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REPORT
OF THE

PUBLIC ADMINISTRATION EFFICIENCY STUDY

Volume - 1

Main Report

Ministry of Establishment
Government of the People's Republic of Bangladesh

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EXECUTIVE SUMMARY

The Public Administration Efficiency Study proposes ways to achieve:

- an administration which is more accountable and performs at higher levels of efficiency,

- an administration which is more dynamic -a gotisheel proshashan- and will better contribute to meeting the needs of the people of Bangladesh.

The Study was initially proposed by the World Bank and was funded by USAID. It was carried out by the Ministry of Establishment through a Steering Committee headed by the Foreign Minister, Mr. Anisul Islam Mahmud, and four Working Groups, which examined these areas:

- Secretariat System and Work Procedures
- Ministry-Department Relationships
- Ministry-Corporation Relationships
- Project Cycle Policies and Procedures.

Each Working Group was aided by a consultant group. They reviewed previous studies on administrative reform and interviewed a broad range of public servants on the problems of the current administrative system. Questionnaires were completed by selected officers to further problem identification.

The reports of the four Working Groups are summarised in Section III of this Report. Each of these reports identifies problems in their specific area and suggests remedial actions. They also suggest ways to implement the recommendations.

Some of the highlights of the constraints to efficiency analysed by the Study and recommended corrective actions are as follows:

Constraints to Efficiency	Recommended Actions
1. Diluted accountability	1. Strengthen audit system through - more timely audits - prompt review - taking necessary action, and - developing a management audit capability.
	2. Strengthen supervision through training and management support.
	3. Improve management information and monitoring systems.
	4. Introduce hire and fire system in the public corporations.

	5. Expand the use of performance contracts by industrial enterprises, incorporating a reward and penalty clause.
2. Overcentralisation	6. Reduce Secretariat's operational activities through delegating routine personnel and financial matters to Departments, Corporations and subordinate offices.
	7. Further delegate project approval authority to Ministries and implementing agencies.
	8. Implement the 1976 Guidelines and 1983 Resolution on the autonomy of public corporations and their relationships with the ministries as directed by the President's Order of March 16, 1987.
	9. Convert the manufacturing sector corporations into holding companies/ corporations.
3. Complex operating procedures	10. Reduce layers in decision making and encourage horizontal communication between concerned officers and organisations.
	11. Increase productivity of decision making meetings through well prepared working papers, appropriate level of participation, and recording decisions.
	12. Simplify procurement and contracting procedures by delegating increased authority to implementing agencies.
	13. Utilise, as appropriate, the model contracts developed by UNIDO for industrial projects.
	14. Enhance O&M capacity to improve work procedures and organisational effectiveness.
4. Weak support systems	15. Modernise office equipment, files, and paperwork systems.
	16. Expand computer-based management

	information systems.
5. Inadequate human resources	17. Introduce a two tier career system to raise the quality of the senior civil service.
	18. Increase incentives for high performance, including wider use of merit as a promotion criteria.
	19. Provide appropriate compensation structure, delinked from the MNS, for the public corporations.
	20. Reduce staff rotation by extending posting to 5 years in allied functional areas.
	21. Expand practical, problem-solving training based on assessment of organisational needs.
	22. Provide better incentives to attract quality trainers.

To implement these recommendations, the Study urges that these immediate steps be taken:

1. High-level political support for enhancing administrative efficiency should be used on a continuing basis to build a dynamic administration,
2. Create a strong implementation committee,
3. Implement existing government directives which will contribute to improved performance,
4. Delegate broader authority to implementing agencies, and
5. Strengthen accountability mechanisms.

Then begin the implementation of recommendations on a pilot basis in selected Ministries, Departments, Corporations and projects, in these aspects of administrative reform:

1. Implement strategies for improving human resources available to the government,
2. Strengthen the problem solving capacity of the O&M Wing,
3. Modernise office systems,
4. Simplify procurement procedures,
5. Improve auditing systems, and
6. Strengthen project planning, implementation and monitoring systems.

For the long term, evaluate the results of these pilot efforts, make appropriate revisions, and extend the systems to other organisations within the public sector.

The search for better ways to provide public service is neither an easy task nor a quick one. It demands a continuous, long range effort to simplify administrative systems, cut red tape and improve the quality of the people and the programmes which provide vital services and help meet basic human needs in Bangladesh.

The report of this Study is included in five volumes:

Volume 1 Main Report
2 Secretariat System and Work Procedures
3 Relationship between Ministries and Departments
4 Relationship between Ministries and Corporations
5 Project Cycle: Policies and Procedures

I. INTRODUCTION

A. Background of the Study

As part of the IDA-financed thirteenth import program credit, the Bangladesh Government and the International Development Association agreed to undertake a study to identify the key constraints affecting the efficiency of public administration, particularly in relation to key economic Ministries and to prepare an action plan to implement the study's recommendations.

To attain the study objectives, a Steering Committee was set up to carry out the Study, with the understanding that the Committee would limit its recommendations to changes in the existing administrative structure, within the present rules of business. The study deals with Class I officers since this group plays the most crucial role in the management of the public sector. The motive force behind this study is to attain increased efficiency and effectiveness in government administration.

