Block Grant
BCSAA	Bangladesh Civil Service Administration Academy
BD	Basic Democracy
BDT	Bangladesh Taka
BGCC	Block Grant Coordination Committee
BOB	Bureau of the Budget
BRAC	Bangladesh Rural Advancement Committee
BSC	Balanced Score Card
BTCL	Bangladesh Telephone Company Limited
C&AG	Comptroller & Auditor General
C.A	Chartered Accountants
CAG	Comptroller & Auditor General
CBO	Community Based Organisations
CC	City Corporation
CLG	Communities and Local Government
CPD	Centre for Policy Dialogue
CRC	Citizen Reporting Committee
CS	Capacity Strengthening
CSO	Civil Society Organisation
DANIDA	Danish International Development Agency
DDLG	Deputy Director, Local Government
DLG	Director, Local Government
DPHE	Department of Public Health & Engineering
EBG	Expanded Block Grant
EC	European Community
EU	European Union

FFW	Food for Works
FMO	Financial Management Office
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GO	Government Organisation
GoB	Government of Bangladesh
GPRA	Government Performance and Results Act
HLP	Horizontal Learning Programme
HQ	Headquarters
HYSAWA	Hygiene, Sanitation and Water
ICMA	International City/County Management Association
IDA	International Development Agency
IDeA	Improvement and Development Agency
IEC	Information, Education & Communication
IPRSP	Integrated Poverty Reduction Strategy Paper
JICA	Japan International Cooperation Agency
KII	Key Informant Interview
LDFP	Local Development Fund Project
LEB	Local Elected Bodies
LG	Local Government
LGI	Local Government Institutions
LGPM	Local Government Performance Management
LGRD&C	Local Government, Rural Development and Cooperative
LGSP	Local Governance Support Project
LGSP-LIC	Local Governance Support Project- Learning and Innovation Component
LGU	Local Government Unit
LRAD	Local and Revenue Audit Directorate
MAP	Mission, Assessment and Performance
MBO	Management by Objective
MDGs	Millennium Development Goals
MIE	Monitoring, Inspection and Evaluation

MIS	Management Information System
MJF	Manusher Jonno Foundation
MMC	Measuring Minimum Conditions
MTM	Market-type Mechanisms
NCB	Nationalized Commercial Bank
NGO	Non-Government Organisations
NGO-F	Non-Government Organisations- Forum
NILG	National Institute of Local Government
NPD	National Project Director
NPM	New Public Management
NPR	National Performance Review
NSAPR	National Strategy for Accelerated Poverty Reduction
ODF	Open Defecation Free
OECD	Organization for Economic Cooperation and Development
OTEC	Open Tender Evaluation Committee
PAC	Public Affairs Centre
PARC	Public Administration Reform Commission
PEG	Project Executive Group
PEM	Public Expenditure Management
PI	Performance Indicators
PM	Performance Management
PMC	Project Monitoring Committee
PMMI	Performance Management, Measurement and Information
PMS	Performance Management System
PNGO	Partner Non-Government Organisation
PPR	Public Procurement Rules
PRA	Participatory Rural Appraisal
PRC	People's Reporting Committee
PRDP	Participatory Rural Development Programme
PRSP	Poverty Reduction Strategy Paper
REOPA	Rural Employment Opportunity for Public Assets

RMP	Rural Maintenance Programme
SBG	Supplementary Block Grant
SDC	Swiss Agency for Development and Cooperation
SLGDP	Serajganj Local Governance Development Project
SSC	Scheme Selection Committee
TQM	Total Quality Management
TR	Test Relief
UDCC	Union Development Coordination Committee
UISC	Union Information and Service Centre
UNDP	United Nations Development Programmes
UNO	Upazila Nirbahi Officer
UP	Union Parishad
UPPC	Union Parishad Planning Committee
UPTAC	Union Parishad Technical Assistance
USA	United States of America
VERC	Village Education Resource Centre
VGF	Vulnerable Group Feeding
VSO	Voluntary Services Overseas
W&S	Water & Sanitation
WatSan	Water and Sanitation
WDC	Ward Development Committee
WDF	Women Development Forum
WSSS	Water Supply and Sanitation Sector
ZP	Zilla Parishad

INTRODUCTION

1.1 Background and Rationale of the Study:

Local governments worldwide are an important tool for ensuring democratic and participative governance in a country. Unlike the developed democracies of the world, Union Parishads, as local government units, do not form the bedrock of democracy in Bangladesh. Policy debates about the roles and responsibilities of the local government as a whole and Union Parishads in particular do not happen at the Union level or even at the immediate higher Upazila level. They normally take place in Dhaka, the capital of the highly centralized state. 'Every single policy concerning lives and welfare of the citizenry of the smallest village, even of the 'difficult to negotiate' islands like Hatiya or Sandwip in Bangladesh, is taken far away from the people by persons who do not know where the "shoe pinches"' (Choudhury 2002:25). Since the locus of decisions regarding UPs is not in the UPs themselves, local governance suffers. As a result, the credibility of the UPs as local government units is much lower than the expected level. In the face of continuous changes in policy regarding decentralization and devolution of power, the UPs have somehow managed to keep their existence as local government bodies and work as laboratories of democracy.

For ensuring better service delivery to the citizens at the grassroots level, government after government in this part of the world tinkered with various reformatory measures continually for the last four decades. They definitely had other items in their agenda besides ensuring better service delivery, but the introduction of new systems and procedures one after another, at the local government level, created, not removed, more confusions.

The first ever measure to bring efficiency and effectiveness in the functioning of the UPs, after the colonial period, was taken by the champions of the Basic Democracy (BD) system. The hidden agenda of the introducing military regime, to perpetuate power through a selected group of public representatives at the grassroots level, apart, this BD system saw an influx of a large number of rules and regulations that shaped the pattern and set the pace of the functions of this important local government tier. In spite of the introduction of the new system the subservience of the UP to the central government remained essentially the same. Increase in the functional

jurisdiction and financial resource base of the UP was basically a paper work and in practice this council was under complete political control of the central government (Khan 2009). One may observe that many functional patterns and management styles of that era are still visible in today's UPs. A study done by Rashiduzzaman (1968) points out that 'the decision-making process in the local councils is not sufficiently exposed to the benefits of wider interaction. With the available data we find that inside the Union Council¹ there is an inner group of followers on whom the Chairman would rely most for consultation. Such a situation precludes others from sharing the decision-making process.' The scenario has not changed radically as of now.

This being the case, we feel that an in-depth analysis of the present performance management system at the UP level is necessary to arrive at any conclusion regarding introduction or reformation of measures to make the service delivery system at that tier more effective and more efficient. Because we can see that though the UPs still enjoy very limited operational freedom and are individually small in size, these local governments are key features of the governance panorama and, essentially, enjoy a socio-political prominence that is disproportionate to their small size and limited capabilities (World Bank 2011).

Recently the government of Bangladesh (GoB) has put more importance on the performance of the local government, especially the Union Parishads. On the basis of institutional learning from Serajganj Local Governance Development Project (SLGDP) and increasing demand from the Union Parishads, in late 2004, GoB decided to introduce a direct ADP block grant allocation to each UP (averaging Tk. 200,000 per UP). UPs formerly received the ADP grants through the Upazila Development and Coordination Committee (UDCC) with allocation criteria and sectoral bindings. Such an indirect allocation system has always been a critical concern for the UP officials because of high transaction costs and allocation issues, bureaucratic control of the officials from the Upazila, and indirect control over funds by the Members of Parliament (LGSP-LIC 2006).

The Serajganj project has demonstrated the positive impact of devolved block grant funding at the local level on infrastructure and service delivery and also targeting performance improvement of Union Parishads especially in the areas relating to overall management,

¹ During Basic Democracy era Union Parishads were known as Union Councils.

planning, finance, and resource mobilization. The intelligent piloting, tracking and measuring of project results gained the attention and support of the Government, which replicated the model using its own resources, support from the World Bank, and continued support from UNDP and UNCDF (GoB 2006). That mammoth programme (Local Governance Support Project) which ended in September, 2011, needs evaluation and impact assessment. LGSP-2 is already underway² and performance management system of the Union Parishads needs to be reviewed independently. In addition to the LGSP initiatives there are other attempts, however smaller in coverage and dimensions, of the same or similar nature sponsored by other agencies that target capacity building of the UPs. This necessitates closer examination of the performance management scenario as obtains at the UP level after the implementation or completion of such projects.

Though there is a plethora of literature praising the successes of SLGDP, the findings of Hikmat (2007) are interestingly dissimilar. He finds that in spite of the successful implementation of the SLGDP, management capability of many of the project area UPs did not improve to a desired level. As a result of the project intervention, participation of the general people in the activities of the UPs increased and office management capabilities improved but not in all UPs. The causes of good performance were found to be leadership and visionary attitudes, i.e. factors unrelated to capacity building initiatives, of the local bodies, and people's awareness.

Performance management is the process by which organisations set goals, determine standards and methods, assign, monitor and evaluate work, and distribute rewards and, if applicable, point out lacunae. Performance management strategies are multidimensional and successful application of the concept depends on the cultural values of the particular organisation and the ambient environment. The performance management philosophy stresses on effective management processes that help organisations in achieving specific and measurable outcomes. A study of the performance management practices at the UP level using the performance management concept could be useful for the students of local government, researchers, academicians, and practitioners alike.

² Development Project Proposal (DPP) for Second Local Governance Support Project (LGSP II), Local Government Division, Ministry of LGRD&C, July 2011

1.2 Significance of the Study

The study is significant for the contextual and temporal relevance to the present drive of the central policy makers to ensure better and efficient service delivery by the LGIs and boost up the participatory democratic norms and practices at the grass-roots level. With the passage of the Local Government (Union Parishad) Act, 2009 which provides for better participatory and bottom up approach in the planning and implementation process of the UPs, the issue of introducing performance management comes to the forefront. The demand generated from within the environment in which the UPs operate and the exogenous inputs from the scholars and development workers for introducing performance based budget allocation for the local government units, especially the UPs, warrant that the whole gamut of performance improvement initiatives be studied and the actual status of performance measurement determined to bring more effective reforms in this sector. From this viewpoint, this research is significant.

1.3 Theoretical Framework

The study aims to approach the issue from two angles. The theoretical background of the concepts of performance measurement and performance management is presented by analysing the relevant literature on the subject. Considering the prevailing ideas on PM, the recently completed or ongoing projects at the UPs are analysed to pinpoint the relevant parts that deal with performance improvement or performance management. Secondly, the idea is to find through case study method how far the PI attempts produced positive impact on the study samples. To substantiate the findings of the survey, FGDs and KIIs were used to see how far the PI initiatives had been successful. The concept of 'Cycle of Strategic Planning and Performance Measurement' propounded by P Dusenbury, B. Liner & E. Vinson (2000)³ was applied to analyse the findings. The Cycle represents the relationship between actual use of performance measurement systems and the consequent application of strategic planning for the development of an organisational culture of results-based management. The goal is to see the applicability of this concept in the UPs and to what extent the PI projects have contributed to that process.

³ The concept is elaborated at page 208-9.

1.4 Research Questions

This study analyses the instruments of performance improvement initiatives at the UPs to establish the linkage, if any, between such instruments and the actual performance improvement achievements in the field based on the perception of the stakeholders. The following two questions guided the research in the study.

- (1) How far the performance improvement initiatives for the UPs facilitated performance management?
- (2) What is the perception of the UP stakeholders about the impact of these performance improvement initiatives?

1.2 Bangladesh Situation.

In Bangladesh, the overall public administration and local governance scenario is not very satisfactory in spite of the country's commendable progress in many socio-economic sectors⁴. During the past 4 decades since independence, "Bangladesh has increased its real per capita income by more than 130 percent, cut poverty rate by sixty percent, and is well set to achieve most of the millennium development goals. ... Despite this, Bangladesh is still a low-income country with substantial poverty, inequality and deprivation' (GoB 2011). Naturally, assessments by external organizations involved in the process of development are not very positive. 'The overly centralized public administration has reduced transparency and accountability in delivery of services, while weak public financial management systems have undermined pro-poor spending and fostered corruption' (World Bank 2006).

Performance management for the Bangladesh civil service was recommended at least in one administrative reform committee (UNDP 1993) almost two decades back but any perceptible change in the system for the better is yet to be observed. The central government itself has not started any mentionable performance measurement system in the central bureaucracy. Only instances of elementary performance monitoring are the system of writing Annual Performance Report (ACR) by the senior official in the chain of command for the class I and Class II services

⁴ Human Development Reports (HDR) 1990 onwards, UNDP

officers and the arrangement of performance based compensation available in the National Board of Revenue⁵ (BCSAA 2009). Bureaucrats are normally held accountable for their performance of specific policies, both internally within the organization and often also to outside agencies. Such accountability would generally be considered as only one mechanism by which the policy process is shaped to satisfy the demands of superiors (Mulgan 2000). ACR system partly caters to this side of accountability of the civil servants. However, it still falls far short of the requirements to implement a formal system of performance measurement in the central civil service or for that matter the whole of the executive branch of the government.

Though Local Government Institutions (LGI) in this part of the world have a tradition and practice of hundreds of years, still it is not regarded and respected fully as effective, functional and credible service delivery mechanism (Ahmed 2012). Even a politically empowered and financially viable local government system is yet to emerge (CPD 2001). Union Parishads are the lowest tiers of local government in the country. This institutional arrangement has withstood the taste of time and has proved itself to be a somehow useful service delivery unit, as far as the mandated functions of the UPs are concerned. Though the unit has been functioning as it is for more than a century and a half, any improvement in the system worth its name has not been done by the successive regimes. The structure of local government in the country seems to be in a constant state of flux. Successive governments in the past have all introduced reforms. Most reform initiatives were unsuccessful. "Explanations for the lack of success with decentralisation initiatives tend to focus on central politicians viewing local governments as part of a patron-client network rather than as an autonomous provider of services" (De-Lay 2010). Even though local government bodies are weak in capacity and are not delivering services at a satisfactory level, people's support of local bodies is strong (Wescott, Siddique & Rahman 2007). Their expectation from them is also considerably high. This means that the citizens definitely have many unattended needs.

Instead of responding to the needs of the grass-roots citizens, scholars find that the needs of the ruling elites always distinctively shaped the character of local government reform efforts in Bangladesh_ (Westergaard 2000; Khan and Hussain 2001, cited in Aminuzzaman 2010). A

⁵The National Board of Revenue (NBR) is the central authority for tax administration in Bangladesh. Administratively, it is under the Internal Resources Division of the Ministry of Finance.

recent study on LGIs finds that the local elite also influence even the routine activities of the UP officials. The UP development programmes are controlled by the local elite. The study also terms the 'visible role of the invisible actors' a debilitating factor for the UPs' overall performance (Asaduzzaman 2009). However, experiences from other countries in the subcontinent shows that influence of the elite on the grassroots local governments need not be necessarily negative everywhere. Elite influence produced different results, at least, in the case of two LG units in Pakistan. Gul (2005), in her study of two Pakistani Union Councils, found that the elites influence in decision making of Union Councils 'do not indicate their mal handling of the power; rather most of them have completed successfully many development works for the uplift of their community.' For Bangladesh, the studies revealed facts quite contrary. As a result, the organisation itself has remained limited in capability and function. The main functions listed in the schedule of the Local Government (Union Parishad) Act 2009 look impressive but after a closer examination one may find the list to be, at best, an honest expression of good intentions unsupported by practical means to implement those at the ground level.

There are a good number of research works that somehow or other addressed the various dimensions of performance management systems in central and local governments. Those works have covered lot of issues relating to performance management and local governance but most of them touched the issues only peripherally. None targets and relates directly with the performance management system prevailing in the Union Parishads of Bangladesh. This is not unusual when the challenges for improving infrastructure and service delivery of the rural LGs being really great, 'both these challenges – and also the opportunities - for making rural LGs more effective, are poorly understood and documented' (Shotton 2004). While talking about the prospects of reform in the local government a study found that all the recent studies of local governance in Bangladesh had emphasised that the research process that can unlock the workings of local institutions in Bangladesh was still in its infancy (Coupe *et al* 2006).

The performance management of the local governments in Bangladesh is something not even remotely covered in most of the documents available in this field. Any study that targets to study the effectiveness of local government performance management systems has to analyse the individual components and attributes that constitute a performance management system. For example, the performance of the UP standing committees can be studied to get a picture about

the performance of the UP. As of today, these committees are known to be mainly underperforming. A study report on local governance shows that around 60 percent of Union Parishad standing committees are not functioning properly. The main reasons were found to be apathy of UP chairmen, ignorance of members and lack of resources and proper monitoring system (NILG-VSO 2009). Important question that arises here is if the parts are considered to be effective, does this ensure an effective process? The question can be answered if we can have a closer look into the components keeping in mind that it is mainly the system we are concerned about, not the parts alone.

The PM concept is imported to study the UP functions because the benefit could be enormous. Some isolated performance improvement efforts in the past could produce positive results by improving the standard of performance in some UPs. Though, in those cases, performance in relation to local government revenue collection had been mixed, there had been significant improvement in tax collection rates in most Union Parishads under observation (Slater & Preston 2004). In general, performance management can surely have positive impact on the Union Parishads in the following ways:

- It can ensure more effective and efficient service delivery;
- It can initiate and maintain better planning processes;
- Can ensure higher degree of accountability;
- Can foster an environment for improved decision making processes;
- Can ensure integration of work, leading to cost efficiency; and
- Can provide for early warning signals regarding any problem, risk or threat during the implementation of development projects;

However, the published research literature provides little guidance in evaluating the components of local government performance management systems and how these components interact. Our knowledge of local government performance management system practices in Bangladesh is limited, but the number of articles on this topic has been growing steadily. Most of these works are either case study oriented or descriptive, conceptual works that do not focus on structural characteristics and perceptions of performance management outcomes. This study will

try to address the issue of performance management systems at the Union level in a way that none of the previous works did.

Performance management system in the public sector in Bangladesh is still in a fluid state. This is truer about local governance initiatives by the government. Except for the Union Parishads at the grassroots level and the urban city and Paurashava councils, all other local government tiers in the country are either functioning occasionally or not functioning at all. Upazila Parishads after functioning remarkably for almost 9 years were abolished in the year 1991. Recently the Parishads have been restored with the enactment of a new law.⁶ So far the UPs were run following the traditional view of local government which means that the only role for the citizens is to vote in elections after a particular period of time and pay the local taxes. This view of local government is being increasingly challenged. In the modern views of local government, citizens expect that they would have a greater say in the running of services that affect them (Devas 2008).

Since Union Parishads are a very vital and important level for effective and efficient service delivery to the people, it should be utilized for that very purpose. My experience of working in upazilas, districts and divisions in various administrative capacities has convinced me that this tier is probably the best one for service delivery and local level governance. But uncommitted handling of the issue of local level governance by the central governments has prevented so far from making this tier as effective as it was supposed to be.

It is felt that given the proper care, resources and freedom of work Union Parishads can be made centres of local governance. Financial arrangements can be made in such a way that the Union level staff can be involved in local planning, policy formulation and implementation. From this conviction it is argued that if the manpower working at the Union level is properly empowered with authority and resources they can work as the best channel of various service deliveries now being performed by the central government through its field departments. Performance management system can be a good tool to achieve that goal.

⁶ The Local Government (Upazila Parishad) Act, 2009

As regards the adoption of the performance management concept, in stead of the other less comprehensive ones like performance appraisal or performance measurement, it can be said that for a public organisation like the UPs with so much of popular involvement at the grassroots level, it is better to be a little bit more qualitative and comprehensive than merely quantitative or partial in approach. It is relevant to quote one scholar here:

"I find it more useful, in fact, to talk about performance based-management than performance measurement. This change in terms underlines the broader purposes that performance measures must serve if they are to be effective. The performance process works best when we can build on the measures to improve management" (Kettl 1995).

In the face of massive advocacy for strengthening all tiers of local governments in Bangladesh, especially the UPs, by the politicians, Non-Government Organisations, development partners, professional bodies and academicians, it is expedient to examine the present capacity building initiatives by the government for the UPs and find out what are the actual benefits accrued and what further can be done.

1.3 Local Government Performance in Policy Documents

No policy document of the government of Bangladesh categorically prescribes or emphasizes the introduction and exercise of the performance measurement and management practices for the public sector organisations or local government institutions. Statutory backing can work as a starter for such introduction as we can see from the experience of the U.S. public sector. It was felt by the U.S. government that all high performance organisations, both public and private, must be interested in developing and deploying effective performance measurement and management systems since it is only through such systems that they can remain to be high performance organisations. The Government Performance and Results Act of 1993 (GPRA) institutionalized this commitment to quality (NPR 1997). In that country, public-sector managers have become increasingly interested in performance management as various government initiatives have refocused them on results rather than on process and outputs (Biggs, Carnevale & Simeone 2004). There are similar examples in many other countries of the world.

"Bangladesh has a long history of public sector governance reform reaching back to the 1980s. In the last two decades there has been a shift in emphasis to effective local governance as

an institutional mechanism for reducing poverty” (LGSP-LIC 2010). In spite of this fact, local governments remained out of focus of the central government as far as the questions of performance management are concerned. The normal thrust from the government for any reorganisation and reformation centered round the civil services and the local government institutions could only elicit passing remarks from the champions of reform initiatives. Attitude of the central level officials about their LG counterparts was not very conducive to inculcate the culture of efficiency and performance management. A scholar's comment about the Indian local governments (panchayats) is relevant here. 'The critical factor working against the panchayats is that the state governments have a tendency to treat them as poor cousins of higher governance and administrative system.'(Mathews 2002:12). In the Bangladesh case also, the poor cousin is the local government.

The attitude of the central government to the UPs regarding performance monitoring and performance measurement is evident from the fact that until recently⁷ there was no formal arrangement to audit the UP accounts. 'Effective accounting systems are essential for local government, both to provide managers with the financial information they need to manage their services and to account to citizens and taxpayers for the use of public resources' (Delay 2008). This was not appreciated until recently. The Local and Revenue Audit Directorate (LRAD) of the Office of the Controller and Auditor General (CAG) is responsible for the statutory auditing of the financial accounts of local government bodies. The Directorate's first priority is the auditing of City, ZP and Paurashava accounts. There are separate audit parties for large local governments, especially the city corporations, audits of UPs are carried out as part of the audit of the Upazila administration. It has no offices outside Dhaka and lacks the capacity to handle the sheer volume of work involved in auditing the accounts of more than 4,500 UPs. In practice, the C&AG audit parties conduct UP audit randomly at the Upazila level. They select a few UPs in the UZ and require the secretary of the UP to bring the relevant records, especially the cashbook and key subsidiary ledgers, for scrutiny. The audit process focuses on compliance with the standing instructions from the government and also the financial propriety of expenditures incurred (GoB 2011b). As a result, there always is a huge backlog of work, and there is no regular schedule of UP auditing – a UP can not expect to be audited regularly, and more remote

⁷ Before the introduction of LGSP.

UPs are seldom audited. However, there is nothing in the legislation⁸ that prevents the contracting-out to the private sector of the task of auditing UPs (Barkat *et al* 2002).

Public sector reforms attempts in Bangladesh throughout the last 4 decades hardly touched the local government institutions and shed any light on the performance thereof. The modest attempts by the specific projects to bring about some change in the performance capabilities of the local governments, specifically the UPs has been, if we borrow partly from Collier (2006), primarily top-down with a subtle concern for enhancing bureaucratic control and upward accountability rather than promoting change and improvement.

1.3.1 Public Administration Reform Commission, 1997

The first ever reference to performance measure or performance monitoring in the public sector was made in the recommendations of the Public Administration Reform Commission (PARC) formed in January 1997. The commission submitted its report in June 2000. The commission was mandated to recommend policies, programmes and activities for improving the degree of efficiency, effectiveness, accountability and transparency in public organisations and to enable them to fulfil the government's commitment to ensure socio-economic development and deliver its benefit to the people (GoB 2000, p. xi cited in Sarkar 2006). The commission, in its report, mentioned that in suggesting measures to improve public administration, it had taken the NPM perspective and recommended launching of performance monitoring and result-oriented performance audit as measures to ensure better service from the bureaucracy.

1.3.2 National Strategy for Accelerated Poverty Reduction 2005

Any initiative to assess the present performance management scenario in the local government sector in Bangladesh will be better understood if we look in to the National Strategy for Accelerated Poverty Reduction (NSAPR) to see what commitments it embodies to bring about better performance management system for the LGIs so that better service delivery can be assured. Though local governance is one of the strategic goals of Bangladesh PRSP, the first NSAPR does not focus too much on the performance side of the local governments i.e. UPs.

⁸ This statement refers to the Local Government (Union Parishad) Ordinance 1983. The present law is titled the Local Government (Union Parishad) Act of 2009.

Pointing to the key priorities the document identified that a performance linked second resource channel⁹ outside of ADP for UPs has incremental potentials. It also referred to the concomitant pilot experiments with focus on such second resource channel. The indicators listed in the NSAPR for the strategic goal of promoting local governance include (a) enhanced block allocation to Union Parishads on due performance review; (b) participatory local government budgeting; (c) results-oriented training programmes developed and implemented; and (d) coordination and monitoring made effective and regular at local level (NSAPR, 2005).

1.3.3 National Strategy for Accelerated Poverty Reduction 2009

The Second NSAPR (FY 2009-11) discussed very briefly about the potentials of the local government and to ensure better and quality service delivery, suggested, inter alia, introducing a system of monitoring the performance of local government bodies and subjecting them to performance and financial auditing; While enumerating the actions to be taken to strengthen local government institutions, the second NSAPR highlights the performance side of the local government in the following words; "(x)....introducing a system of monitoring the performance of local government bodies and subject them to performance and financial auditing;" In a document containing 402 pages, these few lines are mentioned about performance monitoring of the LGIs in general.

The revised version of the National Strategies for Accelerated Poverty Reduction-II (NSAPR-II), (FY 2009-11), a 306 page document repeats the same sentence under 'actions contemplated'. This document actually outlined a comprehensive medium-term strategy for poverty reduction through more rapid pro-poor economic growth by accelerating a pro-poor macroeconomic management

1.3.4 The Sixth Five-Year Plan, 2011

The Sixth Five-Year Plan's strategy for capacity development in the public administration sector relies on four pillars:

⁹ This was actually a reference to the on-going project on local governance in four upazilas in Serajganj district by the World Bank and other development partners.

- strengthening the civil service;
- promoting devolution to local governments;
- strengthening public-private partnerships; and
- reforming planning and budgetary processes.

Regarding the local government, the Plan declares that the strategy will be to institute strong elected local governments that are vested with adequate financial autonomy and accountability for results. The declared objective is to decentralise progressively the basic services like irrigation, district roads, education, health, population management, water and sanitation services to the local governments with a view to strengthening the same and thus ensuring better delivery of basic services.

Referring to the international evidence the document suggests that properly instituted and accountable local governments can play a major role in spreading the benefits of development. Admitting the tangible benefits a country can have from incorporating the lessons of experience from other countries the document asserts that successful local governments must be based on the prevailing political, economic, social and administrative realities of Bangladesh.

Regarding performance management of the public sector personnel, the Plan hopes that Performance management in the sense of supervision and annual performance evaluations of individual staff will be strengthened through individual performance management. This approach includes application of merit-based incentives as well as disciplinary measures in response to absenteeism or misuse of public-sector resources for private gain (GoB 2011). We can see that performance management here is understood in a very restrictive sense of 'carrot and stick' measure for the individual employees and that also is meant for the central civil service, not necessarily for functionaries of the local governments.

1.3.5 Local Government (Union Parishad) Act, 2009

Recently the Government of Bangladesh has enacted a new law titled Local Government (Union Parishad) Act 2009. This Act replaced the UP Ordinance promulgated by the military regime in 1983. Considering the attitude of the previous statutes toward performance management, this law is a giant leap forward. "The UP Act 2009 has rightly recognized the

importance of community participation, transparency and accountability by including specific sections on formation of ward committees, participatory planning, access to information, and extended authority of the Standing Committee etc” (Aminuzzaman 2010:4).

Section 57 of the Act provides that at least 60 days before the beginning of the new financial year the UP will prepare a budget on the basis of priorities set by the Ward Shavas in an open meeting to be participated by the concerned Standing Committee members and the local citizens. Section 58, subsection 2 provides that at the end of the financial year the UP will prepare a statement of income and expenditure and place it in the Open budget meeting. These two provisions paved the way for participation of the stakeholders in the decision making of the UP and ensuring transparency and accountability of the Parishad.

However, the Act totally ignores the role of NGOs and Civil Society as independent stakeholders in the UP governance process. It also does not specifically mention anything about gender, pro-poor and poverty focus in planning, participation of the disadvantaged, poor and the marginalised in the planning and implementation process (Aminuzzaman 2011:26-7).

1.3.6 Circular on Union Development Coordination Committee.

The circular¹⁰ on Union Development Coordination Committee (UDCC) was issued by the ministry of LGRD&C in the month of February, 2011. This circular provides for formation of Union Development Coordination Committee at each UP to work as an umbrella forum to take stock of all the development works going on in an UP by the public sector organisations and to coordinate their activities so that duplication and wastage of time and resources can be avoided. A serious reading of the circular reveals that there is incorporation of some measures that go in favour of implementing performance management in the works of the UPs. For example, one of the proposed activities (no. 6) says that the UDCC will establish close linkage and coordinate among different organisations/ individuals, such as local people, development partners, service centres, and Upazila Parishad etc. Activity no. 9 says that the UDCC will collect, identify and validate the existing good practices of local developments through

¹⁰ Local Government Division circular No. 46.018.031.00.00.002.2011-74

appreciative enquiry and take initiatives for replication in the Union (Horizontal Learning Program 2011).

One weakness of the circular is that being a circular, it lacks the legal force of an Act of Parliament and hence is not necessarily binding on the departments outside the LGRD&C that have UP level establishments. Given the prevailing lack of interdepartmental coordination, acting on the spirit and instructions of the circular by these agencies depends, to some extent, on the sweet will of the department bosses.

This circular incorporated the lessons from the 1st LGSP and also the lessons learnt through the Horizontal Learning Program. This is not like the statutes that jump-started performance management in the South African local government units, yet somehow a step forward to that direction from where future instruments of PM can be launched.

LITERATURE REVIEW

2.1 The Rise of the Performance Philosophy

The definition of performance is well established in the various books and articles on management. Performance, as we understand the term now, is not a unitary concept although it is strongly related to 'results', in terms of outputs and outcomes. (Bouckaert and Halligan 2008, Bovaird 1996). It refers to 'economy, efficiency, effectiveness, service quality and financial performance' (OECD, 2007). Performance is a product of both organisational and human activities (de Waal 2002). Organizational performance denotes the actual output or results of an organization as measured against its intended outputs or goals. Performance is also seen as a dependent variable of influences from both the technical and institutional environments (Gomes & Osborne undated: 3). Performance at the local government level usually refers to outputs or results achieved by local governments in areas like service delivery, income and expenditure (Nahem 2009). Some authors look at performance as a "political struggle to force government actors (politicians and bureaucrats)¹¹ to explicitly seek to achieve positive results, which is something that a "rational" actor would like to avoid in order to overcome uncertainty" (March & Olsen 1979:21 cited in Arellano-Gault 2011:136). In simple terms, performance is achievement against target.

Research in the broad field of public administration has paid insufficient attention to public service performance (Boyne 2004). In the United States, in spite of this fact, performance measurement and performance budgeting are topics that have long been an important part of the public administration agenda (Eghtedari and Sherwood, 1960, Schick, 1971). Williams (2004) claims that the first era of performance measurement and performance budgeting in the United States stretches back to the beginning of the 20th century. The first initiatives of what could be identified as pure performance budgeting were undertaken during the 1950s under the guidance of the President's Bureau of the Budget (BOB). The initiative emphasised efficiency and effectiveness. Though broad measures were desired but were often difficult to define and measure, particularly in human services programmes (Jones & McCaffery, 2010). "The principal impetus for measuring and reporting service performance was an effort towards democratic

¹¹ Words in the parenthesis are mine.

reform by individuals and groups focused on weakening the grip of political forces in municipal governments in the United States' (Williams 2003).

The period of the 1950s and 1960s marks the rise of performance budgeting. This is also the period of expanding programme evaluation which is essentially the same thing as performance measurement, but actually practiced by social scientists with a different skill set than public administrators (Williams 2004).

Performance measuring and management in the British public service has become almost ubiquitous over the past three decades. With some exceptions, virtually every part of the UK public service produces publicly available performance data which has progressively started to play a role in central decision making. This has generated capacity to formulate, monitor and analyse performance information (Talbot 2010).

Throughout the 1990s, a notable feature in the public services in the UK was the rise of performance monitoring (PM) that targeted to give the public a better idea about how governmental policies bring change to the public services and to improve their effectiveness by recording, analysing and publishing data. PM done well ensures better productivity for those concerned and done badly, can be very costly. It can also be ineffective, harmful and indeed destructive. Performance indicators (PIs) designed for the public services were targeted to measure the impact of government policies on those services, or to single out well-performing or under-performing institutions and public officials. PIs' were also designed to ensure public accountability of ministers for their stewardship of the public services. The beauty of this role is that the government is both monitoring the public services and being monitored by PIs (Bird 2005).

2.2 Theories of Performance Management

Performance management theory is the product of a more than a century's rigorous pursuit of scholars and practitioners from diverse professional fields for efficiency and effectiveness in organisational performance. Two such early pioneering examples are the scientific management movement in the field of industrial production initiated by Frederick W. Taylor in the early '20s in the United States and Henri Fayol's quest for organisational efficiency

through administrative management in France. There are several ways to measure organisational performance besides financial output or profit. Especially performance measurement in the public sector focuses not only on the essential activities like resources and other quantifiable factors but also on many less intangible non-traditional indicators - that impact on final outputs. These include modern methods such as Management by Objectives, Total Quality management, Balanced Scorecard and the broader umbrella concepts like New Public Management.

2.2.1 Management by Objectives

Peter Drucker, through his seminal book 'The Practice of Management', popularized the idea of management by objectives (MBO). MBO advocates that the objectives of an organisation should be defined in such a way that both the management' and the employees' ideas about it converge and each of them understand their duties and tasks in the organisation. The process requires participatory goal setting, choosing the course of action and decision making. The performance of the employees is measured and compared with a predetermined set of standards. Under MBO it is expected that the employees will be committed to achieve the targets. MBO implies a management system in which the objectives of an organisation are agreed upon so that management and employees understand a common way forward. MBO intends to serve as a basis for

- greater efficiency through systematic procedures,
- enhanced employee motivation and commitment through participation in the planning process, and
- planning for results instead of planning just for work.¹²

In an MBO environment, specific objectives are determined jointly by managers and their subordinates, progress toward mutually agreed-upon objectives is periodically reviewed, end products are evaluated, and rewards are allocated on the basis of the progress. The objectives need to meet five criteria: they must be

- arranged in order of their importance,

¹² <http://www.businessdictionary.com/definition/management-by-objectives-MBO.html> accessed on 16-11-2011

- expressed quantitatively, wherever possible,
- realistic,
- consistent with the organisation's policies, and
- compatible with one another."¹³

During its initial days MBO enjoyed huge popularity and acceptance but due to the rigidity in the approach and the additional administrative costs incurred, it soon faded out of focus. But the contribution of the idea in performance management is still valid in some particular areas. Especially the concept of clear goal setting is still very pertinent for any organisation. Besides MBO there were other similar attempts in the US federal government to bring efficiency through performance monitoring and performance appraisal. But those experiments were short lived for a number of reasons. One very important reason was the attitude of the people who handled the experiments. What Donald F. Kettl said while talking about performance measurement is relevant here;

The biggest mistake that we can make in pursuing performance measurement is to conceive of it as primarily a measurement problem. It would be deceptively easy to allow government performance to degenerate into a process-based, numbers-driven exercise. In fact, that is precisely what undermined previous federal experiments with tactics like the Planning-Programming-Budgeting System, Management by Objectives, and Zero-Base Budgeting (Kettl 1995).

Sometimes even well intentioned managers might mishandle MBO because they do not have the necessary knowledge of human needs or interpersonal skills to keep their appraisal sessions with the employees from becoming critical, chewing-out periods (Thomson 1998).

2.2.2 Balanced Scorecard

The Balanced Scorecard (BSC) has long been acknowledged as a performance measurement framework and a strategy implementation methodology (Reisinger, Cravens and Tell 2003; Tennant and Tanoren 2005, both cited in Sharma & Gadenne 2011) as demonstrated by the fact that over 50% of the Fortune 500 companies¹⁴ are using this approach as a

¹³ Ibid.

¹⁴ The Fortune 500 is an annual list of top ranking publicly and privately held U.S. companies compiled and published by Fortune magazine. The first Fortune 500 list was published in 1955.

performance measurement and strategic management tool (Gumbus 2005, cited in Sharma & Gadenne 2011).

The BSC was developed jointly by Robert S. Kaplan and David P. Norton and published in 1992. It was the result of a year-long study involving 12 companies that arose out of a general notion that as knowledge became a basis for competition, traditional financial measures were becoming obsolete (Kaplan and Norton, 1992). The BSC is defined as a set of measurements that provide top managers a quick, but comprehensive view of the business including operational measures on customer satisfaction and innovation and improvement activities including financial measurements

From the very beginning of its development, the BSC has been enjoying widespread popularity. Evidence suggests that by 2001 the BSC had been adopted by 44 per cent of the world's organisations (57% in the UK, 46% in the US and 26% in Germany and Austria¹⁵. According to the *Financial Times*, it was embraced by 80 percent of large U.S. companies as of 2004 making it the most popular management tool in that country for improving performance. Majority of large private companies worldwide are using this tool as part of their decision making process (Deem *et al*, 2010).

