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**Operational Risk Assessment (ORA) for Local Government  
Engineering Department (LGED) in Bangladesh  
Final Report, Volume 2**

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## **FORMIP: RISKS OF THE EXTERNAL ENVIRONMENT**

1. This volume examines key, type 3 risks of the external environment. Type 3 risks, or “political control risks” are risks that LGED can neither control nor influence. Yet, it can take actions to address some aspects of them indirectly, and thereby possibly reduce reputational damage stemming from such risks. Furthermore, the World Bank may be able to take actions to mitigate the relevant operational and fiduciary risks to LGED’s operations and reputation through the Bank’s analytical work and full range of projects. Such actions will have the greatest impact when taken in combination with type 1 and 2 actions, as discussed in the previous volume.

2. Type 3 risks are shaped by many factors common to other South Asian countries (CSDS, 2007)<sup>1</sup>. While there is wide support for the idea of democracy, implementation is incomplete. For example, while there is a legal basis for equality, diversity and human rights for all, and while formal checks and balances are in place, regimes and frameworks tend to favor the dominant group; while citizens identify strongly with political parties, they fail to offer meaningful choices to voters in a democratic and transparent manner; while NGOs represent issues and groups that parties ignore, they also suffer limitations in representation, transparency and accountability; and while democratic governments have created rights and dignity for citizens, they have created expectations that have not been met given widespread poverty and inequality. Other issues shaping the political environment in the region are heightened in Bangladesh: the electorate is particularly prone to patronage, including day laborers, subsistence farmers and small traders; maintaining electoral rolls is challenging because of the high rate of migration<sup>2</sup>, organized crime and party politics are intertwined, and because of limitations in formal political channels, politics often takes place outside of official channels, including hartals, violent election campaigns, terror attacks, and violence by criminals funded by elite groups (Wescott, Siddique and Rahman, 2007).

3. Such governance challenges and state capture throughout the political landscape, including the value chain of public expenditure for rural and urban infrastructure, all help to fuel fiduciary and operational risks for LGED (cf. Paterson and Chaudhuri, 2008). Addressing these challenges will require, *inter alia*, building well organized, political support coalitions that have sufficient influence to exploit reform opportunities, in the face of strong, opposing forces. The specific, type 3 risks and recommended actions are summarized in Table 1, at the end of this section.

### **1.1 Internal Organization**

#### **a. Pay and Compensation**

4. Pay and compensation rates reflect standard government pay scales for each class and grade of employee. The compression ratio from top to bottom of the pay scale stands at around 10, which does not adequately reflect the difference between jobs and responsibilities. Class 1 (professional) staff are inadequately differentiated from Class 3 and 4 (manual) staff.

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<sup>1</sup> For a full list of references cited, see Volume 1.

<sup>2</sup> Half of voter list errors analyzed by Lippert et al (2005) were due to recording errors on migrants.

There is also substantial overlap between the scales of different grades in class 1 resulting in just Tk 750 per month difference between different grades. Many of the scales in Class 1 are too

Class	Salary Band (Tk)
Class 1	15,000 – 32,000
Class 2	12,276
Class 3	6,000 – 7,200
Class 4	5500

Source: data provided by LGED

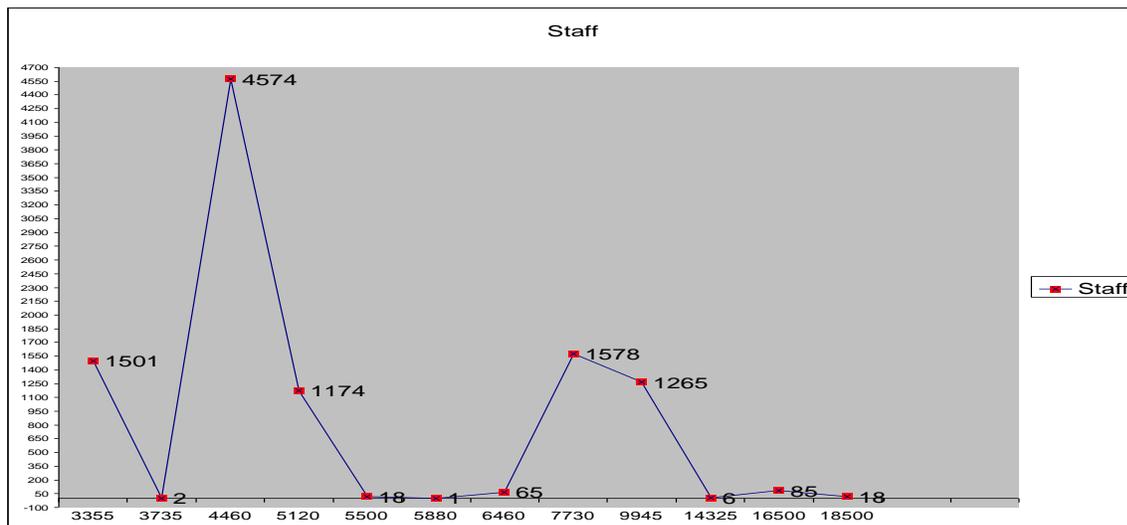
long, allowing for an employee to double his/ her pay without ever changing job. These factors represent an operational risk that LGED staff may lack motivation, and a fiduciary risk that they may try to supplement their low pay in an unauthorized way.