Since independence, Bangladesh has relied heavily on external aid due to major structural imbalances in the economy. The need for external aid is expected to continue in the foreseeable future, in view of the necessity for increasing investment and the need for accelerated economic growth and development. But the recent years have witnessed increasing concern on the part of both donors and the government with the utilisation of available aid, particularly the sluggish disbursement performance and the continuing build up of project aid in the pipeline.

The problem confronting both the government and the donor community is that of finding ways of overcoming constraints so that resources available to the country can be fully utilised to ensure economic growth and development. The problems thus identified point to the need of evolving a more efficient administrative system capable of handling developmental activities effectively. The need for reform has led to this Public Administration Efficiency Study, which was carried out from May to November 1989.

B. Methodology of the Study:

The Study involved the collaboration of a large number of individuals. The Steering Committee for the Study included:

1. Mr. Anisul Islam Mahmud, Minister of Foreign Affairs, Chairman
2. Mr. Kazi Feroze Rashid, Minister of Post and Telecommunications
3. Mr. Khandakar Mahabub Rabbani, Secretary, Ministry of Establishment
4. Mr. Ayubur Rahman Chowdhury, Secretary, Ministry of Works
5. Mr. A.R. Khandakar, Inspector General of Police
6. Mr. Mohammad Ali, Additional Secretary, Ministry of Establishment
7. Dr. A.K.M. Mashiur Rahman, Joint Secretary (Budget), Finance Division, Ministry of Finance
8. Dr. A.M.M. Shawkat Ali, Joint Secretary, Ministry of Agriculture
9. Dr. A.T.M. Shamsul Huda, Joint Secretary, Ministry of Irrigation, Water Resources and Flood Control.

Mr. B.R. Chowdhury, Joint Secretary (O&M), Ministry of Establishment was also associated with the Study.

Mr. M. Idris Ali, Deputy Secretary(Dev), Ministry of Establishment, served as Study Coordinator. Mr. Keshab Acharjya, Senior Assistant Secretary, was his assistant.

The Steering Committee organised four working groups to carry out the study. These groups dealt with:

1. Secretariat system and work procedures,
2. Relationship between ministries and departments,
3. Relationship between ministries and public corporations, and
4. Project cycle policies and procedures.

They were aided by a consultant group, a group of local consultants, research assistants, and support staff. Their names are included in Annex B.

The objective of the study was to develop recommendations related to:

1. Higher standards in administrative performance,
2. Sound policy analysis,
3. Implementation of policy,
4. Delegation of authority,
5. Procedures for staffing, and
6. Training for development administration.

The Study was limited to the Ministries of Establishment, Finance, Planning, Agriculture, Commerce, Industries, and Irrigation, Water Development and Flood Control.

Personal interviews with selected ministers and civil servants served as a means for gathering information and insight into the current administrative system and its problems. The names of these individuals are listed in Annex F. Relevant information was collected through the review of previous studies and pertinent documents. Annex E contains the bibliography of the study. Primary data were gathered by administering structured questionnaires to Class I officers of seven designated ministries, and their subordinate departments and corporations and selected individuals who were the clientele of these organisations. The assistance of all who have helped to make this study is appreciated.

II. OVERVIEW OF BANGLADESH PUBLIC ADMINISTRATION

A. Present Administrative System

1. The Secretariat:

The administrative set-up of Bangladesh is organised hierarchically with the Secretariat at the apex. The Secretariat consists of all the Ministries/ Divisions of the Government of Bangladesh and is the mainspring of all governmental policies and activities. Figure 1 presents the structure of the administrative system.

2. Ministries and Divisions:

Each Ministry is headed by a Minister who is the political head. Schedule I of the Rules of Business enumerates the detailed functions of the Ministries. The Secretary is responsible for the proper conduct of business according to the Rules of Business and the Secretariat Instructions. The Secretary keeps the Minister informed of the operations of the Ministry and works under the supervision of the Minister. The Secretary also acts as the Principal Accounting Officer of the Ministry, Attached Departments and statutory bodies within the ministerial jurisdiction.

Each Ministry consists of one or more Divisions. A Division is the principal unit of a Ministry responsible for the administration of a general area of government business. A Division is usually headed by a Secretary or an Additional Secretary.The Ministries and Divisions are divided into Wings, Branches and Sections in order to ensure the efficient disposal of their business.