Bititci *et al* (2004) argue that use and implementation of performance measurement systems is greatly affected by organisational culture and management styles. Observation of Kaplan and Norton (2004) regarding this is relevant here. They found that companies with successful BSC implementations "had a culture in which people were deeply aware of and internalized the mission, vision, and core values needed to execute the company's strategy."

Despite its popularity the Balanced Scorecard has its critics also. Whether there is any causal relationship between the different perspectives of measurement is doubted by Norreklit (2000). He also questions the fact that this system does not address the needs and wants of all the stakeholders of a company, and the lack of theoretical basis of the scorecard concept. Brignal (2002) made similar criticism of the BSC claiming that the 'inter-relationship among performance variables are not confined to a universally valid one-way linear chain of cause and

¹⁵ According to a survey by the US research company Gartner Group.

effect; nor a series of interdependencies'. He points out that social and environmental aspects of organisational performance are a major omission from mainstream performance management models.¹⁶ In spite of the large popularity of the tool, many, if not most, of the user companies believed that the desired long term results will not be realized (Niebecker, Eager, and Kubitzka, 2008). Less than 20% of the companies using the BSC have registered measurable performance improvement (Williams, 2004). Buytendijk (2007) states that the perception that implementation of a BSC itself would lead to organisational alignment is a "fairy tale". Kaplan and Norton themselves admit that even the staunchest proponents of scorecard based measurements acknowledge that it is risky to use scorecard measures to evaluate and compensate people (Kaplan & Norton 1996). BSC was not very popular in the local government sector outside the USA even at the turn of the century. A study on Australian and Canadian local government performance management found the use of BSC as 'one of the lowest-ranked management practices' among the Australian local governments (Brunet-Jailly & Martin 2010).

Claude Lewy found that 70 percent of scorecard implementation failed (Lewy & Mee 1998). Many companies joined the BSC bandwagon for the power and simplicity of the concept and then found implementation of the concept to be extremely time consuming and expensive. Admitting the use of BSC as an effective tool for transmuting an overall strategy to the different segments of an organisation Lewy stresses that organisations must have a clear picture of what they target to achieve, and should be willing to commit the resources in order to implement the balanced scorecard successfully.

Public sector use of Balanced Scorecard clearly has its own unique challenges stemming from its accountability to the citizens within the community, not shareholders. Greatbanks and Tapp (2007) conclude that implementation of the BSC in public sector organisations will be more complex than in the private sector as a result of the difficulty in recognising and defining the diverse array of stakeholders. Moreover, despite BSC's focus on 'internal business processes, innovation and learning, and customers' besides traditional financial metrics, it is claimed "that the fundamental BSC framework still focuses too much on profit and process outcomes and too little on people and the organizational cultures in which they work" (Wicks, Clair & Kinney

¹⁶ Quoted from 'Literature Review on Performance Measurement and Management, Centre for Business Performance, Cranfield School of Management, Cranfield University.

2007). However, BSC, by now, has somewhat evolved from its original role as a performance measurement tool. That evolution underscores some important issues concerning the management of organisational performance.

2.2.3 Total Quality Management

Total Quality Management (TQM) was originally developed by an American statistician W. Edwards Deming¹⁷, but his approaches were adopted much more enthusiastically in post World War II Japan than in his native country.

At its core, TQM is a management approach to long-term success through customer satisfaction. Internal processes that generate improved customer satisfaction are the target of this approach. If implemented properly this management style can lead to:

...decreased costs in corrective or preventive maintenance, better overall performance, and an increased number of happy and loyal customers'. Total Quality Management is often associated with the development, deployment, and maintenance of organisational systems that are required for various business processes. It is based on a strategic approach that focuses on maintaining existing quality standards as well as making incremental quality improvements. It can also be described as a cultural initiative as the focus is on establishing a culture of collaboration among various functional departments within an organisation for improving overall quality (Jacowski 2011).

Human resources are very important for TQM success. It could be said that people's awareness of quality is central to TQM's purpose. For Crosby (1984), quality awareness is not limited to just promoting quality within an organisation, but it is also disseminating information around. He points out that the way managers act and talk about quality is also an indicator of quality awareness. Thus, quality awareness begins from management and ultimately spreads throughout the entire organisation.

Recently TQM has spread to many government organisations. Though some experts think that TQM requires adaptation for use in the public sector because it is very much a product of statistical quality control and industrial engineering and majority of its early applications were for assembly-line work and other routine processes. The orthodox form of TQM will not work

¹⁷ His influential work in Japan--instructing top executives and engineers in quality management--was a driving force behind that nation's economic rise.

well in government agencies for a variety of reasons. Swiss (1992) finds that one factor that limits the usefulness of conventional TQM for public sector organisations is the emphasis on products instead of services, on well defined consumer groups, processes and outputs rather than results, and finally on an organisation culture with a overwhelming preoccupation with quality. He asserts that "TQM can indeed have a useful role to play in government, but only if it is substantially modified to fit the public sector's unique characteristics."

2.2.4 New Public Management

New Public Management (NPM) paradigm became one of the catchphrases of public sector reform all over the world in the 1980s and 1990s. Against the collapse of bureaucratic capacity in the preceding decades and widespread disappointment with governmental performance, NPM brought the hopes of improving efficiency and responsiveness of the bureaucracy to political principals and citizens, with its penchant towards outcomes and optimization of the public budget (Pires 2011). The NPM is usually described as being a bundle of concepts (Wollmann 2001) or complex and far from consistent set of ideas, providing a menu of choices rather than a single option (Manning, 2001), which differentiates new types of approaches of the public sector from the traditional administration (Ishii, Rohitarachoon & Hossain). Theoretical underpinnings of NPM have been provided by several theories of which the most prominent two are 'public choice' and 'principal-agent' theories (Larbi 2003).

Public choice theory

Public choice theorists have the major contribution in the emergence of New Public Management, a new paradigm in the field of public administration (Kalimullah, Alam & Nour 2012). NPM doctrine flourished in an environment fraught with increasing popular and intellectual disenchantment with the escalation of the role of government and increase in taxation and resultant pressures to curb this overreaching government and to move to privatisation (Hood 1991). Public choice theorists criticised the lack of cost-consciousness of the traditional bureaucratic model caused by the weak links between costs and outputs. The public sector has no formalised rewards system for improved performance. As a result, there is no incentive and urge for politicians or bureaucrats to control costs. Naturally, public managers are more focused on

delivery than on productivity and efficiency leading to waste and over expenditure of resources. The proponents of the public choice theory also criticised public bureaucracies for being notoriously slow in responding to changes in environment and for being unresponsive to service users (Larbi 2003).

Principal-agent theory

Principal-agent theory also claims that due to lack of sufficient information, incomplete employment contracts and problems in monitoring behaviour, the public (as principals) is unable to make the politicians and bureaucrats (as agents) accountable for their policies and actions (Walsh, 1995; Lane, 1995, both cited in Larbi 2003). Compared to the private sector, this relationship is more complex in the public sector because of the existence of more layers between the principals and the agents (Letza *et al* 2005, cited in Torres, Pina & Yetano 2011). The advocates of this theory attribute the underperformance of the public servants to their pursuit of narrow self-interest instead of broader public interest. The difficulty of extracting accountability and good performance from the public servants can be overcome by exposing the public services to greater competition. One way of doing this is to implement the 'new public management (NPM) model.

NPM as a new and 'dominant paradigm' (Arora 2003) for public management has emerged since the 1980s. To capture the public sector reforms in the UK and New Zealand at the beginning of 1990s the term was invented as a conceptual device for the purpose of structuring discussion of changes in the organisation and management of government. NPM was designed in such a way that it works best in countries which have well developed bureaucracies (Levy 2007). NPM puts emphasis on output controls, the disaggregation of conventional bureaucratic organisations and the decentralization of managerial authority, the induction of market and quasi-market mechanisms and customer oriented services (Hood 1991).

Performance measurement was integrally intertwined with the surge of the public sector 're-engineering' process of the 1990s. With the increasing predominance of the strategic thinking and results oriented-management in the public sector, the use of measurement systems for tracking performance against objectives gained prominence. As a result, demands for accountability in public sector spending also rose (Bracegirdle 2003). Kelly (1998) finds that the

NPM, grounded in rational choice and public choice and incorporating elements of TQM, tries to find more efficient mechanism for delivering goods and services and for raising governmental performance levels.

One scholar (Pollitt 2007) in public management has termed New Public Management (NPM) as a 'two level phenomenon': at the upper level it is a general theory or principle that performance in the public sector can be improved by the importation and incorporation of business concepts, techniques and values. At the more operational level it is a

collection of specific concepts and practices which includes greater emphasis on 'performance', especially through the measurement of outputs, a preference for lean, flat, small, specialized (disaggregated) organisational forms over, large, multi-functional forms, a widespread substitution of contracts for hierarchical relations as the principal coordinating device, a widespread injection of market-type mechanisms (MTMs) including competitive tendering, public sector league tables and performance-related pay, and an emphasis on treating service users as 'customers' and on the application of generic quality improvement techniques such as TQM (Pollitt 2007).

Gaebler and Osborne (1992) have listed ten features of New Public Management out of which efficiency and economy in performance has been allocated the third place:

1. Catalytic Role of Government
2. Empowerment of Citizens
3. Efficiency and Economy in performance
4. Emphasis on goals rather than Rules
5. Customer-oriented government
6. Competitive Government
7. Anticipatory Approach
8. Enterprising Government
9. Decentralisation of Authority
10. Emphasis on Market Mechanism

The basic assumption of NPM was that the management of the private sector is superior to that of the public sector (Kalimullah and Khan 2011). Positing the whole argument on this assumption, the proponents of NPM started advocating for the ideas with missionary zeal and fervour. The scenario can be compared with an all out war against the 'moribund' concepts of the traditional public administration. This is more relevant when we take into consideration the assertion of some scholars who pronounced the traditional concepts as clinically dead. "So, from this point of view the traditional public administration paradigm expressed by the Wilsonian dichotomy between politics and administration, by the Weberian ideal type of bureaucracy and finally by the Taylorian idea of one best way is dead" (Fox & Miller 1995 cited in Nikos 2000:40).

After the passage of almost three decades, when the volleys of the war ceased, and dusts settled, scholars warily declare that 'NPM is not a blanket solution to all of the problems of public administration in modern governments' (Pfiffner 2004). The adoption of NPM may also have counterproductive impact in the developing countries with widespread patronage system and weak accountability mechanisms, leading to more abuses and arbitrary use of discretion (Larbi 1999). Drechsler (2005), who believes that NPM is on the defensive by now, observes that during the last five years, it has become quite rare in mostly Europe, but also in the USA, for the top NPM scholars to write articles in the prestigious journals, or essays or keynote addresses based on or implicitly assuming the validity of NPM.

2.2.5 Performance Management

The newest entrant in the domain of theories that zooms in on organisational performance is performance management (PM). Multiple disciplines of management contributed and rigorous works of practitioners complemented to the progress of performance management as a field of management knowledge. Obviously, the field has many roots and a rich heritage. 'During the last two decades of the past century performance management progressed from recommendations on improving performance to formulating performance measurement frameworks and finally to the discussion of performance measurement systems' (Folan and Browne, 2005 cited in Pavlov & Bourne 2007). Performance management in its holistic sense is broader than performance measurement. Performance management is sometimes referred to as 'results based management'

in some documents (OECD 2000). A performance management system, according to Curtis (1999) is a useful tool to determine accountability, because it links organizational objectives to departmental and individual performance goals. In this way, the activities of the individual staff member is aligned to and aimed at achieving the overarching organizational objectives (Curtis 1999 cited in Davids 2012). Performance management assumes different characters in different places, but effective organisations in general have some common characteristics (IDeA, 2009). These are:

- real-time, regular and robust performance data
- can-do culture encouraged by strong leadership
- established lines of individual accountability
- clear performance management review, incorporating challenge and support
- visible set of performance rewards and sanctions

Effective performance management requires:

- systematic decision making and communication of the proposed actions (aims, objectives, priorities and targets).
- a plan for ensuring that it happens (improvement, action or service plans).
- some means of assessing what has been achieved (performance measures).
- information getting to the right people at the right time (performance reporting) so decisions are made and actions taken.

These plans and actions fit within a framework that can be summarized as planning, doing, reviewing and revising. Through this framework learning is used as an input in the continuous cycle of improvement.

Five key features of successful performance management were identified in the performance management literature (Kim 2011):

- fine-tuning of the performance management system and the existing systems and strategies of the organisation;
- leadership commitment;

- a cultural environment in which it is accepted as a way of improving and identifying good performance and not a burden that is used to chastise poor performers;
- stakeholder involvement; and
- continuous monitoring by the management, feedback, dissemination and learning from results.

For private sector companies Martinez and Kennerley (2005) have identified the positive and negative effects of PMS through a study. Their findings are as follows:

Top eight positive effects of PMS

1. Focus people's attention on what is important to the company
2. Propel business improvement
3. Improve customer satisfaction
4. Increase productivity
5. Align operational performance with strategic objectives
6. Improve people satisfaction
7. Align people behaviors towards continuous improvement
8. Improve company reputation

Top seven negative effects of PMS

1. Time consuming
2. Demands considerable financial investment
3. Bureaucratic - too many measures make PMS bureaucratic
4. Over-complicated measures - difficult to understand and manage
5. Misleading prioritization - 'red' measures can divert attention from most critical measures
6. Mechanistic - can discourage entrepreneurial intuition
7. Monotonous - Managers have to refresh continuously the way in which performance is reviewed.

Performance management theories became popular with the large-scale commercial organizations all over the advanced capitalist countries. At the same time, performance

management has become perhaps the most widely pursued public sector reform of recent decades (Moynihan 2008; Moynihan *et al* 2011).

2.4 Performance Measurement in the Public Sector

In as late as 2001 some scholars observed that in relative terms performance management in the public sector was still in its infancy (Wisniewski & Stewart 2001, Boland & Fowler 2000). This is not unusual since introduction of PM in the public sector is not automatic like the private sector. In the private sector, use of performance evaluation is almost automatic, based as it is, on profitability and the rate of return on capital (Roos 2009). Others felt that over the past two decades there has been a significant upward surge internationally in the use of performance management systems in the public sector (Laegreid *et al* 2005). Any discussion on performance management invariably entangles performance measurement. Performance measurement, the regular and systematic collection and reporting of information about the efficiency, quality and effectiveness of various government programmes was arguably the hottest topic in many governments one and a half decade back (Blodgett & Newfarmer, 1996, Martin & Kettner, 1996). This statement was particularly true irrespective of the level of governments in the U.S. - federal, state or local. Governments at all levels were busily engaged in measuring programme performance. There is currently a resurgence of interest in performance measures as an indispensable component of results-oriented management movement (Torres, Pina & Yetano 2011). Pollitt (2006) finds that performance measurement has become almost a worldwide phenomenon, in spite of the fact that elected representatives often do not seem to express much interest. What use the resulting data had for the governments?

One use of the data could be making comparisons of performance among providers of similar services and identify the best practices and use them as benchmarks for improving the quality, efficiency and effectiveness of all providers. This comparison also has implications on budgeting, contracting, granting and other resource allocation decisions (Nyhan & Martin, 1999).

Without dependable measurements, it is very difficult to make intelligent decisions. 'Dr. H. James Harrington said in 1991, "If you cannot measure it, you cannot control it. If you cannot control it, you cannot manage it. If you cannot manage it, you cannot improve it." The implied

conclusion is - if you cannot measure it, you cannot improve it.¹⁸ The message here is that performance measurement is a crucial component in the successful operation of performance management in the public sector or for that matter, in the local governments.

Performance management is important because it generates lot of information that can be used by citizens, public managers and elected officials to improve efficiency of the public service at the local government level. Major administrative reform efforts presupposed that governments suffered from a "performance deficit" (Kemensky 1996) that can be overcome by 'measuring the effort and result of government activity'. Such a large volume of information regarding performance results are being generated that "Every year, new rivers flow into the existing sea of data (Moynihan & Pandey 2010).

Regarding the use of performance data some scholars found that "performance information use remains one of the most important yet understudied issues in performance management" (Moynihan *et al.* forthcoming). Similarly, Van de Walle and Van Dooren (2008) argued that though performance information production has got considerable attention in the public sector performance management and measurement literature, actual use of this information by the researchers was not very high. Review of performance measurement literature suggests that there is a gap between advocated uses of performance measurement and their actual utility as accountability and performance improvement mechanisms (Hildebrand 2007). In studying the Norwegian public services' adoption and implementation of performance management one researcher found that the most difficult thing regarding performance information is to use it as an incentive whereby good results are rewarded and poor results punished (Laegreid *et al* 2005). Adcroft and Willis (2005) draw our attention to another dimension of using performance measurement in the public sector. They assert that the "increased use of performance measurement in the public sector and the importation of private-sector management principles and practices will have the dual effect of commodifying services and deprofessionalising public sector workers". Performance measurement may be a necessary condition for effective management, it clearly is not sufficient. Because the quality of measures is highly variable and if we measure the wrong things, or measure the right things poorly, it is

¹⁸ Quoted in the presidential address of Kim Fowler, President, IEEE I&M Society, website: accessed on 12.7.2011 <http://www.ieee-ims.org/main/index.php>

hard to imagine positive results (Smith 2009). In the face of large scale use of performance measures both in the private and public sectors, "...the question of how best to measure performance, or whether it can be measured well at all, remain an issue of considerable academic and practitioner interest" (Jones & McCaffery).

2.5 Performance Management in Developing Countries

From both practical and theoretical point of view, improved performance in the public sector has been a key concern not only of managers and analysts but also of policymakers in countries around the world (Brinkerhoff & Wetterberg 2012). In the industrialised countries, performance improvement initiatives emerged long ago as an element from within the urge to reform public sector and a rich literature that followed has examined performance-based reforms, measurement, and management (Bouckaert 1992, Kettl *et al.* 2006). Outside the industrialised world, such reforms have often been advocated by international development partners both as a cure for maladies in public sector performance in developing countries (OECD 2005, cited in Brinkerhoff & Wetterberg 2012) and, more recently, as mechanisms to assure specific and measurable outputs or outcomes from development assistance (Savedoff 2011).

Developing countries do not have a good track record on the application and successful implementation of performance measurement or management in the public sector. Some attempts by leading developing countries like Thailand, China, India, Brazil, South Africa, Malaysia and a few others are visible in the last three decades. But these mostly concerned the federal or central public services. Far less attempts can be detected in the local government sector. Literature on developing countries' attempts to implement PM is not abundant. Even in that little pool of resources, the literature on performance measurement is much larger than the literature on performance management. The theme of the performance measurement literature is preoccupied with the process of measurement with less reference to the environmental context in which the measurement is carried out.

In Thailand, the political leadership decided to move to performance management joining the bandwagon of countries who were inspired by the interest in NPM of the high income countries. As an outgrowth of the 1997 Asian financial crisis and a resultant commitment to

reduce aggregate government spending, the government embarked on reforms to enhance the flexibility and accountability of the front line service providers. It opted to experiment with an innovative incremental strategy for transforming the relationship between control and accountability. But the experiment failed. The reasons were setting too high targets and reluctance of the central agencies to embrace reform (Dixon 2002, 2005, Levy 2007).

South Africa, for example, started experimenting with performance management system for its local governments (municipalities) around 2000 with support from new legislative initiatives.¹⁹ The implementation process suffered as a result of weakness in capacity and also impact of organisational culture (Kambuwa & Wallis 2002). However, the overall result of the initiative was, at best, mixed as we can see from a study by Davids (2012) on three local government units in the Western Cape Province. His findings show that the implementation of the private sector management tool, the performance management system, at the local level, was not equally successful for the three municipalities.

Malaysia has made considerable progress in implementing a new performance appraisal system, that emphasises setting annual work targets and performance standards for managers and subordinates, reviewing of work performance vis-à-vis targets, establishing a co-ordination panel in each ministry or “agency to ensure fair, transparent and objective appraisal, and the selection of top performing employees for reward and recognition” (Shafie, 1996).

Findings of Siddiquee (2010) are slightly different from the previous one. Though following the global trend, Malaysia adopted results-based management in two important areas of the public service: human resource management and budgeting. Facts confirm that the implementation of the new approach in these two key areas is far from satisfactory. Though reforms in the personnel management and budgetary sectors have removed many traditional weaknesses, the current initiatives in these areas continue to suffer from major shortcomings and limitations. Identified constraints to further development of programme and performance budgeting range from difficulties of securing appropriate staff, absence of top-level commitment

¹⁹ Legislations that govern performance management in local government includes the Municipal Systems Act, 32 of 2000, the Municipal Planning and Performance Management Regulations, 2001, the Municipal Finance Management Act, 53 of 2003 and the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

and information problems, to the difficulties inherent in programming and performance measurement (Dean 1986).

In China, where the local governments are not elected representative bodies in the democratic sense of the term, the driving force for introduction of performance management system in its local government institutions is strongly felt by the citizens and scholars dealing with the subject. But due to the absence of a proper initiative to institutionalize the channels to convey the felt needs for performance management from exogenous and endogenous sources has resulted in non-introduction of performance management in the public sector organisations in general and local governments in particular (Ke 2010).

In Indonesia, considered till recently, to be one of the most centralised countries of the world, a transformation process over the preceding decade has made it one of the pioneers in decentralisation. Since 2001, local governments have become the main operators of public service delivery. To meet their new responsibilities LGs had to radically develop their capabilities. Since the LG performances ultimately determine the extent of success of decentralization, measuring and tracking their performance is considered crucially important. Considering this, Indonesian government, along with the community of development partners, launched a number of monitoring projects at the local level. Local government performance management (LGPM) tool is one such initiative. The tool is based on an exceptionally resourceful collection of budgetary data on districts and survey results that are either made already available or collected purposively for this exercise. The LGPM still needs a lot of adjustments and is designed to provide a simple and transparent tool for measuring LG performance across districts and within different fields of LG activity for both central and local government policy-makers, development partners, and citizens. It also looks for best practices that can be replicated. "Furthermore, the idea is to measure the performance of LGs against targets that are known to be achievable within a relatively short timeframe and within the Indonesian context" (World Bank 2008).

ICMA²⁰ helped Indonesian local governments establish performance-based budgets. Performance-based budgets adjust expenditures with their respective performance items and

²⁰ International City/County Management Association, 777 North Capitol Street NE, Suite 500 Washington DC 20002-4201

require the establishment of benchmark values, performance indicators, performance standards, and expenditure standards for each service. Besides promoting better transparency and accountability in local government resource allocation practices, performance-based budgets can also be used to compare expenditures and results with standards established by other local governments.

In India, among all the provinces, the pursuit of improved service delivery and infrastructure to the people has driven the Government of Andhra Pradesh to focus on performance management as a key instrument (Mohanty 2005). A performance tracking system which entails the participation of different types of stakeholders at all stages that include the entire gamut of planning and performance budgeting processes, is the mainstay of the performance management, monitoring and evaluation experiment of Andhra Pradesh. The whole process starts with the identification of the linkages between input, output and outcome. The most vital and challenging tasks are the 'selection of performance indicators, setting measurable targets and monitoring and evaluating performance by the use of composite criteria'.

In the Philippines, the adoption of the Local Government Code of 1991 (LGC) provided some yardsticks to measure the performance of the Filipino Local governments (LGUs). However, since its passage, there have been concerns from different quarters that the objectives of local autonomy, by way of the devolution of functions to LGUs, have hardly been achieved. To deal with the issue and keep pace with the global trend on the development and use of measurable local performance indicators and service standards, a wide range of initiatives to measure LGUs' various development areas (social, economic, environmental, financial, and institutional sectors) had been undertaken in the Philippines that included indicator systems, benchmarks, and citizen satisfaction surveys. Though the LGUs have already been using specific performance measurement systems, it is yet to be seen whether there have been any significant resultant improvements in the targeted areas of service delivery, poverty reduction, and voting behavior (ADB Final Report 2006).

Several previous initiatives aimed at measuring and evaluating local development showed that the information generated were basically limited to service delivery capabilities and limitations, without providing adequate information on overall administrative capabilities and

development conditions prevailing in a local government. Second, they were not targeted to deal with the requirement of effectively managing the collected information for local level development and change. Taking into consideration the lessons learned, and the evolving notion of governance, the government²¹ planned to introduce a national Local Governance Performance Management System and a Local Government Financial Performance Management System. The first one is a web-based, self-diagnostic tool that includes 107 indicators ranging from good governance, local administration, delivery of social services, to economic development and environmental management. The financial performance system incorporates 14 indicators dealing with the 'quality and efficiency of revenue generation from both traditional and non-traditional sources, the quality and sustainability of expenditures, and debt management' (Nahem 2009).

2.6 Performance Management/measurement for Local Governments

The terms performance measurement and performance management complement each other but are often confused in practice and in the literature (Hatry, 2002; McHargue, 2003). Speckbacher's (2003) definition in this respect is useful. He describes performance measurement as "a specific definition of the [organisation's] primary objectives and how to measure the achievement of these objectives." and performance management as "a specification of the processes that generate [organisational] performance and hence a specification of how management decisions can control [organisational] performance" (p.268, quoted in Samples & Austin 2009).

Performance Management is a relatively new concept to management. It reminds the traditional managers that being busy does not necessarily mean producing results. It also means that strong commitment, rigorous training and serious hard work alone are not synonymous with results. The most important contribution of performance management philosophy is its focus on achieving results i.e. worthwhile products and services for customers of the organisation. Performance management redirects our efforts and energy away from busyness toward effectiveness (McNamara 2006).

²¹ Department of the Interior and Local Government (DILG)

Performance management is a continuing, systematic course of action to improving results through evidence-based decision making, continuous organisational learning, and a thrust on accountability for performance. Performance management is amalgamated into all aspects of an organisation's management and policy-making processes and transforms an organisation's practices so that they are focused on achieving improved results for the public (Commission 2009).

Performance management is a strategic approach, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of organisations, territorial jurisdictions and functionaries in terms of indicators and targets for economy, efficiency, effectiveness and impact. The performance management system links development goals, policies, priorities, plans, programmes, projects, budgets, action plans and performance towards achieving the desired objectives (Mohanty 2005).

Another definition is that performance management is a system of strategic organisational arrangements and practices that are intended to ensure that work-related behaviour conforms to organisational expectations (Brunet-Jailly & Martin, 2010). Performance management has also been defined as: "... a process for establishing a shared understanding about what is to be achieved and how it is to be achieved, and an approach to managing people that increases the probability of achieving success. It allows people to identify their own unique contribution to the achievement of the objectives of their organisation by forging meaningful linkages between personal and sectional objectives and overall objectives" (Hurley 1999).

Performance Management, Measurement and Information (PMMI) project (2008) finds that performance management means different things to different people. To some people collecting performance information is performance management. To others it denotes a personal appraisal. The definition includes a range of different mechanisms and activities used to make improvement. Their definition of performance management denotes taking action in response to actual performances to ensure better outcomes for users and the public which can not be expected normally.

But the picture of transformation from the performance measurement system to a broader performance management system is not very bright. A very landmark study of 489 local

governments by the Governmental Accounting Standards Board (GASB)²² found that while many local governments in the U.S.A. now use some kind of performance measurement, the number of units that have successfully completed the transition to a performance management system- integrating performance measurement into the management system of the organisation- is few and far between. This transition is much more difficult than the initial development of performance measures. The study found that only a third of the local governments they surveyed believed that their performance measurement systems had improved program performance.

There are other optimistic views also. For example a review by Improvement Services²³ found in 2008 that there are a number of innovative approaches to the assessment of local services in the USA that could be argued to be 'leading the way' in performance management for the public sector. An examination of these reveals a variety of approaches that are applied at different area levels, such as at city level, state level and country wide.

Shipley (2009) argues that performance measures alone can not bring any significant change to the processes and performance of government services and policy decisions. Governments need to blend performance measurement practices into comprehensive performance management systems that depend on objective information to improve services and formulate policy decisions that are based on results.

A. A. de Waal (2002) also finds that performance measurement is not the right term for performance improvement. He feels that performance measurement does not automatically lead to performance improvement. To translate the findings of measurement into results, it should be followed by action through the use of appropriate measures. For this reason, performance management and performance management system are better terms.

Local governments form a significant part of a country's service sector. Since local authorities offer a wide range of services with both tangible and intangible outputs, performance measurement in a local authority is indeed a complex task; customers do not or rarely pay an

²² The Governmental Accounting Standards Board (GASB) is currently the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States of America. As with most of the entities involved in creating GAAP in the United States, it is a private, non-governmental organisation.

²³ The Improvement Service is a partnership between the Convention of Scottish Local Authorities (COSLA) and the Society of Local Authority Chief Executives (SOLACE). It is a Company limited by guarantee.

economical price for the services. Unlike the private sector, there is no profit measure; and there is no apparent direct linkage between services provided and costs incurred to electors (Ghobadian & Ashworth 1994).

Conradie *et al* (2003) raises the question of why performance management is brought in the public sector, or more specifically, in the local government environment. He argues that in order to answer this question, an understanding of the nature of performance management and performance measurement is required. He defines performance management as a strategic approach to management, which offers a set of tools and techniques for the use of leaders and managers, workers and stakeholders at different levels. "These tools and techniques are utilised by role players to regularly plan, continuously monitor, and periodically measure and review performance of the organisation in terms of set indicators and targets for efficiency, effectiveness and impact."

On the other hand, in his view "performance measurement entails a framework that describes and represents how an organisation's business cycle and processes of performance planning, monitoring, measurement and review, reporting and improvement will be conducted, organised and managed. The performance framework also defines the roles and responsibilities of the various role players."

He argues that although financial ratios and analyses are important for making financial decisions, these calculations are only of academic importance where service delivery to the community is measured. Performance management, measurement and reporting are the tools utilised by local governments (municipal management) to indicate to their communities or involuntary investors (tax/ratepayers) to what extent management has addressed service delivery as envisaged in the operational plan.

Performance measurement is probably the single-most important component of performance management. Performance measurement has been part of the local government landscape for more than a century, during which it has risen and fallen in waves of popularity (Hildebrand 2007). The history of measuring performance at the local government level followed the practice at the federal level in the United States. In that country the topics of performance

measurement and performance budgeting have long been a part of the public administration agenda (Schick 1971). Initial interest in performance budgeting grew as a result of perceived abuses of authority and power at the local government level around 1870s in the U.S. (e.g., in New York City), at the start of the 20th century (e.g., in the budget research of the New York City Bureau of Municipal Research, which later on became the Brookings Institution), as a reaction to spreading out of governmental activities at all levels and especially of the federal government during the '30s. (McCaffery & Jones 2001).

Ammons (2007) found "good performance measures support a variety of management functions. A good set of measures allows a manager or supervisor to identify operating strengths and weaknesses, target areas for improvement, and recognize improvements when they occur. A good set of measures also helps the manager defend good operations against unwarranted criticisms."

Melkers and Willoughby (2005) in a study on performance measurement at the US local governments found that most of the U.S. local governments have been actively using and developing performance measurement for several decades. Drawing from a national survey of 300 local governments, the study confirmed that the implementation of performance measurement supports improved communication within and across the branches of a government, generates learned discussions about the results of local government activities and services and adds value to budgeting decisions by supplying relevant information about results as well as costs and activities.

Their research also carries weight because it provides a national assessment of the perspectives of local government functionaries regarding the use and effectiveness of performance measurement. Most respondents of the research expected that performance measurement use in their government would continue to develop, adding value to budgeting and management decision making.

Robert D. Behn (2003) of Harvard University observes that performance measurement is not an end in itself. Managers in public organisations measure performance because they find such measures helpful in achieving eight specific managerial purposes. Performance measures

can be used by the managers to 'evaluate, control, budget, motivate, promote, celebrate, learn and improve' as part of their management strategy. But he also finds that no single performance measure is appropriate for all eight purposes.

Public managers should not seek one panacea for all the eight purposes. They should better look into the purpose for which they need any measure and try to devise specific measures that befit a particular purpose. A clear cut theory about how to employ the measures to foster improvement is necessary before embarking on performance measurement initiatives. Abstract measures are worthless. To extract information from a performance measure and to use it, a manager needs a specific comparative yardstick, plus an appreciation of the relevant context. That is why setting up of a clear cut theory about how to employ the measures to foster improvement is necessary before embarking on performance measurement initiatives.

Bernstein (2002), in a case study on the city of Portland, Oregon on pioneering external accountability, interviewed the concerned officials of the city of Portland and found some interesting opinions about the intent, expectation, information quality and barriers of effective use of performance measures. The respondents identified communicating results as a driving force behind the purpose and expectations of the city's performance measurement efforts, involving both communications within the government as well as outward communication to stakeholders and the public.

The interviewees expressed divergent opinions about efforts to address information quality issues. Though the quality of data was challenged by auditors in their performance audit, the consistency of the reports of the city over a long period of time was pointed out as a factor that discouraged the questioning of the quality of data. The interviewees frequently mentioned that the time and cost of collecting performance measurement was a barrier to effective use of performance measures. The barriers identified by the respondents were:

- lack of agreement with goals set in the political process;
- the difficulty in getting consistent efforts across bureaus;
- the risk of allowing creation of performance measures to supersede the mission of the agency;

- getting citizens to continue to complete surveys when citizens have no sense that the results are being used;
- development of meaningless measures;
- lack of interest among higher level and among staff who react when accountability is mentioned;
- convincing staff that data are more meaningful than their gut feelings;
- collecting data given a lack of adequate systems for data collection;
- lack of training;
- explaining performance measures to citizens;
- getting agreement on goals and objectives of programmes; and
- keeping the measures and tools needed to measure simple enough so that results are meaningful and readily available.

There were some common lessons learnt during the performance measurement experience. These were mentioned by Portland city managers, elected officials and media during the interview with the researcher. Seven lessons were discussed by the staff of Audit Division (Tracy, 1996). Others were mentioned by the interviewees. They are:

- defining the objective of performance measurement so that it does not become an end unto itself;
- focusing on improvement, rather than using performance measures to punish or reward managers or programmes;
- looking at the long- term, allowing three to four years to develop a good system that is useful;
- checking data to ensure that it is accurate, valid and credible;
- making performance measurement useful to managers and others involved with the programme;
- building on existing systems and measurement efforts;
- measuring what is most important by limiting the number of outcome measures collected and reported;
- agreeing on common language;

- involving stakeholders;
- getting support from upper management, and getting them to stick with it;
- setting low expectations;
- finding performance measures that give back value quickly;
- avoiding pushing disinterested citizens to use performance measures;
- finding resources to do measures and produce user-friendly reports; and
- understanding the media, reaching out to them and trying to meet their needs.

A document of the city of Vancouver in Washington, USA, observes that measuring performance helps only accumulate some data on performance but even the best performance measurement programme will only tell us about the doable and suggest how to do it. For better management raw data should not initiate the decision process, rather we should depend on objective data for this purpose. A well integrated performance management programme gives us information that is significant and reliable, not just 'data' and 'charts'. Meaningful information enable us to make more sound decisions on the basis of all three sources of knowledge: objective data, observation and political realities (Official website, Vancouver, 2011).

Kuhlmann (2010) studies the present state of performance measurement in European local governments using the examples of Great Britain, France, Sweden and Germany. These countries represent different systems of local government and administration in Europe. He discusses the different approaches of reform, avenues of implementation and the impacts of performance measurement at the local level. This empirical research zooms in on two major themes: the resemblances and differences between the performance measurement systems in the above four countries covered and the impacts of these reforms on administrative actions.

After analysing and comparing the reforms in these four countries, he comes to the conclusions that: "a strong culture of transparency combined with a voluntary approach allow for optimum use of local performance measurement and comparison, while compulsory, highly standardized, top-down imposed procedures are expensive and do not have the desired learning effects." He points out steering, the design of measurement instruments, and transparency of information relating to performance and political support or rejection as contributing factors for

success or failures of reform procedures. He suggests that greater use of performance measurement results can offset the political and administrative reticence about transparency.

Similar nature of doubt is expressed by Teelken (2008) in his study of Dutch non-profit sector. Referring to the prevailing institutional and organisational theories that support the argument that current features of performance measurement systems in public organisations are by and large unsuitable for the actual nature of these professional organisations, he finds that the implementation of such systems is slower than anticipated and seems to occur outside the primary process of the organisation. Jansen (2008), however, finds that though performance information is a key element in the ambition of many public sector organisations to run in a more businesslike manner, in reality, politicians and managers rarely use this performance information.

The peril of placing a range of new management practices with inadequate or even counterproductive performance measurement and management systems is that it can be worse than having had no reform at all. It can create more problems than solving. Implementing an inadequate system of performance management can instill a false sense of security and accomplishment that can misdirect resources and activities. "Paradoxically, therefore, inadequate performance management can become the Achilles' heel of the modernization process itself." (Bouckaert and Peters 2002).

For those who work to address today's social issues, success hinges on knowing what efforts are working to achieve the goals - and which aren't. A clear picture of which efforts are having the greatest impact so that they can be reinforced and the efforts which need readjustment is essential for performance evaluation and ultimately success of the total endeavour. Mosimann *et al.* (2009) find that today, compared to the scenario ten years back, both public- and private-sector managers are expected to have much deeper insight into their customers' needs. The pace of change is so rapid that it does not allow any second chances for the managers. Managers need comprehensive information at their fingertips for decision making so that they can focus on winning, rather than the distraction of gathering information. This requires an efficient system for delivering performance management information whenever and wherever needed.