5. Although public service pay is generally low and does not compare with the private sector in Bangladesh, a particular challenge in LGED is that the vast bulk of core professional staff at AE level only receives

around Tk 12,000 per month. This represents a little over half the average pay of a typical AE in India subsequent to Central Government revision of pay in 2006. Low pay scales for professional employees in public service in Bangladesh represents an operational risk that detracts from a department such as LGED being able to recruit high quality staff, and a fiduciary risk in that it encourages those in post to look for alternative ways of supplementing income through a variety of informal arrangements on works and contracts. Although the provision of a motorcycle is considered as a fringe benefit, the lack of an adequate fixed fuel allowance to cover work requirements once again reinforces the need to seek additional sources of funds. To mitigate these issues, there needs to be a general enhancement in pay of around 40%.

6. At the same time the compression ratio should be increased from 10 to 20 to provide for a greater level of differentials between classes, grades and responsibilities. Pay scales should be shortened to allow for a 20%- 30% enhancement in in-post pay rather than the present

**Distribution of pay across LGED at indicative median points in the pay scale**



Vertical Column – Number of Staff; Horizontal Column – Median Points in Pay Scale

system which allows for 100% enhancement in in-post pay thereby reducing the incentives to take on additional responsibilities of a higher post. There should also be an increase in the fuel allowance for AEs in field positions to allow for more effective monitoring and inspection. A Pay Commission is at present working on determining new pay scales that will hopefully address

these concerns. Finally, the lack of a separate cadre for LGED misses a chance to increase motivation for staff. There are currently 29 cadres, providing for improved compensation and benefits for affected staff. The Establishment Division should consider establishing a new cadre for LGED. Adding a new cadre for LGED staff is called for to motivate staff to reach new heights of professionalism.

**b. Recruitment, Selection and Promotion**

7. Recruitment to LGED follows public sector rules, with all Class I-II posts filled by the PSC, based on a written exam and interview. A panel comprising Chairman/Member of the PSC, Secretary MLGRG&C and the LGED CE carries out the interview process. Final selection is based on a combination of marks obtained for both written test and interview. The significance of these marks is that they are used, not only to determine entry into the service but also seniority based on the gradation of marks. The gradation or merit list is subsequently used to determine promotions at various points in career progression.

8. Recruitment to Class III-IV posts is undertaken by the concerned department which is responsible for advertising vacancies and interviewing candidates. A written test may be held in cases where the department receives a large number of applications. All new entrants are initially employed on probation for a period of one year. Class I recruitment is on-going at present with the PSC actively engaged in recruiting a new batch of AEs to be placed at Upazila level. The process is being undertaken in phases with the first phase now complete. LGED's only involvement in recruitment is in placing requisitions as per sanctioned posts through LGD. Yet, there is too much emphasis in the recruitment process carried out by the PSC on paper academic qualifications and examination rather than experience, attitude and character. Part of this stems from recruitment procedures which do not provide sufficient scope for testing relevant knowledge and skills. The risk associated with this could be mitigated utilising the professional examination board to scrutinize applications, set and mark test papers and screen applicants for a final interview board led by PSC.

9. Promotions in LGED are governed by standard public service rules based on length of service, seniority<sup>3</sup> and performance as reflected in the Annual Confidential Report (ACR). These rules specify the length of service required to be eligible for promotion with the longest period applicable to lower scale posts, e.g. 5 years for a SAE to AE, 7 years for an AE to XEN, 3 years for an XEN to SE, 3 years for a SE to ACE, and 3 years from ACE to CE. The length of service in posts may be much longer, particularly in medium and junior posts. Promotions are made by a Committee with members from the Public Service Commission, Concerned Ministry, Establishment Ministry and Finance Ministry.