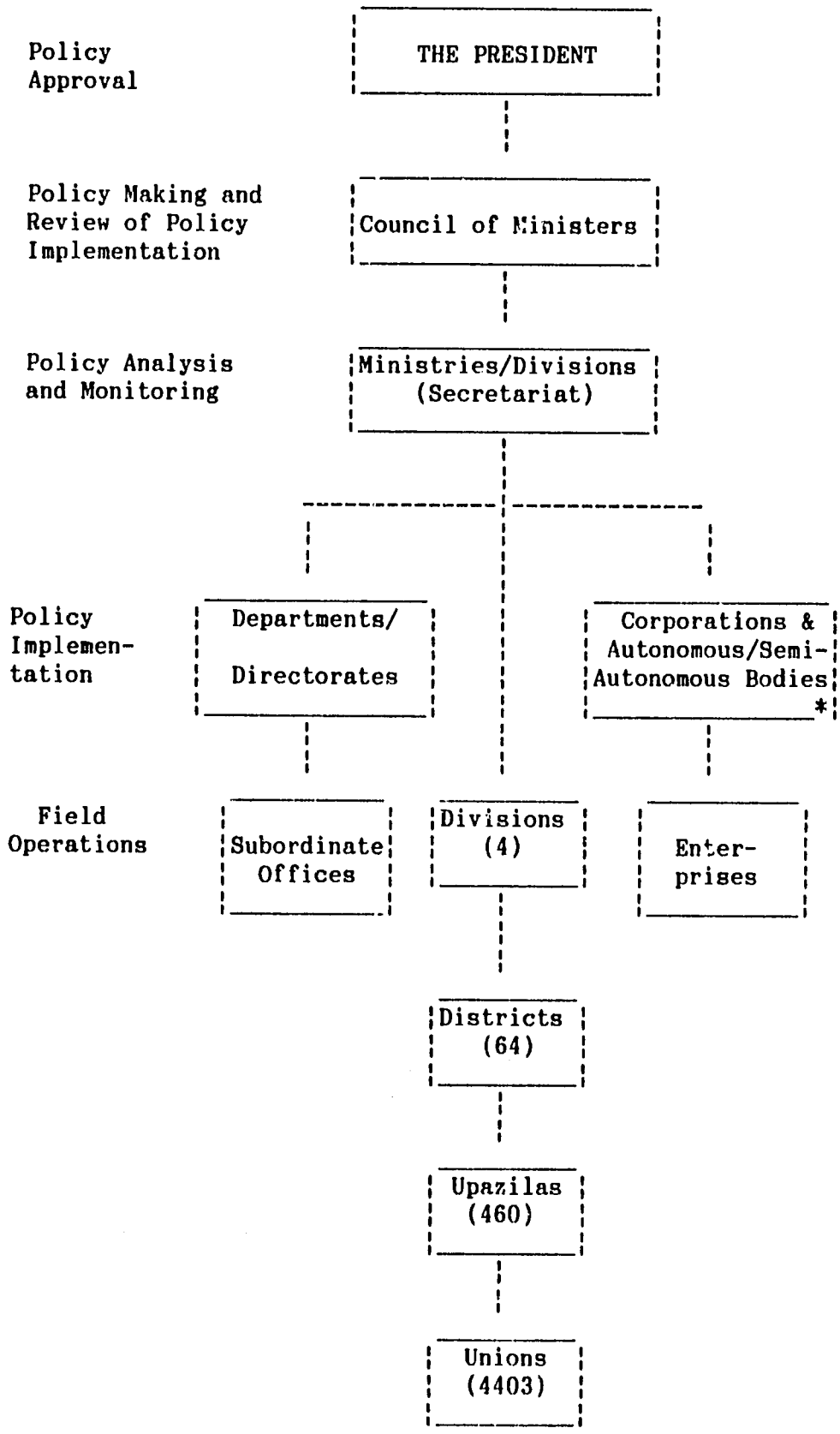
Just below the Division is the Wing, which is headed by a Joint Secretary with a well defined sphere of duties. Under the Wing there are Branches comprising of a number of Sections headed by Deputy Secretaries. Sections are the lowest administrative unit in a Ministry and are usually headed by Senior Assistant Secretaries/Assistant Secretaries.

3. Attached Departments, Subordinate Offices, Autonomous Bodies, and Public Corporations

The execution of government policies of a Ministry/Division is normally carried out by a number of executive agencies which are designated as Attached Departments and Subordinate Offices. Attached Departments are responsible for providing executive direction in the implementation of policies laid down by the relevant Ministry/Division. They also advise their respective Ministries/Divisions on technical aspects of business transacted by the latter.

The Subordinate Offices function as the field establishments under the direction of the Attached Departments. Autonomous/semi-autonomous bodies are set up to perform certain specialised public functions or to implement specific developmental tasks and provide public services. Public Corporations also manage commercial operations.

Figure 1 : Administrative Structure of Bangladesh



* These organisations have more autonomy than Departments/Directorates.

B. Problems with the Present Administrative System

The public administration of Bangladesh is characterised by a series of problems which have caused low productivity and contributed to low morale among civil servants. These include the following:

1. Failure to institutionalise parliamentary control over the executive branch of the government. As a result, the accountability of the public service has suffered.
2. Bangladesh has a highly centralized administrative system that forces too many decisions to be made at too high a level in the hierarchy. Excessive reliance on hierarchy, elaborate formal rules and procedures, and a lack of trust in subordinates lead to delays in decision making.
3. A fundamental sense of distrust of others, both individuals and organisations, is deeply rooted in the present bureaucratic culture. This sense of distrust has resulted in a need for excessive controls throughout the government, which in turn has resulted in a diffusion of accountability through overlapping checks and balances. The net effect is a loss of accountability and control.
4. The government has attempted to cope with the scarcity of competent officers by providing procedures, rules and regulations to cover every imaginable contingency. As a result, a large number of staff exists in every ministry and departments whose only function is to review cases and ensure compliance with procedures. Extensive delays occur because there is little reliance on the initiative and judgement of officers working within well understood general principles.
5. In an attempt to manage a growing bureaucracy with inadequately trained officers, the government has divided its organisation into multiple ministries and line agencies. Inter-sectoral coordination is hampered by this fragmentation. The committees set up for coordination often serve to slow the process of coordination until the issues are referred to higher authority for decision.
6. There has been a significant decline in the recruitment standard. This is linked to the gradual deterioration of the educational system in the country. Another causal factor is the retention of the quota system within the civil service.
7. Public sector training in Bangladesh is characterized by a multiplicity of training institutions, lack of qualified trainers, lack of interest of civil servants in in-country training and failure to link training with promotion and with organisational problem solving.
8. The quality and efficiency of public sector management has been adversely affected by the practice of frequent rotation of Class I officers. Sometimes senior officers are rotated from one position to another within a year or less. The general rule of transfer after 3 years is not being followed. Officers working at the policy planning level in technical ministries are given little time to acquire relevant knowledge and develop strong working relationships with the technical departments and autonomous bodies under their control.
9. Promotion of Class I cadre civil servants, in theory, is based on merit. In practice, seniority continues to be a major factor in awarding promotions. This adversely affects the motivation and performance of the civil servants.