To McDavid (2007) measuring public sector performance is more complex than measuring private sector performance – there are multiple “bottom lines” for public sector organisations and public sector performance measurement is focused on identifying and measuring key features of programme and service results. Brodtrick (1990) describes a “public sector” soccer game to convey the complexity of public sector performance. Unlike a normal soccer game, here the team plays on a round field surrounded by multiple goals. The number of players changes and they come and go sporadically. There are numerous balls of various sizes. The players are kicking the balls whimsically to any of the goal posts which are continually being shifted. Nobody knows who is winning and who is losing.

Public sector organisations today face the same challenge traditionally associated with the private sector — the need to do more with less. But they must do so under greater scrutiny from legislators and the public i.e. with more accountability and without the top-down authority that private companies can effectively wield. One potential solution for government organisations is a performance management approach to improving outcomes and rebuilding a sagging public confidence in government. This is true more for local governments than the central because greater percentage of service delivery by the modern government is performed at the local level. Walker & Moon (2007) find that management practices to improve the performance of public organisations is spreading rapidly across the globe and many examples can now be found in Asia.

Mere hard work and good intentions are not enough for imprinting a positive and lasting impact on the local population - it calls for a strategic approach that connects an organisation's mission to the every day work of its employees and the expectations of the clientele i.e. the local people. Performance management involves defining key priorities, monitoring and measuring progress toward goals and analyzing and communicating results to stakeholders. This is a hard reality in the face of the changes in the local and global scenario. “The new realities of governance, globalization, aid lending, and citizen expectations require an approach that is consultative, cooperative, and committed to consensus building. The voices and views of stakeholders should be actively solicited. Engaging key stakeholders in a participatory manner helps to build consensus and gain a commitment to reaching the desired outcomes” (Kusek & Rist 2004).

Introduction of an effective and efficient performance management system will enable the local level public organisations to improve decision-making with timely and accurate information based on a clear view of how and why the organisation is performing as well as how it should perform. To reap the full benefits of performance management it must be a part of the decision making fabric.

Dijkstra and Noir (2008) in their study observed that performance management has an instrumental role to help ensure the deliverables of the government bodies, to guarantee a more transparent process, to tie performance to the political goals, and to stick to the principles of accountability for desired results and promises.

Performance management is a powerful means by which government agencies can advance their missions and strengthen democracy. Performance management is essential for government agencies seeking to improve outcomes and rebuild confidence in government, and a recognition that few government leaders appreciate how or why that is the case. We have seen that few government leaders understand clearly enough, and early enough, the leveraging power of performance management. (Executive Session on Public Sector Performance Management 2001).

One document on performance management of the government of Manitoba, a Canadian Province, says “people are the most important component in public service. This implies that employees are managed effectively and with appropriate respect for the individual. Employees have opportunities to develop their potential and use their abilities. They can expect to hear timely and balanced feedback on their performance.” (Manitoba Civil Service Commission Website).

Performance management is essential for all types of organisations – public or private. Asian Development Bank (ADB) characterized the introduction of PM in evaluating its projects in the following manner. “Improving the definition of expected results during design, measurement of actual achievements during implementation and beyond, and using this information to enhance the performance of current and future projects is a way of responding to this challenge. This is the essence of PPM.” (Asian Development Bank, 2003)

Attaining the improved levels expected by the users is a huge challenge for the public services. The agenda for change and improvement across central and local government means that change management is a very vital set of skills needed by leaders of public services. That is

why it is important to introduce PM to capacitate the leaders to meet the core challenges that all public sector leaders face in delivering and communicating change. This is more so when public sector managers in the developed countries have become increasingly interested in performance management as various government initiatives have refocused them on results rather than on process and outputs (Biggs, Carnevale & Simeone 2004).

All aspects of management are intertwined, and they often overlap. For example, leadership does not fall within the definition of performance management but is crucial to its effective use. To get better results, it must be synchronised with other systems, such as risk management (managing risks to avert failure) and financial management (directing resources to areas that need improvement or strategically important) (Panunzio 2009).

The US Government's Office of Personnel Management (2009) indicates that Performance Management consists of a system or process whereby:

- Work is planned and expectations are set
- Performance of work is monitored
- Staff ability to perform is developed and enhanced
- Performance is rated or measured and the ratings are summarized
- Top performance is rewarded

Performance management in the public service has both similarity and dissimilarity with the PMS in the private business sector. The point is well argued in a handout prepared by the Bangladesh Civil Service Administration Academy in the following manner, 'In recent times, performance measurement is considered crucial for the most of the approaches of public sector management reform. The New Public Management (NPM) model puts greater emphasis on 'performance' issues in the public sector and the New Public Service model expands the concept of performance by stressing democracy and the public interest. (BCSAA, 2009).

Kloot and Martin (2000) maintain that the drive for reform in the public sector worldwide has focused attention on the measurement of performance of the public sector organisations. This is particularly true in the case of local governments. Local government has conventionally been concerned with measuring the delivery of primary objectives, or results. Hardly any emphasis

was given to the secondary objectives, or the factors that determine organisational performance. Current literature on strategic management suggests that there should be a direct and strong linkage between strategic plans and performance measures.

Thomas (2008) finds that new performance measurement and management systems for local government offer the promise of substantial improvements in performance and service to their public. By greatly simplifying the tasks of collecting, analyzing, and utilizing the measures of local government service performance, these systems greatly enhance the ability of these governments to both identify and solve problems with local services.

One practitioner (Mlaba, 2005) finds that in addition to the legislative imperative strong political will and unswerving political commitment is required to ensure that municipal administrations are held accountable to the community they serve through their respective councils. The successful implementation of the Performance Management System at the municipalities surely will serve as a gauge in objectively identifying and measuring the performance of officials. The measurement of performance will inevitably lead to better delivery of services to the people.

Performance management systems are important tools in the management of human resources for achieving set targets. To facilitate organizational effectiveness through performance management clear definition of performance tasks and goals, setting clear performance standards, rectifying poor performance and fair and equitable distribution of reward and punishment are necessary. Performance management should increase the amount and enhance the quality of formal and informal feedback. If the performance management process is taken seriously, it can accrue benefits that are an important reward that recognizes the employee's value to the organisation, thereby meeting employee needs for recognition and self esteem in addition to the management need of target achievement (Roberts 1995).

In any case we need to assess the performance of the local government for the following four reasons (Nahem 2009:7);

- Diagnostic: to identify a problem and its scope;

- **Monitoring:** done regularly to keep track on the success or failure of a project, policy or programme;
- **Evaluation:** to assess whether an initiative, policy or programme has achieved its pre-defined results and outcomes;
- **Dialogue:** to engage citizens and communities in informed discussions about shared goals and priorities.

Though performance information is very important for the future of governance, people have an inadequate understanding of how and why it is being used in practice in the public sector in the developed world. The idea expressed by Moynihan (2008) is relevant here. He says that the current trend of governance by performance management coincides with a period of anti-bureaucratic impulses. Proponents favour performance management not because of improved effectiveness but also because it is required for the credibility of public action. He, however, finds such claims overstated because public distrust in government is fuelled in part by scandals and failures that are often political in nature, and mechanisms to prevent such failures may run counter to the performance approach that liberates managers. This has relevance for the Bangladesh context prevailing regarding local governance.

The ultimate benefit that can be accrued from the application of performance management system at the local government level depends on a lot of factors. One important among these is the failure to understand the basic difference between the aims, objectives, culture and modalities between the public and the private sectors. Thiel & Leeuw (2002) expresses real concern about this phenomenon. They find that

Administrative reform has led to a strong increase in the use of performance assessment instruments in the public sector. However, this has also led to several unintended consequences, such as the performance paradox, tunnel vision, and analysis paralysis. These unintended consequences can reduce the quality of the knowledge about actual levels of performance or even negatively affect performance.

According to them examples of this type of occurrence are abundant in all policy sectors. The authors refer to certain traits of the public sector that increase the risk of a performance paradox, either unintentionally or deliberately – ‘such as ambiguity in policy objectives, discretionary authority of street-level bureaucrats, simultaneous production and consumption of

services, and the disjunction of costs and revenues'. The special characteristics of the public sector should be taken in to account for performance assessment and systems should be developed that can handle contested performance indicators, thus striking a balance between the degree of "measure pressure" and diminishing dysfunctional effects.

Performance management initiatives at the local government level are also affected by organisational culture. The success of performance measurement and management drives heavily depends on developing a culture that accepts the instrumentality of performance measurement to help the organisation improve. Sanderson (2001) observes that the external pressures, especially the central government initiated reforms that encouraged an 'instrumental–managerial' focus on performance measurement, have been instrumental in fostering an environment that facilitated the development of performance management and evaluation in the British local government units. Referring to the Best Value²⁴ drive he says that the programme of 'modernizing local government' puts considerable weight on performance review and evaluation techniques as a propeller of continuous improvement in upholding Best Value. But his research showed the local governments have uneven capacity for evaluation and the prevailing organisational culture of these units contains many obstacles to evaluation. To achieve the goals of Best Value embedding the capacity for evaluation and learning as an attribute of 'culture' warrants that the local authorities should go beyond the development of review systems and processes.

The doubts expressed by Bandaranayake (2000) on the applicability of the performance management system for the existing structures of the developing countries as a whole and the south-east Asian region in particular, will not be out of place here. He says that the concept of performance management is not sufficiently understood nor appreciated in most developing countries in the south-east Asian region. If attempted in its current format in the prevailing organisational environment, it is likely to be a failure. Referring to the experience in Nepal he says that the existing situation in the service sector and other such constraints may equally be applicable to other countries in the region.

²⁴ Best Value was introduced in England and Wales the 1999 Local Government Act by the UK Labour Government, and its provisions came into force in April 2000. The aim was to improve local services in terms of both cost and quality involving stakeholders throughout.

Even in Sri Lanka, the lack of optimal support from management has substantively reduced the rate of success of a newly introduced performance appraisal system. The rigid hierarchical structures obtaining in most developing countries in the region is a sure hindrance which can probably be overcome by ensuring that such initiative poses no threats to those in positions of power. This might actually mean such new system will be introduced only in the lower levels and that also through compulsion, resulting in a further fortification and consolidation of the existing power structure. Such a result would be very much counter to the ethical principles and broader philosophy of performance management.

The realisation of Ammons & Condrey (1991) two decades back about the risk of prominence of fiction and rhetoric over fact and commitment regarding performance appraisal at the local government level can also be very true about performance management at local government as a whole. When statements of commitment to a principle or process are exaggerated or false, either caused by good intentions, pride, arrogance, personal ambition or deceitfulness or emanating from simple misunderstanding, erroneous conclusions can be drawn about the success or failure of the programme.

The writers found that mixing of the actual performance statistics with the rhetoric and exaggerated claims by politicians and administrators complicates the task of identifying what works in local government administrations and what does not. It becomes difficult to identify whether a failed programme was flawed from the very beginning i.e. conceptually or it had failed because of poor implementation or an inhospitable environment in spite of being a very good programme.

"Performance management is the systematic process by which the organization involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of organizational mission and goals" (Govt. of India 2008). When the organisation is clear about what is important, and employees are rewarded or not based on whether they are contributing to those objectives, then the form itself and the public-private question becomes irrelevant. If the values are clear then the employees will generally adopt the value set even if the reward/punishment is not really there, because peer pressure will work. If

the values are unclear then it doesn't matter what system is in use, cronies will get rewarded, and slackers will skate.

From perusing the literature on the style of management prevailing in governments worldwide it can be safely concluded that:

1. Government systems are structured to discourage innovative things.
2. Government employees are inherently risk averse and the system rewards folks who avoid risk.
3. Government officials are more interested (by statute) in ensuring that things are done by the book (following rules and regulations) than by meeting the putative objectives of the organisation.
4. Government is more concerned that things are done fairly and equitably than that they get done efficiently.

Apprehensions expressed by Bernard Marr (2000) about the effectiveness of applying performance management system for local government units are worth mentioning here. In his article on managing and measuring local government performance he says that performance management may be applied to local government organisations on the hope that it will help them meet ambitious improvement targets, but as new research shows, unless PM is implemented well, the package can actually lead to decreasing performance, as well as perverse and dysfunctional behaviour like target fixation and cheating.

While governments are pressing forward with these performance management initiatives, there is mounting anecdotal evidence that the execution of performance management is often very mechanistic and numbers focused, preventing organisations from achieving the desired performance improvements, and potentially leading to unintended behaviour. In particular, we have observed an increasing obsession with collecting and reporting performance data. (Marr, 2000).

This realization was the result of observation that new teams and departments sprang up with job titles like 'performance manager' and 'performance analyst'. These people shed blood, sweat and tears to posit performance management systems in place. As a result, administrative

measurement burden increased and the exercise seldom produced new management insight, learning or performance improvement. As a consequence of poor performance management practices it was observed that many organisations indulged in counter productive behaviour such as manipulating targets and metrics and ultimately overall service suffered.

Observation of the Local Government Association (UK) is also relevant here. "The current performance management framework for local government fails to drive improvement in localities: it focuses on assessment rather than improvement and encourages compliance rather than innovation" (LGA website 2011) It is also unpleasant for the managers to hold employees accountable, the conversation that follows this process can also be very tough for both the parties (managers and employees) and can also be time consuming. In short, majority of managers don't like implementing performance management (Shatto 2012).

2.8 Performance Management for Union Parishads

UPs, as public sector units, are characterised by multiple stakeholders who at times have conflicting interests and requirements. This problem is compounded by the fact that "politics and administration are inextricably intertwined" (Downs and Larkey 1986:4 cited in Bashi 2008). This is true even for these small local bodies. Sometimes, the decision making process at the local level is aggravated not by the inherent complexity and sensitivity of the issues, but by their high voltage political implications. Inefficiency and ineffectiveness within the public sector can be attributed to a situation where conflicting objectives are pursued simultaneously. The complexity of multiple stakeholders chasing different interests makes it difficult for initiatives such as balanced scorecards and other performance improvement models to be applied successfully within the LGIs in an attempt to improve performance.

Union Parishads are a unique form of local government in this region. The average population size of Unions is 27,000 and land area is 30 sq kilometers (Barkat *et al* 2002). This vast number of population is served by Union Parishad which consists of 1 chairman and 12 members. There is only one paid employee who looks after the total internal and external official businesses of the UP. If we look into the charter of duties and other assigned responsibilities of a UP, the question that crops up instantaneously into mind is how a single employee can handle

such stupendous load of work. Alam (2011) suggests that immediate workforce enhancement is required for getting better service delivery from the UPs. However, attempts to ensure better performance by the UPs through various projects is going on. We need to undertake some kinds of performance measures for the UPS. Good governance also demands that in public service delivery, local public policy and decision making procedures, the manner of exercising power and authority at the local level and their inclusiveness, transparency and accountability should be of high quality, be efficient and effective. Assessment of local governance generates lot of important information on specific local level issues such as decentralisation policies, their implementation, participation and local accountability. Local governments have more proximity to the real world issues compared to the central governments. It means daily and intensive interaction with the citizens which necessitates more sensitivity to the specific needs of different groups of stakeholders and certain segments in the local community (Nahem 2009).

Similar types of small local governments, both urban and rural, can be found in some places of the U.S.A. where most of the service delivery, starting from public safety (policing and fire fighting) down to solid waste management is outsourced for convenience. The city of Weston, Florida is an example of such local government. Weston, a city of some 62,000 residents, operates with just three employees— the city manager and two assistants. In accordance with the change in function, the primary role of city manager has also changed, from day-to-day administrator to contract manager and progress monitor (Prager 2008). In line with this instance, outsourcing some of the UP's basic functions can be a good idea but it needs further examination.

In the face of such realities, can performance measurement be effective for small LGIs like the UPs? Brown and Stilwell (2005) pose the same question in their research work on effectiveness of performance measurement for small communities²⁵. They had mixed results on the issue as we can see from the following list of findings. Here are the main conclusions of this study:

²⁵ According to the 2002 U.S. Census of Governments, there were more than 34,000 local general-purpose governments with less than 25,000 residents and 31,000 local general-purpose governments with less than 10,000 residents. <http://www.newgeography.com/content/00242-america-more-small-town-we-think> accessed on 24-06-12

- Performance management is a viable management tool for small municipalities, if it is structured with their unique environments and needs in mind.
- The number of measures must be reduced, to somewhere between 10 and 15 key measures for each department.
- Feasibility is improved if measures can be collected on a quarterly, semiannual, or annual basis, rather than on a monthly or daily basis.
- Small communities have budgets that prevent them from participating in large, comparative projects.
- Staff resistance to and lower buy-in of the project are significant obstacles for all localities to overcome because of their limited number of staff members.
- As in large communities, performance measures in small communities can provide valuable information that leads to innovative changes, as well as offer a better understanding of the level and quality of services provided and perceived by the public.

The results of this study should be encouraging to the UP functionaries to include a performance measurement system in their management strategies but it should be reoriented and restructured to suit the particular conditions and needs of these small but overworked local governments.

Basic organisational arrangement for ensuring performance management of the UPs is not altogether absent as can be seen from the organisational and functional arrangement. One traditional performance monitoring measure that is included in the Local Government (Union Parishad) Act, 2009 is the provision for post audit of the UP fund.²⁶ This is more oriented to detect any lapse or lacunae in the yearly financial management of the UP rather than measuring the performance of the organisation. We know from the literature that a preoccupation with financial performance measures is widely regarded as inadequate. The requisite diversity to give decision makers the required range of information to manage processes is absent in such measures (Ballantine *et al.*, 1998; Atkinson *et al.*, 1997; Kaplan and Norton, 1992, 1996; Ghobadian and Ashworth, 1994; Fitzgerald *et al.*, 1991).

²⁶ Sections 59-61 of the Act.

The UPs are working in most of the cases as organisations run by the chairmen alone. Members are active and participating in many cases but the examples are few and far between. The standing committees are not functioning properly and in many cases not even formed. Behind the sluggish performance of the UP standing committees, one researcher identifies a number of factors like lack of initiatives of UP members, lack of pressure from the common people, lack of political pressure, lack of skills required for planning and implementing development programmes at the local level, no specific terms of references of standing committees, unwillingness on the part of UP Chairman to delegate authority and even non-existence of standing committees or existence only on paper. He also noted that the local people and the elites were not aware about the existence of the standing committees whereas this could be used as a very useful instrument of better service delivery at the local level (Rahman 2008).

When we talk about good governance it readily means economic, efficient and effective service delivery by the governments- both central and local. Measurement of service performance is comparatively difficult, if not impossible. Performance measurement in a LGI is a complex task because of the very nature of service the local governments deliver. UPs deliver a range of services with both tangible and intangible output. The beneficiaries hardly pay an economical price for the services they get. There is no profit measure and no direct link between the services delivered and the costs paid. For the UPs, performance management actually means, in the words of Catherine Mark, “a system that enables local governments to perform meaningful self-evaluations, and regularly track, measure, and report service delivery improvement – or decline – over time and across services, and to make management decisions on that basis” (Mark 2011).

There is also the question of accuracy of the performance measurement indicators applied at the local governments. Since performance measurement techniques developed so far by experts in the field are not free from biases and pitfalls, the target of any such effort should not be absolute accuracy of the process or the outcome. The performance appraisal system should be considered effective if it produces the desired result despite weaknesses in the process (Anderson 2002).

Findings of an NGO working in the field of local governance regarding the performance capabilities of the UPs, is relevant here. The experiences and learning of the NGO, after the introduction of People's Reporting Committees (PRC)²⁷, find that poor knowledge of the Local elected bodies (LEB), local civil society members and organisations, partner organisations on accountability and transparency and the National Policies on LGIs are hindrances to good governance. Other important factors identified by the author are informal rather than institutional relationship of the stakeholder groups with the LGIs and absence of institutions (NGO, CSO, CBO) to monitor Union Parishad activities. In Bangladesh, no institution is formally assigned to oversee the performance of Union Parishads. A small number of NGOs, CBOs and Civil society organisations are spontaneously engaged in systematic monitoring of implementation of Government commitments under different Human Rights obligations and holding the public institutions and the political entities accountable due inadequate capacity, poor internal accountability system and politically biasness. Absence of positive attitude of some of the public representatives towards accountability and transparency and lack of horizontal communication and information sharing among NGOs, Citizen Committees, Govt. Officials at LGI, LEB and other stakeholders are also mentioned (Sohel 2011).

The provision for holding open budget meetings by the UPs is targeted to ensure accountability and transparency in the system²⁸. Budget should be passed in the presence of concerned standing committee members and members of the public invited for that purpose. A copy of the passed budget will have to be sent to the Upazila Nirbahi Officer (UNO) for information. He will send it upward for further action, if any. It is evident from this information that there is actually very little or no scope to establish a stable performance measurement mechanism under these rules.

Some of the roots of confusion are ingrained in the statutes under which the UPs operate. For example, neither the Act itself nor any other subsequent statute clearly specifies the role of the women members who are directly elected by popular vote, thus creating friction and conflict at that level. A common complaint regarding women's reserved seats is that the concerned law

²⁷ People's Reporting Centre-is a citizen's platform formed by Democracywatch in some UPs to motivate and monitor activities of the UPs.

²⁸ Sections 57-58 of the Act.

does not specify what their roles and responsibilities are (Khan & Fardaus Ara 2006). It is not possible to measure the works of persons who do not have any clear cut assigned functions.

Establishing high performance standard can be very difficult in an environment where demand from the clientele for better service delivery or for that matter, accountability for UP fund spending by the UPs is very low. A study report on the citizens' perception about service delivery from the UPs conducted in 9 UPs covering 1810 persons found that 45.5 % of the respondents were quite happy with the UP service delivery and only 22.2 were not satisfied. The rest felt that the performance of the UPs was average (PRC Survey 2004).

Decision making at the UP level on the basis of solid knowledge of performance management tools can sound unreasonable considering the level of freedom, environment of scientific decision making and capacity of the decision makers at that level. In developed societies like the U.S.A. the scenario is not all satisfactory after decades of use of the PM tools at the local government level. Ammons (2008) observes:

Too often, important decisions in local government are made without the benefit of careful analysis. Conclusions are drawn and choices are made in the absence of systematic assessment of alternatives and probable consequences and often even without an assessment of service needs. ...Few, if any, local government officials, elected or appointed are willing to let the numbers derived from analysts' calculations make their decisions for them. Each brings to office a point of view, an inclination to judge problems and programs from a perspective developed over a lifetime, and perhaps a vision of where the community is or should be going.

For the local governments, any mentionable performance management package is absent. Performance management, by definition, entails target based performance tracking and, then using the information thus gathered to pinpoint opportunities for further improvement. It means ensuring goal achievement and, for local government, ultimately about making sure that the services provided to the local people are better than they had been before. Tracking performance, as a concept, is not embedded in the statutes that create and guide local governments. This is true for both the central government and the local governments.

UPs actually never enjoyed the freedom of work and opulence of resources to plan and formulate in-house performance measures to take stock of the overall service delivery system. The preponderance of bureaucratic control over the years has made indelible imprint on the

independent working atmosphere of the Parishad. After all, bureaucratic control or for that matter, the upper management, elected or appointed, can both foster or retard any kind of innovation in the organisation (Yukl 2006, Hansen 2011). Bureaucratic domination all through the history of UP has been instrumental in fostering a culture that discourages independent thinking and better performance. It is natural that a report on the capacity of UP finds that poor performance is often not the result of insufficient capacity, but equally a product of organisational culture (REOPA 2011).

Studies and experiences show that local government bodies had never been self-governing units in the true sense of the term, neither in the British and Pakistani period, nor even in the liberated Bangladesh. These units could simply be categorized as extensions of the national government with very limited local participation. Obviously, local government units have always been institutionally inadequate and financially weak, poorly managed and deficient in social and political credibility (CPD 2001). Confronted with very limited resources, poor quality physical and organisational infrastructure, and historically weak trust and communication between citizens and local government, local government officials and staff, both elected and appointed, often feel especially handicapped in trying to implement improved services that meet citizen needs (Hatry *et al* 2007).

Institutional capacity of the UPs in maintaining a sound performance management system, however small, for its internal improvement of organisational functioning, is also very limited. UP is not only handicapped by a very small number of personnel under its disposal but also the absence of an ambience that induces the Parishad to use some yardsticks to measure its performance. A study conducted 12 years back showed that the overwhelming majority of the serving chairmen and members of LG units lacked knowledge and understanding of the operational procedures and functions of these bodies (Aminuzzaman 1998).

Regarding the capacity of the LGIs in taking charge of overall rural development initiatives, one researcher found these institutions to be deficient in autonomy, institutional capacity and strength or adequate resources. They are subject to strong hierarchical control starting from the immediate level above and reaching up to the central government, particularly

as they are dependent on the government for the Annual Development Programme budget and honorarium. (Readiness Assessment 2007).

Another study conducted in 2004 shows that the situation may have changed a little for the better, at least from the demand side. Majority of the respondents (chairmen, members, ordinary citizens.) of that study underscored the need for establishing transparency and accountability of the LGIs to the ordinary people and involve them in the local level planning and budgeting processes effectively (Rahman 2004).

The UP Act of 2009 has incorporated the provision of community participation, transparency and accountability by incorporating specific sections on the formation of ward committees, provision of participatory planning, access to information, and extended authority of the so far largely inactive Standing Committees. The importance of these concepts has been rightly recognized in this new Act but any attempt to operationalise these new sections through formulation of corresponding rules and regulations is yet to be seen (Aminuzzaman 2010). Actually it is not very easy to operationalise any new idea at the grassroots level. When Gram Shavas were first introduced in the Indian state of Kerala, a forerunner of local government decentralisation and devolution, there existed widespread skepticism about the practical feasibility of the Gram Shavas. And about how far it is practical and to what extent it can act as a device of direct democracy and participatory planning (Mohan 2005). Even the introduction of Ward Committees (WC) for the urban municipalities, where the clientele groups are supposed to be better informed than their rural counterparts, in West Bengal State of India did not meet with immediate success. Datta & Sinha (2006) find that most of the Ward Committees do not have offices, funds and functionaries. The ordinary citizens also have a general lack of interest about the WC. The perception of the members of the WC about the role of the Committee is also hazy.

However, isolated attempts on the part of government to evaluate and reward UPs on the basis of performance can be found in a few recent projects funded by both GoB and the development partners. Recently, the government has recognized UP as a primary economic and a part of administrative unit of rural local governance. Ministry of Local Government, Rural Development & Cooperatives (LGRD&C) introduced performance grants in 2003 and

discretionary Basic Block Grants (BBG) for each UP in 2004 which is provided on flat rate basis (Anwar Ullah & Pongquan 2011).

One important dimension of measuring the performance of the UPs is the organisational aspect. The quest for efficiency and performance measurement for the matter throws some real challenges here. Major policy decisions regarding the future course of actions of the UPs are not decided at the UP level, but at Dhaka. The management tools for performance are normally used to assess the overall performance of the UPs as a whole, not UPs separately.

Another important factor is how to measure the performance for managing the organisation called UP? The assessment can be done on the spot or it can be done through reports and returns to be collected from the UPs. The question of whether the assessments can be done by officials from the desk in the headquarters of the ministry/programme concerned, or whether field visits or on-the-spot checks are required will depend largely on the complexity of the indicators used to measure performance. Simpler indicators²⁹ can be measured from the desk, whereas more nuanced and complex indicators, like the quality of the planning process, will require on-the-ground assessments. Experience shows that unless the indicators are very simple, like on-off triggers such as the timely completion of final accounts, assessments should be field-based in order to get a real sense of performance, particularly when it comes to using the qualitative performance measures (Steffensen 2010). In any case, performance measurement for UPs is very important and should be treated in that spirit. "Of course, when employee performance is ignored or has no consequences, it sends a very clear message: performance is not a priority" (Risher 2007).

2.8.1 Statutory Provisions for performance management.

The Local government (Union Parishad) Act 2009 makes some provisions that can be utilized to keep track of the activities being performed by the UP and evaluate the data generated through the process. Section 49 of the Act provides for citizen charter for every UP which will contain:

(a) accurate and transparent description of each service,

²⁹ e.g. the extent to which LGs have submitted final accounts on time.

- (b) price for the service,
- (c) procedure and eligibility for demand and receipt of service,
- (d) time frame for service delivery,
- (e) citizens' duties regarding service delivery,
- (f) guarantee for service delivery,
- (g) procedure for resolution of complaint regarding service delivery and
- (h) Consequences of violation of any pledge mentioned in the charter.

The Act also provide for open budget system at the UP level so that the process can be accountable to the clientele and transparent. Participatory budgeting is considered to be instrumental in ensuring that the allocation of public resources becomes more 'inclusive' and 'equitable.' By ensuring better public access to budget information, transparency in public expenditure management and overall fiscal policy can be achieved (Ahmad 2008). Performance measurement cannot be expected to produce miracle in an organisation, public or private, as advised by Hatry, but can be included as part of the formulation-of-request and justification processes in budgeting (Leithe 1996).

2.8.2 The Role of the NGOs.

The role of the NGOs involved in the field of local governance in bringing about positive change in the overall performance improvement exercises is exceptional. Though their area of coverage is very small compared to the huge number of UPs functioning in the national theatre, some of them are doing excellent work within their own jurisdictions. Research works done by NGO professionals have covered both the rosy and seamy sides of local governments. Neeti Gobeshona Kendro³⁰ in its publication observes that Union Parishads at present are characterised by almost total exclusion of and lack of participation by the poor and token representation of

³⁰ Founded in 2004, Neeti Gobeshona Kendro (Policy Research Centre in English) is a policy research, advocacy and training organisation based in Dhaka, Bangladesh.

women. Mobilisation of local resources by the UPs is highly inadequate and is dominated by and completely dependent on the national government (Kendro no date). Another study on popular participation in the UP affairs also finds that the scope of people's participation in the real sense was very limited especially at the operational and developmental sphere (Nazneen 2002).

In spite of these findings, a good number of NGOs working in the field of local governance have separately and often independently tried to introduce parts of the concepts of performance management in the working of the UPs. Some of these attempts showed good results at the project phase but due the limited areas of operation for many of these NGOs, replication of the models experimented on a wider scale is almost non-existent. One major cause that contributed to the non-proliferation of the models is the absence of any legal mandate for the NGOs to scale up the models that succeeded at the project level. Moreover, the capacity of the NGOs to handle such a mammoth clientele, individually or collectively, is not adequate. As Chowdhury (1990: 20) has pointed out, even the "successful" NGOs like Proshika, Grameen Bank, and BRAC can only create "pockets of development" instead of realizing a comprehensive nationwide development.

Despite the limitations in replicating successful models in Bangladesh, mainly NGO assisted³¹ introduction of participatory budgeting programmes at the UPs, like the open budget sessions, has enabled citizens to monitor quality spending of local governments. (Rahman, 2005). In some of the Unions that used to hold open budget meeting, the response from the citizens through participation was not only remarkable, it was sometimes overwhelming. In a Satkhira UP, for example, in the open budget meeting for 2006-07, the number of participants crossed 1000.³² *Manusher Jonno* Foundation (MJF), in its local governance programme, ensured local level accountability mechanism in 50 unions through GO-NGO-CBO-LGI coordination meeting. In total, 46 Union Parishads accomplished open budget process, participated by the general people. These achievements were possible due to the employment of the following performance monitoring tools; e.g. formation of local watchdog bodies (citizens'

³¹ The pioneers in the field are the Hunger Project-an international NGO and Agrogati Sangstha- a local NGO.

³² The budget meeting was held in Khalilnagar Union Parishad in Satkhira with assistance from ActionAid Bangladesh and its local partner Uttaran (Economic Literacy & Budget Accountability for Governance.

committees/client: associations), public hearing, social audit, community score card, meetings/dialogues at local as well as policy level (Aminuzzaman 2009).

Another NGO working in this field is Democracywatch. The establishment of People's Reporting Centre (PRC)³³ by Democracywatch is an attempt to monitor interface between the UP officials and citizens. PRC objective is to decrease the extant gap between the people and their UP representatives and function as a channel between the people and UP. People elect the UP members with the hope that they should be delivering services to the people, but in reality interaction between the UP members and their electorate is not always very smooth. The voice of the citizen is thus lost in the process. PRC targets to help the UP in strategic planning, participatory management through community participation and assist in establishing interactive linkage of the UPs with community groups like local traditional leaders, local officials, the private sector and women groups representatives. The focus of the initiative is on building community self-reliance, and developing interdependent relations between and among the different layers of government. The ultimate goal of PRC is to generate a monitoring system on the activities of the Union Parishad (Democracywatch 2011).

Intercooperation, an international NGO implementing a local governance project in 130 Unions and 20 Upazilas in the districts of Rajshahi, Chapai Nawabganj and Sunamganj, titled 'SHARIQUE', has published a manual on UP tax collection³⁴. The authors of the manual observe that own-source revenues of the Union Parishads are limited to a few locally-raised taxes. Referring to the strong linkage between taxes paid and benefits received, the authors assert that own-source revenues can provide a very effective and accountable Union Parishad - citizen relationship. This is a two-way traffic. Dependence on own revenue sources fosters an atmosphere of accountability and high levels of accountability, in turn, make citizens more willing to pay for the services. Effective mechanisms to enable interaction between the Union Parishad and its citizens, makes the citizens better able to communicate their preferences to the

http://www.elbag.org/main/index.php?option=com_content&view=article&id=183:community-participation-in-union-parishad-budget&catid=53:bangladesh&Itemid=74, website accessed on 23.2.12).

³³ The project is funded by Human Rights and Good Governance Programme Support Unit (HRGG-PSU) of DANIDA. It covers some Upazilas of Jessore, Gazipur, Dinajpur and Nilphamari districts.

³⁴ A local governance programme in Bangladesh managed by Intercooperation and mandated by the Swiss Agency for Development and Cooperation (SDC).

Union Parishad. The Union Parishad can also better respond to these. The results of this are qualitatively better service delivery by the UP as more own source revenue is generated as the citizens are more willing to pay for the services received. Transparency is an important precondition to achieve this ideal situation. Citizens must trust the Union Parishad. 'Tax compliance, therefore, has to be seen as being stimulated by shared values and moral commitment, rather than by purely economic determinants.' (Intercooperation 2009).

Experience shows that the external support extended by the NGOs to the UPs in the form of appropriate monitoring and follow-up in performing specific functions proved to be useful. This type of partnership can be an effective way to strengthen the capacity of the LGIs. This can also ensure transparency and accountability of the UPs if the community people and other actors/stakeholders are involved in the process (Ali 2011).

2.9 Conclusion

The literature on performance measurement and management in the public sector is very large especially on the urban local governments in the highly industrialised western countries. Compared to that, literature on performance measurement and performance management in the developing countries is scanty. This is equally true for both the central and local governments. Hence an attempt was made to glean out the relevant comments, ideas and observations in the western and also other countries' literature that somehow fit in the Bangladesh context.

RESEARCH METHODOLOGY

This chapter presents the methodology that was used to collect data as well as the justification for using it. Since the study seeks to understand the status of performance management at the UP, I thought it appropriate to use the case study method to conduct this qualitative research. The advantage of the case study research design is that one can focus on specific and interesting cases. To this end, I demonstrate the appropriateness of using a case study for a study of this nature. Furthermore, I discuss in detail the manner in which validity threats, reliability and credibility issues were handled during the collection of data as well as how the same will be handled during the interpretation stage.

3.1 Objectives of the Study

Keeping the two research questions in mind, the general objective of the study is to review performance management system for local government institutions with special reference to the Union Parishads in Bangladesh. Performance management, being a strategic approach, enables different levels of managers, leaders, workers and stakeholders with a set of tools and techniques to methodically plan, regularly monitor, occasionally measure and review performance of organisations in terms of indicators and targets to achieve economy, efficiency, effectiveness and impact (Mohanty 2005). Local governments face a confounding array of challenges to their ability to provide high-quality services. Among the many key challenges are fiscal constraints, state-imposed agenda, technology, changing demographics, and socio-political turbulence. This study tries to identify the benefits of a performance-based management system to a local government, to residents, and to the elected UP representatives.

The specific objectives of the study are:

- i) To review the existing performance appraisal/management system for local government performance improvement under various projects and programmes;
- ii) To study the overall effectiveness of local government performance improvement measures for Union Parishads;

iii) To measure perceptions of how well the individual components of the performance management systems are working;

iv) To review the policy, procedure and systems for Union Parishad performance improvement; and

v) To make recommendations for the improvement of policy, procedure and systems for local governance in Bangladesh

3.2 Methodology of the Study

The design of the study included analysis of different performance improvement projects and programmes for performance management improvement of Union Parishads. Situation of Union Parishads after introduction of the system and its likely effects on the organisation and management was assessed. For grasping the scenario prevailing before the projects were introduced, relevant literature was consulted. Mainly qualitative indicators were used for analyzing the information. Detail of the methodology is furnished below:

3.3 Sources of Data

Stake (1995), and Yin (1994) through their separate researches, identified at least six sources of evidence in case studies:

- Documents
- Archival records
- Interviews
- Direct observation
- Participant-observation
- Physical artifacts

Documents include letters, memoranda, agenda, administrative documents, newspaper articles, or any other document that is relevant to the investigation. Archival documents can be service records, organisational records, lists of names, survey data, and other such available

records. Interviews are one of the most important sources of case study information. Several forms of interviews were applied in this study like interviews during Focus Group Discussions, Key Informant Interviews and field survey interviews. Direct observation, participant-observation and physical artifacts collection techniques were not suitable to our purpose and hence were not used. Throughout the course of this research, it has always been kept in mind that not all sources are relevant for all case studies (Yin, 1994). Each case presents different opportunities for data collection.