10. In spite of the carefully defined criteria governing length of service and promotion, the ability of the organization to offer promotions after the requisite period of service will depend on the structure and size of the approved cadre. In many cases there are insufficient posts at the requisite level of seniority for the department to be in a position to offer promotions to eligible candidates. In such cases departments have resorted to the creation of *proforma* promotions where an individual is promoted to a more senior position but without the associated pay and conditions of the post. The average tenure of engineering staff in any particular post is

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<sup>3</sup> As determined by a candidate's position in the gradation list

around 3 years. All classes of staff can be transferred within and beyond the district in which they are employed, as required.

11. In recent years, there has been improvement in the promotion policy for Class I officers, with a greater emphasis on merit. Yet, there is no effective system of performance appraisal in government, which relies almost wholly on the Annual Confidential Report (ACR): a mere reporting formality containing little or no assessment of developmental requirements and/or constructive criticism. This leads to exam results and years of service becoming the main criteria for promotion.

12. Another critical issue is that of limited scope for promotion within the existing approved cadre for LGED. This is in contrast to the Bangladesh Civil Service cadre which enjoys the benefit of availing of *in situ* promotion. The lack of sufficient approved posts at middle and senior management level (XEN and SE) has meant that many engineers remain at the same grade for their entire career. The lack of sanctioned posts for middle and senior managers in LGED results in the high prevalence of *pro forma* promotions where staff perform jobs for which they are not appropriately rewarded. Out of a total of 100 approved senior engineering posts ranging from ACE to XEN, 72% of these posts are filled by staff on additional charge basis whilst only 28% of posts are filled by staff on full scale. These issues represent an operational risk of internal dissatisfaction which lowers motivation, and also a fiduciary risk of engaging in informal channels of reward to offset the lack of career mobility. To mitigate this risk, it is recommended that LGED be allowed to provide additional increments when officers have completed the minimum serving time in post but where there is no sanctioned higher scale post available. This may require changes in the Government Rules currently in force.

### **c. Strategy**

13. The current LGED Strategy highlights a number of important dimensions that need to be included in future work plans and activities. These include, amongst others, the need for assessments of impacts and cost/benefits to inform future infrastructure provision; continuing focus on rural roads and the implementation of the rural roads master plan; promotion of maintenance and maintenance budgeting; support for decentralized services provision both within LGED and externally for local government; inclusion of participatory methodologies to support planning and implementation through labor-based construction; and inclusion of environmental and social requirements in engineering design. ISAP has prepared a Strategic Plan but it does not clearly articulate the vision – i.e. what LGED should look like in future, the services it will provide and standards it aims to achieve. At the same time the current Strategy contains a Mission Statement but does not focus sufficiently on LGED core values/ corporate qualities and competencies, competitive position, partners and alliances. This lacuna is compounded by the lack of any clear national strategy on decentralization and local government development. The lack of strategic direction on local infrastructure represents an operational risk with LGED largely adopting an instrumental rather than strategic role in infrastructure development. This lack of a defining strategy has increased the risk that the organization may not be optimally positioned to respond to future developments and changes in the nature and modality of local infrastructure provision. In spite of this lacuna, LGED has adopted an effective instrumental role in leveraging over 70 development partner supported projects for local infrastructure provision by presenting itself as an efficient and flexible organization with the

ability to manage projects and disburse funds in an effective manner. A clearer vision would enable LGED to shape and guide any emerging agendas within an internally-defined strategy.

14. To mitigate this risk, it is recommended that LGED develop a strategy and action plan specifically oriented to enabling the organization to become a leading edge provider of local engineering services. Whilst the current strategy has many important elements to build on, there are a number of features that need to be addressed more specifically within the Strategy to ensure that LGED is optimally placed to continue to provide infrastructure in a changing socio-economic and political environment. These include such elements as: the convergence of resources, technology and knowledge across departments to maximize the impact of LGED efforts; modalities for improving interdepartmental coordination to support effective management of infrastructure provision in the rural sector; regulatory requirements and reforms for more effective land use planning and infrastructure provision; approaches to managing the changing rural urban interface; approaches to utilities mapping, service planning and prioritization; appropriate and sustainable/ green technologies including green building concepts, energy efficient buildings and designs, use of local materials; integration of disaster management strategies; HRD plan with specific proposals for addressing each priority area listed in the strategy. There are no guarantees that the political government that took office January 3, 2009 will approve or sustain this strategy, making it a type 3 action. Whilst ISAP initiative represents a useful beginning, the main thrust of its recommendations is on improving organizational efficiencies through incremental change. What still remains to be defined is the longer term strategic objective and organizational innovations that would ensure LGED retain its competitive edge over other providers of infrastructure, but would also help pre-empt socio-political and environmental changes that might threaten the longer-term development of LGED. One of the key factors in such a strategy would be to ensure that the organizational structure, functions and systems are aligned to provide a sound response to the demands of its main clients in local government. This would mean ensuring that LGED has the ability to anticipate and respond to the pressures on local government from representatives and constituents. At the same time the link between planning and strategy should be strengthened to provide a mechanism for corporate strategy to be translated into action. This requires the adoption of a medium-term planning and budgeting framework with well articulated guidelines on the implementation of strategic planning incorporated into the annual budget cycle.