III. CONCLUSIONS AND RECOMMENDATIONS OF THE WORKING GROUPS

A. Secretariat systems and work procedures

Functional Context

The Secretariat System is the cornerstone of government administration in Bangladesh. The decisions of the Government, both regulatory and developmental, come about as a result of elaborate deliberations within the Secretariat. The Secretariat is primarily responsible for formulating administrative and development policies, monitoring their execution, and evaluating their impact. In carrying out its responsibilities, the Secretariat is ultimately accountable to the Parliament through the Ministers.

The basic structure of the present Secretariat in Bangladesh has been derived from the administrative framework of Pakistan. At the time of independence in 1971, Bangladesh inherited the structure of the provincial secretariat of the then East Pakistan. The provincial secretariat in East Pakistan consisted of departments whose main responsibility was the field administration of the province. The present Secretariat serves as a national Secretariat and is responsible for formulating policies and coordinating their implementation for the socio-economic development of the country. The functional responsibilities of the present Secretariat are, therefore, intrinsically different from those of the Secretariat of the pre-independence era.

Objectives of this study

This study has been prepared by the Working Group on the Secretariat System and Work Procedures. The basic objectives of the study are to identify the key constraints in the Secretariat and its Work Procedures and develop feasible recommendations toward enhancing the efficiency of the system. In the conduct of this study, the Working Group has taken into account the broader objectives of the Public Administration Efficiency Study (PAES).

The constraints to achieving the broader objectives of the PAES have been addressed in this study specifically in relation to: (a) efficacy of rules and regulations that govern decision-making and communication procedures and the observance of these rules and regulations; (b) requirements of management skills and competencies of personnel; (c) logistical support required for smooth and efficient functioning of the Secretariat.

The major constraints and recommended changes are integrated and summarized below.

Constraints and Recommendations

1. Rules and Regulations

The Working Group on Secretariat System and Work Procedures has examined the various problems related to the substance as well as the practice of the existing rules and regulations. It has determined that rules and regulations require simplification as well as modifications in order to serve as efficacious tools of administration. At present, virtually every decision in the Secretariat is governed by disparate sets of rules and regulations which tends to create procedural bottlenecks. Administration by minute rules for every occasion is

inconsistent with a dynamic administration in which individuals and organisations may have legitimate freedom of action in well specified areas of responsibilities. To encourage initiative and dynamic decision-making, it is necessary that the responsibilities assigned to the officers should be congruent with the powers delegated and that officers should have the assurance of the neutrality of their actions.

The Rules of Business, 1975, and the Secretariat Instructions, 1976 embody the necessary provisions for allocating functional responsibilities to different parts of the Government and for specifying work procedures. The majority of the provisions of these two documents have been carried over from the British period and have been modified from time to time. There is, however, further scope for modifications. To ensure efficiency, the provisions of the Rules of Business and especially of the Secretariat Instructions need modifications in the following specific areas:

- Delegation of administrative and financial powers;
- Intra and inter-ministerial coordination;
- Multiplicity of decision-making layers;
- Channels and process of communication; and
- Allocated time for disposal of business.

A lack of sufficient familiarity with the existing rules and regulations among the junior officers serves as a constraint to speedy disposal of business. According to our study, approximately one-half of the junior officers do not have a good grasp of the rules and regulations. The lack of knowledge results in either delay in decisions, inaction or inappropriate action.

An important factor contributing to insufficient familiarity with rules and regulations among the officers is deficient training at the post-entry and in-service levels. The officers belonging to non-secretariat cadres who are transferred to the Secretariat display even lesser familiarity with rules and regulations. Lacking sufficient knowledge, the officers are unable to make or suggest appropriate decisions consistent with prevailing rules and procedures.

Non-observance of many important provisions of the Rules of Business and the Secretariat Instructions has become a common practice. The Instructions are not observed in such important matters as timely disposal of business, supervision, and proper filing and record keeping. Non-observance of the important Rules and Instructions is not monitored and penalized. The officers are neither rewarded for observing rules nor disciplined for non-observance.

The reasons behind the non-observance of the Rules and Instructions are many and often interrelated. In some instances, non observance is encouraged due to lack of sanctions, and lack of time and prop logistical support interfere with observance in other instances.

To make the rules and regulations as efficient instruments, the Working Group recommends:

- Simplification of rules and regulations;
- Modifications in rules and regulations to enhance efficiency;
- Institutional and on-the-job training in rules and regulations; and
- Strict compliance and disciplinary measures for non-compliance.

2. Decision-Making

Decision-making in the Secretariat, in practice, is highly centralized and suffers from a number of procedural bottlenecks associated with unnecessary scrutiny at multiple layers, incrementalism, fragmentation of responsibilities, and elaborate and time consuming requirements of coordination. Moreover, the decision-making is too focused on administrative and operational details and policy-making matters are given limited attention.