Primary and secondary sources of information were used for conducting the study. Rules and regulation of UPs, relevant journal articles, report, periodicals on performance of various local government improvement projects and programs in Bangladesh as well as other countries, Statistical Year Book of Bangladesh, reports of the Local Government Commission and various local government forum and civil society network, reports of various donor agencies, publications and reports of the Horizontal Learning Programme³⁵, Municipal Association of Bangladesh³⁶, bulletins and budget reports of some UPs and extensive literature available in the internet on local government performance management and other allied and peripheral disciplines were also be used for collecting secondary information.

3.4 Primary Sources

Primary data were collected from different stakeholders of LGIs i.e. UPs performance records. Data were collected from the selected UPs and beneficiaries through structured questionnaire. Two sets of questionnaires were used to collect data from the primary stakeholders. The questionnaires were in Bangla and contained relevant questions to elicit response from the targeted population.

Relevant information from other stakeholders were collected through organising Focus Group Discussions (FGDs) at the field level. To get a deeper insight into the investigation, FGDs were held incorporating around/at least ten (10) academics, policy makers, development practitioners, LG leaders, representative of funding agencies and researchers. Focus group

³⁵ An initiative under the M/o LGRD & C starting in November, 2007 as a one-year pilot by the Local Government Division and other partners in development to encourage peer learning process for identifying and voluntarily replicating best practices prevailing in any of the participating UPs.

³⁶ A forum of mayors and councillors of the various municipalities.

discussions were included because of the almost universally acceptable advantage of the method to assess the reaction and attitude of the group members regarding agenda ideas or processes.

Morgan (1988: 12) argues that 'the hallmark of focus groups is the explicit use of the group interaction to produce data and insights that would be less accessible without the interaction found in a group'. This method assumes that an individual's attitudes and beliefs do not form in a vacuum: people often need to listen to others' opinions and understandings in order to form their own. Lewis (2003) advises that focus groups offer less opportunity for the detailed generation of individual accounts, but they are used where the group process, the interaction between and among participants, will itself illuminate and reflect the research issue. According to Kitthananan (2006) because focus groups involve discussion, and hearing from others, they give participants more opportunity to refine what they have to say. More abstract, intangible or conceptual research topics are well suited to focus groups, wherein the discussants can work jointly to tackle the subject. Focus groups are also useful for studies focusing on attitudes or for difficult and technical issues where some type of information giving may be required.

In addition to the FGDs, Key Informant Interview (KII) was also contemplated at the central level. This is a qualitative instrument for getting general idea about the subject of research. KIIs involve interviewing a select group of individuals who are likely to provide the required information, ideas, analysis and insights on a particular subject. To identify different top level actors and involved members who are especially knowledgeable about the whole process of performance based allocation system for UPs and to elicit information about their experience and opinions, KII was used at the central level. KIIs are qualitative in-depth interviews with people who know what is going on in the system. This method was contemplated since such interviews provide structure and consistency to information-gathering and are especially suited to getting a picture of a particular environment and how it works.

Since information comes directly from knowledgeable and involved people, KIIs often provide data and insight that cannot be obtained otherwise. KIIs provide flexibility to explore new ideas and issues that had not been anticipated in planning the study but that are relevant to its purpose. It is generally not difficult to find people with the necessary skills to conduct key informant interviews because social scientists normally possess the professional training and

experience required. Key informant interviews are least expensive compared to other social science research methods. An investigator can carry out two or even three interviews a day, needing only transportation support and in especial cases, possibly a translator. A useful study can sometimes be designed based on only a dozen interviews.

There are, obviously, some disadvantages of this method. When quantitative data are required key informant interviews are rarely appropriate since they offer only a very limited basis for quantification. Decision makers often expect statistical data to be precise which can help design a project or monitor its progress. KIIs, in such situations, cannot be used without survey-based data. Findings can be biased and inaccurate if the informants are not carefully selected. Interviewers, uninitiated with local conditions, can select informants on the basis of their social and economic standing or their fluency in some particular language rather than on their knowledge of the local situation. Findings are also susceptible to interviewer biases. When only a small number of people are interviewed, it may be difficult to prove the validity of the findings. It is difficult to demonstrate that the interviewees are in fact conversant and well-informed and that the information and recommendations they supply are truly representative of the views held by their peers (Kumar 1989).

3.5 Sample Design

Sampling in research is generally conducted in order to ensure the detailed study of part of a population. The information gathered from the resulting sample is traditionally employed to develop useful generalizations about the whole population. These generalizations may be in the form of estimates of one or more characteristics associated with the population, or may be concerned with assessments of the strength of relationships between characteristics within the population. The use of scientific sampling procedures in the selection of a sample often provides many advantages compared with a complete coverage of the population. For example, reduced costs for gathering and analysis of data, reduced requirements for trained personnel to conduct the fieldwork, enhanced speed in most features of data processing and reporting, and greater accuracy due to the scope of ensuring more intense supervision of both fieldwork and data preparation operations (Ross 2011). For this study the following sample design is contemplated.

3.5.1 Selection of the Study Area

The study followed two stage sampling method. Before selecting the study areas, the presence of projects and intensity of coverage was taken into consideration. The largest ever project that covered all the UPs of Bangladesh was the recently completed LGSP funded by World Bank and some other development partners. Thus isolating samples on the basis of presence of LGSP project at the UP was not possible since almost all the UPs were covered by LGSP. But the level of performance of the UPs surely varied. One important criterion could be the level of performance achieved by the UPs i.e. the low achievers and the high achievers. Another indicator could be the level of achievement under LGSP-LIC. Comparative studies between UPs proved that focused capacity building training considerably improved the level of knowledge and skills of the UP functionaries and stakeholders. Aubert (2006) finds that the level of knowledge, skills, participation and transparency found among the stakeholders in the UPs in Sunamganj were much lower than the ones interviewed in Rajshahi Division. He attributed the gap in the information and knowledge level between civil society, female and male UP members, secretaries and chairmen of the two regions to intensity of training and support for participatory processes received by the UPs in Rajshahi Division.

LIC was an integral part of the broader LGSP, a nationwide project to uphold better local governance and local service delivery. Learning from the Serajganj experiences³⁷ that the UPs can manage block grants successfully the LIC was created with the principal purpose to further innovate upon the SLGDP model with new processes and instruments, to obtain the lessons learned and subsequently to disseminate the experience of the lessons learned with a view to ensuring the replication and scaling-up of positive models and infusing the essence of the lessons learned into the policy development process. The LIC involved piloting in six districts -- Barguna, Habiganj, Sirajganj, Narsingdi, Feni and Satkhira -- one from each of six³⁸ administrative divisions of the country. 388 Union Parishads were targeted to be covered progressively over the five year duration of the project. As per financial audit and Measuring Minimum Conditions (MMC) report, a total 362 UP were to be covered out of 388 over the period. The project strategies were as follows (UNDP 2010);

³⁷ Serajganj Local Governance Development Project funded by UNCDF

³⁸ Till then the number of administrative divisions was six, now it is seven.

- Demonstration of the viability of handing out a performance based block grant system at the Union Parishad level in a participatory way.
- Testing the absorptive capacity of the mechanisms at the UP level.
- Application of a process-oriented, participatory approach to planning project identification and prioritization, supervision of implementation and budget management.
- Maximising national and local ownership and maximising sustainability through the strategic use of inputs that are external to those of the Government of Bangladesh, the UP and the community itself; and
- The empowerment of women and the addressing of the interest of the poor along with the implementation of pro-poor activities.

Considering the above factors it becomes evident that studying the UPs of an Upazila covered by LGSP-LIC can yield useful information on the status of performance management at the UP level. The districts under LIC were closely supervised and monitored by the office of the National Project Director (NPD) and other independent agencies. Keeping these facts in view Serajganj district from Rajshahi Division and Feni district from Chittagong Division were selected as study areas. A reason behind selecting Serajganj district was that the intensive intervention by the LGSP-LIC project and the special emphasis put on that area as member of the pioneering SLGDP project. The record of Feni district was supposed to be poor due to geographical distance and lack of proper monitoring and supervision.

This assumption is based on the findings by a survey conducted by National Institute of Local Government (Alamgir, Rahman & Hossain 1995). The data show that even monthly meetings of the UPs of Feni Sadar Upazila were not held regularly. There were also very few special meetings in 5 of the UPs whose data were available. Data for the rest were not even available to the survey team. In one Union, there was no budget meeting. We can see that Feni Sadar Upazila did not have any NGO activity at all in 1995. All the 9 UPs had only 190 cooperative societies in total.

On the other hand, number of monthly, special and budget meetings of the UPs of Ullapara Upazila was quite satisfactory at that time. 10 government offices were working at the UPs and the number of cooperative societies existing at the UPs was a staggering 2383. This is

indicative of more rigorous monitoring and supervision of the activities of those UPs by the higher authorities. Consequently, One Upazila of each district was selected considering the concentration of projects and programmes in consultation with secondary materials.

3.5.2 Selection of the Projects/Programs

The selected upazilas from each district had the following number of Unions:

Unions of Ullapara Upazila, Serajganj District,

- | | |
|-------------------|------------------|
| 1. Bangala. | 8. Purnimagati. |
| 2. Barahar. | 9. Ramkrishapur. |
| 3. Bara Pangashi. | 10. Shalanga |
| 4. Darga Nagar. | 11. Sholop. |
| 5. Hati Kumrul. | 12. Udhunia. |
| 6. Mohonpur. | 13. Ullapara |
| 7. Panchoneshi. | |

Unions of Sadar Upazila, Feni district,

- | | |
|------------------|-----------------|
| 1. Sharshadi. | 7. Dhalia. |
| 2. Panchgachhia. | 8. Lemua. |
| 3. Dharmapur. | 9. Chhanua. |
| 4. Kazirbagh. | 10. Motobi. |
| 5. Kalidaha | 11. Fazilpur |
| 6. Baligaon. | 12. Farhadnagar |

First of all a list of projects and programs in the upazila was prepared. Then the UPs were divided into two groups i.e. with incentive and without incentive. At least 25 percent UPs of each category were selected randomly/purposively for data collection. 4 UPs of Feni Sadar Upazila received special allocation from the Revised ADP³⁹ for efficiency and better performance while from Ullapara, 5 UPs got the allocation from the same fund. This incentive scheme was taken into consideration while selecting UPs. The details are as follows;

Feni Sadar

No.	Name of UP	Special allocation in BDT
1	Kalidaha	2,33,025/
2	Fazilpur	2,33,025/
3	Lemua	2,33,025/
4	Farhadnagar	2,33,025/

Ullapara

No.	Name of UP	Special allocation in BDT
1	Purnimagati	2,33,025/
2	Hatikumrul	2,33,025/
3	Durganagar	2,33,025/
4	Udhunia	2,33,025/
5	Ramkrishnapur	2,33,025/

These 9 UPs were selected as achievers and another 11 were selected as non-achievers in the particular project targets. 9 UPs from Feni Sadar Upazila and 11 from Ullapara Upazila were selected on the criteria already mentioned and in total 20 UPs were selected for firsthand data collection.

³⁹ Local Government Division letter no- 46.018.002.00.00.001.2011-137 dated. 07-06-2011

3.5.3 Selection of Respondents

As UPs and their functionaries are important components, it was necessary to select them very carefully. Activities and performance of UPs varies from one to another depending on their volume of coverage and service diversification. Thus, considering the heterogeneity of volume of work as well as diverse nature of UP activities, respondents were selected randomly. 20 UPs from two Upazilas of Rajshahi and Chittagong Division were selected for the study. From each UP 10 persons were interviewed. The 10 persons comprised the UP chairman, UP secretary, one female member, two male members, one social worker, one representative from NGOs working in the area, one member from the public who is actively involved with the functioning of the UP, one informed student and one teacher or educationist.

3.5.4 Pre-testing of questionnaires

The questionnaires were pre-tested in a small workshop of experts and researchers in local government. They were invited from National Institute of Local Government, University of Dhaka and from some other related institutions. They participants were supplied with the draft questionnaires and their opinions and recommendations on various points were accommodated in the final versions of the questionnaires. (List of participants in Annex. I).

3.6 Data Collection Instruments

Two sets of data collection instruments were used for the study. One set for collection of data at the UPs. Another set of guided interview schedule was framed to obtain the views on the role of central government and projects and programmes for performance, regulation and supervision of UPs and challenges for UP performance improvement etc. This set was used in the Focus Group Discussions. For FGD, dual-moderator focus groups method with two moderators was used. In this method, one moderator ensures the smooth progression of the session, while the second one makes sure that all listed issues are covered. One moderator discussions can sometimes deviate from the main point; two moderators can prevent this and can ensure a more productive session. On top of everything, the findings of the qualitative information of the KII were used to fine-tune the overall findings and recommendations of the study.

3.7 Analysis of Data

Simple statistical packages were used for tabulating the quantitative information gathered from UPs and their representatives. Basic statistical tools i.e. mean, percentage, proportion, cross tabulation were used for analyzing information. Findings of FGD discussion and observation of the researchers were incorporated during analysis of data. Information of different variables were compared for getting more insights on the performance management of UPs in Bangladesh.

Since in the case study method, the ultimate analysis of the data depends more on opinions than statistical methods, the normal idea is to assemble and process the data into a manageable form and construct a narrative around it. Accordingly, I tried to follow a narrative style but at the same time tried to keep the paper concise and relevant. Some numerical data are used but only to judge trends and for that matter, not to analyze every last piece of data. I understand that unlike a scientific study which deals with facts, a case study is opinion based and is essentially designed to provoke rational debate among the interested scholars, experts and practitioners. After all, in a case study, there is actually no right or wrong answer.

3.8 Tested Variables

The variables to meet the objectives of the study were as follows:

Sl. No.	Objectives	Variables
1	To review the existing performance system for local government performance improvement under various projects and programs;	More effective and efficient service delivery; Better planning processes; Higher degree of accountability; Improved decision making processes; Integration of work, leading to cost

Sl. No.	Objectives	Variables
		efficiency; Provision of early warning signals regarding the implementation of development projects and Staff motivation.
2	To study the overall effectiveness of local government performance improvement measures for Union Parishads;	Holding of meetings/sessions involved for compliance of performance improvement measures; Change of behaviour or procedure Change of no. or quality of output Reduction of cost related to the performance.
3	To measure perceptions of how well the individual components of the performance management systems are working;	Feedback for changing any aspects affecting performance of UPs to make it more citizens friendly.
4	To review the policy, procedure and systems for Union Parishad performance improvement;	Problems of performance improvement projects/ programmes for UPs.
5	To make recommendations for the improvement of policy, procedure and systems for Union Parishad performance improvement.	Recommendations for improvement of policy, procedure and systems for Union Parishad performance improvement

3.9 Execution of Field Work:

The researcher led the fieldwork. Appropriate number of field personnel (Research Assistant and Data Collectors) was deployed for data collection for the project. Experienced personnel were deployed for data processing as per requirements of the study. All the project personnel were hired based on their educational qualifications and experiences in similar type of assignments. Proper orientation, briefing and training were provided after recruitment of the field personnel. The deployment pattern of the field personnel was as follows;

- (i). One Research Assistant for the whole period to coordinate data collection and processing.
- (ii). 4 data collectors at the field level. (One each for 3 Union Parishads. A union level data collection was for 5 working days i.e. $5 \times 4 = 20$ man days $\times 8 = 160$ man hours).
- (iii) 2 FGDs held and supervised by the Researcher himself.
- (iv). Key Informant Interviews taken by the Researcher himself.

3.10 Limitations of the research method

Case study method is widely recognised as a useful tool in many social science studies especially when in-depth explanations of a social behaviour are looked for. Case study method is used for this research considering the advantages of the method for dealing with sociological and management issues. Case study research, through reports of past studies, facilitates the exploration and understanding of complex issues. It can be regarded as a powerful research method particularly when a holistic, in-depth investigation is desired. In addition, there are also other areas that have used case study methods extensively, particularly in public organizations, private sector management and in education (Zaidah 2007).

Case study method is sometimes criticised for its lack of rigour and the scope available for the researchers to have a biased interpretation of the data. This is not unjustified when a small sampling is involved. Reliability and generality of the findings are also put to question for the same reason. Case study research is often dismissed as useful only as an exploratory tool. Notwithstanding these criticisms, I find this method useful for the purpose of my study. The

number of UPs is more than 4500 and it is always risky to come to a conclusion about this large population on the basis of a study that covers only less than .05% of that population. Yin (1993, cited in Zaidah 2007) considered case methodology 'microscopic' because of the limited sampling cases. Does this method provide any basis for scientific generalisation since they use a small number of subjects? The answer is in the affirmative since an instrumental case study can lead to the generalisation of the findings to a bigger population. Referring to a number of articles by scholars in this field, Tellis (1997) asserts that the goal(s) of the study should determine the parameters, and then these should be applied to all research. Thus even a single case could be considered acceptable, provided it met the established objective(s).

3.11 Validity threats, reliability and credibility issues

The study was conducted in two Upazilas from where only 20 UPs were covered. Though the number of respondents from these UPs was sufficient (10 from each UP), it is not safe to generalize the findings for the whole of Bangladesh. The population size covered in the study was very small and considering the variety, diversity and multiplicity of conditions prevailing among the UPs all over the country, it is better not to consider the findings as essentially representative of the whole country. One advantage of the study, however, is that the case study method used here has been substantiated by field interviews, focus group discussions, key informant interviews and other data collection tools that can lead to generalization to a bigger population.

In the key informant interviews conducted at the central level attempts were made to elicit the actual perceptions of the informants regarding the performance management part of the bigger projects. This is only an expectation but in reality, it is not unusual for public officials to divulge only the rosy side of the total scenario keeping the seamy side under the carpet. Their assertions were carefully checked against the facts collected from the secondary sources to offset such distortions, if any.

Another important obstacle is the attribution of causality in a scenario where multiplicity of other developments is affecting the UPs at the same time. The continuous pressure from the ambient socio-economic and political environment which is constantly being intervened by

actors like politicians, development workers from outside the government and multiple central government agencies working at the grassroots level, are actually causing many changes that can not be isolated clinically from the performance improvement initiatives of the government.

Moreover, all the chairmen and members interviewed were elected in the last UP election held within the range of one year. They have, if not re-elected, less experience of handling UP development activities compared to their predecessors. This means when replying to questions that involve experience, many of them run the risk of indulging more on subjective evaluation of services rendered and activities performed. Finally, the information gathered through interview may not be taken as wholly reliable because of the subjective nature of the response data.

3.12 Ethical issues

In conformity with the practice of ethical conduct of research, no participant, either at the field or at the central level, was coerced into the study. Participation and withdrawal was purely on voluntary basis even though none of the identified participants withdrew from the study. A consent form was designed and presented to all the participants for FGD and KII for signature before the session/interview started. The consent form provides a clear and brief statement explaining the purpose of the study and the rights of the respondents particularly the one informing them that their participation is voluntary and withdrawal can be done at any time without any reprisal whatsoever. In an attempt to maintain confidentiality, names of all the people interviewed and their unique identifiers will not be revealed to anyone.

3.13 Access

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The respondents of the field survey were briefed before each interview about the purpose and nature of the research so that they could answer questions being on the right track. The attendees of the FGDs were also explained the purpose of the sessions so that their comments necessarily centred round the questions asked. The volume of information compiled in this study came from different sources - mostly from available literature in the internet in addition to the libraries of the University of Dhaka and National Institute of Local Government. There was no problem regarding accessing the data that were available in the various government documents and reports as far as Bangladesh was concerned. Similar reports and documents of countries

other than Bangladesh were available at various websites of different governments. Some scholarly sources, which could not be directly accessed because of huge financial involvement in downloading them- were accessed through secondary reference materials - sometimes in a synoptic or truncated manner.

3.14 Timing and resource constraints

The timing of the study put the researcher in to comparative disadvantage because when the field survey was conducted, the UP chairmen and members who comprised a substantive part of the respondents were all newly elected. It would have been much better if the chairmen and members of the immediate past batch could have been approached for interviewing because it is they who actually handled the major bulk of development projects and all other service delivery activities during their long extended tenure of 8+ years⁴⁰. However, we tried to bridge this gap by keeping ex UP functionaries in the respondents list. Moreover, many of the UP chairmen and members were found to be re-elected and they actually had long experience of handling UP affairs.

3.15 Conclusion

This chapter presented the methodology that I had used to collect and analyse data, the way I handled the important aspects like validity threats and other issues of conducting a credible research. Since the objective of the study is to understand the relationship between PMS and Union Parishads, the use of case study method is well justified. I have also tried to present the scenario of the total data management in light of this particular research.

⁴⁰ Normal tenure for elected chairmen and members is 5 years. Since UP elections were not held in time, the tenure of most of them crossed 8 years.

KEY FINDINGS AND DISCUSSIONS

4.1 Review of the Projects Covered

A good number of projects by both GoB and some NGOs deal with local governance issues and consequently involve with performance management, in a variety of ways, at the UP level. However, most of these initiatives are either collateral or peripheral in nature except for a couple of projects like LGSP or WSSS projects. There are some physical infrastructure projects under the Local Government Engineering Department (LGED) with specific provision for capacity building training for UP personnel or other stakeholders which are not covered here because the mandate of those projects are very narrow in scope. The agenda of those projects did not target the UPs as a whole but definitely contributed to capacity building and performance improvement in one way or the other.

Projects in Urban Local Governments

Urban local governments comprise 9 city corporations (CC) and 306 municipalities spreading all over the country. Searching the relevant literature and government documents reveals that there have been projects/programmes for the urban local government units that incorporated performance management tools or techniques. The major thrust of the government for the CCs or municipalities centred on supply of pure drinking water and sanitation, and physical infrastructure. There were projects for the municipalities that used performance measurement for monitoring and keeping track of the overall water and sanitation sector. But those initiatives were mainly targeted to the performance of the specific technical units that handled the W&S sides in a municipality, not the whole organisation; neither had they measured the performance of individuals. One such example is the Urban Governance and Infrastructure Improvement Project that responded to the growing need for infrastructure and service delivery for the rapidly increasing urban population in Bangladesh by building the capacity of resource-constrained Paurashavas (municipalities) to deliver services to the city dwellers, and by increasing community participation in decision making and subproject implementation, a familiar element of the community-driven development approach (ADB 2012).

The project has proved the performance-based fund allocation strategy to be effective in improving the Paurashavas' capacity for service delivery and increasing citizen participation. Another such performance improvement initiative was funded by Bangladesh Municipal Development Fund in various district HQs for W&S. Since the thrust of this study is on the UPs, these initiatives are not mentioned here for further discussion.

Projects in Rural Local Governments

Among the recently completed or ongoing projects/programmes the following ones are related with the performance improvement of the UPs:

4.1.1 Serajganj Local Governance Development Project (SLGDP)

The Local Development Fund Project (LDFP), with US\$ 9.5 million budget, supported 81 Union Parishads in Sirajganj district, home to over two million people. The prime goal was to ensure pro-poor infrastructure delivery and helping implementation of the IPRSP, while showing what local governments can do when resourced and held accountable to the public, so promoting local government policy reform. Two innovations piloted were participatory local government planning and budgeting, and performance-based block grant funding of Union Parishads, providing incentives for local institutional change and accountability. The Government approved a \$200 million 'local government support programme', replicating the UNCDF/UNDP pilot and scaling it up to 4,500 Union Parishads. The World Bank, the European Commission (EC), the Danish International Development Agency (DANIDA) and the Sustainable Development Commission (SDC), joined UNDP and UNCDF to support this national programme.

The Local Development Fund Project titled 'Sirajganj Local Governance Development Project' (SLGDP), aimed to build local Union Parishad capacities, and to trial participatory planning procedures whereby communities and ward committees can feed their priorities into the annual UP budget, and to link this with a performance-based annual block grant funding mechanism, simulating a more effective centre-local fiscal transfer system. The SLGDP was thus explicitly designed as a "policy pilot" project, whose lessons were to be monitored and fed into a wider, national discussion of decentralization and local government reform policy issues.

4.1.2 Local Governance Support Project⁴¹

Local Governance Support Project was officially launched during the fiscal year 2006-07 (July 2006) with a clear set of rules and conditions to ensure peoples' participation, accountability, transparency, and inclusiveness at the local level for establishing good governance. This project had six components as larger Fiscal Transfer, Accountability, Capacity Building, Policy and Evaluation, Social Protection and Learning & Innovation. LGSP had the target to cover all 4498 UP's by the fiscal year 2010-11. The development objective of the LGSP is to strengthen inclusive & accountable institutions of local governance, through empowering communities to make choices on their development priorities & basic local services needs, and empowering local governments to respond to community priorities. The Local Governance Support Project (LGSP) was intended to result in "accountable local governments providing services that meet community priorities, supported by a predictable and transparent fiscal transfer system" (project development objective). The main thrust was decentralisation, democratisation, involvement of the UP representatives in the public expenditure and developing a sense of belonging with the public works (GoB 2011b). LGSP was designed to cover a five-year period (2006-2011), and had a total budget of US \$ 189.9 million, for which the International Development Agency (IDA) contribution amounted to US\$ 111.5 million and GoB's contribution to US\$ 78.4 million.

Past experiences like SLGDP & PRDP⁴² proved that funding mechanisms, if linked to the LG performance can be very productive. Local government institutions like UPs and Pourashavas have the potential to shoulder the responsibilities for local development involving community in the decision making process in planning, implementation and monitoring (LGD 2011). The rationale of this approach was to ensure that, beyond the typical fiscal devolution and fiscal equalization objectives, fiscal transfers could also provide incentives to improve local performance not only on the revenue side (fiscal effort), but also on the expenditure side (improved public expenditure management), and indeed on other broader areas of local administration (Slater & Preston 2004). LGSP was at the core of a broader programme to

⁴¹ Taken mostly from UP Operational Manual published by LGD, 2007

⁴² Participatory Rural Development Project implemented by Bangladesh Rural Development Board (BRDB) and funded by Japan International Cooperation Agency (JICA).

strengthen local governments across Bangladesh. The LGSP offered matching grants and capacity building support to Union Parishads (UPs), which is the lowest tier of rural local government bodies. At the time of completion in December, 2011 it had covered nearly 97% of the 4501 UPs. Each year the UPs were audited, and the ones that received a clean audit received an expanded block grant. The LGSP was the first project of its kind in Bangladesh in that it seeks to support systemic, country-wide reforms in the system of local governance (World Bank 2009). It also fulfilled the basic reasons for which performance measurement is normally used in public organisations. As suggested by Halachmi (2002) two major reasons for introducing performance measurement as a regular activity in public entities are: first, to establish better accountability (external use) and, second, to improve performance and productivity (internal use). The philosophy of LGSP is very close to the idea.

The Government of Bangladesh (GoB) introduced direct block grant allocations to Union Parishads (UPs) in 2004 to realize its vision of decentralization, devolution of authority, and strengthening of Local Government Institutions (LGI). Consequently, the Local Governance Support Project (LGSP) was initiated in July 2006 to ensure larger fiscal transfers to UPs and to strengthen their capacity to use resources responsibly and to be accountable to citizens. LGSP aimed to transfer predictable block grant to the UPs, along with a clear set of rules and conditions to ensure that these fiscal resources are used responsibly, in the greater interests of local communities and development priorities.

The objectives of LGSP were to strengthen the mandate and responsibilities of local government institutions (LGIs) to address poverty for institutionalising fiscal transfers, local revenue mobilisation, community participation, accountability and monitoring. In other words to develop accountable LGIs that would provide services that met community priorities buttressed by a predictable and transparent fiscal transfer system. The project had five specific objectives with specific activities having strong synergy towards facilitating decentralised development and strengthening the system of local governance. The objectives were (LGD 2011):

- a. increase financial resources made available to UPs in equitable and appropriate ways;

- b. improve public expenditure systems for local government institutions (UPs) through participatory approach for planning and implementation of all developmental projects under the Union Parishad and particularly those under the block grant system;
- c. Enhance mechanisms for local accountability through adequate oversight of local governance service delivery and financial management outcomes and institutional innovations in local government structures;
- d. develop and implement a coherent national strategy for local government capacity development which is responsive to local demand and its specificities;
- e. strengthen the policy analyses and research capacities at the LGD to develop and introduce an evidence based approach to policy analysis and development approach towards materialising GoB's policy on decentralisation and effective local governance.

To achieve all these targets the LGSP had six components, as follows:

Component 1 - Fiscal Transfers: Expanded Block Grants (EBGs) was allocated to eligible UPs in a phased manner. It was envisaged that about 20% of all UPs would be covered in each year and that all 4,498 UPs would receive EBGs by the end of the project. EBGs would be disbursed in a predictable manner and directly to the bank accounts of eligible UPs, via a Nationalized Commercial Bank (NCB).

Component 2 - Institutionalizing Local Accountability: Community 'participation in planning, budgeting, implementation and monitoring, public disclosure and regular reporting' were conditions of block grant release. Under the project, UPs had to submit quarterly reports to LGD and to communities and the Government would carry out annual financial, environmental, procurement and social assurance audits for each UP to become or to remain eligible for the expanded block grant. A Block Grant Coordination Committee (BGCC) at the Upazila level ensured coordination, peer learning, oversight by UNOs, and provide an avenue for grievance redress.

Component 3 - Capacity Development: UPs, communities, and officials would require capacity development for undertaking participatory planning, budgeting and public expenditure management (PEM). Activities under this component included: (i) a nation-wide Information, Education & Communication (IEC) campaign; (ii) training and capacity building activities of UPs, based around the local PEM cycle; and (iii) developing peer-learning mechanisms for participating UPs and local officials.

Component 4 – Performance Review and Policy Development: Activities included (i) evaluation of the block grant and (ii) conducting annual workshops/seminars with a broad range of stakeholders and dissemination of the results.

Component 5 - Social Protection (SP) Pilot: A pilot would be conducted in 19 UPs in Sirajganj District, whereby UPs would directly manage safety net programs for the poorest (a supplementary Operational Manual would be used by this component).

Component 6 – Learning and Innovation: Component 6 of LGSP was the Learning and Innovation Component (LIC). LIC was explicitly designed to be both an integral part of LGSP as a whole and – at the same time – as somewhat different, in that it was expected to pilot innovative local governance activities, which would inform “second generation” local governance reforms.

4.1.3 Local Governance Support Project-Learning and Innovation Component (LGSP-LIC)

The project document of LGSP-LIC shows that it was an integral part of the broader LGSP, a national project to encourage better local governance and local service delivery supported by a US\$ 130 million IDA loan. Having already developed the general approach and having demonstrated the viability of managing block grants at the UP level under an earlier project in Sirajganj District (SLGDP), the principal purpose of the LIC was to further innovate upon the SLGDP model with new processes and instruments to capture the lessons learned and then to disseminate the experience of the lessons learned with a view to ensuring the replication and scaling-up of positive models and infusing the essence of the lessons learned into the policy development process.

It is observed that the SLGDP applied UNCDF's standard approach to Local Development Funds, adjusting this product to local conditions. The central institutional focus of fiscal decentralisation of the project was the Union Parishad. Under the LGSP-LIC program, 291 Union Parishads underwent a Minimum Conditions Audit to assess their eligibility for receiving a Supplementary Block Grant for FY 2009-2010 during 2009. Four audit firms undertook the MMC Audit under a competitive bidding process and submitted their reports to the Ministry of Local Government, Rural Development and Cooperatives (MLGRD&C) and the NPD. The same process was followed in 2008 for the FY 2008/09 and covered 191 UPs. As per the LGSP-LIC project document, only those Union Parishads complying with both the Financial Audit requirements and the Minimum Conditions Audit requirements were eligible to receive a Supplementary Block Grant (SBG). Both the two assessments found that about 10% of the UPs did not live up to the minimum conditions and did therefore not qualify for the SBG. The Local Government (UP) Act, 2009 assigned it with 38 functions. The functions of assigned to the UP are wide ranging. Actually, the UPs are mostly involved in the selection and implementation of schemes, sanitation programs (latrines), local level revenue collection, registration of births and deaths, activities related to social safety net such as, list preparation and distribution of relief goods and Vulnerable Group Feeding (VGF), preparation of list of widows for pension distribution and organisation of food/cash for work activities (popularly known as Kabikha); maintenance of law and order including conflicts resolution and administration of justice (village court). The Local Government (Union Parishad) Act of 2009 also empowers UPs to monitor the functions and activities of the union-level officials of the service delivery departments of the central government and report on their performances to the higher authorities located at the Upazila.

Section 53(ii) and section 65 of the Local Government (Union Parishad) Act, 2009 authorize UPs to generate revenue/resources from specific sources through the imposition of taxes, user rates, tolls, fees, fines and other charges within their administrative boundaries. Section 68 empowers UPs to collect taxes to meet their own recurrent costs and development expenditures. Section 66 of the act enables the government to formulate the new Model Tax Schedule. The present UP Model Tax Schedule was, however, formulated in 2003 under the Section 55 of the Local Government (Union Parishad) Ordinance, 1983 which enlisted the

imposition of holding tax (buildings and land), fixed amount taxes on 93 areas of business, trades and professions, taxes on advertisement, cinemas and some vehicles. The detail tax assessment system and collection procedure is discussed in sections 22 to 30 in chapter III of the Union Councils (Taxation) Rules, 1960 and the Instructions of the Guidelines on Tax Assessment and Collection Strategy issued by the Local Government Division of the Ministry of LGRD&C in 2003.

The LIC involved piloting in six districts -- Barguna, Habiganj, Sirajganj, Narsingdi, Feni and Satkhira -- one from each of six administrative divisions of the country. 388 Union Parishads were to be covered gradually over the five-year duration of the project. As per financial audit and Measuring Minimum Conditions (MMC) report, a total 362 UP were covered out of 388 over the period⁴³. The strategy of the project was based on the following (UNDP 2010):

- Demonstration of the viability of administering a performance based block grant system at the Union Parishad level in a participatory way.
- Testing the absorptive capacity of the mechanisms at the UP level.
- Application of a participatory, process-oriented approach to planning, project identification and prioritization, supervision of implementation and budget management.
- Maximising national and local ownership and maximising sustainability through the strategic use of inputs that external to those of the Government of Bangladesh, the Union Parishad and the community itself; and
- The empowerment of women and the targeting of the poor along with the implementation of pro-poor activities (that can also contribute the Bangladesh's fulfillment of its obligations in the achievement of the MDG).

There was a Mid-Term Evaluation (ibid 2010) of the LGSP-LIC at the end of the year 2010. The findings of the evaluation are interesting and useful. There were some recommendations in the evaluation report which are as follows;

⁴³ Till the publication of the report.

Recommendations of Mid-term Evaluation

1. The project has successfully displayed the viability of a degree of fiscal decentralization to the Union Parishad level and has generated important policy and legislative changes at the centre. The ultimate aim of this effort should result in the issuance of a comprehensive national decentralization policy,
2. Such a project should involve separate block grants from the current discretionary block grants and should be implemented as pilot with a view to again learning from the experience gained. This presupposes an wide-ranging process of programme formulation involving all of the partners and stakeholders concerned as well as the early development of baseline data both with a view to assessing need and to measuring performance during programme implementation.
3. The UNDP/UNCDF and the Ministry need to develop a more systematic mechanism for reviewing experience gained on a regular basis and ensuring that it is fed into a policy-making process at the national level.
4. The project needs to continue to ensure that the key elements of the current model become operational throughout the project area. The WDC, UPPC, SSC, open budget sessions, WDF, etc. need to be open and functioning and effectively managing resources in all Union Parishads in the project area.
5. The LGSP-LIC is considerably lighter in terms of external inputs and staffing. Consideration should be given to strengthening management support to Union Parishads to enable them to fulfill their functions, but should ensure that this is provided in a sustainable manner – not from external funding sources if at all possible.
6. The project needs to ensure that sources of funding do not limit the discretionary use of the basic supplementary block grants as the strength of the pilot is that at least the first grants utilized should be fully discretionary in their use and should serve to raise the confidence of local communities to manage resources.

7. If the project is to fulfill its intended function of innovation and learning and to move beyond the SLGDP that has already had its desired impact, the LGSP-LIC needs to continue to take risks and to innovate, transcending the basic design of UNCDF's Local Development Fund projects.

8. If the LGSP-LIC is indeed to actively target the poor as indicated in its stated objectives, steps will need to be taken immediately to collect relevant socio-economic data at the level of local communities targeted and to develop a clear set of criteria and a strategy for ensuring that the project addresses the needs of the poor and vulnerable with concerted action.

9. There is a need to convene substantive dialogue between the members of the Local Governance Coordination group to identify ways in which ongoing donor programmes can rationalize their approaches and strategies and learn from each other's experience. Some of the relevant projects singled out in this report include those implemented under the auspices of the EU, JICA and SDC.

10. The Women's Development Forum shows considerable promise -- not only as a peer support group that enables more effective participation on the part of women in decision-making bodies such as the Union Parishad, the WDC, the SSC and budget meetings -- but also as a platform for advocacy on women's issues and women's rights and a source of advice to the Upazila Chair and Vice Chair. There is a need to strengthen the capacity of these WDFs and more effectively channel their efforts to raise their effectiveness in generating change.

4.1.4 Key Elements of LGSP and LIC

Local Governance Support Project

The 'expanded' block grant (EBG). Since 2004, all UPs have received the ADP 'basic' block grant (BBG). LGSP provided an expanded block grant (EBG, which – on average – was more than double the size of BBG) of untied resources to those UPs, selected annually, who met specific eligibility criteria. All of the UPs did not participate from the start. In a phased manner, eligible UPs moved from the BBG to the EBG.