## **1.2 Information and Communication Technology**

### **a. ICT connectivity**

15. As explained above in the background section of the ICT aspects of the ORA, connectivity between field offices and HQ is a key constraint on LGED's functionality. This is part of a wider challenge that only 22 percent of the rural population has access to electric power. Reasons include the poor financial performance of the three main utilities, inadequate investment in maintenance and expansion, inadequate planning in priority-setting, sequencing, and insufficient commercial orientation in decision making (Bangladesh Government, 2005: 108).

16. This situation creates a risk that ICT improvements will not be widely available to LGED's field offices where most staff work. This Type 3 risk cannot be directly mitigated by LGED. Effectively addressing these challenges will be key to more effective use of ICT for risk

management. Suggested risk-mitigating measures include reforms to improve the efficiency of the power sector, including an adequate regulatory framework, transparent tariff policies, measures to attract the private sector, and a transparent power-pricing framework linked to the actual cost of supplying electricity. The breakup of the national Rural Electrification Board into regional bodies should also be considered (*Ibid.*, 109). Along with power sector reforms, the proposed national rollout of a Worldwide Interoperability for Microwave Access (WIMAX) system should help to directly improve Internet connectivity, along with possibly linking up with the Finance Division's network connecting all divisional and district offices.

### **1.3 Financial Management**

#### **a. Local infrastructure policy planning, and budgeting<sup>4</sup>**

17. Planning and budgeting in this area is affected by the strengths and risks of the overall planning and budgeting system. Public Finance management (PFM) reforms have been underway since the Committee on Reforms in Budgeting and Expenditure Control was formed in 1989, and there has been some progress since then, with support from the Bank, DfID, and other development partners, with the result that Bangladesh compares well with other developing countries in fiscal discipline and allocative efficiency. Major budgeting decisions have historically been made by the Finance Division of the Ministry of Finance and the Planning Commission, with limited involvement of line ministries. In recent years, there has been some progress in introducing a medium-term budget framework that replaces the traditional inputs-based approach. Since 2002, there have been forecasts of fiscal aggregates for main categories of economic classification for 3 years on a rolling basis, and since 2003 the government has prepared new budget guidelines on a pilot basis including elements of sectoral strategies, better coordination of recurrent and capital budgets, and improved fiscal discipline. Initially, they gave spending envelopes for four ministries for preparation of the FY06 budget, including the LGD, using these guidelines and this was expanded to six ministries for the FY07 budget, covering about 50% of the total Government budget. This gives greater opportunities to sectoral agencies such as LGD to align policy priorities with budgets, and to coordinate recurrent and development spending.

18. At the sub national level, municipal corporations and union parishads receive grants from the central government, and have limited authority to collect local property taxes and fees. These local entities provide budgets and accounts to the LGD, but the information is of varying quality and may not properly feed into the overall planning and budgeting process at LGD.

19. Although the progress made and ongoing PFM reforms are promising, there are still risks stemming from the fact that the reforms haven't fully translated into optimal planning and budgeting for rural roads and other infrastructure. Operational efficiency of PFM is constrained by low educational achievement of personnel, short tenure of managers, uncompetitiveness of salaries, predictability of resource flows, resource availability for day-to-day operations, and agency accountability. Expenditure classifications are not fully COFOG- or GFMIS-consistent, and there is considerable reluctance by the Finance Division to apply a program classification that would be required for output-oriented budgeting. Budgeting reform hasn't been carried out

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<sup>4</sup>This section draws from Bangladesh Government et al, 2007; Chakraborty, 2007; World Bank, in press; 2006, Annex 4; and 2005.

much below the ministry level, and the focus so far has been on implementing poverty reduction strategies rather than on addressing operational or fiduciary risk. The capacity of the CGAD is strained by having to operate out of more than 500 locations, and to process about 3 million transactions a month. It is hampered by high levels of staff transfers, meaning that significant levels of training are necessary just to stand still. In addition, the roll-out of computerized accounting systems to rural treasury offices is constrained by limited electrical supply, lack of technical skills, and lack of reciprocal systems in the banks that can interact successfully. In addition, actual primary expenditures are consistently more than 10% of budgeted expenditures, Parliamentary committees don't get the opportunity to review budget proposals before they are presented to the full house, the public cannot easily have access to the budget documents given to the members of Parliament, and internal audit is weak. These constraints can be mitigated by current efforts led by the Finance Division to implement its Action Plan through 2012, giving regard to recommendations from the Public Expenditure and Institutional Review (PIER) being completed. As called for in the PIER, these efforts need to be supported by improved transparency, with monitoring and budget tracking by the Parliament and civil society.