Most of the decisions are actually made at the highest level although the powers to make decisions are delegated within the hierarchy. The delegated powers are exercised within narrow limits, especially by the middle and junior level officers, for fear of contravening the decisions higher up as well as for lack of self-confidence and hesitancy to assume responsibility. Furthermore, there is no particular incentive to take initiative and the perceived risks of making decisions outweigh both benefits and risks of not making them.

The Working Group recommends that most of the administrative and operational activities in the secretariat should be delegated to the Attached Departments, Directorates, and Subordinate Offices so that the Secretariat could devote its resources to formulate policy, monitor policy implementation, and evaluate the impacts of policies. With regard to the decision-making procedures, multiple layers should be reduced and organizational communication methods should be made more efficient and productive. The recommended changes specifically focus upon:

- Developing policy-analytic capability within the Ministries;
- Reducing administrative and operational activities of the Ministries;
- Modifying communication procedures and minimizing written communication;
- Improving the structure and quality of intra and inter-ministerial meetings; and
- Complying with the specified time-limits in the disposal of business.

3. Personnel Management

A well-trained, motivated, and competent cadre of officers is essential to an efficient working of the Secretariat. This study finds that the competence of the officers, especially at the junior levels, is in rapid decline. Officers of the level of Assistant Secretaries are inadequately trained and have limited motivation. A number of factors, other than a general deterioration in educational standards, have contributed to this decline which include a lag in consistent and timely recruitment, non-uniformity of recruitment standards, deficiency in post-entry training, and an overall expansion in the size of government personnel after independence.

Supervision of personnel is very weak in the entire system. Important matters such as timely disposal of cases; proper filing and record keeping; office organization and management; utilization of office equipment; and punctual attendance are not monitored and supervised in a systematic manner.

The incentives and the opportunities for career development are negligible. Professional mobility is restricted because merit and performance are not differentiated from seniority. Under the existing system, merit is often subsumed by other considerations and therefore there is a need to clearly define merit as a singular trait of higher performance.

Recruitment is partially based on merit. After the initial posting, there is a need for further screening and selection of officers on the basis of merit and high performance. A two-tier recruitment process needs to be introduced under which officers after their initial posting in the field will become eligible to compete through an open examination held by the PSC. The top ranking candidates would qualify for accelerated promotion at appropriate levels in their respective cadres.

Improvements in recruitment and selection of personnel with simultaneous improvements in supervision, incentive structures, career development, and in building trust and confidence are needed. We have made specific recommendations for:

- Streamlining and simplifying recruitment procedures;
- Introducing a two-tier recruitment and career development system to raise the quality of senior civil service;
- Delegating powers of posting and transfers to the line agencies;
- Instituting strict measures of supervision and inspection;
- Simplifying and improving performance appraisal system and integrating performance with promotion; and
- Increasing pecuniary and non-pecuniary incentives to merit and performance.

4. Training

The existing training facilities for Secretariat personnel at all levels are limited; the quality of staff and the training methods and materials are marginal. No formal on-the-job training is given to the probationers. Consequently, less than the required number of officers receive training, and the relevance and impact of training is unsatisfactory. The training facilities, the planning of curriculum and training delivery methods need significant improvements. To enhance the quality of training and its impact, greater incentives need to be provided to the trainers as well as to the trainees.

The requirements of improving training are manifold and our recommendations address the development of training facilities and staff in the area of general administration only. Specific measures are recommended for:

- Improving and expanding the training facilities of the PATC and the BCS (Administration) Academy;
- Introducing intensive training programs at appropriate local institutions;
- Formalising on-the-job training (OJT) and developing capability to conduct OJT in the Secretariat on a regular basis;
- Recruiting trainers on the basis of merit and qualifications and motivating them;
- Integrating training with career development; and
- Increasing incentives for trainers as well as trainees.

5. Filing and Record Keeping

The filing and record keeping systems in the Secretariat are outmoded and inadequate for the present day requirements of information management. The present system of filing and record keeping is based on a subjective classification of materials and information and the application of the system is too labour intensive and reliant upon the personal skills of lower staff.

The Working Group recommends that the filing and record keeping system should be improved through:

- Methodical observance of instructions as laid down in the Secretariat Instructions; and
- Changing and improving the materials utilized i.e., paper, file covers, filing cabinets etc. and their organization and supply.

6. Physical Facilities and Logistics

The present physical facilities and office lay-outs in the Secretariat are poorly planned and insufficient for the size of the Ministries and their personnel. The physical environment generally is that of overcrowded and unmethodical arrangement of work. Logistical support is equally deficient. The necessary office equipment are either in short supply or improperly organised and utilized. These physical conditions and deficient logistical support are responsible, to a great extent, for causing delays in the disposal of business.

A work conducive environment and adequate material and logistical support is essential for improving efficiency. In this regard, our recommendations specifically address improvements for:

- Expanding physical facilities and rationalizing office layouts;
- Improving the methods of procurement, supply, and utilisation of existing office equipment;
- Modernizing office equipment through the introduction of micro computers, photo-copiers, telex or fax machines; and
- Rationalizing and training manpower to use new technology.