Clear selection criteria for phased entry to the EBG. Each year, the performance of all UPs was assessed and ranked by LGD. LGD pre-selected better-performing UPs (that became eligible for EBG funding), based on the final scores of UP assessments. With a view to providing equal opportunities across Bangladesh, the top 1 to 5 UPs per Upazila were pre-selected as follows:

1 top UP from Upazilas with 1-5 UPs

2 top UPs from Upazilas having between 6 to 10 UPs

3 top UPs from Upazilas having between 11 to 15 UPs

4 top UPs from Upazilas having between 16 to 20 UPs

5 top UPs from Upazilas having more than 20 UPs

Clear eligibility criteria. Once selected, UPs had to meet mandatory criteria to enter the EBG scheme and remain eligible. These included: filling staffing position(s); maintaining a UP bank account; and providing evidence of participatory, ‘open’ planning and budget meetings (i.e. open to and involving the wider community). In addition, UPs had to furnish audits with ‘no-objection’ certificates related to procurement, finance, environment and social safeguards. The LGD provided independent audits annually, to assist UPs to fulfill this key eligibility criterion.

Provision of ‘core’ capacity building and training. For addressing the capacity needs of UPs in key functional areas, quality training was provided at no cost to eligible UPs. A series of core training modules was developed and delivered to UPs, in decentralised Upazila headquarters, provided by pre-qualified training providers.

The ‘performance’ grant. The Performance Grant was designed to encourage UPs already eligible for the EBG to improve their overall performance, as measured by yearly improvements in local resource mobilization. Other indicators of performance were introduced over time. The Performance Grant was disbursed simultaneously with the Expanded Block Grant, starting in the 2008/9 financial year, with an average extra allocation of Tk. 200,000 per UP.

Empowerment of Women: Gender equity concerns formed an integral part of LGSP; therefore activities necessarily included equal participation of women UP members, plus women from the community in the decision making process that included planning and scheme implementation. Relevant performance measures, gender issues in the research and advocacy were included in the baseline and monitoring indicators. UP Women Members Forum was encouraged for responding to women's concerns on a collective basis.

Learning and Innovation Component

Supplementary Block Grants (SBGs). In its six pilot districts, LIC provided SBGs in addition to the Expanded Block Grants to participating UPs.

SBG allocations could be used to finance exactly the same types of investments and activities like those funded by EBG allocations. Similarly, SBG allocations were subject to the same proscriptions as EBG allocations.

The size of an SBG allocation varied depending on the population of the UP – the larger the population of the UP, the larger was its SBG allocation. However, unlike the EBG, there was no “floor” (or minimum SBG allocation), as this would already be taken into account by the EBG “floor”.

Conditions of access to SBGs. Only those UPs which qualified for an EBG were eligible to qualify for an SBG. That means all the steps and procedures that applied to UP qualification for an EBG were needed to be followed by UPs that wished to qualify for an SBG. Nevertheless, in order to qualify for an LIC Supplementary Block Grant, UPs (and only those that had already qualified for an EBG) needed to demonstrate compliance with an additional set of Minimum Conditions (MCs).

Achievements of LGSP-LIC

A presentation⁴⁴ by the LGSP project office on the achievements done by the project cites, inter alia, the following points:

- Taking 20%-25% of the UPs each year, 4441 Unions are included in LGSP against a target of 4486.
- In the final year, 4486 Unions were audited as prerequisite for eligibility of which 4441 Unions found eligible for EBG.
- Tk. 494 crore was disbursed in the last year. Total disbursement for fiscal transfers during project period was Tk. 1127 crore, which is over 82% of the total project cost.
- EBG transfers to UPs through banking channel found leak proof. Stakeholders also termed it more suitable to them.
- Over 130,000 small schemes were selected and implemented through community participation in 4441 UPs in the last year.
- Participatory decision making processes are practiced and proved efficient.
- Grievance mechanism through public disclosure is appreciated.
- In the final year, private audit firms (C.A.) audited targeted 4486 UPs.
- In the previous year too, hired C.A. firms audited prospective UPs before final selection for EBG disbursement. C.A. firms audited UPs 05 rounds.
- Every year, audits conducted by C.A. firms were reviewed by other C.A. firms. After acceptance of the reports by the audit review firms, UPs were finally selected.
- Assurance audit conducted in around 5000 UPs. Also, 15,800 audit reports have been reviewed by review firms.
- UPs maintain accounts and produce them before the audit party, which indicates significant improvement of financial management system.
- UPs submit six monthly reports to LGD regularly.

⁴⁴ Progress, Achievements, Challenges and Way Forward, power point presentation on LGSP by Swapan Kumar Sarkar, NPD, LGSP, 22 Nov. 2011 at NILG.

- UPs submit scheme implementation schedule as well as the progress of implementation to the Upazila Parishad to avoid duplication and also maintain the acceptable quality of development work.
- Public disclosure of information through ward level meeting and open budget meeting is now regular.
- This public disclosure of information made elected representative more accountable to the community.
- The participatory bottom-up planning has improved peoples' satisfaction for people have better scheme related information.
- The SIC and SSC committees comprising community members has ensured better community participation in the scheme implementation.
- The UPPC and BGCC has institutionalized the preservation of environment and taking pro-people decisions.
- An MIS has been developed and information related to fiscal transfer, eligible union, reporting status etc. are available from MIS.
- 5 day basic training to UP functionaries (UP chairmen, members and secretaries) was provided by the URT members. The total number of trainees was 53400.
- 74 Master Trainers, over 200 district level officials and about 2000 URT members were trained on how to work on LGSP model.
- Six workshops were organized involving the DLGs and DDLGs in six divisional headquarters to formulate peer learning strategy.
- 50 Peer Learning sessions were organized in 50 good performing UPs where around 2000 representatives from 500 UPs participated.
- Organized 10 divisional/district level orientation and sharing workshops, where representatives from district/ Upazila administration, UP functionaries, development partners and civil society representatives participated.
- Training Manuals, Training Modules have been developed, printed and distributed to all the stakeholders.

- A study on EBG has been completed and the recommendations have been incorporated in the LGSP II⁴⁵.
- A study on the capacity building of Union Parishad also been done.
- A review of the local government audit has been done and recommendations thereof have been reflected in the LGSP II.
- Better learning of LGSP (including LIC) is reflected in the LGSP II and also in the latest UP act.
- Organized 7 Project Executive Group (PEG) and annual progress review meetings with concerned stakeholders.
- Provided support to UP for organizing 3492 ward shava.
- Organized 13964 ward level WDC meeting with SSC and community for community empowerment.
- Organized 656 Women Development Forum (WDF), BGCC and best practice sharing meeting at Upazila level.
- Organized 5044 UP standing committee training on roles and responsibilities.
- Organised 1552 UP standing committee interaction meeting with the line departments.
- Installed the project MIS based on project M&E strategy.

The list above is rather long but it contains some very useful information regarding the magnitude of success of the LGSP interventions at the UPs. After a period of five years, the project authorities looked back to see how far the declared goals of the project had been achieved. The project authorities, based on various studies, talked about the findings or put forward some recommendations that included;

- The Operational Manual prepared by the Project is a very detailed and useful guide for designing and implementation of EBG and SBG.

⁴⁵ The Second Local Governance Support Project - a US\$ 290 million financing agreement between GoB and the World Bank was signed on January 17, 2012. The project will continue to support GoB's decentralization efforts through provision of direct block grants to Union Parishads for financing local priorities.

- Both the quantitative and qualitative findings suggest that the UP officials are appreciative of the need for capacity building and training.
- Training course offered at inception of EBG and SBG was useful. Periodic training and refresher course suggested for UP officials, committee members.
- URT should accommodate trainers from private sectors.
- Union Parishad Technical Assistance (UPTAC) and the Open Tender Evaluation Committee (OTEC) were not active.
- Audit process yielded improved accounting and reporting by the UPs.
- Audit reports too general with their recommendations for changes; no opportunity for UP to discuss and debate findings.
- Frustrations relating to the audit report (i) do not identify limitations during visits; (ii) concerns raised were too general or vague.
- UP officials most enthusiastic about EBG and SBG.
- EBG and SBG enhanced empowerment of women representatives.
- Female UP members closely associate themselves with designing, planning and implementation.
- The support of LGSP, UPGP should continue further to strengthen UPs.

The items of learning from the project were many. But the following points are more relevant for our purpose;

- Emphasis should be given on strengthening the overall inter-governmental fiscal system including strengthening the UP planning, budgeting and overall public expenditure processes;
- Introduction of performance based grant system to improve local revenue mobilization and service delivery performance;
- A comprehensive UP development strategy is needed that goes beyond top-down training and is more flexible, demand driven and sustainable over the longer term.
- There were also best practices identified and lessons learnt from the LGSP-LIC component that included:

- Help raise the voice of the poor and marginalized people through *para* meeting and empower community and participatory planning;
- Making the UPs transparent and accountable through different committees and mechanisms;
- Community problem identification through *para* meeting;
- Decentralized decision making through participatory planning;
- Institutionalization of Ward development Committee

4.1.5 Benefits of LGSP and LIC

LGSP provided expanded funds directly and on a timely basis to better performing UPs and their constituent communities. UPs in the six LIC districts were eligible to receive further supplementary funding on top of the expanded block grants provided through LGSP. The increased funds enabled the UPs and communities to develop medium term plans and implement programs according to their own needs. Pilot programs indicate that UP and community led projects save time and money in providing basic services to the poor. With additional funds and enhanced skills and management capacity, UPs and communities were expected to be able to build improved infrastructure (e.g. rural roads, waterways, culverts, bridges, embankments, drainage canals, ferry ghats, sluice gates, water and sanitation facilities, school and clinic improvements, libraries, community information centres, markets etc.). These measures were expected to improve people's mobility, enhance access to markets and information, lead to increased income, quality education and health services, reduce infant, child and maternal mortality, strengthen environmental protection and increase social cohesion. As communities receive better service from their UPs, they should be willing to pay more taxes, which would increase own-revenues for the UPs, and thus enable them to access Performance Grants. It was envisaged that, LGSP as a whole, and LIC in particular, would assist UPs to fulfill their mandates and become self-sustained, accountable and empowered local government institutions (GOB 2007).

4.1.6 Local Government Institutions Capacity Building Project (LGI-CBP)

The Local Government Institutions Capacity Building Project was one of the three capacity building projects under the Sector Capacity Building Component of the Water Supply and Sanitation Sector Programme Support (WSSPS) Phase II funded by Danish International Development Assistance (Danida). The project was designed for (i) capacity Building of National Institute of Local Government (NILG) and (ii) capacity building of LGIs- the Union Parishads and Pourashavas.

The declared development objective of the project was "To contribute to create more efficient, effective and transparent LGIs with greater devolution of administrative and financial authority to promote hygiene, sanitation and safe water supply".

The project activities, targeted to the UPs and implemented by the Local Government Division, culminated with some recommendations for the local government performance monitoring and evaluation system for the capacity building projects at the UP level for water supply and sanitation services. The core purpose of the suggested monitoring system was to provide information required for performance oriented project management and to involve key actors in learning how to improve project implementation (Alam & Nuruzzaman 2011a). There was, however, no provision for performance evaluation or any kind of performance measurement initiatives in the project.

4.1.7 Hygiene, Sanitation and Water Supply (HYSAWA) Project

The HYSAWA Fund is designed as a multi-donor funding mechanism for large-scale delivery of sanitation and water supply facilities with known and feasible technological options. The fund was established as an autonomous financial institution licensed under section 28 of the Companies Act, 1994. It receives funds from Government of Bangladesh and Donors (currently DANIDA and AusAID), and upon receiving formal proposals and/or applications from eligible Local Government Institutions (LGIs) and subject to certain conditions, provides grants to these LGIs to implement locally developed, community-based, hygiene, sanitation and water supply service and programmes. HYSAWA has been facilitating the establishment of necessary institutional arrangements within the government institutions, and engaging private sector

management/engineering firms and NGOs, to provide capacity support to the Union Parishads (UPs). In a bottom-up planning process, the communities are planning their own projects for hygiene, sanitation and water supply interventions according to their demand and affordability. They are submitting the community schemes to the respective UPs for implementation. Cross-cutting issues like human rights, good governance, gender, culture and development are in-built in the schemes/ sub-projects preparation process and mainstreamed throughout all stages of their implementation.

As planned and intended, HYSAWA Fund made continued efforts to improve hygiene behaviour practices, sanitation and access to water supply services in the project areas. These were done by capacity building and empowering the enlisted UPs in particular, through promotion of bottom-up planning approach and demand driven financing. As of December 2010, a total of 583 UPs have been brought under HYSAWA funding and another 100 in plan. About 6500 UP functionaries including 800 in 2010 have received training on planning and implementation of WatSan and hygiene education activities. Capacity building was planned and implemented especially in the area of finance and procurement management. As many as 223 UPs finally contracted Partner Non-Government Organisations (PNGOs) to help communities to organise, planning WatSan project and implement them. Motivational work of PNGOs and their community facilitators (CF), the communities at their own cost constructed/ renovated about 574605 latrines so far, of them 394605 are in year 2010.

The immediate objectives of the project are;

- To improve hygiene behaviour /practices
- To promote community-led total sanitation
- To increase coverage of safe water supply services
- To strengthen the capacity of Government, Local Government Institutions (LGIs) and non-government stakeholders at all levels to play the roles required to achieve the above three immediate objectives

- To promote greater devolution of administrative and financial authority to local government institutions in regard to hygiene, sanitation and water supply.⁴⁶

The objectives are being achieved through outputs delivered through demand-driven activities carried out with financial assistance from the HYSAWA Fund as well as through more supply-driven activities supported through the Local Government Support Unit. Demand-driven activities supported with funding by the HYSAWA Fund are expected to produce the following specific outputs:

- Improved and sustainable hygiene behaviour/practice achieved in the participating communities in the NW and Coastal Belt Districts.
- Improved access to sanitation facilities and its proper use achieved in the participating communities in the NW and Coastal Belt Districts.
- Access to safe water source and safe water use increased in the participating communities in the NW, Coastal Belt Districts and NGO-F Unions.
- Technical and management capacities of LGIs increased through support from DPHE, NILG and HYSAWA FMO.

The initial assessment of the current phase of the HYSAWA indicates that it was successful in delivering WatSan services through the Local Government Institution i.e. the Union Parishads (UPs). However, based on the lessons learned from this phase of the HYSAWA Fund, especially with regards to the low capacity at UP level and among capacity building services providers, the main challenge has been to strike an appropriate balance between supporting either an effective and smooth delivery of WSS services or a probably less effective and more cumbersome implementation of WSS services based on the actual low capacity of UPs. Direct funding from the central level (HYSAWA Fund) to the UPs is crucial for empowering Local Government Institutions (LGI) and promotes greater devolution of administrative and financial power. The accountability of UPs to the local people is ensured by setting up mandatory public

⁴⁶ Assessment of the achievement of the last two objectives available at Annex XI.

disclosure systems, regular reporting, community involvement, regular internal monitoring and external audits carried out by HYSAWA.

Cross cutting issues like gender, access to people with a disability and good governance are embedded into the participatory planning process (mainly PRA) and these are reflected in all field level activities. Low capacity at UP level (only one full time employed secretary and lack of knowledge and experience in general administration, procurement, and accounting) remains a serious concern and it is unlikely that most UPs will be able to manage water supply and sanitation delivery if not supported by external staff and trained in basic skills within public administration. Training of the UP chairmen, members and staff and deployment of external support from HYSAWA component are prerequisites for a decentralised service delivery mechanism.

One of the objectives of HYSAWA was to empower UPs to manage funds themselves using the guidelines and manuals developed by HYSAWA. The UP secretaries were formally trained by NILG followed by hands-on technical support from the Support Organisations at Upazila level. The detailed procedures for planning, budgeting and implementation of water and sanitation projects at the field level by UPs have been outlined in the UP manuals prepared by HYSAWA. The UPs are operating a separate bank account (HYSAWA Account) for the Project. They received funds directly from FMO after the schemes have been approved and validated by the Upazila WatSan Committee. Funds have been released in installments – the first installment has been released as soon as the UP schemes are approved by the FMO and the subsequent installments upon reaching some predetermined milestones. The secretary of UP has been responsible for fund management and keeps record of expenditure, prepare financial reports and send these to the FMO⁴⁷.

Key Learnings⁴⁸

Many important lessons have been learned through the implementation process. Direct funding to Union Parishads and empowering them to administer funds and manage project is a distinctive approach. Decentralising authority and power to local government institutions (LGIs)

⁴⁷ Information taken mostly from Annual Directors Report 2009, January - December 2009, Hygiene Sanitation and Water Supply, (HYSAWA), Dhaka.

⁴⁸ From Annual Directors Report (draft) 2011, HYSAWA

is in keeping with the government's political, constitutional and MDG commitments. Encouraging decentralised service delivery by LGIs with full ownerships of user communities has always been a guiding principle in the WatSan sector in Bangladesh. Although this context snugly fits the HYSAWA approach, decentralization of authorities and power to LGIs is a big challenge when everything else, including core administration of the GOB is centralized. Allowing responsibility and authority to LGIs contributes little to sustainability without providing them with commensurate financial authority. The results of the HYSAWA Programme indicate that devolution of financial authority together with management responsibility and administrative authority is an effective way to achieve an effective decentralised grassroots setup that can establish sustainable service delivery systems.

As part of the GOB system, the LGIs are bound to follow Public Procurement Rules (PPR) for procurement of services, commodities and works. HYSAWA simplified the tools to be user-friendly in the light of the procurement principles, trained them on these tools and provided practical support. While the UPs learned about the basic principles, tools and procedures of procurement, leadership in most cases changed at the UP level after the election in 2011. HYSAWA discovered that if capacity building support continued the potentials in the UP could be used effectively to keep the UPS using the tools. It is important to allow adequate time and provide reinforcement. About one third or more UPs enlisted under HYSAWA, demonstrated better governance than was expected. There was hardly any report of financial misappropriation by UPs. With further support and input this situation could be easily improved.

Performance Management Aspects in HYSAWA

We can see from the facts above that though HYSAWA is a comparatively large project that covers a good number of UPs, the target of the project was essentially to build up the capacity of the LGIs concerning hygiene, sanitation and water supply. This is like many other previous projects that marginally touched the capacity aspect of the LGIs and did not leave any long lasting impact on the overall management of the concerned local government bodies. The project has the practice of incorporating in the following phase the lessons learned from the previous project modalities, while the core outputs, objectives, and goal of HYSAWA and the basic concept of decentralisation remain the same (HYSAWA 2011).

The elements of performance management approach are visible since the project initially put sufficient priority on the management side of the local body but these arrangements do not have direct impact on the efficiency and effectiveness of the UP, for example. There is no express provision for performance measurement and consequent planning process to learn from the on-going activities and incorporate the lessons thereof in the future planning process.

A study done by NILG on the learning and innovations in promoting hygiene, water supply and sanitation among the poor and the poorest in the areas covered by the HYSAWA project found that the project could make good impact on the citizens' hygiene, water supply and sanitation behaviour during its short tenure and the project management capacity of the UPs increased as a result of this process. UP chairmen were directly involved in the project management and in some of the areas under the study the chairmen themselves, in the absence of designated partner NGO for capacity building help, implemented project activities by recruiting staff directly. Functional involvement with the project, bolstered by training provided to them by NILG, provided them the knowledge and skills required for project management (Alam *et al.* 2011).

4.1.8 Rural Maintenance Programme (RMP)

RMP is a major ongoing food security, poverty reduction and livelihood enhancement project co-managed by the Government of Bangladesh and CARE Bangladesh. Out of 64 districts, it covers 42,000 destitute women in 4200 Union Parishads in 61 districts. The Capacity Strengthening (CS) component of RMC was introduced in the year 2000. It was with the introduction of CS training that local Project Management Committees (PMCs) were formed to manage RMC activities. The objective of CS was to strengthen the management capacity of local governments to manage development activities (including RMP), to enhance the participation of female representatives of Local Government Institutions (LGIs) in planning and decision-making processes and finally, to enhance the participation of community members in development (Barkat *et al.* 2006).

Describing the achievement of the RMP regarding capacity strengthening of the LGIs, an impact assessment study report concludes that there was a need to continue CS activities in the

future to help newly elected UP members and PMC members to learn and sharpen their planning and management skills. The positive change in their management skills was attributed by the majority of respondents to CS training. It was expected that in terms of impact, the positive effects of CS training may well go beyond RMP implementation as these were generic skills that could be applied for any programme or project of the UP, including individual businesses of PMC members. The study did not ascertain the 'multiplier effects' of CS training in areas other than RMP (Barkat *et al.* 2006). We can see that the project's target to strengthen the capacity of the UP and PMC members was more or less achieved. However, because of the very nature of the project, there was no performance measurement or management component for the LGIs in the package.

4.1.9 Rural Employment Opportunities for Public Assets (REOPA).

Training needs assessment done by the REOPA project enumerates two main weaknesses of the LGI officials. The TNA team found that the constraints related to budgetary and financial issues are very significant concerns that consequently affect the whole planning and implementation process of LGIs at local level. This has a knock-on impact on the planning and implementation of different schemes at the local level. Second important issue is community and civil society participation through the UP Standing Committees and the women member's role in the planning, implementation and monitoring practice of the development schemes. Lack of skills and knowledge about their roles and responsibilities in connection with the UP Standing Committees for different development programmes such as finance, agriculture, health, education, sanitation etc. restricts the members' capacity to play any effective role in dealing with the officials of line agencies at Upazila to ensure service delivery to the communities. Similarly, the UP women members in the different committees could not play an effective role in the business sessions at the LGIs mainly because of shallow knowledge and skills in the respective fields and secondly lack of encouraging coordination by male counterparts (REOPA 2007).

4.2 Findings of the Field Survey

The findings from the field survey are revelatory of the status and impact of the performance improvement interventions at the UP level. The data that follow are from 20 UPs of the two Upazilas, Ullapara and Feni Sadar. For arriving at conclusions these data were used together with the information collected through 2 Focus Group Discussions and Key Informant Interviews. Depending on the specific requirement of a particular case, the data from the two Upazilas are presented and analysed together in some cases, while in the others, they are treated separately. In all the cases, the process used is explained during discussion.

Table 1: Professional affiliations of the respondents.

Name of the organisation	Upazila				Total	
	Ullapara		Feni Sadar		No.	%
	No.	%	No.	%		
Union Parishad	53	53	51	51	104	52.00
NGO/CBO	12	12	14	14	26	13.00
Business Organisations	11	11	9	9	20	10.00
Educational Institute	8	8	8	8	16	8.00
Self-employed	6	6	8	8	14	7.00
Society/Co-op Society	6	6	7	7	13	13.00
No Response	4	4	3	3	7	7.00
Total	100	100	100	100	200	100.00

Table 1 shows the professions /organisations of the respondents. It is revealed from the above statistics that 52% of the respondents were from Union Parishads and the rest 48% are from other organisations. These other organisations are normally within close physical proximity of the UPs and the actors from these are well aware of the general, if not specific, development initiatives of the UPs and the pattern of day to day functions. It can be said from the number of respondents from the UPs that the perceptions of them regarding the UPs' performance management status are dependably realistic.

Table 2: Position/Status of the Respondents.

Position/Status	No. of respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Chairman/ex-chairman	11	11	10	10	21	10.50
Member	30	30	30	30	60	30.00
Secretary	12	12	11	11	23	11.50
NGO executive	5	5	4	4	9	4.50
NGO employee	4	4	7	7	11	5.50
CBO representative	3	3	3	3	6	3.00
Employee of business organisations	4	4	4	4	8	4.00
Own business	7	7	5	5	12	6.00
Teacher	5	5	6	6	11	5.50
Student	3	3	2	2	5	2.50
Member of some society	6	6	7	7	13	6.50
Self-employed	6	6	8	8	14	7.00
No response	4	4	3	3	7	3.50
Total	100	100	100	100	200	100.00

Table 2 shows the actual position /status of the respondents. We can see that out of the total 104 that come from UPs, 21 were chairmen, 60 members and 23 secretaries. Members from NGOs cover 10% and there were 11 teachers that come to 5.5% of the total. These are the people in the given UP who were actually involved or informed about the status of the performance improvement projects like LGSP or HYSAWA. Any other group of people were excluded because our experience showed that there were little scope for any other particular group to be involved closely with any of the activities of the UP, whether regulatory or developmental.

Table 3: Duration in the Present Occupation.

Duration	Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No	%	No	%	No	%
≤ 6 months	56	56	48	48	94	47.00
6 months - ≤ 1 yr.	4	4	6	6	10	5.00
1 year - ≤ 3 years	5	5	7	7	12	6.00
3 years - ≤ 5 years	7	7	6	6	13	6.50
5 years - 10 years	8	8	11	11	19	9.50
10 years +	6	6	5	5	11	5.50
No experience	12	12	14	14	26	13.00
No response	2	2	3	3	5	2.50
Total	100	100	100	100	200	100.00

Table 3 shows that 52% of the respondents have only up to 1-year's experience in the present occupation. This perfectly fits with the percentage of the UP functionaries. The UP members and chairmen were elected in a recent poll that was held only in 2011. Nevertheless, in reality the situation maybe a little bit different. Because the secretaries may not be very new in their service and some public representatives were actually re-elected.

Table 4: Duration of experience in the present organisation.

Duration	No. of respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No	%	No	%	No	%
≤ 6 months	52	52	44	44	96	48.00
6 months - ≤ 1 year	5	5	8	8	13	6.50
1 year - ≤ 3 years	6	6	6	6	12	6.00
3 years - ≤ 5 years	8	8	9	9	17	8.50
5 years - ≤ 10 years	9	9	12	12	21	10.50
10 years & more	6	6	4	4	10	5.00
No experience	12	12	14	14	26	13.00
No response	2	2	3	3	5	2.50
Total	100	100	100	100	200	100

Table 4 is indicative of the duration of experience of the respondents in their present occupation or position. We find that 15.50% of the respondents do not have any experience at all or did not respond to this question. This answer actually means that they do not have experience

in the current organisation. Another 48% have experience of more than or exactly 6 months. In total 24% have 1-10 years of experience.

Table 5: Age of the Respondents.

Age	Number of respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Below 25 years	17	17	15	15	52	26.00
25 yrs-34 yrs	28	28	31	31	59	29.50
35 yrs- 44 yrs	23	23	19	19	42	21.00
45 yrs- 54 yrs	18	18	20	20	38	19.00
55 yrs- 64 yrs	9	9	11	11	20	10.00
65 yrs- 74 yrs	3	3	2	2	5	2.50
75 yrs or more	1	1	1	1	2	1.00
No response	1	1	1	1	2	1.00
Total	100	100	100	100	200	100.00

In Table 5, the age pattern shows that most of the respondents were very young in age. Most of them fall within the category ranging from 44 downwards. In that category we find 133 respondents which is 76.5% of the total.

Table 6: Educational Status of the Respondents.

Educational Status	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Can read and write only	5	5	2	2	7	3.50
Up to class V	10	10	4	4	14	7.00
VI- X	18	18	21	21	39	19.50
SSC passed	28	28	30	30	58	29.00
HSC passed	19	19	21	21	40	20.00
Graduate	7	7	11	11	18	9.00
Masters	6	6	8	8	14	7.00
Alim	2	2	1	1	3	1.50
Fazil	1	1	-	-	1	0.50
Diploma in Eng/Agriculture	4	4	2	2	6	3.00
Total	100	100	100	100	200	100

Table 6 shows the educational status of the respondents. 69.5% of the respondents were well educated ranging from Secondary School Certificate and equivalent to Masters level. This pattern is true for both the general and the UP respondents. The educational level of the UP personnel especially chairmen and secretaries is also much higher than the previous groups. An in-house study at NILG on the educational status of the UP chairmen also corroborates this assertion (Sarker 2011).

Figure 1: Types of respondents

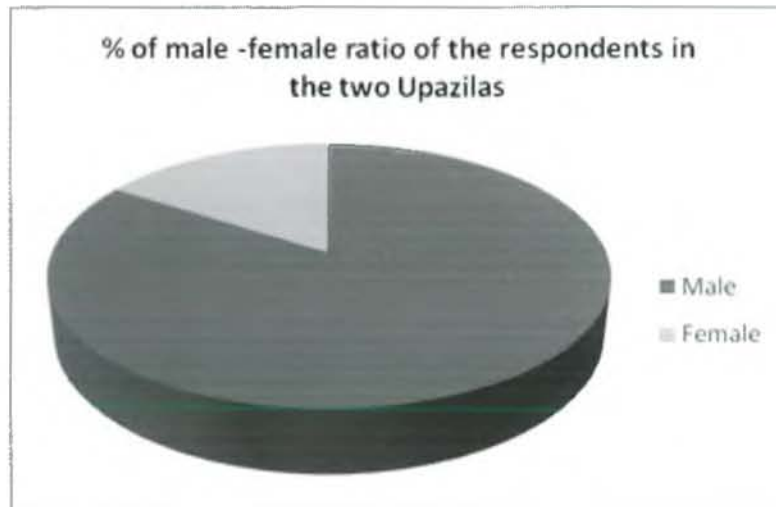


Figure 1 shows the male-female ratio of the respondents. It is normally asserted that the women members of UP have very minimal scope, if any, of participating in the regulatory and developmental activities. They are denied the rights they should normally be enjoying as elected members of the UP. Their ratio remains close to or less than 3:1. The position of women remained marginalised in the overall UP activities in spite of the increase in number. Even after the UP election of 1997, the situation had been no different. The elected women councillors faced 'enormous problems' in performing their roles. Due to criticism, disrespect and other kinds of harassments from their male counterparts, the women could not exercise their roles and rights properly (Khan & Ferdous Ara 2006). Therefore, it is interesting to know how the female respondents that include some female members of the UPs evaluate the performance improvement initiatives under various projects.

Table 7: Perception of UP women members about LGSP

Response	(Ullapara + Feni Sadar)	
	Number	%
Good	24	92.31
Moderately Good	2	7.69
Total	26	100

Table 7 shows that the rate of women members supporting LGSP is also very high. Out of 32 women respondents in the 2 Upazilas, 26 were UP members. Out of them 24 termed LGSP as 'good' project and the rest 2 categorised it as 'moderately good'. This may have some linkage with the specific provision in the LGSP-LIC to form Women Development Forum (WDF) which, in the opinion of one MLGRD&C (2012) document, was formed to ensure the effective participation of female members in UP activities at the local level and assist rural poor women to maintain their livelihood, make the women aware of various social discriminations and help protecting them from violence against women.

Table 8: Opinions about LGSP

Opinion	No of respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No	%	No	%	No	%
Good	81	81	82	82	163	81.50
Not good	8	8	7	7	15	7.50
Moderate	6	6	6	6	12	6.00
Not known	3	3	4	4	7	3.50
No response	2	2	1	1	3	1.50
Total	100	100	100	100	200	100.00

Table 8 shows that overwhelming majority of respondents consider LGSP to be a 'good' project (81.50%). Those who outright categorised LGSP as 'not good' are only a small minority

(7.50%). This probably proves that the impact of LGSP on the grassroots level LG representatives and other functionaries had been very positive. The citizens who were not directly involved with the daily functions of the UPs were also very positive about the contributions of LGSP.

Table 9: Perception of UP & Non-UP Respondents about LGSP

Opinion	No of respondents								Total
	Upazila				Feni Sadar				
	Ullapara				Feni Sadar				
	UP people		Other than UP		UP people		Other than UP		
	No	%	No	%	No	%	No	%	
Good	47	88	34	72	45	88	37	76	81.50
Not good	3	6	5	11	2	4	5	10	7.50
Moderate	2	4	4	8	3	6	3	6	6.00
Not known	-	-	3	6	1	2	3	6	3.50
No response	1	2	1	2	-	-	1	2	1.50
Total	53	100	47	99	51	100	49	100	100.00

Table 9 shows that out of 200 interviewed 104 were UP functionaries and 92 of them assessed LGSP as good. Even out of the 96 who were outside the UP, 71 rated LGSP as good. This is indeed a very high positive rating of LGSP.

Table 10: Opinion about whether the quality of UP activities improved through LGSP

Response	No of respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No	%	No	%	No	%
Yes	76	76	82	82	158	78.00
No	12	12	9	9	21	10.50
From time to time	6	6	4	4	10	5.00
Can't say	4	4	3	3	7	3.50
No response	2	2	2	2	4	2.00
Total	100	100	100	100	200	100.00

Table 10 shows the evaluation of the respondents regarding the impact of LGSP on the activities of the UPs. 78% said that quality of UP activities improved as a result of LGSP. Only 10% answered in the negative. This is in conformity with the initial findings of the LGSP that said that one of the most striking learning was that the conventional assumption of “weak capacity” of the UPs appeared to be based on false presumption. Field data revealed that UPs’ performance had noticeably improved from learning-by-doing and a more enabling framework of policies, procedures and systems. Most of the UPs had performed remarkably well as the implementation of schemes and utilization of funds were done efficiently (Aminuzzaman 2010).

Table 11: Whether the UP decisions are based on Open Budget Meetings.

Opinion	No of respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No	%	No	%	No	%
Yes	91	91	89	89	180	90.00
No	6	6	9	9	15	7.50
No response	3	3	2	2	5	2.50
Total	100	100	100	100	200	100.00

Table 11 shows the prevalence of the practice of UPs under study of making decisions in light of the recommendations of the open budget meetings. The new Local Government (Union Parishad) Act of 2009 made it mandatory for the UPs to convene open budget meetings at the beginning of the financial year⁴⁹ and this paved the way for ensuring accountability and transparency of the UP activities including budget preparation and implementation. 90% of the respondents answered in the affirmative when asked about whether the UP decisions were based on open budget meetings.

⁴⁹Section 57 (1), (2) of the Act.

Table 12: Whether there was any example/ system in the UP about citizens' opinion being taken into consideration.

Opinion	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Yes	56	56	46	46	102	51.00
No	8	8	11	11	19	19.00
Time to time	34	34	42	42	76	38.00
No response	2	2	1	1	3	1.50
Total	100	100	100	100	200	100.00

Table 12 shows that on being questioned whether there was any precedence of taking suggestion or advice from the citizens for the purpose of formulating or implementing administrative decisions or development programmes, 51% of the respondents answered positively. Another 38% replied that such acceptance occurred only time to time. This is indicative of the fact that the UP functionaries are gradually growing the habit of listening to the citizens in deciding cases that somehow affect the latter.

Table 13: Whether there was any provision for any reward for better works or achievements.

Response	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Yes	50	50	44	44	94	47.00
No	12	12	14	14	26	13.00
Time to time	31	31	34	34	65	37.50
Not known	5	5	6	6	11	5.50
No response	2	2	2	2	4	2.00
Total	100	100	100	100	200	100.00

Table 13 shows that $(47+37)= 84\%$ respondents admitted that there were some kind of incentive system prevailing at the UP level for better performance, however trivial the type of

reward might be. The beginning of such practice cannot be attributed to any single project or programme but we know from the relevant documents that LGSP encouraged introduction of such rewarding system under its LIC component.

Table 14: Types of rewards offered by the UP.

Response	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Organised special meetings to congratulate the person(s)	22	27.16	18	23.08	40	25.15
Thanks given to the person(s) individually	38	46.91	26	33.33	64	40.25
Given monetary benefit	4	11.11	9	11.54	13	8.18
Given only compliments	12	14.81	16	20.51	28	17.62
Can't say	2	2.47	5	6.42	7	4.40
No response	3	3.70	4	5.12	7	4.40
Total	81	100.00	78	100.00	159	100.00

Table 14 shows that 91.2% (25.15+40.25+8.18+17.62) respondents mentioned some kinds of rewards for the good performers. The rewards ranged from monetary benefits to oral compliments. This is a positive development in a culture where institutional appreciation for good work is a rare phenomenon.

Table 15: Opinion about quality improvement of UP activities through LGSP audit system.

Opinion	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Yes	63	63	64	64	127	63.50
No	8	8	11	11	19	8.50
Can't say	26	26	21	21	47	23.50
No response	3	3	4	4	7	3.50
Total	100	100	100	100	200	100.00

Table 15 shows the response about qualitative improvement of UP activities through LGSP audit system. 63.5% admitted that there was qualitative improvement as a result of introduction of LGSP audit system. A large number (23.5%) had no idea about the question. It is obvious because we can see from Table 1 that 48 % of the respondents were from outside the UP. Considering the technical nature of the question it is not unusual that the persons who are not directly involved in the day-to-day activities of the UP may know nothing or only have superficial idea about the introduction and impact of the audit system.

Table 16: Areas of improvement through LGSP audit.

Process	No. of Respondents					
	Upazila				Total	
	Ullapara n=89		Feni Sadar n=85		n=107	
	No.	%	No.	%	No.	%
Open budget	25	33.78	20	27.78	45	30.83
Accountability to the community & other stakeholders	19	25.67	17	23.62	36	24.66
More transparent in procurement	15	20.28	18	25.00	33	22.60
Selection and implementation of schemes/ projects	8	16.82	10	13.88	18	12.33
Awareness and motivation approach of the community	5	6.75	7	9.72	12	8.22
No response	2	2.70	-	-	2	1.36
Total	74	100.00	72	100.00	146	100.00

* One or more answer is possible.