## **1.4 Engineering Systems and Work Practices**

### **a. Prioritization selection of Rural Roads**

20. LGED's priorities as set forth under the Master Plan are:

- The first priority is to maintain all Upazila Roads, Union Roads and Village Roads which have so far been constructed by LGED including bridges/culverts, and to upgrade Growth Centers (markets) having connection with railway and waterway in order to promote and integrate multimodal transport.
- The second priority is to improve/upgrade the remaining Upazila Roads, prioritized Union Roads and Village Roads Type-A including culverts/bridges which have strategic importance to connect railway and waterway.
- The third priority is to improve Growth Centers and construct ghat (boat landing jetties) facilities at Growth Centers located on the bank of inland waterways to ensure better integration of road and water ways, thereby stimulating the rural transport and trading system. Also construction of the Union Parishad Complex for local socio-economic and governance development is included under this category of priority.
- The fourth priority is to selectively add roads to the maintainable core road network through rehabilitation and reconstruction including spot improvement of drainage and badly damaged road sections. Separate provisions are made for construction works required to keep lower quality roads open and serviceable.

21. Similar criteria have been laid down by LGED for selection of drainage structures, UP complexes, schools, small scale water supply and water resource schemes, improvement of waste & sanitation systems, etc. These selection criteria for rural infrastructure have been established on strong and reasonable arguments, which some politicians may respect. However, there is a high risk that political influence can change the laid down selection criteria for personal benefit. A recent World Bank (in press) study has documented that districts represented by the

ruling party get eight times more investment in rural development than do districts represented by the opposition party, where rural roads make up a large fraction of the total. As documented in the case of RHD in World Bank (2007, p. 51-2 and Annex 6), and as confirmed by further investigations under the ORA of LGED, political influence over rural infrastructure investment is endemic under political governments, making it a type 3 risk. This influence is facilitated by brokers linking contractors, LGED officials and politicians, and is expected to continue under the elected government that took office 3 January, 2009. There's a chance that the quality of political representation will improve as a result of new electoral rules reducing conflicts of interest, improving financial transparency of politicians and political parties, and introducing a voter list based on photo IDs that has eliminated 11 million fake names. It is recommended that LGED launch an awareness campaign at many levels to improve understanding of the advantages of following agreed criteria for road prioritization, and the cost of not following them. As part of this, consideration should be given to strengthening legal and regulatory protection of civil servants in selecting rural roads based on proper screening criteria, and to protect them from intimidation from politicians, and their associated brokers and contractors. Public oversight may also need to be strengthened, including greater public access to roads data, and independent advisory bodies on road selection, design and implementation.

b. Allocation for Maintenance

22. The budget allocation for 2008-2009 for maintenance of rural infrastructure is about Tk. 4,900 million; in addition, JICA has provided a maintenance fund of Tk. 1,200 million each year for the last six years. Altogether, these amounts are considered to be adequate if utilized appropriately. However, the JICA allocation is crucial to adequacy, and cannot be relied on indefinitely. LGED cannot address this directly, so it is considered a type 3 risk. However, LGED should work to persuade LGD and the Finance Division to start planning for a time when JICA maintenance funds are no longer available. A phased increase in the budget allocation for maintenance should be considered over a period of a few years, with the timing discussed and agreed with JICA.

## **1.5 Procurement**

a. Other aspects of Political Influence

23. The ORA team was informed that prior to 1/11, at districts where political influence prevailed such as Kushtia, Jessore, Khulna and Pabna, some contractors succeeded in getting contracts by collusive practices, thereby limiting transparency and competitive bidding in the district/sub-district. This represents an operational risk since the bids for such contracts generally exceeded the Engineer's Estimate. Owners of some non-performing contractors identified after 1/11 abandoned the site of works in fear of being investigated and charged. Some of these contracts were cancelled and subject to re-bidding.