In the last section of the Report, we have outlined several programmes for implementation along with brief terms of reference and methods of implementation for each programme. We have proposed that the O & M Wing of the Ministry of Establishment should be assigned an overall responsibility for coordinating and monitoring the implementation of the recommended programmes. The O&M Wing should be transformed into a Division and its functions should be enlarged to include developmental activities related to organizational changes and improvements in office and work procedures, personnel development, information management systems etc. A study should be conducted to transform O&M Wing into a full-fledged Division with professionally skilled personnel.

B. Ministry-Department relationships

The Working Group on Ministry-Department Relationships has concluded that the Departments and their field staff need more power to do the jobs which are given to them. They must have the authority to carry out their responsibilities. At the same time they must be more accountable for using public resources effectively to achieve public purposes.

A key constraint on effective Departmental operations and a major cause of delays in their activities is a lack of adequate delegation of authority over personnel and financial matters. In too many instances they must pass cases to the Ministries for decision which deal with routine and non-policy matters which they should be able to decide at the Departmental level.

1. Administrative delegation

1.1 The administration of personnel matters of Class I Officers in the Departments is a special problem. It is considered necessary that Department Heads and their subordinates have authority over their personnel commensurate with their responsibilities.

1.2 As a first phase in the shift of authority over personnel to the Heads of Departments, the Working Group recommends delegations of authority be considered in these areas:

a. Discipline,
b. Transfer and posting,
c. Sanction of pensions,
d. Granting of leave, and
e. Accepting extraordinary leave for increment.

1.3 These delegations should be carefully exercised at the Departmental level in accordance with government guidelines. Where appropriate, these powers should be delegated by Department Heads to the heads of subordinate offices within the Department.

1.4 As a second and later phase, after the results of these delegations can be evaluated, it may be appropriate to designate Department Heads as the appointing authority for all non-Cadre personnel of their Departments. This would give Department Heads nearly complete authority over their personnel.

2. Financial delegation

2.1 Increasing the delegation of financial authorities to the Departments, is another important means for facilitating the flow of work. Subject to budget provision and in accordance with existing rules and regulations, the Working Group recommends that Department Heads have increased authority to:

a. Replace vehicles,
b. Repair vehicles,
c. Purchase office equipment,
d. Undertake local printing, and
e. Procure stationery.

3. Policy making

3.1 The Working Group considers that properly managed meetings are an effective way to involve Departmental staff members in decision making on policies at the Ministry level. These meetings should take advantage of the technical expertise of Department officers and build a sense of teamwork between Ministries and Departments.

3.2 The first step in preparing for such a meeting should be the drafting of a thorough analytical paper by the concerned Departmental officers. The paper should state clearly the problem being addressed, the effect of existing policies, orders or laws, and the proposed solution to the problem. The views of affected organisations and necessary clearances should be obtained in advance and incorporated in the working paper.

3.3 The working paper should be circulated at least seven days in advance of the meeting. The meeting should be chaired by the responsible officer of the Ministry and should be attended by Ministry and Department officers with authority to decide the matter.

4. Accountability

4.1 The Working Group encountered a widespread concern for the lack of accountability within the organisations of the government. To remedy this situation it recommends that all organisations should have a clear distribution of work among their subordinate units. At the same time, job descriptions are needed for each position in the organisation. It is only against such assignments of responsibility can individuals be held accountable for their actions or inactions.

4.2 Accountability also depends upon good supervision. Supervisors are responsible for motivating their subordinates and for checking on their performance. Senior officers in each Department need effective progress reporting systems to monitor the work in their organisations. Ministry monitoring of policy implementation should focus on problems and short falls from planned accomplishments. This "reporting by exception" should reduce the flow of routine reports upward in the hierarchy.

4.3 Auditing is the ultimate check on performance. Traditionally this has been an examination to determine that funds have been properly used. This financial audit is important, but for the future, increasing attention needs to be given to the concept of performance or management audit. The auditors should be able to check on how well the funds were used: were the purposes of the organisation adequately achieved? The introduction of management audit will require an assessment of manpower and training needs.

5. Capacity of the Departments

5.1 For the delegation of authority to the Departments to be effective, there must be a strong and sustained effort to improve their capacity to assume those responsibilities. Both technical and administrative skills are needed to enable Departmental staff to better perform their functions.

5.2 The Working Group emphasises the need for practical, problem-solving types of training. Sufficient numbers of staff from the same organisational unit need to be trained to create a "critical mass" who can introduce improved work methods. Training reserve posts need to be created in important job categories to ensure that staff can take advantage of appropriate training opportunities. Once trained staff members need to be utilised in fields for which they are trained.

5.3 The quality of trainers is another matter of concern. Trainers should have priority in receiving foreign training. They should receive special consideration for promotion when they do an effective job as trainers.

5.4 Capacity building among Departmental staff is important. Stability of assignment is equally important if they are to do a professional job in their field. The three year rule should be a extended to a five year period to serve in a position. When rotation is made, it should be made within an area of specialisation, that is within a group of Ministries or agencies with similar objectives.

6. Paperwork simplification

6.1 The Working Group considered a series of problems in this area which are common throughout the government. The unnecessary passing of files is one such problem. As a general rule, files should go directly to the officer responsible for deciding a matter. Lengthy and repetitive notes should be avoided.