** Stakeholders include government, donors, NGOs and civil society.

Table 16 shows overwhelming positive response from the interviewees regarding areas of improvement caused by LGSP audit. Open budget method and enhanced accountability were the two topmost areas identified by the respondents. More transparency, standardised scheme selection method and increased awareness and motivation of the community members regarding UP activities were also mentioned as products of the audit initiative.

Table 17: Opinion on whether effective and competent services of the UP have been ensured through LGSP.

Opinion	Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Yes	65	65	61	61	126	63.00
No	13	13	11	11	24	12.00
A little	19	19	21	21	40	20.00
No response	3	3	7	7	10	5.00
Total	100	100	100	100	200	100.00

We can see from Table 17 that 63% of the respondents answered in the affirmative when asked about whether LGSP could ensure competent and efficient service delivery by the UPs. However 37% thought that that was not the case (12%) or were not very sure about it (20%) or abstained (5%).

Table 18: Opinion about whether accountability system improved due to LGSP.

Opinion	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Yes	66	66	72	72	138	69.00
No	14	14	13	13	27	13.50
A little	15	15	12	12	27	13.50
Not known	3	3	2	2	5	2.50
No response	2	2	1	1	3	1.50
Total	100	100	100	100	200	100.00

Table 18 shows the response about whether UP accountability system improved due to LGSP. 69% of the total (Ullapara and Feni taken together) said 'yes' while another 13.50% said 'a little'. This means that the measures taken by the project to improve performance had some real impact on the functioning pattern of the UP.

Table 19: Opinion about improved decision making process due to LGSP/other projects.

Opinion	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
No.	%	No.	%	No.	%	
Yes	56	56	64	64	120	60.00
No	20	20	17	17	37	18.50
A little	18	18	14	14	32	16.00
Not known	4	4	2	2	6	3.00
No response	2	2	3	3	5	2.50
Total	100	100	100	100	100	100.00

Table 19 shows the response pattern about improved decision making process generated by implementation of LGSP and other related projects. The percentage of response in the affirmative is similar to other responses. Average of the 2 Upazilas shows that 60% admitted improvement in the decision making process as a result of LGSP while another 16% felt that the improvement was not very significant i.e. 'a little'.

Table 20: Opinion about improvement in coordination and economy in UP activities occurred because of government initiatives.

Opinion	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
No.	%	No.	%	No.	%	
Yes	68	68	72	72	140	70.00
No	27	27	21	21	48	24.00
No response	5	5	7	7	12	6.00
Total	100	100	100	100	200	100.00

Table 20 is indicative of the positive perception of the respondents about the benefits of LGSP and other similar projects in the overall improvement in coordination and economy in UP activities. 70% of the answers were in the affirmative. Those who said 'no' are mostly from people outside the organisation.

Table 21: Types of improvement initiatives by the government.

Types	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
LGSP/Direct Allocation	35	51.47	40	55.56	75	53.56
UISC	7	10.29	4	5.56	11	7.86
Monitoring of UP activities	12	17.65	8	11.11	20	14.29
Introducing ward shava	11	16.18	15	20.83	26	18.57
No response	3	14.41	5	6.94	8	5.71
Total	68	100.00	72	100.00	140	100.00

Table 21 is very interesting since it specifically identifies the performance improvement initiatives taken up by the government. 53.57% directly point out LGSP as PI initiatives whereas its component activities like monitoring UP activities and introducing ward shava were mentioned by 14.29% and 18.57% of the respondents respectively. Another 7.86% mentioned Union Information and Service Centres (UISC)⁵⁰ as a performance improvement drive. Actually, the establishment of the UISCs is an attempt for by the government to ensure faster, better and economic service delivery for dissemination of information through public-private-peoples partnership at the UP level.

Table 22: Opinion about whether any system has been developed to identify problems that might crop up during project implementation period.

Responses	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Yes	65	65	57	57	122	61.00
No	16	16	19	19	35	17.50
Not known	18	18	21	21	39	19.50
No response	1	1	3	3	4	2.00
Total	100	100	100	100	200	100.00

⁵⁰ The UP based information centres, equipped with computers and wireless internet, are targeted to offer various online and offline services to people at nominal charges.

Table 22 shows the response about development of any early warning system during project implementation. The idea itself is new for many of the respondents but the practice, somehow or other, existed in the LGIs for long. Institutionalisation of the early warning system in the project package was the main idea. For effective implementation of a project, a balance between central coordination on the one hand, and early awareness and active participation by local communities must be struck. Early warning system means that there should be a surveillance or monitoring function, one that continuously looks for any sign of malfunction or approaching threat. Mere receiving of the warning message is not enough if not backed by initiation of appropriate action.

Table 23: Opinion about whether the UP has taken any motivational initiatives to encourage the functioning of the UP for providing better services during the last 5 years.

Responses	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No	%	No	%	No.	%
Yes	58	58	62	62	120	60.00
No	16	16	13	13	29	14.50
Not known	22	22	19	19	41	20.50
No response	4	4	6	6	10	5.00
Total	100	100	100	100	200	100.00

Table 23 deals with the response regarding taking any motivational approach to encourage and facilitate UP functions. 60% are aware of such initiatives while the rest either do not know or did not respond. Motivation was an important part of the LGSP package where the target was to motivate the UP functionaries, especially the chairmen, members and secretaries to perform better for securing normal and incentive grants. The hypothesis behind the move was that the promise of grants could motivate sincere activity to secure funding. Alternatively, after grants are distributed, those who miss out can be motivated to do better next time (De-Lay 2010). In the backdrop of this observation, the percentage of affirmative response shows that the project had real positive impact.

Figure 2: Types of motivational measures taken during the last 5 years.

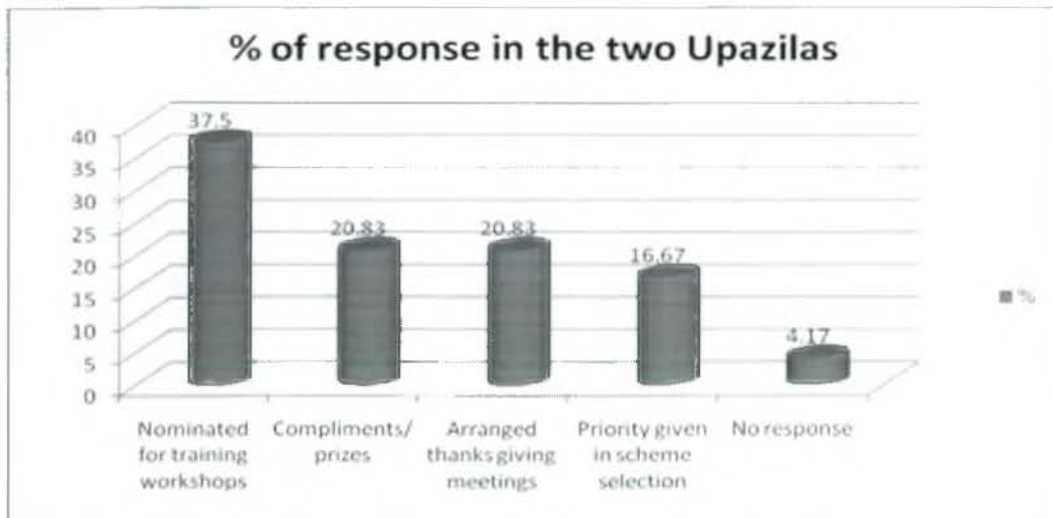
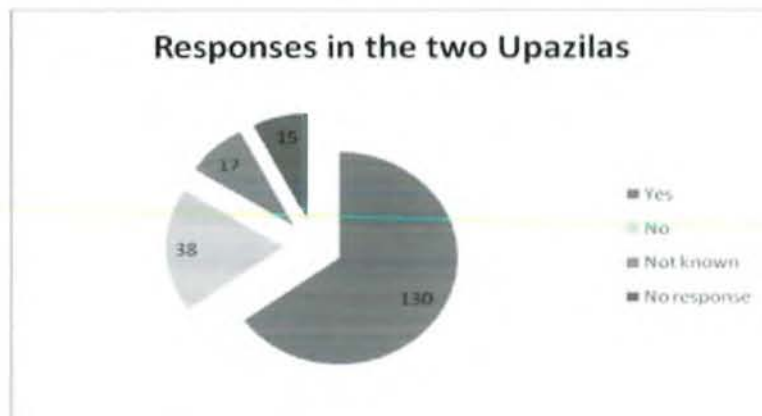


Figure 2 specifies the measures taken by the UPs as motivational measures. 37.50% said that nomination for training or workshop was used for motivating better performance. Compliments or prizes were also mentioned as motivational measures. 16.67% mentioned priority given during scheme selection which proves that go-getters were rewarded with selection of schemes of their choice.

Figure 3: Opinion about whether there was any discussion in the UP meetings regarding problems in the UP activities and subsequent application of improved methods in the project planning and implementation process based on that discussion.



This statistics in Figure 3 is very encouraging since it contains the seeds of performance management process for the UPs. The Figure shows that 65% (130 out of 200) of the respondents agreed that there were discussions in the UP meetings regarding problems in the UP activities and based on those discussions, improved methods were applied subsequently in the project planning and implementation

process. Rest of the respondents (38+17+15= 70 i.e. 35% in total) either answered in the negative or did not know anything about it.

Table 24: Opinion about changes brought in the planning or policy formulation practices due to introduction of the LGSP-LIC.

Opinion	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Yes	82	82	74	74	156	78.00
No	13	13	18	18	31	15.50
No response	5	5	8	8	13	6.50
Total	100	100	100	100	200	100.00

When asked about changes brought in the planning or policy formulation practices due to introduction of the LGSP-LIC, 78% (82+74=156 respondents) replied that there indeed were some changes (Table 24). It was known from interviews and subsequent FGDs that in most of the cases the change meant following the LGSP recommendations more accurately both at the planning and the implementation stages.

Table 25: Opinion about changes in the planning/policy practices

Types of changes	No. of respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Process of scheme selection starts from ward level	47	38.21	48	40.00	95	39.09
Accountability to the community and other stakeholders increased	42	34.14	37	30.83	79	32.51
Transparency in procurement improved	18	14.63	19	15.83	37	15.22
Time management in project implementation improved	12	9.76	9	07.50	21	08.64
No response	4	3.25	7	05.83	11	4.53
Total	123	99.99	120	99.99	243	99.99

Table 25 shows the responses about the planning and policy practices that occurred as a result of implementation of the LGSP. The scheme selection process turned into a bottom up phenomenon due to the practices recommended by LGSP. In fact the project adhered to the practice of scheme selection from the grass-roots level. From the two Upazilas, 39.09% mentioned about this change. Another 32.51% talked about increase of accountability to the community and other stakeholders. 15.22% felt that transparency in the procurement process improved due to the project. 8.64% mentioned about improvement of time management during project implementation. These are real achievements of the PI project.

Figure 4: Opinion about whether there were any initiatives to improve the UP performance.

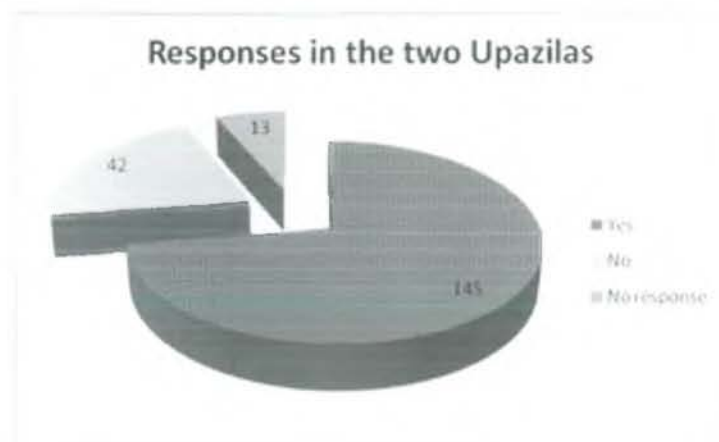


Figure 4 shows the opinion about whether there was any attempt to improve the UP performance. 72.5% (145 respondents) were aware of such attempts taken by the UP. Rest 27 % either did not know about any such initiative or kept silent. Performance here means any kind of performance which contributed towards the overall efficiency of developmental projects and also day to day regulatory and other functions of the UP.

Table 26: Opinion about types of initiatives taken to improve UP performance.

Types of Initiatives	No. of respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No. n=76	%	No. n=69	%	No. n=145	%
UISC established by the government	18	19.78	14	17.07	32	18.49
UP designed small-scale schemes from own sources of revenue	10	10.98	22	26.82	32	18.49
UP organised Ward Shava at ward level	19	20.87	11	13.41	30	17.34
UP standing committee(s) activated by NGO	18	19.78	8	9.75	26	15.02
NGO assisted development of Community Action Plan at ward level	18	19.78	14	17.07	32	18.49
Community participation in budget preparation and scheme selection	6	6.59	12	14.63	18	10.40
No response	2	2.19	1	1.21	3	1.73
Total	91	99.97	82	99.96	173	99.96

* One or more answer(s) is possible.

Regarding the types of initiatives taken to improve the activities of the UPs, 4 actions viz. organising Ward Shava at the UPs, establishing Union Information and Service Centre (UISC), formation of UP standing committees and activation of UP standing committees by NGOs were mentioned mostly by the respondents in Table 26. Designing small-scale schemes by the UPs from own sources of revenue, NGO assisted development of Community Action Plan at ward level and community participation in budget preparation and scheme selection through Open Budget system were three other important initiatives mentioned by the respondents.

Table 27: Awareness about implementation of projects other than LGSP.

Total	205	99.98	175	99.98	380	99.97
Name of project	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
FFWP/TFWP	72	35.12	66	37.71	138	36.31
TR	68	33.17	54	30.85	122	32.10
REOPA	18	8.78	-	-	18	4.73
100 days programme	24	11.70	27	15.42	51	13.42
No other project	19	9.26	21	12.00	40	10.52
No response	4	1.95	7	4.00	11	2.89

Table 27 shows the existence of projects other than LGSP at the UP level. We can see that only one project REOPA that contained some kind of capacity building element, was mentioned by the respondents. The two UPs had no other mentionable capacity building project going on within the time frame of the field survey. The other projects mentioned were targeted to building up safety net for the vulnerable groups of people like Test Relief (TR) or Food for Work (FFW).

4.2.1 Findings of the Focus Group discussions

Two FGDs were held in Serajganj and Feni district HQs. The FGD at Serajganj Circuit House were attended by 9 persons who were or still are actively involved in the implementation of development projects at the UP level. This list of the attendees is available at Annex VIII. The discussion in the FGD centred around the performance of the UPs under various performance improvement projects and the overall impact of the same on the functioning of the UPs. The participants agreed that the development projects that were meant for UPs before or along with LGSP had very little impact on the performance improvement of the UPs. The projects lacked the mechanism to involve stakeholders in the decision making process and therefore the impact of the project(s) was only transitory. The following points were highlighted by the participants of the FGDs:

1. LGSP ensured participation of the citizens in the decision-making and implementation process.
2. It introduced bottom up scheme selection process effectively for the first time.
3. LGSP helped radically improve local revenue collection.
4. It generated a spirit of competitiveness among the participating UPs.
5. It also raised the awareness of the taxpayers regarding the developmental role of the UPs.
6. It enhanced the trust and confidence of the people in the activities of the UPs.
7. Open budget system helped the people to ensure accountability of the UPs.
8. It also generated a sense of belongingness of the ward level stakeholders regarding the budget.
9. Self assessment regarding tax imposition introduced as a result of LGSP

10. The modalities imposed by LGSP helped trimming up the financial discipline of the UPs.
11. Active role of the Ward Committees made the financial operation of the UPs more accountable.
12. LGSP created a demand for local capacity strengthening among the UP functionaries.
13. Display boards at the site of the projects enhanced transparency of the project.
14. Acknowledging and rewarding good performance was encouraged by LGSP modalities.
15. LGSP committees are more vibrant than the UP statutory committees because of flow of fund in those committees.
16. People hold the UPs in high esteem and consider it not only as service provider but also a forum for democratisation and participation.
17. UP workforce is inadequate to meet the challenges of development, especially projects like LGSP.
18. Projects like HYSAWA and REOPA were more bureaucratic.
19. LGSP contributed to decrease gender disparity through more participatory role of the women in UP activities
20. Functional transparency of LGSP helped remove the stigma of 'wheat embezzler' of the UP members and chairmen.
21. The audits done by the firms were hurried and superficial which pointed out unnecessary details and ignored local diversities.

4.2.2 Findings of the Key Informant Interviews.

In total 6 key informants were interviewed in the process of the study. They were or still are involved in implementing the performance improvement initiatives at the policy level. The persons interviewed were of the opinion that only LGSP could be successfully implemented to initiate any kind of performance measurement at the UP level. Their opinions about the other initiatives, if any, at the field-level, to introduce any kind of performance measurement techniques, were insignificant and ephemeral. The following points were highlighted by the respondents of KII;

- Rate of success achieved in the LGSP is very high. In some cases it was even 100%.

- In some cases it was more than 100% in the sense that there was value addition as a result of the project implementation which was not originally contemplated in the project objectives.
- The UNOs used to send some kind of performance report of the UPs to the central government which contained items like office and financial management, peoples' participation, women empowerment, revenue mobilization and village court etc.
- Some of the UPs discuss and evaluate their performance as a matter of practice. This is not universal.
- UPs prepare and send a number of reports which are not always of good quality.
- KABIKHA or KABITA projects had provision for monitoring but LGSP was the first one to involve citizens' participation in the process. BGCC is a device monitor progress of the LGSP works. It also has complaint redress system. But the rate of effectiveness of these committees varies from UP to UP.
- Evaluation of performance in the standard sense of the word is very rare. Only a very few dynamic UPs follow this practice. Systematic involvement and empowerment of the citizens were experimented during the SLGDP and some other contemporary projects. The findings of those experiments were incorporated in the process through legislation.
- Open budget system had tremendous impact on the UP administration. It made the people conscious about resource allocation and project selection.
- Nowadays, the chairmen, members and the secretaries are more concerned about the volume and quality of performance as a result of LGSP implementation. Provision of incentives to the good performers is one of the major causes of such change.
- The UP standing committees can help boost up the UP performance if they are activated and functionalized. New law of 2009 and LGSP have created scope for the interested citizens to participate in the UP decision making through these bodies.
- There is no formal built-in system to measure the performance of the UPs. Introduction of new law and the creation of the UDCC have opened the venue for the UPs to talk about quality and performance measurement.
- Other than the audit reports there is no formalized mechanism to learn from error and take corrective measures. The provisions of LGSP have just started the process in a very rudimentary scale.

4.3 Effectiveness of Performance Improvement Measures.

Effective performance management necessitates a perfect or near perfect blending of systems and the people working within the systems to ensure that the right things happen. The systems, processes and data cannot be separated from the ambient culture, prevailing leadership and learning. At the same time a system does not stand apart from day-to-day management. We can see from the discussion and the field data that only LGSP had some provisions within the project which can be termed as attempts to initiate some semblance of performance management. The LIC component specifically emphasised the performance improvement and measurement side of project management. The respondents of the field survey overwhelmingly asserted that LGSP brought some positive impact on the pattern of work, discipline and mindset of the people who were involved with UP performance process. If this process is continued, soon the decision-making of UPs will become a stakeholder involved process in which stakeholders are motivated and empowered to exert influences due to their power over and interest in the organization's operations, procedures and outcomes. The study (including field survey, FGDs, KIIs) shows the following results of the Performance Improvement Measures incorporated in the different projects:

Results of the Performance Improvement Measures.

- UPs have become capable to handle development funds independently.
- UPs have undergone cultural change to inculcate participatory development process.
- A culture to reward good work has developed among the UP functionaries.
- Bottom-up planning and project selection process has made the UP working environment more citizens oriented.
- Projects like LGSP have made the UPs more conscious about their role as service provider at the grass-roots level.
- The Minimum conditions and audit system have made the UPs more focused on performance improvement.
- The system of Expanded Block Grant depending on performance of individual UPs is a step forward to both micro- and macro-level performance measurement and management.

- Open budget system has made the UPs more accountable to the stakeholders and paved the way for citizens initiated performance management for the UPs.
- Collective decision making on participatory basis has gained ground in the UPs.
- UP activities have become more transparent and on time.

**Perception about impact of Performance Improvement tools on the UPs
(Ullapara & Feni Sadar)***

Sl. No.	Items of Change	Nature of Change
1	Accountability	Increased
2	Transparency	Increased
3	Participation of stakeholders	Increased
4	Scheme Selection Process	Improved
5	Motivation	Increased
6	Early Warning regarding Faults	Increased
7	Functional Efficiency ⁵¹	Increased
8	Bottom up Planning Process	Practiced
9	Gender Parity	Attempted

*Based on data collated from field survey, FGDs and KIIs

The measure of performance of the UPs by LGSP and the subsequent decision to allocate basic and incentive grants helped the monitoring authority to make rational performance based decision making. A good performance management system, we know, can yield the necessary data for assessing service needs and performance. In this sense, these audits helped the policy makers at the ministry level in their oversight responsibilities. It also helped them to make objective resource-allocation decisions and to formulate policy.

4.2.2 Measurement of perceptions about components of performance management.

Perception of the people involved with the process of development and regulatory activities in the UPs regarding the performance improvement and performance measurement initiatives has been found to be very positive. But the point is that it is very difficult to isolate

⁵¹ Functional efficiency includes, but is not limited to, financial management (including tax collection), official records keeping (files, registers & resolution books) and performance of the village courts.

these responses clinically from the overall perception about a project or programme which contains a lot of incentive packages in financial terms apart from the PM components. The attribution of causality specifically of this positive response to the PM portion is difficult, if not impossible. Where studies involve multi-faceted and comparatively little known phenomena or deal with social processes behind a change, it is difficult to find theories that explain these changes satisfactorily (Lee, Perara & Rahman 2006). We have tried to gather empirical evidence regarding perception of the stakeholders about efficacy of performance management initiatives at the UP level. In the light of the above observation it indeed is better to analyse the rationality of public management changes based first on empirical evidence, rather than developing *a priori* hypotheses and then testing them. This approach is appropriate to learn from participants and to capture their experience of the phenomenon under investigation (Torres, Pina & Yetano 2011).

Perception about Performance Improvement Initiatives.

- The findings from the field establish overwhelmingly that more than 60% of the respondents believe that the performance improvement initiatives in the form of projects had positive impacts on the attitudes and functions of the UP personnel and the citizens.
- The respondents accepted the preconditions (i.e. audits, MCs, additional reporting requirements etc.) for development grants with good grace.
- PI initiatives created some kind of training needs among the UP functionaries for strengthening their capacity to formulate and implement development projects.
- Performance based grant system created among the UP functionaries an urge to perform well and thus be on the league table.
- The PI initiatives made the UPs more accountable to the stakeholders.

4.2.3 Review of Performance Improvement Tools

We have discussed the performance improvement tools employed by LGSP, WSSS and some other minor projects and how the people feel about those tools. One important characteristic that influence all the performance measures at the UP level is that these bodies are essentially rural local governments which are of very small size. The UP virtually has only one official (secretary) and 10 other village police personnel who do not do any executive function.

Therefore, introduction or implementation of any modern concept of performance management strictly within the organisation of the UP is out of question. UPs perform lot of important regulatory and developmental functions involving people from outside the organisation and any attempt to evaluate the performance of the UP as a whole must encompass lot of people from among the stakeholders. It is practically impossible for the chairman or the secretary to run the performance management initiatives without enlisting support from these people. That is why performance management for the UP should be considered both an intra- and extra-organisational phenomenon and a much broader exercise than the organisational jurisdiction of the UP.

The activities of the UP Ward Shavas, standing committees, project committees and other specific purpose committees under different subjects should be taken into account for measuring performance. This involves the question of capacity where the role of the central government creeps in. After all, despite its popularity, citizen based governance has found it hard to escape from the shadow of government (Blakeley 2010). In case of UPs, it should be kept in mind that 'performance management etc. can be effective only when the basics of administration are in place' (Kiggundu 1989).

The Mid-Term Evaluation Team of LGSP-LIC (UNDP 2010) suggested measuring performance during programme implementation based on baseline survey and programme formulation involving all the partners and stakeholders. This should be an extensive process and suggest learning from doing and revising policies on that basis. This is, however, a suggestion to measure the performance of the UPs as organisations, not of the individuals. This poses a very relevant question regarding performance management system for the UPs. Because of the very nature of the UPs, it is indeed difficult to introduce any PM system within these bodies. PM presupposes a group of capable and oriented manpower within the organisation who, at the behest of the top management, will initiate, implement and continue the PM process within the organisation. This is not possible for the UPs. Some other LGIs like Pourashavas and UZP can go for it because they have the necessary workforce to do that. Since we cannot suggest the standard technical performance management procedures for the UPs, we will have to reorganise the concepts on a broader framework keeping the national context in view.

Accountability is not synonymous with accounting.

Accountability by itself does not mean accounting alone (Esser 1993). Financial reporting from the UPs is only one of the means used by the government to ensure upward accountability. Requiring the presentation of non-financial measures of the quality of services goes beyond the normal accounting done by the auditors. A lot of other information are needed to come to a conclusion about the performance level a particular LGI has achieved. Keeping this in mind LGSP looked for some minimum information that can be used as telltale indicators of performance achievement.

The built-in tools for performance improvement in the LGSP started from its minimum conditions for inclusion in the project. The grant scheme had ingredients of a performance-based grant system making access to grant funds under LIC conditional with a number of relatively simple performance criteria adopted. The Minimum Conditions for Access to the LIC SBG are:

Functionality of the UP office

1. Regular opening of the UP office: The UP Office is open and operational every working day, minimum half of the time, from 9.00 am –5.00 pm (in a recognized building).
2. Village Court Operational: The Village Court is operational (for example there is defined system and procedure for lodging complaints, court days and time) as per the rules.
3. All the standing committees are established: All 13 standing committees are established as per the Ordinance with at least one-third of the standing committees headed by women members.
4. UP's participation in BGCC meetings: Both the UP Chairperson and nominated women member actively take part in the quarterly BGCC meetings in which s/he is invited.

Quality of the UP decision making

5. Regular monthly meetings of UPs: The UP conducts minimum one monthly meeting, documented in form of written minutes of the proceedings and other evidence. There should be either a fixed schedule for meetings or advanced announcements of all the meetings (all these conditions should be met).

6. Women participation in UP meetings: All women members of the ups present in 2/3 of the regular meetings in the UPs.

These criteria were deliberately designed to be relatively easy to achieve and measure and to reflect a blend of issues closely related to specific LIC concerns like the establishment of the committees and broader UP concerns like the village courts (De-Lay 2010).

The original broader set of criteria for access to LGSP was:

- Independent audit undertaken and no financial irregularities identified
- Existence of official bank account
- Post of the UP Secretary filled and attendance in the LGSP financial management/procurement training
- Annual budget for the forthcoming financial year approved by UP in an open meeting
- Once the list of eligible UPs is announced, the UPs must pass a resolution agreed upon in a full UP meeting to accept the conditions of the LGSP (letter of commitment).

In subsequent years LGSP grants (and therefore LIC grants) required the following criteria:

- Hold quarterly open community meetings (at Ward and UP level) for participatory planning and budgeting purposes
- Publicity and regularly disclose UP level and scheme specific information and display this on UP notice boards
- Submit quarterly reports to community, UNO and LGD according to approved formats
- Comply with the requirements in the Environmental and Social Management Framework (incl. gender issues). All schemes have to be screened and it should be ensured that all schemes funded by the grant are not on the LGSP negative list
- Comply with the procurement regulations of LGSP and guidelines.

The project put emphasis on transparency and disclosure by promoting a combination of measures. In addition to highlighting the open budget meetings and general access to UP processes, there was a stress on publication of key data through devices like display boards conveying details of project schemes both at the UP office premises and at individual project sites. The project also supported preparation of an annual budget book showing all funds

received directly by the UP and their uses. In the early stages of the project, LIC initiative on revenue mobilisation had been largely preparatory in nature with activity to identify appropriate reform opportunities, build alertness, develop draft manuals and do some training. In the latter stages of the project items like systematic work on expanding revenue bases, augmenting tax rates, improving valuation and making administration more effective were taken up. Meanwhile individual cases of UP achievement, bolstered by improved planning process for spending progressed, supported by the local facilitation units.

The credit of LIC is the expansion and refinement of the range of interventions. The project confirmed the relevance of these lessons across a broad range of UPs showing, for example, that absorptive capacity is high across the country. It also made obvious that the comparatively intensive facilitation inputs provided in SLGDP are not required to obtain significant achievements in case of up-scaling the project at a national level. LIC is not the only project working in these areas and determining the attribution of different effects to a particular cause is probably impracticable. "But, subject to this caveat, LIC does appear to have produced significant gains in accountability and transparency and to have made modest but important improvements to the welfare of local citizens"(De-Lay 2010).

The project also ensured that the local governments are being held to a higher level of accountability for their performance through a number of accountability measures including a system of formal audits by chartered accountants for each UP for the first time in the country. However, performance reporting of the UPs under LGSP by audit reports remains inadequate. It is focused mainly on inputs and operating activities which is purely number based, and offers not much insight into the impact of new functional initiatives and services and the achievement of programme/project objectives.

Social Audits

In addition to formal audits some forms of social audit involving the community directly were undertaken for greater voice and bottom up accountability. A social audit programme

funded by SDC⁵² and AusAID⁵³ was undertaken in 50 UPs in 2010-11 on a pilot basis. This was done by designing a training programme using Village Education Research Committee (VERC), an NGO working in the field of capacity building support to government and related community and rural development agencies and training community members as social auditors. The communities in these 50 UPs used community score cards to review the performance of their local government functionaries and agreed on social contracts to work together to improve local governance and development outcomes. An innovative media campaign was also undertaken to ensure participation from the local government and communities (Ahmad 2012).

The specific strategies of the project were (VERC 2012):

- Planning and preparatory ground work at the organisation and field level
- Formation and mobilisation of Ward and Union level citizen groups
- Capacity building of organisation staff and citizen groups
- Conduct social audit (mapping) at the UP level to collect basic information on UP
- Use of the Scorecard with scheme beneficiaries and UP representatives
- Interface meeting(dialogue) with Community and UP representatives and develop joint action plan
- Follow up of action plan and its institutionalisation.

The important lessons learned from the social audit venture were (Ibid 2012):

- Participatory planning is a pre-requisite for good governance and leads to social mobilisation and people's ownership of the plan
- The citizen groups can play a vital role in the implementation of LGSP schemes; ensure people's participation, accountability and transparency.
- Ward level budget planning and open budget declaration can be effective tools for ensuring transparency and accountability
- Orientation, training and refreshers' training are pre-requisites for proper implementation of LGSP
- UP's female members can play a pro-active role in the local development process

⁵² Swiss Agency for Development and Cooperation.

⁵³ Australian Agency for International Development.

Based on these findings, the following recommendations were made for promoting effective governance at the local level:

- Social auditing process should be included in all development activities of LGIs for ensuring transparency and accountability
- Capacity building of UPs on mobilisation and participatory management through training and other measures should be encouraged by the government.
- Citizen's participation should be ensured in all development activities of LGIs by making provision for inclusion of community representatives in all relevant committees and subcommittees.
- Documentation of best practices and sharing and replication of them in other UPs of the country needs to take place.
- Financing of schemes should be based on five years participatory strategic planning.
- Timely disbursement of funds must be ensured for timely implementation of the schemes.
- Exchange visits should be organised between different UPs for peer learning.
- Knowledge sharing on effective local governance through documentation and dissemination to take place in multiple ways.

The initiative to hold social audit was found to be an important instrument to find the perspective of the citizens and the LG's elected functionaries about their performance. Besides, it offered a process through which both the local community and the elected UP representatives would find a common ground for constructive criticism and building new opportunities for meaningful engagement in the future (VERC 2012).

4.3 Recommendations for Improvement of Policies, Procedures & Systems.

The experience at the local level shows why performance management is poor at that level. It has so far been a part of the responsibility of the local bureaucracy to monitor the performance of the local government. In this respect, the performance of the bureaucracy itself has been less than satisfactory. One of the probable causes can be the presence of a culture of noncommittal attitude among the government officials serving at the local level caused, inter alia, by the compensation model prevailing in the bureaucracy. There is no benefit for taking

risks or initiatives, and if someone does not perform properly, it is practically impossible to fire someone or get rid of him/her. The pay of the civil servants, compared to the private sector, is usually moderate - but the pension payout at retirement is outstanding and that inspires individuals to make it somehow to retirement age. Most of the government employees working in the local government units have an employment system that puts more value on longevity and discourages risk taking. Promotion to the top is not always based on better performance and efficiency. A slow, sometimes tenuous and paced progression upwards rewards longer tenure in service.

Understanding the difference between the public and private sectors makes implementation of some kind of performance management tool in the local government units much easier. In the private sector, employment is a matter that depends largely on the sweet will of the higher management. However, in the public sector, employment is generally treated as a property interest; as such, one cannot be deprived of one's right to government employment without resorting to the due process of law. Government services generally reward tenure more than performance.

On the other hand, the private sector has upper hand when it comes to performance management. Benchmarks or goals usually related to profit/cost savings are developed. The employees either meet or do not meet the output requirements. Government does not work that way. Some agencies in the government like Bangladesh Telephone Company Limited (BTCL) can employ the traditional private sector performance management tools because they engage in commercial business functions, which are easy to quantify. Government, on the other hand, has to take into account other factors besides efficiency, equity, transparency, and accountability.

There are measures in place in countries (like the USA) designed to evaluate government functions. The Government Performance and Results Act is intended to evaluate US Federal agencies, while the Program Assessment Rating Tool (PART) is used to gauge the effectiveness of Federal programmes. Balanced scorecards are used in some agencies, and some kind of performance evaluation is done in order to advance in grade within the General Schedule⁵⁴. Performance management can and does work in the public sector- especially at the Ministry and

⁵⁴ The General Schedule is a classification and pay system that covers the majority of white collar personnel in the Federal civil service. The GS is broken down into 15 grades, with 10 steps in each grade.

Department level. However, the more important question is what adjustments need to be made for performance management tools to address the unique, varied, and sometimes amorphous functions of local governments? Some forms of measurement exist in any organisation but are not really recognised to be so. "Some people mistakenly assume that performance management is concerned only with following regulatory requirements to appraise and rate performance. Actually, assigning ratings of record is only one part of the overall process (and perhaps the least important part)" (OPM 2011).

It is very difficult to introduce and maintain performance management without a formal system. Experiences show that performance management flourishes where managers and supervisors willingly take responsibility to influence results and give more importance to facts than intuition in decision-making. An interpretation of this assertion might be that an organisation- a UP in particular- can only have successful performance management practices when it is integrated into multiple dimensions of an organisation's management system. The elected public officials and appointed secretary at the UP operate in an environment, which lacks the norms and culture conducive for practicing a vigorous system of performance management. Moreover, the manipulative influence and clout of the central government over these puny LGIs can hardly be over-emphasised. This influence is visible also in some developed countries. Donald Moynihan (2008) suggests that governments continue to prefer controlling administrative processes as well as to expect performance results. The influence and control of the central government over the LGIs is true even for some highly industrialised countries. The example of the UK initiative is relevant here. There the central government even now, after so many years of launching the NPM movement, is imposing new requirements upon local authorities to consult with the public- over 'best value' in service delivery, over securing community 'wellbeing', on new political management arrangements, and as a criterion for 'beacon' status⁵⁵ (DETR 1998, 1999).

In his book "Performance Measurement: Getting Results," Harry P. Hatry states that there are three prerequisites for instituting a performance measurement system (Probst 2009).

⁵⁵ The Improvement Development Agency (IDeA) operates the Beacon scheme for Communities and Local Government (CLG) Office. It identifies authorities which have demonstrated excellence in a particular area and then provides them with the resources to share their best practice with other councils.

1. High-level support for the performance measurement effort: If the superior authority does not support the effort, the effort is doomed to fail. The elected and appointed officials at the central level must recognize the performance measurement system as a means to improve and verify LG performance or all of the efforts of the body implementing PM will be useless.
2. Reasonable programme stability: Organisations with stability in mission and personnel are better candidates for performance measurement programmes.
3. At least some basic data-processing capability: Most such programmes need technological support that can meet the demanding data-processing requirements. Manual collection and processing of PM data can be a mistake laden, time-consuming nightmare.

UPs of today hardly meet these criteria. This is true not only for the UPs alone but also for the Upazila Parishad and upwards i.e. the super-system in which the UPs operate. In spite of this reality, it is not unusual to find chairmen and members striving, without formal organisational structure and without any major executive or legislative encouragement, to engage in performance management of one kind or another. These are not any concerted or conscious efforts to implement PM and hence they cannot be systematically studied.

Measuring and monitoring performance on development works conducted by the Union Parishads and using the results from these measurements to build sector capacity is critical to the achievement of the developmental goals at the UP level. The present monitoring system as we have seen in our analysis focuses on inputs and outputs (e.g., budget spent and number of units implemented).⁵⁶

The reasons behind the absence of a strong or any performance management system at the Union level are many but one important reason can be found in a study on Union Parishad training programme under LGSP (Hussain 2011). The review found that strategically important officials in charge of the overall implementation of the project were actually part timers.⁵⁷ Obviously, they assigned relatively low importance to this part of their responsibilities.

⁵⁶ A typical budget statement of a Union Parishad submitted for audit is presented in Annex XII

⁵⁷ The officials were looking after the project work in addition to their normal responsibilities.