24. With the return of a political government in January, new attempts to assert political influence are expected to re-emerge. LGED can do nothing to directly address this, making this a type 3 risk. Yet, given political support from LGD, and a commitment from a critical mass of newly elected politicians to desist from supporting the behavior discussed above, LGED can take steps to minimize such behavior. Wider circulation of work requirement would encourage more

competition from adjoining districts. Bids submitted should be scrutinized with due diligence to detect any irregularities. Penalty clauses in the ‘conditions of contract’ should be strictly enforced on non-performing contractors who should be blacklisted and forbidden to submit bids for future works, both development partner funded and ADP funded. These measures will be resisted by some politicians, but this resistance may be lessened by a coalition of civil society, members of Parliament, contractors, LGED, and other government bodies.

**TABLE 1: TYPE 3 FINDINGS AND RISK MITIGATION MEASURES FOR LGED**

<b>FINDING AND RISKS</b>	<b>RISK MITIGATION MEASURES</b>	<b>OTHER AGENCIES</b>	<b>SHORT/LONG TERM</b>
Compensation rates too low for staff, and compression ratio does not adequately reflect the difference between jobs and responsibilities.	Overall need to increase pay by around 40%. Compression ratio increased from 10 to 20 to provide adequate differentials between classes, grades and responsibilities. Pay scales for many grades to be shortened. A new cadre to be established for LGED staff.	LGD, MOE, MOF	L
Recruitment process doesn't put enough emphasis on experience, attitude and character <i>vis a vis</i> academic qualifications and examination. Insufficient promotion opportunities mean that many staff at XEN and SE level are forced to make do with pro-forma promotions where they occupy more senior posts for which they are not compensated.	Professional Examination Board to scrutinize applications, set and mark papers and screen applicants for interview board led by PSC. Expand promotion opportunities by expanding number of senior posts, and introducing effective succession planning and promotion assessment procedures	LGD, MOE, PSC	L
ICT improvements will not be fully available to LGED's field offices because of limited access to power and Internet connectivity	Power sector reforms and national rollout of WIMAX	Bangladesh Power Development Board, Rural Electrification Board, Independent Power Producers and other private sector companies	L
The lack of an overarching strategy for innovative infrastructure provision has resulted in LGED reacting to external development partner agendas rather than being in a position to shape and guide those agendas.	Develop a strategy and action plan with defined procedures, services and materials for segmenting and targeting of main clients. Strengthen links between corporate strategy and annual planning	LGD, political leaders	L
Progress has been made, but ongoing planning and budgeting reforms have not been fully translated into optimal planning and budgeting for rural roads and other infrastructure.	Finance Division to implement its Action Plan through 2012, supported by improved transparency, with monitoring and budget tracking by civil society focused on service delivery improvements.	MOF, CAGD, civil society	L

FINDING AND RISKS	RISK MITIGATION MEASURES	OTHER AGENCIES	SHORT/LONG TERM
Political influence can change the laid down rural infrastructure selection criteria for personal benefit.	Launch an awareness campaign at many levels to improve understanding of the advantages of following agreed criteria for road prioritization, and the cost of not following them.	LGD, Parliament, NGOs, Media	<b>L</b>
The JICA road maintenance fund could be cut.	A phased increase in the budget allocation for maintenance should be considered over a period of a few years, with the timing discussed and agreed with JICA.	LGD, Finance Division	<b>L</b>
At districts where political influence is strong, some contractors succeed in getting contracts by collusive practices	Given political support from LGD, and a commitment from newly elected politicians to desist from supporting collusive behavior, LGED can take steps to minimize such behavior including wider circulation of bids, more careful bid scrutiny, and stricter enforcement of penalty clauses.	LGD, Members of Parliament, NGOs, Media	<b>L</b>