6.2 The wider use of standardised forms will facilitate routine paperwork. Filing systems should be modernised. International standards in the size of paper, file folders and cabinets should be considered for adoption. Office mechanisation is a priority need. Office operations can be improved on a cost effective basis through the wider but careful use of telephones, word processors, computers and copy machines. Before new equipment is installed, staff should be rationalised and the appropriate personnel thoroughly trained in its uses and maintenance.

C. Ministry-Corporation relationships

The Working Group studied seven public corporations: Bangladesh Chemical Industries Corporation (BCIC), Bangladesh Steel and Engineering Corporation (BSEC) and Bangladesh Sugar and Food Industries Corporation (BSFIC) in the manufacturing sector, Trading Corporation of Bangladesh (TCB) and Export Promotion Bureau (EPB) in the trading sector, Bangladesh Agricultural Development Corporation (BADC) in the agricultural sector and Bangladesh Water Development Board (BWDB) in water development sector. The Group adopted the following recommendations:

1. To achieve Higher Standards in Administrative Performance

1.1 Implementation of and adherence to the following government policy issues and directives:

a. Guidelines, 1976, issued from the Cabinet Division defining the Relationship between Government and Corporations and between Corporations and their Enterprises.

b. Resolution, 1983, vide Cabinet Division Notifications no. 4.5.82/285 - Committee dt. July 24, 1983, concerning operational autonomy of the corporations and transfer of shares of the enterprises to the respective corporations.

c. President's Order No.RAS/MAPA/OBI-2/87-17 issued on March 16, 1987

1.2 Organisational reforms:

a. Conversion of BCIC, BSEC and BSFIC into holding corporations or companies in the light of the Resolution, 1983 and Ministry of Industry Notification of July 1988.

b. The ministries should assist the public corporations to strengthen their corporate planning functions: setting objectives, selecting strategies and planning implementation.

1.3 Enforcement of accountability:

a. Formation of an audit sub-committee of each board headed by a finance director to study the key areas of observations made by the commercial and statutory audits and for taking appropriate and quick corrective actions.

b. Visits to and evaluation of performance of the enterprises and projects may be under taken by top officials such as the Chairmen and Directors/Members of the boards. The key areas to be examined are plant capacity utilisation, productivities, down time analysis, usage ratio etc. of the enterprises and progress of implementation various activities of the projects. In addition, they may also check selected financial ratics. The objectives are to identify the problem areas and forewarnings of corporate sickness and to prescribe corrective measures.

c. Effective follow-up by the CPC of corrective measures directed on review of the performance submitted by the corporations in the SABRE format through the concerned ministries.

d. Introduction of a regular system of interactions between the heads of enterprises/projects and the chairmen and directors of the boards in order to counter-check the validity of structured information flow through MIS.

e. An appropriate motivational mix of recognition and appreciation, power and authority, promotion prospects, operational authority and security for the executives as a means to increase accountability.

2. To improve Policy Analysis

2.1 Address these current policy issues:

a. Effective participation of the chief executives of the corporations and the enterprises in the decision making process at the corporation and ministry-level.

b. Phasing out of the chronically sick and potentially uneconomic units.

c. The potentially economic industries in the engineering, paper and chemical sectors incurring loss may be isolated, problems and constraints examined and a policy decision about their future worked out combinedly by the ministries and the corporations.

d. The Ministry of Agriculture may issue directives to BADC for intensifying its activities in the current priority areas within its mandate and in accordance with the latest government policy.

e. Sugar cane policy may be included in the Agricultural Policy of the Government. R&D work may be intensified for increasing the per acre yield, the sucruse content, and recovery of sugar from sugar cane in the BSFIC mills.

f. A policy decision should be taken at the highest level for R&D activities in order to achieve a break-through in the Engineering Industries.

g. The concerned ministry may examine the issue of handing over of the completed projects of BWDB to the beneficiaries' cooperatives and local self governments.

h. A policy decision may be taken for the incorporation of a reward and penalty clause and maximum autonomy for enterprises in performance contracts with a view to improving operational results.

2.2 Needed legislative actions:

a. Examine the application and enforcement of the relevant provisions of the Companies Act 1913 relating to liquidation.

b. The Industrial Relations Ordinances to check undesirable labour union practices.

c. The relevant service regulations of corporate bodies may provide for introducing a system of hire and fire in the public corporations and their enterprises for encouraging good performance.

d. Ordinances of BADC, BWDB, TCB and EPB may be amended for inclusion of provisions for delegation of power by the boards to the respective chief executives and by them to any director or officer of the corporations.

3. To strengthen the Implementation of Policy

3.1 Administrative, financial and contract management:

a. Transfer to the corporations of government share-holdings in the enterprises should be carried out as directed by the government.

b. The holding companies or corporations should ensure payment of dividends to the government when they have a net profit on the operations of their enterprises.

c. Corporations should not operate the bank accounts of their subsidiaries.

d. Ministries or CPC, as the case may be, should give their decision on price fixation of sensitive items within one and two weeks respectively after submission of the proposal by the corporations.

e. Corporations should thoroughly examine several forms of contracts as adopted by UNIDO:

(i) cost reimbursible,
(ii) turn key,
(iii) semi-turn key,
(iv) engineering and know how, or
(v) duplicate contracts.

Corporations should then adopt any one of these forms of contract or combination of them that is considered to be most suitable for a particular project.

3.2 Performance contract:

The number of enterprises covered by performance contracts, now under process of experimentation, should be increased.