Increasing pressure on the government from the development partners and informed quarters within the government itself has contributed considerably to the rising commitment of adoption of performance management and measurement techniques in the organisations that spend public money for delivery of various services to the people at the grass roots level. Besides, implementation of PM at the local government level is also ethically justified. Brown and Stilwell (2005) assert that "performance management is ethical management. Public managers have a responsibility to explain to the public what the public and recipients of government services are receiving."

At the level of UPs, performance measurement should mean a continuous process of collecting and analyzing data of particular projects to compare how well a project, programme, or policy is being implemented with reference to expected results. To achieve this objective an ongoing process to assess whether targets are met and broader development objectives are achieved should be ensured. To measure the performance of the projects, analysis and measurement of results in terms of performance indicators and targets are required.

Several studies in Britain in 1998 and 1999 found that the biggest deterrent to participation in the local councils' decision making process by all was citizen's perception -or experience- of a lack of council response to consultation. Such views were often based on experience as well as prejudice and hearsay. (Lowndes, Prachett & Stoker 2001). Assertion of Catherine M. Farrell while reviewing a book on citizen participation in some UK local governments is also relevant here. These findings do not present a very rosy picture about citizen participation in the process of local governance. The findings relate to the practice rather than the theory of citizen involvement. The facts presented regarding citizen participation suggest that while there is much in the policy rhetoric about their involvement, there are considerable weaknesses in the practice of citizen governance. Time and resources are two major difficulties that deter citizens from becoming involved in governance. Besides time and resources, there are other difficulties for citizens becoming involved in the process including properly understanding new information, some of which are quite technical. There is also proof of the practice that citizen governance rarely informs policy outcomes. "Clearly, citizens may not wish to carry on with their involvement if there is no point to it" (Farrell 2011). Similar assertions were made in the VERC (2012) findings on social audits under LGSP. "...majority of UP residents know about

UP activities, but usually did not participate in them as they were not sure about results. There was also a limited incentive to participate in the local governance process" (VERC 2012). The social audit project, however, helped convince the local communities that their participation and active engagement in UP affairs would result in a better targeting of local investments, in improved quality of schemes and in bringing benefits to the most marginalised and poor.

In spite of this reality, a good number of citizens dwelling at the Upazila and Union level, as well as the scholars and civil society members dealing with local governance are increasingly concerned about measuring and managing the performance of the local governments especially the Union Parishads. Experiences from the projects like PRDP, LGSP and HYSAWA can be cited as examples of this trend. This qualitative development can be attributed to the incessant advocacy for the last three decades by the government, NGOs and scholars in favour of strengthened local governments. Unfortunately, the practice of using the performance measurement and management tools for local government institutions was almost non-existent in the urban and rural local governments. This is even true for the central government agencies where only a semblance of elementary performance measurement exists only in few limelight organisations. In reality, the local governments (UPs) are ahead of the central government in implementing performance measurement and management tools, albeit, in a rudimentary fashion.

Research shows that there are tangible benefits to the inclusion of citizens in the performance of government (Holzer & Kloby 2005). In an analysis of four large-scale trials of the practice of deliberative democracy, Weeks (2000) illustrates that broad public participation and informed public judgment create opportunities for deliberation and informed decision making for citizens, elected officials and managers alike. The policy of holding open budget sessions at the UPs is an inclusive process that helps informed decision making for the UPs. For the sake of better performance, managerial decision-making must be result-based: solutions that 'work' must be selected; solutions that do not work must be rejected (Noordegraaf & Abma 2003).

The position of the UPs in the local government network in particular and the broader national public administration system in general, is unique in nature. Any attempt to implement the performance management system, as we understand it nowadays, is not possible at the UP level. PMS is normally an intra-organisational phenomenon. The demand for PMS may be

generated from outside the system but the implementation process should be internal. Measurement data should be prepared for both internal and external use. The data produced by the UPs, however scanty, are meant only for external use. UPs do not have the work force to pursue performance management all by itself. The secretary to the UP is the only executive working and (s)he is burdened with so much activities that it is impossible to engage him/her in any additional activity. The working nature of the UPs and the administrative culture prevailing at that level and on top of everything, dire absence of manpower to engage in PM have made it difficult to embark on in-house performance measuring and managing activities. The data gathered from the field show that if the UPs can be functionally posited at the hub of a public-private-people network and participation of the citizens in the planning, implementing, monitoring and reviewing of their functions as organized stakeholders groups can be ensured then PM of UPs in the real sense of the term is possible.

A study by LGD (Aminuzzaman 2010:13-5) suggested, inter alia, the following broad options to enhance the quality and scope of service delivery at the local level;

- Institutional strengthening of UP.
- Need for effective coordination between UP representatives and government official.
- Use of UP complex as service delivery hub.
- Formalizing the practice of participatory open budget.
- Activating and strengthening UP standing committees.
- Coordination between standing committees and government.
- Being innovative in mobilisation of local resources.
- Information dissemination and social audit.
- Institutional partnership with line agencies/ bank/ sector corporations/ NGOs and private sector.

All these items presuppose dynamic and positive interaction of the UP with the stakeholders. The key to implementation of performance management at the UP level lies in this relationship.

4.3.1 How to Measure Performance at the UP Level?

It is difficult to develop performance management systems at the UPs in particular and other LGIs in general because the goals of these public institutions are, more often than not, based on legislative and legal mandates that are fuzzy and ill defined. Moreover, the UP's capacity for planning, managing financial and administrative functions, implementation and overall management is still inadequate. There is scope for further democratisation in the functioning of the UPs, and for greater accountability and transparency, particularly in terms of planning decisions, proper use of resources, and implementation performance. Incentives and accountability framework for the local government should be designed to be conducive to citizen-oriented service delivery. (BRAC 2010). Actually, the basic concept of performance management is very simple: "a focus on service outcomes, or actual results, rather than only on the quantity of service that an agency provides. This implies assessing the performance of the (local)⁵⁸ government based on the implications of services to customers, not on physical outputs. The work of the local government is measured by what the citizen or user of the service actually experiences" (Hatry *et al* 2007).

Traditionally, the performance of the UPS used to be monitored by the Monitoring, Inspection and Evaluation (MIE) Wing of the LGD. This tradition still persists. In addition to the normal duties, this body is also involved in monitoring and evaluation of all the development projects under the ministry. For example, the Director General of the MIE is the National Project Director (NPD) of the LGSP. His role includes implementation and supervision of the daily tasks of the project. He also coordinates, in a way, the different committees at Union, Upazila and District levels that are responsible for implementation of the project. The defined tasks of the MIE Wing, in short, are as follows:

- To design and ensure a regular flow of relevant quantitative and qualitative data and information on local government bodies.
- To develop appropriate formats for collection of data on the implementation of development activities from UPs and other local government bodies.
- To analyse and verify the assembled information.

⁵⁸ Word in the parenthesis added by me.

- To prepare and analyse annual reports and returns in order to formulate specific recommendations for action. (Aminuzzaman 2001).

The Wing is vested with the task of collecting data from 4509 UPs through the office of the Deputy Director, Local Government (DDLG). The DDLG is in charge of sending the questionnaires to the UPs and once those are completed, collecting the same for channeling those back to the ministry. The indicators for monitoring the performance cover the staffing position, payment of salaries and allowances, mobilisation of resources, tax collection and lease revenues from markets, holding of meetings and formation of committees; budgets, expenditure and auditing; and development assistance and projects. The Wing produces an annual report on the performance of UPs, which concentrates mainly on the personnel situation i.e. focusing on payment of salaries and allowances, and revenue collection. The MIE Wing is conveniently placed to play an important role in developing more effective and accountable local government in Bangladesh. The Wing can also generate adequate information on the performance of local government bodies, including UPs, which would provide the basis for effective supervision of these bodies by the LGD, thus supplying inputs for policy making, identifying training and capacity-building needs, and developing more effective operational procedures for local governance. However, this potential is not being fulfilled at present for a number of reasons:

- There appears to be a lack of motivation within the Wing⁵⁹. This is in part because many of the staff are not knowledgeable about the functions of, and have little interest in, monitoring and evaluation work.
- The data that are actually collected and reported focus on administrative and tax collection aspects of the operation of UPs. The data do not cover other key aspects of the performance of UPs such as development activities and accountability.
- The report format is inadequate for two reasons. First, it does not reveal data on overall performance of UP, secondly the analysis is much generalized and the recommendations tend to be exhortations rather than specific proposals on practical actions, changes in procedures or policy issues.
- The reports produced by the Wing are not normally circulated to the UPs, so they receive almost no feedback in return for the information that they have provided.

⁵⁹ To be substantiated in KII.

- There is no formalised procedure within the LGD for review and discussion of the findings and agreement upon actions to be taken. (Aminuzzaman 2001).

Assessments can be both internal and external. It is seen from the discussion that external assessment procedures somehow exist for the UPs but there is hardly any attempt to assess performance internally. In addition to self-assessment by the institution itself, UPs can depend on other perspectives and approaches in collecting data. These include the use of citizen satisfaction surveys, which in others words can be termed as user assessment, and the use of professional tools for measuring performance against service standards. One such tool is benchmarking. There can also be peer assessments. The Horizontal Learning Program initiated by the LGD and run by the UP representatives themselves is an example of peer learning and assessment of the works of the UPs. It can be said from studies that citizen involvement in performance management or measurement is not present on a wide scale even in highly developed countries. In those societies, performance measurement systems are usually designed and used by managers without taking into consideration what citizens want to know about the operations of their government (Tat-Kei Ho & Coates 2002).

Even in many instances, the existing performance management framework for local government fails to drive improvement in targeted localities: it focuses on assessment rather than improvement and encourages compliance rather than innovation (LGA 2011). To be meaningful, performance measurement systems need to avoid a proliferation of measurement metrics (Niven 2005; and Meyer 2005) and should focus only on those measures that are critical 'to the effectiveness and efficiency of the organisation' (Cuganesan & Lacey 2011).

MAP Approach

The mission, assessment, and performance (MAP) approach is a novel way of measuring the performance of local governments. Performance measurement has become a professional norm in a vast number of local governments in their quest for efficiency, effectiveness and economy of performance. One study found that 38 percent of municipalities in the USA with populations of 25,000 and more reported the adoption of performance measurement systems (Poister & Streib 1999) while another found that 37 percent of municipalities with populations between 2,500 and 24,999 used performance measurement systems to some degree (Rivenbark &

Kelly 2003). Creation of accountability, provision of feedback on operations through effective planning, budgeting, and evaluation are the reasons for which organisations adopt performance measurement (Ammons 2001). Results of one study by McKinney-Gonzales (2005) suggest that performance measurement may be a viable management tool for smaller communities (cited in Hildebrand 2007). Brown & Stilwell (2005) also find “Performance management is a viable management tool for small municipalities, if it is structured with their unique environments and needs in mind”.

“However, local government officials struggle with how to use the results of performance measures to make management decisions, which the literature refers to as the distinction between adoption and implementation” (Julnes & Holzer 2001). Adoption of performance measurement means the creation and reporting of output, outcome, and efficiency measures. Implementation of performance measurement occurs when local government officials analyze and interpret performance results so as to improve the efficiency and effectiveness of service delivery, which can be referred to as performance management.

In other words, performance management represents the actual use of performance measurement systems for developing an organizational culture of results-based management. How do local government officials move their organizations from adoption to implementation of performance measurement? The mission, assessment, and performance (MAP) approach propounded by Rivenbark & Roenigk (2006) tries to present a successful performance management system in local government.

Rivenbark & Roenigk (2006) suggested mission, assessment and performance (MAP) approach for implementing successful performance management system in local government⁶⁰. This is a 'rating system that gauges how committed a program is to performance management and provides insight for making performance management a meaningful part of the organizational culture.' They think that the rating system can be used by managers for expanding the utility of performance measurement in local government. The real value of MAP lies in using the results as a starting point for identifying strategies for making performance management

⁶⁰ MAP based performance management rating system is elaborated at Annexe VII.

process meaningful for the organisation. This approach can also be used for UP performance measurement as a means to achieve PM.

Benchmarking

In local government, benchmarking is being used to gauge the organizational and community efforts in accomplishing predefined and measurable desired outcomes developed with the participation of policy makers, management, staff, customers, and stakeholders. Benchmarks in the public sector are indicators that convey information about the level of achievement of policies, programs, or services (Rainey 1997). Benchmarking can take many forms but its purpose is to improve one's understanding of performance through comparison with other performers. It is "the process of identifying, learning, adapting, and measuring outstanding practices and processes from any organization to improve performance" (Arnold 1999). It is comparatively easy to employ benchmarking for small scale local governments like the UPs. Benchmarking should be used only after enough time for data collection is given. There is commonality in the reporting system of the UPs, which is a decided advantage for benchmarking methods. But to make this initiative successful the participating members should see the benchmarking project as part of their normal duties⁶¹.

Benchmarking is an attempt to compare the activity and levels of performance between organisations the goal of which is to identify opportunities for improvements. The variety and forms of benchmarking depend on what type of activities are being compared, what kinds of comparisons are being made, and how benchmarks are combined with allocation and reward mechanisms (Rondo-Brovetto & Saliterer 2007).

Local public services are not traditionally exposed to the type of direct competition characteristic of the private sector. Performance comparison between services and between authorities has been devised instead as proxies for market signals for identifying best practices and to underline instances where services need to be improved (Jeanrenaud & Martin 2005). Benchmarking at the UP level presupposes a central authority that will coordinate this process. LGIs, however small, still have their own peculiarities and cultural differences that can stand in the way of isolated benchmarking initiatives by individual local governments. No performance

⁶¹ Source: State of Arizona, 1998 Managing for Results Handbook, 1998.

measurement system can be totally neutral. Rather they are conditioned by their environmental context. That is why any performance measurement system should be designed to overcome the limitations of the established organization structure of individual local governments. As each local government, at least at the micro level, has different approaches, goals and objectives, the choice of suitable performance indicators, left at the discretion of the UP management, may lead to management wilderness. This reality makes benchmarking, between not within UPs, the only way out for a successful performance measurement device.

Jeanrenaud & Martin (2005) identify two main types of benchmarking: comparisons of processes of service design and delivery (process benchmarking) and comparisons of costs and outputs/outcomes (performance benchmarking). In the Indian state of Himachal Pradesh, Total Sanitation and Sanitation Marketing (TSSM)⁶² has developed a performance monitoring and benchmarking model for the rural sanitation sector to boost up outcome-based management (Kumar & Singh 2010). The government of the state adopted the model to monitor performance of all of the 12 districts of the state in relation to rural sanitation and to benchmark the same on a monthly basis.

The performance benchmarking model was designed to enable comparison. The model was designed to motivate poor performers to come up in a league table. It also encourages the better performers to maintain and improve their position. The benchmarking model was also targeted to enable policy makers and nodal agencies so that they could monitor performance rationally and thus allocate resources and efforts based on identified strengths and weaknesses.

The authors say that the practitioners could learn some lessons from the benchmarking experiences. These are:

- *Benchmarking can improve performance:* Benchmarking enables the competing districts to understand their performance level and motivates them to improve. It provides an analysis of inputs, outputs, processes, and outcomes at a glance that helps to identify areas of strength, areas that need improvement, and functional linkages between them. Unlike the conventional system of monitoring, it puts a spotlight on the efficacy of resources being invested and the

⁶² Another name for the Global Scaling up Sanitation Project of the Water and Sanitation Program (WSP), a multi-donor partnership created in 1978 and administered by the World Bank.

corresponding results on the ground (e.g., by comparing spending across districts per ODF⁶³ local government).

- *Benchmarking is a management tool:* The benchmarking is done by an immediate higher level agency, typically the nodal agency for rural sanitation. The analysis and results obtained through benchmarking enable the higher level agency to compare performance and channel resources to address the weaknesses, if any, and to build on learning opportunities and strengths.
- *Benchmarking should be linked to an incentive:* In order to ensure performance improvement, benchmarking requires to be linked to some kind of incentive scheme. In addition to the Clean Village Prize⁶⁴, TSSM is exploring the possibility of involving senior officials in the state to recognize the district that not only performs the best on the performance benchmarking but also the one that shows the greatest improvement.
- *Benchmarking can improve the base data:* A positive benefit of this initiative is that it has helped to highlight the need for concerned districts to submit accurate and timely monthly progress reports. Since the benchmarking dateline is fixed as the 10th of each month, districts that fail to update their progress data before this date—or under-report their achievements—would score less marks. Therefore, it motivates districts to submit accurate and timely progress reports.

Indonesia and Tanzania have adopted the benchmarking model conceptualized in India. The authors argue that scaling up the model requires not only advocacy with clients to institutionalize the key principles but also state of the art technological support to manipulate data and store it in an easily retrievable format.

The findings from the benchmarking process are as follows (Kumar & Singh 2010);

- Performance benchmarking enables participants to understand their performance and induces them to improve. It helps to identify and areas of strength, areas of weakness, and linkages between them.

⁶³ ODF (Open Defecation Free) communities are captured through the monitoring system for fiscal incentives.

⁶⁴ In this project Nirmal Gram Puraskar (NGP) or Clean Village Project is a fiscal incentive for the highest achievers.

- Through this exercise, inputs, outputs and processes can be linked to outcomes in monitoring rural sanitation sector performance.
- The use of weighted scoring for performance benchmarking is designed to encourage achievement of outcomes.
- It should enable policy makers and nodal agencies to monitor performance rationally and thereby channel resources and efforts based on identified strengths and weaknesses.
- The comparison of performances of different actors provides an incentive to strive to top the league table.
- Periodic monitoring helps to detect gaps in data accuracy and ensure timeliness of data reporting.
- Benchmarking requires to be linked to an incentive in order to drive performance improvement.

Citizen Report Card

Another important device used in some of the Indian states is the use of citizen report cards (CRC) to get feedback on the common citizens' perceptions of the quality of public services provided by the local municipal government and its agencies. The idea was put forward by Public Affairs Centre (PAC), an NGO based in Bangalore, India. The approach has now been taken up in urban and rural areas in 23 other Indian states. Report cards have also reportedly been conducted in the Philippines, Ukraine, Brazil, Turkey and Vietnam. Interest in undertaking citizen report cards has also been expressed by NGOs working in many other countries (Ravindra 2004).

Citizen Report Cards are mostly used to pinpoint areas prone to corruption (e.g. in the provisions of health, education, police services) and to devise appropriate measures to combat the same (UNDP 2012). Report card is an assessment of public services from the perspective of citizens or the actual users of these services. Users can provide feedback on the overall quality, efficiency, economy and adequacy of the services and the hurdles they face in their interactions with such service providers. They may not be capable of commenting on the technicalities and quality of the services or to evaluate the general performance of a provider, but they are adequately qualified to say whether the service fulfils their needs and whether the agency is corrupt or not. "When users rate an agency on different service dimensions, it provides a basis

for judging its performance as a service provider. Since citizens are clients of several different services, it is possible to compare ratings of this kind across services. The resultant pattern of ratings (based on public satisfaction) is then converted into 'Report Card' on the city's services" (Paul & Sekhar 2000).

The report cards, though not producing any dramatic results, forced, to some extent, the previously apathetic public agencies to listen and react to citizen concerns. While abundant anecdotal evidences on the incompetence and sluggishness of public agencies have always existed before, quantification of perceptions has brought with it a credible indicator that shows the extent of satisfaction and allows inter-agency comparison, triggering internal reforms (Wagle & Shah 2003). Report cards, when reinforced by advocacy campaigns by the civil society groups and the media, provide an effective tool for increasing and targeting pressures for reform (Paul 2007).

One such example can be cited from the the Sirajganj Local Governance Development Fund Project (SLGDP) project where an annual performance review initiative was undertaken in the manner of a Public Report card. This assessed the overall performance of the UP and was also linked to the release of incentive based funds (Slater & Preston 2004). VERC also used a variety of citizen report cards (score card) to conduct social audit under the LGSP project.

Horizontal Learning

For ensuring performance management at the UPs more stress could be given on horizontal monitoring and evaluation through activated citizen and stakeholder involvement. Broader policy and planning framework should also have incorporation of the demand side views and needs rather than totally depending on the dictates of the supply side. The experiences of the successful Horizontal Learning Program (HLP)⁶⁵ shows that given the favourable environment and proper initiatives, public representatives at the UP level can identify and replicate the best practices with their own resources and management capabilities. It is a bottom-up tacit learning process based on appreciative enquiry that complements conventional capacity building approaches. Similar exercise at the UP, with all the stakeholder groups and citizen

⁶⁵ The Horizontal Learning Program is a UP led peer-to-peer learning initiative facilitated by the Government of Bangladesh. It connects the participating LGIs with each other and helps identify, share and replicate the good practices in different LGIs at their own cost.

committees taken into confidence, can make implementation of the performance management process very much possible and fruitful.

Internal Inspection Committee

Internal inspection committee refers to the inspection and control activities the UPs can perform in respect of its own activities, based on some statutes regarding monitoring committees, audits and internal control. The Audit and accounts committee envisaged in the UP Act⁶⁶ can actually do this work as extended responsibility. Because the committee is supposed to:

- Scrutinize the accounts of the UP and submit a report to the regular UP meeting 3 times a year.
- Conduct inspection of all accounts of the UP including the cashbook of the secretary at different times.
- Inspect the accounts and works of all budget/scheme.
- Inspect the registers of tax collection, assessment, daily collection, income account at different times.
- Instruct the secretary to resolve any irregularity, if found. If the irregularity continues, disclose the matter in the next UP meeting for due action against the persons responsible (Haque 2008).

Properly functioning self-inspection and control is important not just for the citizens' trust in the LGI, but also to ensure effective and correct use of resources. Internal inspection can be performed by the members of the UP along with the citizens actively involved in the decision making process of the UP. Good self-inspection requires interaction between these two sides. For the interaction to function, these different groups of people involved need to understand both their own roles and that of the others and should have good interaction between all those involved. Such collaboration between the members of the UP and other stakeholders opens up the gates and smoothens the road to performance management at the UP. Some Scandinavian countries have such models of internal inspection committees for various levels of mainly urban local governments (MLGRD 2012).

⁶⁶ Section 45, Subsection 1B of the Local Government (Union Parishad) Act 2009

Citizen consultation/Citizen-based Monitoring Team

Enhanced public participation, in the sense of frequent and intensive engagement of citizens, contributes to 'greater democratic legitimacy' for elected local authorities, letting them to build up their potential as 'community leaders' within the context of partnership approaches to local service delivery (Lowndes & Sullivan 2004). Citizen participation in local government has been advocated as a way to enhance communication between government and citizens, build up popular support for local government goals, and develop public trust in government (Wang 2001). Advocates see great value in citizen involvement—from both normative and instrumental perspectives—such as cultivating citizenship values, developing accountability, improving trust in government, maintaining legitimacy, achieving better decisions, and building consensus (King, Feltey, & Susel 1998). Mohammad (2010) also found that introduction of citizen based monitoring team can ensure participatory development practices at the union level. His proposed team should include civil society members, people from local media, schoolteachers and socially enlightened persons. The team would work as a watchdog and recommend measures to improve participation level of the citizens. The team would not directly interfere in the daily activities of UPs, rather it would ensure that key stakeholders have been consulted before taking up any project and have been included in the implementation process.

Formulation of such teams for performance management at the UP level can also be useful though involving citizens in the administrative process of the local government is not a universal phenomenon. Even regular reporting to the public about the performance of the local government has not been commonplace. Involving the public in selecting measurable and reportable information is even less frequent. Citizen-government constructive conversations on performance measures and reporting are rarer still (Berman 2008). Enlisting the support of the citizens makes sure that the public officials perform their duties as desired. It is very tough to attain performance in public organizations not only because of the multifaceted nature of the tasks that governments require to tackle, but also because political and bureaucratic actors use that complexity as a "shield" to protect themselves (Arellano-Gault 2011). The two paradoxes found to be characteristics of the new governance arrangements in two European cities⁶⁷ are relevant here. The first one is that the power of the state is not necessarily reduced even with the

⁶⁷ Barcelona and Manchester.

growing plurality of actors engaged in governance. The second one is the fact that the increase of participatory practices as an essential element of new mode of governance does not necessarily lead to citizen empowerment (Blakeley 2010). Though there has been attempts in the UK for the last four decades to integrate the process of democracy in the form of extra electoral participatory initiatives at the local government level 'meaningful, authentic participation is rarely found' (Yang and Callahan 2007, p. 249 cited in Mckenna 2011). However, many studies found that people would participate in consultations only if those were on 'the issues that mattered' (Lowndes, Pratchett & Stoker 2001).

4.4 Conclusion

The above instruments used with efficiency and sagacity can generate more accountable and responsive local governments at the UP level. In fact, citizen participation transforms performance management "from a system promoting greater efficiency in operations and resource allocations to a system for more responsive government" (Dusenbury, Liner & Vinson 2000). The transformation of performance management from a purely expert-driven technician's tool to a vital element of open, effective governance occurs when there is felt need and organised collective efforts and involvement in the process from the citizens' side. The force behind that evolution is citizen participation (Epstein *et al* 2000 cited in Dusenbury *et al* 2000). Citizen expectations should play a critical role in shaping the UP's mission and goals, and defining the criteria for achieving those goals. According to some scholars, performance management reform initiatives are not likely to succeed in achieving government accountability without active citizen dialogue and exchange in public decision-making (Harmon 1995; Roberts 2002, both cited in Heikkila & Isett 2007). The above assertion is more emphatically put in another article on local government performance measurement in the following manner: 'Successful implementation of performance management systems has been associated with external support, not only from top management and elected officials but from citizens as well' (Berman and Wang 2000 cited in Heikkila & Isett 2007).

The process of stakeholder involvement by governments and public agencies were described by various scholars in different terms like 'collaborative governance', 'public participation', 'deliberative democracy' or 'interactive decision making' (Schalk 2011). The term stakeholders is a broad term that includes, but not necessarily limited to, nonprofit and private

sector organisations, interest groups, other local or regional governments, or even individual citizens or groups of citizens. In a collaborative governance, “stakeholder involvement is typically government-initiated, consensus-based, collectively organized, and offers stakeholders the opportunity to influence policies” (Ansell and Gash 2008, cited in Schalk 2011).

Citizen participation, a buzzword in democratic management literature, is not always very easy to ensure. There are studies that talk about citizen participation in the governmental decision making process. Even in highly developed industrialised countries like Canada and Australia, citizen consultation in the local governments is not readily visible. The findings of Brunet-Jailly & Martin (2009) are relevant here. They found that excepting the larger local communities in Canada, there is scant evidence of increased citizen participation in spite of a tangible shift from the concept of 'government' to 'governance'. Performance measures are implemented in the public sectors of both the countries and these measures are used in reporting activities. However, there is little evidence that citizens and even elected officials are involved in the process. Examples are there when citizens voluntarily cooperated in different development endeavours by the central and local governments. But to maintain the relationship equitably in a sustainable manner for a considerable period of time is difficult and needs closer and intensive supervision from above and from within the organisation itself. Different and innovative participation methods may be necessary to reach different citizen groups. Maintaining 'balance' or 'representativeness' within each type of forum can also be an unrealistic pursuit. There are some who would ordinarily participate out of own volition or to keep the 'leadership' role intact, but there will be people who would need not only direct invitation but also appropriate incentives to join any form of consultation by the UP. There is also the dilemma of choosing between building the competence of those already involved in participation initiatives and continuously widening the process to include new groups of citizens. Long term community development and capacity building initiatives can offset this imbalance and help to develop the trust and confidence of traditionally excluded groups (Lowndes, Stoker & Pratchett 1998).

For the UPs, considering their size and nature of activities, this model is a probable way out to ensure the benefits of performance management leading to efficient and effective service delivery to the clientele. It is understood, however, that measurement combined with a commensurate management system is a necessary precondition to produce desired results.

RECOMMENDATIONS, ISSUES FOR FURTHER RESEARCH AND

CONCLUSION

5.1 General Observations

Organisational success presupposes achievement of certain goals. With a performance management process, the organisation can effectively monitor the progress towards goal achievement and identify the work and activities that were instrumental in achieving or not achieving them. The organisation can make use of this knowledge in redefining existing goals, setting new ones, and continuing to build on the successes already achieved. This study tries to show how far this is true for UPs in Bangladesh. It is evident from the above presentation and discussion of facts and data that performance improvement does not happen on demand only. Expected performance is not likely to occur in the absence of fundamental organisational capacity. The existing capacity of the UPs to administer and implement even all the chartered functions of the UP is doubtful.

In a study on capacity assessment of local institutions, Barkat *et al* (2007) found the overall composite average capacity score of the Union Parishads to be unsatisfactory or almost poor. This pattern may vary from UP to UP depending on the volume and frequency of exposure of personnel to capacity building training. They found that the level of knowledge and skills of the UPs in Sunamganj District was lower than the UPs interviewed in the Sirajganj and Rajshahi Districts. Information and knowledge gap among the civil society members, male and female UP members, UP secretaries and chairmen was much greater in Sunamganj. The level of participation and transparency was also much lower here than in Rajshahi. It should be mentioned that the interviewed Unions in Sirajganj and Rajshahi Districts had received several years of intense training and were the best performing UPs in their regions (Aubert 2006). The creation of this capacity in the local governments is a long-term process and depends on institutionally based systems and activities (Ingraham 2007).

For ensuring better services at the union level and efficiency in the process tools of the performance management systems can be applied. Over the years, governments have sought to address the deficiencies in the public service delivery at the UP level by strengthening central

government monitoring programmes. Such monitoring was often done through the field administration at the Upazila and district level, monitoring units in central government ministries, audit teams and more recently the LGSP initiative of allocating EBGs on the basis of clean audits. Government performance monitoring initiatives are, in some limited cases, complemented by initiatives by the governance NGOs.

There are, however, at least two major disadvantages in the existing monitoring initiatives. First, these initiatives have an overwhelming bias towards the supply side of service delivery. Local government institutions are perceived as mere instruments of service delivery⁶⁸ and hence it is believed that improvements in the delivery of public services can be achieved through a top-down monitoring process that does not take into account the demand side of service delivery. As a result 'most of the time, the UP implements programs and decisions imposed by central government, which mostly are at variance with local needs' (Khan 2011). Secondly, existing monitoring initiatives are often not only limited in time and scale, they are also limited to the delivery of goods and services. They largely ignore the important issues of governance and political accountability of these important LGIs.

On the other hand, governance and political issues at the UP level can not be effectively identified and tackled without the presence and participation of a strong and capable civil society. Unfortunately strong civil societies do not germinate and flourish in a void. It has direct relation with the stage of consciousness prevailing in the ambient political culture and society and, for that matter, the status of the political state as a whole. According to Michael Walzer (1992:102-3, cited in Prakash & Selle 2003) "the enduring paradox of the civil society argument is that a democratic civil society seems to require a democratic state, and a strong civil society seems to require a strong and responsive state". The issue of culture is also important here. One of the most difficult issues that have direct bearing on performance measurement and management is developing a culture that accepts performance measurement as a tool to help the organisation improve (IDeA & PMMI: 26). Managing for performance is cyclical in nature. The stages include:

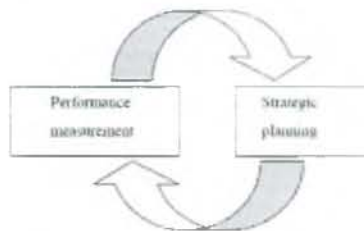
- strategic planning;
- policy and program design (including resource allocation);

⁶⁸ This assertion is corroborated by the UP interviews and FGDs.

- implementation; and
- Evaluation.

The performance management cycle is complete when the evaluation results are used to inform and influence the decisions that are made as the next cycle begins (Caved & Hues 2008). Strategic planning and performance measurement used together, form a continuous cycle of performance management. Strategic planning sets the goals to be accomplished; performance measurement looks back to see what was achieved (Dusenbury 2000). The implementation of performance measurement is a necessary prerequisite for establishing a performance management system where decisions are made on the efficiency and effectiveness of the service delivered (Rivenbark & Roenigk 2006). This cycle is aptly illustrated in the following figure.

Figure 5: The Cycle of Strategic Planning and Performance Measurement



Source: P Dusenbury, B. Liner & E. Vinson (2000)

The strategic plan identifies the performance to be measured, while performance measurement supplies the feedback that keeps the strategic plan right on course. Integration strengthens both the processes. This figure represents the relationship between actual use of performance measurement systems and the consequent application of strategic planning for the development of an organisational culture of results-based management. NPR Performance Measurement Study Team⁶⁹ found that performance measurement and management systems and practices work best in an environment of strategic planning that takes into cognisance customer needs and customer service. They also found that in designing and deploying performance measurement and management systems, leadership is a critical factor. A conceptual framework is

⁶⁹ An inter-governmental benchmarking consortium under the National Performance Review Team formed by President Clinton in 1993. The goal was to identify problems and offer solutions and ideas for savings in the U.S. federal government.

also required for the system to work. For the successful performance of the system, effective internal and external communication networks are crucial. Assignment of accountability for results must be unambiguous and well understood by the concerned people. It is also important that the system must generate intelligent information for decision makers, not just plain data. Reward, recognition and compensation should be tied to performance measurements. The spirit of the system should be positive, not punitive. Employees, customers and stakeholders should be kept well informed about the results and progress toward programme commitments (Artley & Stroh 2001).

5.2 Recommendations

Performance management for the Union Parishads cannot be ensured overnight even if all the people involved at the policy making level pull their heads together to do it. The UP itself is a very small organisation with a limited number of personnel where implementing any model of performance management is, if not impossible, very difficult. Moreover, performance management is a constantly growing process, not something that works flawlessly on day one. Efforts to develop performance measurement systems in the public sector have led to many lessons learned but the practice is still in its initial stages and there are a lot of issues still to be addressed (Bracegirdle 2003). It can take even years before an organisation becomes able to make performance management the standard way of doing business. In addition, the organisation should have the capacity to analyse and interpret data, not only to collect and report it (National Performance Management Advisory Commission 2010). Moreover, performance management is generally perceived as a continuous process rather than an isolated event done at time intervals (Latham *et al* 2007). From this perspective, it is recommended that for the UPs citizens-initiated performance management is a better alternative to centrally administered performance management initiatives.

For ensuring good performance management at the local government institutions, we can borrow the ideas floated by the Government Finance Officers Association (GFOA)⁷⁰ regarding implementation of PM methods in local governments. Through its research and consulting

⁷⁰ The Government Finance Officers Association (or GFOA) is a professional association of approximately 17,500 state, provincial, and local government finance officers in the United States and Canada.

engagements, the GFOA identified five key factors that are present in most successful performance management initiatives (Kreklow 2006). They are;

1. Active Leadership and Support from Top Management

Energetic and sustained support from an organization's top managers is required for optimum success. Elected and appointed officials of the LGIs should be in constant communication to project the vision of how performance measures will be used and how officials and other stakeholders will benefit from the initiative. Motivational drive from the top leaders is necessary for successful implementation. Behn (2004) corroborates this view in his reference to the success of US city of Baltimore's much imitated CitiStat⁷¹ system. For the UPs, the top leadership essentially should come from the chairmen.

2. A Few Highly Committed Internal Champions.

A small number of internal champions, if infused with the motivation and ready to do the necessary gymnastics i.e. 'finding the time to do research, organize meetings, assign staff to projects, and develop fact-based arguments for countering criticism from cynics and skeptics' (Commission 2010), can make PM happen. For the UPs, the committed internal champion should be the UP secretary.

3. Accessing Outside Expertise or Tapping Internal Expertise.

Developing a successful performance management system means bringing a fundamental change in organizational culture that may take considerably long time, may be years, to fully realize. The road is thorny and filled with pitfalls and false turns. Learning from the examples of other organizations that successfully navigated this path and plan and design a system on that experience, allows governments to avoid many of the common and not-so-common problems. Identifying and enlisting the support of internally available individuals that are knowledgeable about performance management, if any, can also help. In case of the UPs, one of the external

⁷¹ The Office of CitiStat is a small performance-based management group responsible for continually improving the quality of services provided to the citizens of Baltimore City. As a result of its success, the CitiStat model has been adopted by local governments across the U.S. and around the world.

sources of learning can be through the Horizontal Learning Process initiated by the Ministry of LGRD&C.

4. Sufficient Staff Training.

Implementation of a performance management system requires training for the staff to provide them with new skills that they may not already have. Knowledge of the current concepts and practices is required. Some ideas can be quite threatening for both the management and the staff. 'Addressing concerns through a thorough training program is an effective method for achieving understanding and overcoming resistance'. According to Emerson (2002) developing and maintaining a successful performance measurement effort depends on three critical factors--support from the top, a clear-cut methodology, and a comprehensive and effective training system. In this sense, performance measurement resembles a three-legged stool: 'take away one of the legs and you will soon find yourself on the floor'. Keeping this analogy in view, training of the UP level stakeholders from both the public and private sectors can be arranged within the proposed framework of the ongoing LGSP-II that singles out 10% of the development allocation for each UP for capacity building⁷².

5. Adequate Resources

Though PM systems can reduce cost in the long run, it requires an initial investment of resources for implementation and for ongoing administration. Establishing and maintaining measures, collecting and storing data, conducting analysis and preparing reports- all require manpower, money and technology. Allocating additional resources for this is critically important for the success of the PM initiatives.