## **Annex 1: Brief Review of Political Economy Processes in Bangladesh**

1. The economic growth rate in Bangladesh has increased in recent years. Real GDP growth was 6.6% p.a. in 2006, up from an average 4.2% from 1986-96. Real GDP per capita growth was 4.8% p.a., up from 1.8% p.a. in the earlier period. This increasing growth has helped to bring down income poverty rates from 60% in 1990 to 40% (upper poverty line) in 2005, along with reduced child mortality and increasing school enrolment. (World Bank, 2007a; Bangladesh Government, 2005a). Among the reasons for this good performance is strong export growth and remittances, a public service with some capacity, and a stronger civil society than comparable countries.
2. Despite this economic and social performance, institutional reforms have lagged behind, with pervasive corruption, human rights abuses, and poor quality of many government services. The judiciary is an area of great weakness, with corruption, inefficiency, political interference, violence against judges, large case backlogs, and lack of counsel for the poor all reportedly challenges facing the lower courts (ADB 2004, pp. 87–88; Hossein and others 2007; U.S. Department of State 2007). Institutional reforms are slow for many reasons, including a politicization of the civil service, and unwillingness to compromise by political leaders, the latter contributing to the events of 1-11-07. The Government has made progress with institutional reforms in some areas, including an improved law and order situation and reduction in corruption. The focal point for the latter was the Anti-corruption Commission (ACC), set up based on a 2004 Parliamentary Act, with wide support from the development partner community and civil society, following on well known successes with ACCs elsewhere in Asia (Singapore and Hong Kong), and a strong desire to do something to reduce corruption. The ACC took some time to get established, facing many challenges including an unclear mandate in relation to other agencies (Wescott et al, 2007).
3. The ACC was strengthened in many ways, and has played a much more active role in recent years combating corruption. Three new Commissioners were appointed in 2007 to head the ACC, and a new structure almost doubled the staff size in its six divisional and 22 district offices. The ACC conducted unprecedented investigations leading to a number of arrests of prominent citizens. These cases were processed in the courts, and some convictions were made in the lower courts. Although much has been accomplished, ongoing improvements include putting in place a better structure for receiving complaints, including secure communications and whistleblower protection; a secure but accessible records management system; improved systems for evidence gathering, and for coordinating this among key partners; improved systems for collecting asset declarations, verification, and seizing, evaluating and liquidating those assets without proven sources of legitimate funds; capacity building in many areas, including financial investigation, surveillance, intelligence, prevention, prosecution and corporate affairs; and logistical support in modernizing office facilities (ADB 2007). Addressing these institutional challenges is only possible in the medium term, and will require commitment of the elected government that took office in January 2009.
4. Despite these challenges, a November 2008 survey found that over 60% of citizens had confidence in the effectiveness of the ACC, and 75% believed that corruption went down in their

localities during the CTG. Yet the same survey found that about 49% of citizens think it is unlikely, or very unlikely that the anti-corruption drive stepped up by the CTG would continue after the elected government comes to power (EWG, 2008). Another survey (TI, 2008) found perceptions of increasing corruption in education, health, land administration, local government and NGOs, and declining corruption in law enforcement, judiciary, electricity, banking and tax through the middle of 2007. This survey was measuring perceptions by citizens of frequency and amount of bribes they need to pay to receive services such as birth registration, and not the types of corruption that may affect an organization such as LGED.

5. A challenge LGED faces in this context is to deliver and maintain infrastructure and other goods and services in a planned and equitable manner, and to a high standard, despite political pressures that may push in other directions.

## **Annex 2: Strategy for Communication and Civil Society Participation: Next Steps**

Presently LGED does not have a comprehensive strategic communication intervention program or a civil society engagement plan to support its organizational or inter-organizational communication needs for mitigating operational risks. Sectoral communication activities of LGED have been practiced by and large within the domain of public relations. Present communication capacity, knowledge and approaches to work with the media, publics in general and civil society groups in particular are not sufficient enough for LGED to undertake a campaign at national level for awareness building, and gaining public support for carrying out a transformation to improve its already good performance, enhance sectoral governance capacity, and boost the standard of transparency and accountability.

Once LGED has agreed with the communication and civil society strategies and activities based on the principles outlined in the strategy, the department will require to plan and implement both short-term and long-term activities through creating a critical mass to carry forward the reform recommendations of FORMIP and implement the ORA Implementation Plan. The CBA proposes how best to convey the aspirations of the ORA in distinct business areas to key stakeholders as well as LGED staff. It also shows how LGED will use information sharing and civil society engagement to help achieve its organization goals. The Strategy for Communication and Civil Society Participation provides a roadmap to build understanding, consensus and commitment among stakeholders from both public and private sectors to address governance issues in provision of rural infrastructure.

### **Fundamental Principles for next course of actions**

- i) Transforming public relations approaches into strategic communication intervention
- ii) Branding images to gain support for FORMIP and ORA action plan
- iii) Effective information sharing with the end users and civil society for greater transparency and openness
- iv) Participation of civil society groups in the planning, procurement and execution of projects
- v) Campaign to mobilize the publics and civil society for supporting transformative actions
- vi) Developing working practices for voluntary and non-voluntary disclosure of public information (as an obligation under RTIA) and establishing working practices for sharing them with stakeholders
- vii) Communication capacity building for LGED and selected civil society institutions and CBOs
- viii) Establishing standards for supervision and evaluation [based on the outline mentioned in the communication strategy]

### **Next Course of Actions**

When LGED has agreed with the strategies they should start planning an **Action Plan** to materialize the strategic interventions through **specific activities**. However, as the next course of action LGED should now focus more on the activities to make a shift from its present practices of “public relations” to the “strategic communication approaches” for civil engaging civil society groups and CBOs, and implementing a comprehensive communication program. What is particularly needed for LGED is to develop a system of sharing more information with the civil society institutions and also establishing means for their effective engagement in different phases of operations. To accomplish the transformation LGED may take up the following actions:

### **Capacity Building: Orientation, Skill Training, Workshop**

- i) Orientation workshop for LGED staff on the strategy for communication and civil society engagement.
- ii) A comprehensive communication capacity building measures for LGED staff, which will among other components, will include skill training and workshop on media and non-media approaches, methods and techniques of communication interventions and civil (society) participation.
- iii) Specific skill training on communication planning, particularly on the preparation of sectoral and need-based communication action plan [this should also be outlined in the LGED communication manual].
- iv) Specific training on effective information dissemination methods and techniques.
- v) Orientation/training/workshop for LGED staff on RTIA, particularly the department’s and the staff responsibilities and obligation to provide information to the public.
- vi) Skill training for civil society groups and CBO members (on the issues mentioned in the communication strategy and civil society engagement).

### **Communication Manual, Publication(s)**

- i) A communication module/manual providing fundamental guidelines for internal and external communication practices, including the department’s working concepts and standard practices for civil society participation. This manual/module should be used both at the central and regional/local level LGED offices.
- ii) A user-friendly version and a Bengali version of the strategies.
- iii) A booklet for the civil societies and CBOs providing essential information and interpretations of technical aspects of LGED work (including the engineering terminologies) and interpretations of procurement vocabularies and processes.

### **Information Sharing**

- i) Dissemination of public information of ORA Action Plan through press conference/round table/public conference.
- ii) Publication of a reader-friendly communication strategy and civil society engagement report, and making them available to the publics, civil society institutions and CBOs.

- iii) Providing stakeholders easy access to GIS.

### **Campaign, Awareness, Mobilization, Trust Building**

One of the essential parts of the Action Plan will be a campaign plan for public awareness and social mobilization for creating a critical mass, gaining support for reformative actions and building greater consensus among key stakeholders.

- i) A working list of local communication agencies/organizations which have track records of campaign design, communication and campaign material development.
- ii) Training of LGED communication wing/unit/staff on the fundamentals of message preparation, pretesting communication materials, campaign strategy and evaluating communication campaigns.
- iii) Skills to organize public dialogues, roundtable meeting etc. as part of campaign.
- iv) Media training for LGED staff to deal with media and strategic use of media for campaign
- v) Advocacy training for staff for facilitating local level and national advocacy to carry forward reforms and for policy or decision changes [even though advocacy initiatives are likely to be performed in partnership with non-governmental/civil society institutions/CBOs]
- vi) Coordination with the Ministry of Information's Mass Communication Department, mobile film unit, NIMC, media-based NGOs and private organizations to assist LGED in the training on the use of videos for awareness, mobilization, and civic participation in supporting reform activities.

### **Recruitment**

- i) Sociologists/anthropologists/communicologists/or graduates in relevant disciplines with relevant experience in participation, civil society and governance.
- ii) New regimes of communication and information officers to address information demands of the people and disclosing and sharing relevant information of LGED contracts and projects under the RTIA.

### **Information Storage**

Creating or updating the existing data base which will be accessed by the publics and civil society as well as used by LGED for sharing and disclosure of public information. Like other government, one of the challenges for LGED to address peoples' information rights over public information, and for ensuring greater level of transparency is the systematic preservation of data and sound management of providing information to the end users in general and civil society in particular.

### **Research and Analysis**

- i) Comprehensive information needs assessment of community people regarding LGED project during planning, implementation and maintenance stages.

- ii) Knowledge-based research on information and communication
- iii) Communication research on civil society participation, behavioral change and planned communication.
- iv) Needs-based recruitment of social research experts for qualitative and quantitative researches. There will be panel of resource persons from GoB research departments, academics, professional training houses, media, communication, advocacy and civil society and governance experts, professional research firms, individuals from the universities, research organizations NGOs and think tanks.

### **Partnership, Networking**

- i) Networking with print and audio-visual media and journalists, CRS and regional radio stations of Bangladesh Betar.
- ii) Networking with community organizations and CBOs.
- iii) Networking with PR and communication organizations, media professionals, journalists, advertising firms, campaign experts, communication experts on campaign and advocacy, GoB organization, such as NIMCO, BTV and Bangladesh Betar.

### **Voluntary and Mandatory disclosure of Information**

- i) Develop a practice of voluntary disclosure. Meaning LGED should be in a position to disclose relevant information through website, notice, publication, description of work, leaflet and brochure, seminar, press conference etc.
- ii) Making a Bengali version of website

From July 2009 LGED will need to develop a system and structure to provide information for which the stakeholders have applied as their information rights under RTIA.