5.3 Issues for Further Research.

Good governance also demands that in public service delivery, local public policy and decision making procedures, the manner of exercising power and authority at the local level and their inclusiveness, transparency and accountability should be of high quality, efficient and effective. Assessment of local governance generates a lot of important information on specific local level issues such as decentralisation policies, their implementation, participation and local

⁷²

accountability. Because of their proximity, local governments are more exposed to the real world issues compared to the central governments. LGIs have to interact daily and intensively with the citizens which requires more appreciative attitude to the specific needs of groups of stakeholders and particular sections in the local community (Nahem 2009). All these aspects need to be elaborately researched and the data generated used for further strengthening of the local government institutions to ensure efficient, effective and economic service delivery to the grass-roots level people. Especially the issues of citizen involvement in the local level governance, the central local relation in the distribution of fiscal and administrative authority, the reforms and restructuring of local governments, the practice of performance measures and management systems in the administration of LGIs and fine-tuning and prioritising the local government functions to suit the needs of the local citizens certainly demand more attention and further research.

5.4 Conclusion.

We can conclude from the preceding discussion that a successful performance management system for the UPs can assist elected officials and administrative staff to close the gap between policy and practice. The application of effective PM systems especially prompted from outside, needs to take the context of the targeted organisations into account. The absence of mature organisational environment and institutional preconditions warrant the need to adapt PM creatively and realistically for the UPs and not to blindly follow designs that cannot be implemented. Perhaps some PM practices are more implementable in some UPs than in others. The capacity and 'state of preparedness' of the UPs have to be taken into cognizance before embarking on any new form of performance measures. Sequencing reform measures in a way that first things are done first is also important. For this to happen, incremental approach as followed by LGSP should be helpful. Enhancing the understanding and acceptance of the probable measures by advocacy and publicity can create a positive environment for the PM drives.

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APPENDICES

Annexe-I

List of Participants

(In the Questionnaires Pre-Testing Workshop held on 08-08-11)

1. M. Azharul Islam, Deputy Director, NILG
2. M. Serajul Hossain, Deputy Director, NILG
3. M. Serajul Islam Siddiqui, Project Implementation Officer, Fulpur, Mymensing.
4. Babar Ali Mir, Upazila Nirbahi Officer, Bhanga Faridpur.
5. M. Abdur Rashid, Upazila Nirbahi Office, Char Bhadrasan, Faridpur.
6. Nurul Islam, Assistant Research Officer, NILG

Annexe-II

UP Interview Questionnaire

1. Information about respondent;

- (a) Name of the respondent
- (b) Name of the organization
- (c) Location
- (d) Name of post
- (e) Duration in the present post
- (f) Duration in the organization
- (g) Age/year
- (h) Sex: Male-1, Female-2
- (i) Education

2. What is your impression about the LGSP project?

3. Do you think that the project has improved functioning of the UP?

4. Do you take decisions on the basis of open budget meeting? Yes/ No

5. Do you have any system to receive suggestions or opinions from the citizens on administrative and development issues? Yes/ No

6. Do you reward any good work or good performance of the UP personnel? Yes/No

7. Do you think that the LGSP audit helped your UP to perform better? Yes/ No

If yes, how?

8. Do you think that the LGSP has ensured more effective and efficient service delivery to the citizens of your UP? Yes/ No

9. Do you think that the adoption of the LGSP has led to better planning processes at your UP? Yes/ No

10. Do you agree that adoption of the LGSP has ensured higher degree of accountability in the UP system of operations? Yes/No

11. Do you think that procedure prescribed by LGSP or any other project allowed for improved decision making processes in the UP? Yes/ No

12. Are you aware of any measure by the government that leads to integration of work at the UP level, leading to cost efficiency? Yes/No

13. Are you aware of any mechanism in the projects or working of the UP which provides early warning signals regarding the implementation of development projects?

Yes/No

14. Is there any package or mechanism to motivate the staff to perform better? Yes/No

15. Do you talk about your failures (if any) and performance lapses and taking lesson from that try to improve through better planning and implementation? Yes/No

16. Are there any plans/policies and practices in your jurisdiction that has changed due to LGSP-LIC interventions? Yes/ No

17. What measures/steps should be taken in order to sustain critical activities and the benefits gained so far: By Community, By government

18. Who normally are involved in the UP development implementation process?

(a) (b) (c)

19. Is there any reporting requirement for the project personnel to the UP chairman or the Parishad members? Yes/No

19. Was there any initiative to improve performance of the UP from any quarters? Please explain.

20. What are the problems or hindrances to performance improvement in the UP?

(a) (b) (c)

21. Did the committees formed under LGSP work properly during the project life?

Yes/No, Sometimes

22. Was there any other project that had positive impact on the functioning of the UP during the last 5 years? Yes/Name of the project, No

23. If yes what impacts did the project (s) have?

Signature of the Interviewer, date.

Annex-III

ইউপি সাক্ষাতকার প্রশ্নমালা

১. উত্তরদাতা সংক্রান্ত তথ্যাবলি

- (ক) উত্তরদাতার নাম
- (খ) সংগঠনের নাম
- (গ) স্থান (ঘ) পদের নাম
- (ঙ) বর্তমান পদে চাকরির মেয়াদ
- (চ) এই সংস্থায় চাকরির মেয়াদ
- (ছ) বয়স, বৎসর, (জ) মহিলা / পুরুষ
- (ঝ) শিক্ষাগত যোগ্যতা

২. এলজিএসপি প্রকল্প সম্পর্কে আপনার ধারণা কীরকম? ভালো, ভালো নয়, মোটামুটি, জানিনা

৩. আপনি কি মনে করেন যে এই প্রকল্পের ফলে ইউনিয়ন পরিষদের কার্যসম্পাদনের মান উন্নত হয়েছে? হ্যাঁ/না, বলতে পারছি না

৪. উন্নুক্ত বাজেট অধিবেশনের মাধ্যমে যে সিদ্ধান্ত নেয়া হয় তার ভিত্তিতেই কি ইউপির পরবর্তী সিদ্ধান্তসমূহ গ্রহণ করা হয়? হ্যাঁ, না, মাঝেমাঝে, বলতে পারছি না

৫. উন্নয়ন বা প্রশাসনিক বিষয়সমূহের ব্যাপারে নাগরিকদের মতামত, মন্তব্য বা পরামর্শ গ্রহণের কোন সিস্টেম বা নজির এই ইউপিতে আছে কি? হ্যাঁ, না, মাঝেমাঝে

৬. ইউনিয়ন পরিষদের কেউ ভালোবাজ করলে বা সাফল্য লাভ করলে তাকে কোনভাবে পুরস্কৃত করা হয় কি? হ্যাঁ, না, মাঝেমাঝে

উত্তর হ্যাঁ হলে পুরস্কারটি/গুলো কী ধরণের?

৭. আপনি কি মনে করেন যে এলজিএসপি অডিট আপনার ইউপির কাজের মান উন্নয়ন করতে সহায়তা করেছে? হ্যাঁ, না, বলতে পারছি না

উত্তর হ্যাঁ হলে তা কীভাবে?

৮. আপনি কি মনে করেন যে এলজিএসপি আপনার ইউপির জনগণের জন্য আরো কার্যকর ও আরো দক্ষ সেবা প্রদান নিশ্চিত করেছে? হ্যাঁ, না, কিছুটা

৯. আপনি কি মনে করেন যে এলজিএসপি গ্রহণ করার ফলে আপনার ইউপিতে পরিকল্পনা প্রক্রিয়ার উন্নতি হয়েছে?

হ্যাঁ, না, কিছুটা, বলতে পারছি না

১০. আপনি কী একমত যে এলজিএসপি গ্রহণ করার ফলে আপনার ইউপির কার্যক্রমে জনগণের প্রতি জবাবদিহিতার মাত্রা আরো বেড়েছে? হ্যাঁ, না, সামান্য, জানিনা

১১. আপনি কি মনে করেন যে এলজিএসপিতে বা এ ধরনের অন্যান্য প্রকল্পে যে সব নিয়ম কানুন অনুসরণ করতে হয় তার ফলে ইউপি'র সিদ্ধান্ত গ্রহণ প্রক্রিয়ার উন্নতি হয়েছে? হ্যাঁ, না, সামান্য, জানিনা

১২. আপনি কি সরকার কর্তৃক গৃহীত এমন কোন উদ্যোগের কথা জানেন যার ফলে ইউপি পর্যায়ে কর্মকাণ্ডের সমন্বয় সাধন সহজ হয়েছে বা কাজের খরচ সাশ্রয় হয়েছে? হ্যাঁ, না

উত্তর হ্যাঁ হলে উদ্যোগটি/গুলো কী কী?

১৩. আপনি কি কোন প্রকল্পের ভিতরে এমন কোন সিস্টেমের কথা জানেন যার ফলে প্রকল্প চলাকালীন কোন ভুলত্রুটি হলে তা তখনই নজরে চলে আসে? হ্যাঁ, না

উত্তর হ্যাঁ হলে সিস্টেমটি/গুলো কী কী?

১৪. কর্মচারীদের কাজে উৎসাহিত করার জন্য বা আরো বেশি কাজ করার জন্য উদ্বুদ্ধ করার কোন ব্যবস্থা ইউপি'তে গত পাঁচ বৎসরে নেয়া হয়েছে কি? হ্যাঁ, না

হ্যাঁ হলে কী ব্যবস্থা নেয়া হয়েছে?

১৫. আপনাদের ইউপি'তে কোন কাজে সমস্যা বা ত্রুটি দেখা গেলে তা নিয়ে কি ইউপি'র সভায় আলোচনা হয় এবং তা থেকে শিক্ষা নিয়ে পরিকল্পনা ও প্রকল্প বাস্তবায়নে আরো উন্নত পদ্ধতি নেয়া হয়? হ্যাঁ, না, জানা নেই

১৬. এলজিএসপি-এলআইসি প্রকল্পে অন্তর্ভুক্তির কারণে আপনার ইউপি'তে পূর্বে প্রচলিত কখনো কোন পরিকল্পনা, নীতি বা অভ্যাস বদলে ফেলতে হয়েছে কি? হ্যাঁ, না

উত্তর হ্যাঁ হলে সেটা কী?

১৭. প্রকল্প থেকে যদি কোন উপকার/পরিবর্তন হয়ে থাকে তাহলে যে উপকার পাওয়া গেছে বা যে ধরনের অভ্যাস পরিবর্তন ঘটেছে তাকে টিকিয়ে রাখতে হলে কী কী ব্যবস্থা বা উদ্যোগ নেয়া যেতে পারে? (ক) (খ) (গ)

১৮. ইউপি'র উন্নয়ন বাস্তবায়ন প্রক্রিয়ার সাথে সাধারণত কারা জড়িত থাকেন? (ক) (খ) (গ)

১৯. ইউপি'র কার্যসম্পাদন উন্নয়নের জন্য কোন তরফ থেকে কোন উদ্যোগ নেয়া হয়েছিল কি? হ্যাঁ, না

উত্তর হ্যাঁ হলে সেটা কী?

২০. এলজিএসপি ছাড়া এখানে আর কী কী প্রকল্প আছে?

সাক্ষাতকার গ্রহীতার নাম, স্বাক্ষর, তারিখ

Annex-IV

এফজিডি গাইড

এফজিডির স্থান : -----

১. এলজিএসপি প্রকল্পের আওতায় ইউনিয়নের কার্যক্রমকে আপনি কীভাবে মূল্যায়িত করেন?
২. ওই প্রকল্পের আওতায় ইউনিয়ন পর্যায়ে প্রধান কাজগুলো কী ছিল?
৩. আপনার মতে ইউনিয়ন পরিষদের কাজ সাবলীলভাবে না হওয়ার পেছনে মূল সমস্যাসমূহ কী ছিল?
৪. আপনি কি মনে করেন যে ইউনিয়ন পরিষদের অধীনে গৃহীত বিভিন্ন কার্যক্রম নিরীক্ষণ করার জন্য যথাযথ ব্যবস্থা নেয়া হয়েছিল?
৫. ইউনিয়ন পরিষদের অফিস ও আর্থিক ব্যবস্থাপনা কে তত্তাবধান করতো?
৬. ইউনিয়ন পরিষদের কার্যক্রম তত্তাবধান করা বা সমন্বয় করার জন্য নাগরিকদের পক্ষ থেকে কোন উদ্যোগ নেয়া হয়েছিল কি?
৭. ইউনিয়ন পরিষদের কার্যসম্পাদন ব্যবস্থাপনার জন্য বিভিন্ন গৃহীত প্রজেক্টের মাধ্যমে কী কী সাফল্য অর্জিত হয়েছে?
৮. প্রকল্পের কর্মকর্তা এবং ইউপি সচিবের কার্যসম্পাদন মাপার জন্য ইউপিতে কোন সিস্টেম বিদ্যমান আছে কি?
৯. আপনি কি মনে করেন যে প্রকল্প পরিকল্পনা ও বাস্তবায়নের ক্ষেত্রে স্টেকহোল্ডারদের সম্পৃক্ত হওয়া ইতিবাচক ফল বয়ে আনবে?
১০. ইউপির সক্ষমতা বৃদ্ধির ক্ষেত্রে কেন্দ্রীয়ভাবে পরিচালিত প্রকল্পসমূহের সবল দিকগুলো কী কী?
১১. ওই একই প্রকল্পের দুর্বল দিকগুলো কী কী?
১২. আপনি কি মনে করেন যে ইউনিয়ন পরিষদের গৃহীত সব কার্যক্রম ও কর্মপদ্ধতি সম্পূর্ণ স্বচ্ছ?
১৩. বিভিন্ন প্রকল্প বাস্তবায়ন কমিটিসমূহ এবং স্থায়ী কমিটিসমূহের দ্বারা সম্পাদিত কাজের মান সম্পর্কে যাচাই করার জন্য কোন পদ্ধতি ইউপিতে ছিল কি?
১৪. ইউপিতে যারা ভালো কাজ করছে এবং যারা সন্তোষজনকভাবে কাজ করতে পারছে না তাদেরকে পুরস্কৃত বা তিরস্কৃত করার কোন ব্যবস্থা কি আছে?
১৫. ইউপিগুলো তাদের ভবিষ্যৎ কর্মকাণ্ডের পরিকল্পনা কীভাবে করে?
১৬. ইউপির সামগ্রিক কর্মসম্পাদন সম্পর্কে আপনার মতামত কী?
১৭. ইউপির অধিবাসীরা কি ইউপিকে নিজেদের প্রতিষ্ঠান বলে মনে করে?
১৮. আপনি কি মনে করেন যে প্রকল্প বাস্তবায়ন ও সুষ্ঠু সেবা প্রদান নিশ্চিত করার জন্য ইউপিতে আরো জনবল প্রয়োজন?

Annexe-V

**Minimum Conditions for access to SBG
(In LGSP)**

FUNCTIONALITY OF THE UP OFFICE

1. Regular opening of the UP office:

The UP Office is open and operational every working day, minimum half of the time, from 9.00 am –5.00 pm (in a recognized building)

2. Village Court Operational

The Village Court is operational (for example there is defined system and procedure for lodging complaints, court days and time) as per the rules

3. All the standing committees are established

All 13 standing committees are established as per the Ordinance with at least one-third of the standing committees headed by women members

4. UP's participation in BGCC meetings

Both the UP Chairperson and nominated women member actively takes part in the quarterly BGCC meetings in which s/he is invited

QUALITY OF THE UP DECISION MAKING

5. Regular monthly meetings of UPs:

The UP conducts minimum one monthly meeting, documented in form of written minutes of the proceedings and other evidence. There should be either a fixed meeting schedule or advanced announcements of all the meetings (all these conditions should be met)

6. Women participation in UP meetings:

All women members of the UPs present in 2/3 of the regular meetings in the UPs

FISCAL EFFORTS OF THE UP

7. Tax assessment done

UP has done tax assessment of the households minimum once every 5 years as mandated by rules

Annexe-VI

(i)

Performance Management Rating System

Categories	Best Practices	Rating (1-low to 5-high)		
Mission	Leadership The employee is personally committed to performance management for service improvement as good management and as an ethical obligation (s)he is spending public resources Performance management language (objectives, outcomes, strategies, improvement) is part of his daily conversation. Periodic training is required in regard to performance measurement Experience in performance management is part of job announcements for supervisory positions and part of the interview process.			
		Goals & Objectives Service delivery goals and quantifiable objectives are established for major programs and service areas Employees are provided opportunities to participate or feedback on departmental goals and objectives.		
			Customers (S)he should know who their customers are and understand what they want. Feedback on customer needs and satisfaction is obtained on a periodic basis.	
		Subtotal for Mission (should be between 8 and 40)		
	Assessment	Performance Measures The measures are reflective of the program's goals and objectives He should collect a broad array of measures, including outputs, but concentrate on measures of efficiency and effectiveness for service improvement. Measures should provide him with information to support management decisions.		
			Comparative Statistics He should use comparative information (trends, objectives, targets, professional standards, or benchmarks) to assess performance.	
				Logistics He should have standard processes for data collection Data are audited or reviewed on a periodic basis for accuracy and reliability.
		Subtotal for Assessment (should be between 6 and 30)		
	Performance	Reporting & Evaluation He should report performance information on a semi-annual or annual basis for accountability (citizen and council review and budget preparation) He should report performance information on a monthly or quarterly basis for operations and feedback to employees. He or staff members have the necessary skills for data analysis. He should evaluate his performance (program evaluation, continuous process improvement, etc.) on a periodic basis.		
			Change Performance information is being used in his program to support and drive change for improvement. Employees understand and are part of change management	
Rewarding Success He acknowledges individuals or groups in regard to performance success (awards, recognition, bonuses, etc.) The role of performance management is part of personnel evaluations for supervisors.				
			Subtotal for Performance (should be between 8 and 40)	
Grand Total (should be between 22 and 110)				

Source: (Rivenbark & Roenigk 2006.)

(ii)

The five-point scale to gauge the programme's level of commitment.

1 Never given serious consideration or even heard of this.
2 Some efforts made but not consistent or regular
3 Doing this on a periodic basis but requires lots of reinforcement
4 Regular part of the work culture and generally accepted in the department
5 Strong part of the work culture and recognized by others.

Source: (Rivenbark & Roenigk 2006.)

Interpretation Scale

Source: (Rivenbark & Roenigk 2006.)

Score	Interpretation
22-44	Not yet moving
45-65	Getting started but limited
66-88	Good performer with a solid base
89-110	Leader in performance management

Annex- VII**FOCUS GROUP DISCUSSION**

Two FGDs were held in the districts of Serajganj and Feni to elicit response of the stakeholders regarding the performance improvement initiatives for the UPs. The following persons were present in the FGDs:

FGD 1

Serajganj (Held on 19-07-2012)

No.	Name & Designation	Name of the Organisation
1	Sawpan Kumar Das,	Chairman, Chandaikona UP, Raiganj
2	Md. Farid Khan Ranju, Member	Saidabad UP
3	M. Abubakar Siddique,	Member, Nalka UP
4	M. Emdadul Haq,	Secretary, Dhangara UP
5	Alhajj Gazi Mohammad Khorshed Alam,	ex Chairman, Purnimagati UP
6	M. Abdul Karim,	Secretary, Madhainagar UP
7	M. Naimul Islam Uzzal	UP No. 2, Garadaha
8	M. Firozuddin Khan,	Chairman, Dhangara UP, Serajganj Sadar
9	M. Zahidul Islam,	Chairman, Panchocroshi UP, Ullapara

Moderator I: *Kabir M. Ashraf Alam*

Moderator II: *M. Serajul Hossain*

It was a Dual-Moderator Focus Group. The discussion was initiated by the Moderator I (Researcher). The participants were briefed about the purpose of the discussion and the following points were covered:

- The business of the UP is mainly dependent on the chairman. The proposals and points raised by the members during monthly or general meetings come to nothing if the chairman does not approve of it.
- If the proposals are okay but there is no money to support implementation, the result is the same. Citizens' involvement in the activities of the UP had been minimal before. Even the members were sometimes despotic in attitude.
- But the implementation of LGSP radically changed the scenario. Scheme selection, formulation of projects and implementations are done on the basis of popular choice.
- Previously the UPs were accountable to the agencies upward, but LGSP practices have changed this orientation. Peoples' participation has made the UPs more accountable to the citizens.
- UPs do the following exercises under LGSP:

Activities under LGSP

- To inform the people about the allocated block grant.
- To form the committees as per LGSP manual to select, finalise and implement the schemes from the allocated fund.
- To prepare the budget and annual development plan.
- To prepare and send quarterly, bi-annual and yearly reports on UP activities.
- To maintain separate accounts and cash registers for financial transactions.
- To hold Ward Shava and finalising scheme selection through the Ward Shavas.

Causes of UP malfunctions

- Authoritarian attitude of the chairmen and lack of interest of the members.
- Weak financial position and inadequate workforce
- Ignorance of the UP chairmen and members about their chartered duties.
- Insufficient knowledge of the functionaries about the nature, type and procedure of service delivery by the Ups
- Lack of initiative to highlight the positive image of the UP chairmen and members.

- Involvement of the chairmen in multifarious activities other than UP functions keep them abnormally busy paving way for the secretary to wield more powers than actually meant for the post.
- The above practice sometimes makes the chairman a mere signatory to official proposals.
- Spontaneous initiative from the citizens to participate in the functions of the UP is rare. The main thrust normally comes from the various NGOs working in the concerned UPs.
- Success of various development projects of the UP:

-participation of the community members at the ward level.

-Ward Shava facilitates bottom-up scheme selection process at the UPs.

-Ensures community level accountability of the UP functionaries.

-Adherence to Public Procurement Rules 2008 helps to maintain better financial administration and transparency (use of specific formats, budget formulation, transaction through banks and issuing work order).

Observed Demerits:

-Raising fund through own sources of revenue got less priority due to inflow of block allocation funds from above.

-putting less stress on the technical viability of the schemes sometimes caused implementation and sustainability problems.

-Less supervision resulting from 'tadbir' made quality control of scheme implementation difficult in some cases.

-Confusion prevailed regarding formulation, function and size of the different committees prescribed under LGSP.

FGD 2**Feni** (Held on 07-02-2013)

No.	Name & Designation	Name of the Organisation
1	Mohammad Ayub Hossain	Secretary, Boxmamud
2	Fazlul Karim Bhuiyan	Secretary, Mirjanagar
3	Subrata Kumar Shil	Secretary, Dharmapur
4	Kabir Ahmed	Secretary, Anandapur
5	Mamunur Rashid	Chairman, Jailaskar
6	Ibrahim Khalil	Chairman, Boxmamud
7	Md. Harun	Chairman, Annadapur, Fulgazi
8	Md. Azizur Rahman Siddique	National Expert JAICA

Moderator I: *Kabir M. Ashraf Alam***Moderator II:** *M. Serajul Hossain*

It was also a Dual-Moderator Focus Group. The discussion was initiated by the Moderator I (Researcher). The participants were briefed about the purpose of the discussion and the following points were covered:

- LGSP-LIC dealt with the problems of development in a comprehensive and sustainable way.
- Created an interactive environment in the UP decision making process by introducing Ward level committees for scheme selection and monitoring.
- Contributed substantively in maintenance of office administration and financial management that includes filing, noting, opening and maintaining register, opening and operating bank account and preparing reports.
- Budget preparation process has been made participatory and broad based through open budgeting system.
- Previously ADB schemes were selected arbitrarily mostly by the chairman alone and this resulted in poor performance at the end of the day. LGSP devised ways to

involve the stakeholders in the scheme selection process and it improved the quality of performance.

- LGSP works were audited by professional auditors who examined not only documents but also physical progress and involvement of the citizens in the selection and implementation process.
- Relation of the UP functionaries with the citizenry improved as a result of the mechanisms prescribed by LGSP. Trust of the people on the UP activities increased.
- Members of the public, in addition to the designated officials, monitored the development schemes and supplied the UP authorities with vital information during the process of implementation.
- Incentives grants went a long way to motivate some UPs to better perform.

Observed Demerits.

- Development grants never reached UPs in time. Mismatch of the financial year with the favourable weather condition also affected the performance quality negatively.
- Lack of technical manpower at the UP posed real hurdle to the development efforts.
- Lack of experience in proper office and financial management hampered work.
- Budget amount, though increased, still meager compared to the need of the people.

FGD Guidelines

FGD Location.....

1. How do you evaluate the activities of UP under the LGSP project?
2. What were the main activities at the UP level under that project?
3. What were the main obstacles in the way of the smooth operations of the UPs?
4. Do you think that appropriate measures were taken to monitor the various activities of the UPs?
5. Who supervised the office and financial management of the UPs?
6. Has there ever been any attempt from the citizens side to supervise or coordinate the activities of the UP?
7. What were the successes of the various initiatives/projects undertaken to improve the performance of the UPs?
8. Is there any system existing at the UP to measure the performance of the UP secretary and the project related officials?
9. Do you think involvement of the stakeholders in the project planning and implementation process will bring positive results?
10. What were the strengths of the centrally administered UP capacity building projects?
11. What were the weaknesses of the same?
12. Do you think the process of UP functioning and all activities undertaken by the UP are totally transparent?

13. Was there any system in the UP to measure the quality of performance done by the various project implementation committees and standing committees?
14. Is there any mechanism prevailing in the UPs to reward those who did good works and punish those who did not?
15. How do the UPs plan their future activities?
16. What is your opinion about the overall performance of the Ups?
17. Do the citizens of the UP consider UPs as their own institution?
18. Do you think UPs need more workforce to ensure better project implementation and service delivery?

Annex –VIII

KEY INFORMANT INTERVIEWS

Introduction

Key Informant Interviews were contemplated to supplement the basic field survey and subsequent Focus Group Discussions. The selection of Key Informants was based on the supposition that the people at the central level who were or still are involved in the planning and implementation of different programmes /projects covered in the study could contribute to the overall enrichment of knowledge in this regard because of their active involvement in the same. The actors in the field level were covered in the field surveys and FGDs and the KIIs now would top up the total process of this study.

Experiences with Performance Management Projects

The KIIs were of common opinion that the LGSP was the only performance improvement project that came to the field with a comprehensive package. The target group was the whole numbers of UP and the areas covered in the process practically almost exhaust the UP activities, both regulatory and developmental. They said that because the LGSP grant of funds was tied with performance of the UPs and failure to comply with the minimum conditions meant no grant at all, the programme successfully could instil a sense of seriousness about achieving results in most of the cases. They also emphasised that the process followed by LGSP and close monitoring was instrumental to ensure better performance of the UPs.

Initial Perspectives of Performance Management Projects

The Informants without exception asserted that all the other projects besides LGSP touched the issues of performance measurement and performance management in a tangential manner and consequently had very little impact on the UPs performance capacities. Projects like HYSAWA or RMP had good impact on the life of the UP citizens but the measures incorporated in those project documents did not target performance measurement or for that matter

performance management in the real sense of the term. The provision of grassroots level project /scheme selection created opportunity for the stakeholder citizens to participate in the decision making process of the UPs. This practice facilitated, in some cases, reviewing and evaluation of the performance of the UP project committees.

Strengths and Weaknesses of Performance Management Projects

The strengths and weaknesses of the performance improvement projects identified by the interviewees are as follows:

Strengths

1. LGSP provisions created scope for performance measurement.
2. Comprehensive monitoring and feedback system of LGSP ensured that the decision-making in the development works become participatory and broad-based.
3. LGSP introduced a competitive environment in performance because only achievers were offered EBS, not the under-achievers.
4. LGSP covered all the important aspects of governance at the UP level and imposed MMC as precondition for becoming eligible for development grants.

Weaknesses

1. LGSP audits in the initial years were not done seriously and that made the performance measurement difficult.
2. Lack of qualified manpower is an obstacle to implement performance measurement at the UPs.
3. The UPs are too small to introduce performance improvement systems on their own.
4. All the performance improvement programmes /projects were imposed top down and had less impact on the UP than expected.

Benefits

1. Rate of success achieved in the LGSP is very high. In many cases it was even 100%.
2. In some cases it was more than 100% in the sense that there was value addition as a result of the project implementation which was not originally contemplated in the project objectives. It includes generating a sense of accountability among the UP officials and a tendency to measure the performance albeit in a rudimentary way.
3. The UNOs used to send some kind of performance report of the UPs to the central government which contained items like office and financial management, peoples' participation, women empowerment, revenue mobilization and village court etc.
4. Some of the UPs discuss and evaluate their performance as a matter of practice. This is not universal.
5. UPs prepare and send a number of reports which are not always of good quality.
6. KABIKHA or KABITA projects had provision for monitoring but LGSP was the first one to involve citizens' participation in the process. BGCC is a device monitor progress of the LGSP works. It also has complaint redress system. But the rate of effectiveness of these committees varies from UP to UP.
7. Evaluation of performance in the standard sense of the word is very rare. Only a very few dynamic UPs follow this practice. Systematic involvement and empowerment of the citizens were experimented during the SLGDP and some other contemporary projects. The findings of those experiments were incorporated in the process through legislation.
8. Open budget system had tremendous impact on the UP administration. It made the people conscious about resource allocation and project selection.
9. Nowadays, the chairmen, members and the secretaries are more concerned about the volume and quality of performance as a result of LGSP implementation. Provision of incentives to the good performers is one of the major causes of such change.
10. The UP standing committees can help boost up the UP performance if they are activated and functionalized. New law of 2009 and LGSP have created scope for the interested citizens to participate in the UP decision making through these bodies.
11. There is no formal built-in system to measure the performance of the UPs. Introduction of new law and the creation of the UDCC have opened the venue for the UPs to talk about quality and performance measurement. These forums should be used extensively.

Disadvantages

1. Other than the audit reports there was no formalized mechanism to learn from error and take corrective measures. The provisions of LGSP have just started the process in a very rudimentary scale.
2. Bureaucratic tangle sometimes impeded the initiative of the UP especially regarding timely allocation and disbursement of financial resources.
3. Massive allocation of resources by the LGSP in some cases discouraged local resource mobilisation by the UPs.

Summary of Findings

Through the Key Informant Interviews, it was observed that though the introduction of performance measurement and for that matter performance management can have many benefits, particularly in the areas of service delivery and day-to-day administration of the UPs, there are many challenges to ensuring that a system facilitating this environment gets the necessary support of all the stakeholders involved.

List Of Participants In The Key Informant Interviews

1. Swapan Kumar Sarkar, National Project Director, LGSP
2. Prosanta Kumar Roy, Ex Director, Programmes & Evaluation, NILG
3. Aminul Islam,
4. Mozammel Haq, National Project Director, LGSP-II
5. Akram –Al Hossain, Deputy Secretary, Ministry of Local Government & Rural Development.
6. Azizur Rahman Siddique, Former Consultant, LGSP-LIC

Key Informant Interview Questionnaire

1. Information about respondent

- (a) Name of the respondent
- (b) Name of the organization
- (c) Location (d) Name of post
- (e) Duration in the present post
- (f) Duration in the organization
- (g) Age/year (h) Sex: Male-1, Female-2
- (i) Education

2. Do you think that during the last 5 years the UPs have been successful in implementing projects?

- (a) Hundred percent (100%)
- (b) Seventy five to Ninety percent (75-99%)
- (c) Less than Fifty percent (<50%)

3. Do you think that the performance of the UPs during the last 5 years have been measured by the higher authorities? (a) Yes (b) No

4. If yes, what were the measures taken?

5. Do you think the UPs discuss their performance in the meetings of the standing committees or monthly meetings?

6. If yes, please explain the modalities.

7. Do you think the UPs incorporate the performance measurement information in the planning for the next financial year? (a)Yes (b) No

8. Do you think that the reports/returns the UPs send to the UZP and district level contain any information about the quality and volume of performance for a particular period?

9. What are the mechanisms at the UP level to monitor performance of the various project committees and the UP itself?

10. Do the UP chairman and members evaluate their own performance and the performance of the projects under the UP on a regular basis?

11. If yes, what are the processes adopted and documentation method followed?

12. What is the level of involvement of the local population especially the stakeholders of various projects in the monitoring and evaluation of the same? Please explain.

13. Do the citizens, especially the civil society members participate in the decision making process of the UPs?

14. If yes, what are the mechanisms to ensure that?
15. Do the participating civil society members review the performance of the UP as a whole in the monthly meetings and in the standing committee meetings? (a) Yes (b) No
16. Is there any provision in the UP Act, rules or regulation to incorporate the lessons learnt in the future planning and development of the UP? (a) Yes (b) No
17. Is there any system in the UP to reward better performers and chastise the underperformers? (a) Yes (b) No
18. Is there any mechanism to measure or monitor the functions of the UP secretary ? (a) Yes (b) No
19. Do you think that a UP performance should be measured by the UPs themselves or by an outside agency ? (a)Yes (b) No
20. If yes, what that outside agency should be?
- (a) Upazila Parishad/UNO, (b) Deputy Commissioner, (c) Private firms, (d) Independent Stakeholders Group, (d) Centrally by the Ministry.
21. Which project brought about the most improvement in the functioning of the UPs?
22. Do you think the improvements brought about by specific projects sustain after the closure of the project? (a) Yes (b) No
23. Do you think open budget system had positive impact on the administration and management of the UPs? (a) Yes (b) No
24. Are the chairmen and members serious about the quality and volume of overall performance of the UPs? (a) Yes (b) No
25. Are the standing committees effective in initiating business and taking stock of the UP performance? (a) Yes (b) No
26. Do you think that there is a system in operation to measure and monitor the performance of the UPs and learning and incorporating the lessons? (a) Yes (b) No
27. If yes, would you elaborate please?
28. Is there any system in the UPs to learn from errors and start incorporate corrective measures? (a) Yes (b) No
29. If yes, would you please elaborate?

Annex IX

Table A: Types of respondents

Types	No of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Male	86	86	82	82	168	84.00
Female	14	14	18	18	32	16.00
Total	100	100	100	100	200	100.00

Table B: Opinion about whether there was any discussion in the UP meetings regarding problems in the UP activities and subsequent application of improved methods in the project planning and implementation process based on that discussion.

Response	No. of respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Yes	68	68	62	62	130	65.00
No	17	17	21	21	38	19.00
Not known	8	8	9	9	17	8.50
No response	7	7	8	8	15	7.50
Total	100	100	100	100	200	100.00

Table C: Opinion about changes in the planning/policy practices.

Types of changes	No. of respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Process of scheme selection starts from ward level	47	38.21	48	40.00	95	39.09
Accountability to the community and other stakeholders increased	42	34.14	37	30.83	79	32.51
Transparency in procurement improved	18	14.63	19	15.83	37	15.22
Time management in project implementation improved	12	9.76	9	07.50	21	08.64
No response	4	3.25	7	05.83	11	4.53
Total	123	99.99	120	99.99	243	99.99

Table D: Opinion about whether there were any initiatives to improve the UP performance.

Opinion	No. of Respondents					
	Upazila				Total	
	Ullapara		Feni Sadar			
	No.	%	No.	%	No.	%
Yes	76	76	69	69	145	72.50
No	19	19	23	23	42	21.00
No response	5	5	8	8	13	6.50
Total	100	100	100	100	200	100.00

Annex X

Achievement of the following two objectives⁷³

- To strengthen the capacity of Government, Local Government Institutions (LGIs) and non-government stakeholders at all levels to play the roles required to achieve the above three immediate objectives
- To promote greater devolution of administrative and financial authority to local government institutions in regard to hygiene, sanitation and water supply.

It was intended that the HYSAWA project should provide water supply options to the union parishads where capacity building training provided. 696 Union Parishads were targeted for HYSAWA project of which NGO-Forum was responsible for 350 Unions. NILG and LGSU were responsible to provide training for the rest unions. HYSAWA financed training of UP functionaries, PNGOs, Community Facilitators (volunteers), and SOs on different modules including project planning, management and monitoring; procurement and finance management; cross-cutting issues such as governance, gender, poverty etc. Training was also provided in technical areas such as CLTS, Hygiene promotion and caretakers training including water safety plan at user level. Total 6394 LGI representatives were trained by NILG, RDA, BARD and NGO-Forum. Training Modules for these trainings were prepared by LGSU and LGI CB Project. It was noticed that nearly one-quarter of the trained UP functionaries was female. HYSAWA financed training of UP functionaries, PNGOs, Community Facilitators (volunteers), and SOs on different modules including project planning, management and monitoring; procurement and finance management; cross-cutting issues such as governance, gender, poverty etc. Training was also provided in technical areas such as CLTS, Hygiene promotion and caretakers training including water safety plan at user level. Total 6394 LGI representatives were trained by NILG, RDA, BARD and NGO-Forum. Training Modules for these trainings were prepared by LGSU and LGI CB Project. It was noticed that nearly one-quarter of the trained UP functionaries was female.

⁷³ Project Completion Report of the HYSAWA project, (January 2006 – December 2011). Implementation, Monitoring and Evaluation Division, Ministry of Planning, Government of the People's Republic of Bangladesh

Annex XI

Salient Features of the budget (2012-13) of Kurar Bazar Union Parishad, Beani Bazar ,Sylhet. A document containing 17 pages.

Page -1

- Estimated Income
- Estimated Expenditure

Page -2

- Breakup of Estimated Income for next year
- Breakup of actual income for the current year
- Breakup of actual income for the immediate past year

Page-3

- Breakup of estimated expenditure for next year
- Breakup of actual expenditure

Page-4-6

- Discussion on tax, fixation of rates and fees, birth & death registration, union web portal, village court, physical infrastructure building, Union Information & Service Centre and development plan.

Page-7

- Breakup of allocation received in kind for the past year.

Page 8-9

- Statement of cash transaction for the preceding year.

Page 10-14

- Detailed list of development schemes implemented and purchases.

Page -13

- Description honorarium paid to the chairman & members.

Page-14

- Description of salary & allowances paid to the secretary and village police force.

Page-15-17

- List of services provided by the Union Parishad.