3.3 Research and development:

a. The Ministry of Industry should mobilise the best available human resources and the government support at the highest level to establish a metal processing R&D centre with well defined objectives in order to achieve a break-through in the engineering industries sector. BMTF may be considered as a site for such a centre.

b. Support of the Ministry of Agriculture may be rendered to the existing sugar cane research centre for intensifying its efforts.

c. Ministry's support for establishing stronger contacts and connections with international and regional R&D organisations through trade communication computer based network.

4. Expand the Delegation of Authority

a. Full operational authority to corporations: Once the budget is approved and the target is fixed, the corporations should have full operational authority subject to adequate cash flow position.

b. The decision making process should be continuously reviewed and improved. Participatory decision making practices should be fostered.

5. Improve the Procedure for Staffing

5.1 Career planning

a. Career planning should be introduced in the corporations.

b. Appointments and promotions should made on the basis of merit, performance, training and results of written tests.

5.2 Staff training:

a. Training, an important precondition for promotion of the officers of all levels, whether in-house, in-country or overseas, should be imparted in accordance with a well thought-out programme keeping in view the career progress of the officers. Short refresher courses, workshops and seminars should be conducted for the chairmen and members of the boards to update their knowledge and management skills.

b. Need-based training programmes should be developed; modern method of curriculum design should be introduced; and design, preparation, implementation and evaluation of lesson plans should be practiced. An appropriate theoretical and practical training mix should be worked out. Every trainee should participate in written, practical and problem solving tests.

c. Personnel of project implementation and monitoring teams at projects, corporations and concerned ministries should undergo a rigorous practical training in contracting procedures, legal aspects of international technological contracts, and in scheduling and rescheduling of project implementation activities.

5.3 Continuity and professionalism:

a. The continuity of personnel in the same or similar functional areas should be maintained in order to utilise the skills gained through expensive training and to build up their expertise leading to a reduction in dependence on expatriate experts.

b. Planning, evaluation and monitoring cells of the corporations and ministries should be manned by personnel having experience in project and enterprise management and proven ability.

5.4 Pay structure and performance incentives:

a. A separate pay scale with higher compensation and service rules having provisions for hire and fire for the corporation officials should be established.

b. Performance criteria should be fixed and a policy of reward for excellent performers and penalties for non-performers should be introduced and strictly adhered to.

6. Development and Improvement of Training Facilities

a. Modern methodology of need-based curriculum design should be introduced.

b. Lesson plans should be developed with carefully defined objectives.

c. Each training institution should be equipped with audio visual aids.

d. Collaborative efforts between corporations and training institutions need to be intensified.

e. Trainers should receive appropriate preparation at home and abroad.

f. Senior officers should be encouraged to attend training programmes through appropriate incentives.

D. Project cycle policies and procedures

A. **Background**

The efforts of government to provide economic uplift to the country are channeled, in large measure, through development projects funded through the Annual Development Programme (ADP). Development projects are also a primary vehicle through which Bangladesh receives foreign aid.

A major reason for this study into the project cycle has been concern over the persistent pattern of difficulties in achieving development targets in the mid-term five-year plans and short-term annual plans. For example, the Annual Report of Implementation Monitoring and Evaluation Division (IMED) for the fiscal year 1987-88 mentions the following as reasons for poor project implementation records: defects in the pre-feasibility study and project design, lack of initiative, delays in resource deployments, shortage of funds, and weaknesses in project management. It is estimated that delays in project completion increase costs by roughly 35 percent and extend time to completion by more than 60 percent.

Another major impetus behind this study is concern with the backlog of unused foreign aid in the "pipeline" , which has more than doubled during the 1980s.

The intent of this study was to identify fundamental reasons why these problems persist, and to recommend actions to overcome them, for the benefit of all who have a stake in the future of Bangladesh.

B. **Key Constraints to More Efficient Development Projects**

This study, as well as all preceding studies regarding development projects, points to several key constraining factors which cause persistent problems, such as those cited by the IMED study, in development projects: overcentralisation of authority, lack of accountability, inadequate resource base, and implementation bottlenecks caused by inconsistent and inflexible adherence to rules, procedures and systems.

There is a relationship among these factors. A statement that was made repeatedly in interviews with government officials was that a fundamental sense of distrust of others is at the heart of the bureaucratic culture. This sense of distrust has resulted in a need for controls throughout government, which in turn has resulted in a diffusion of accountability through overlapping checks and balances. The net effect is a widespread feeling of no effective accountability.

The diffusion of accountability and overcentralisation of decision making produces a climate which inhibits bold and timely management of decisions, resulting in delays. Delays also result from a lack of knowledge of rules and procedures among many government officials, resulting from inadequate or inappropriate training, as well as frequent changes in rules and procedures.

C. **Recommendations**

The objective of this study was to assist the Government in developing recommendations which overcome constraints to efficiency in development projects. As may be determined from reading the report, some of the

recommendations are directly implementable. Others indicate that before government can take action to address a causal problem, other actions may need to be taken. For example, decentralisation of increased project approval authority logically requires the development of capability within line ministries to review and approve project proposals. Determining capability requires, among other factors, information about human resources, on a position-by-position, office-by-office basis. Such information does not exist, nor was it within the scope of this study to generate it. The study does not recommend actions which will immediately lead to a specific Planning Cell in a given ministry having the capability to handle newly decentralised authority.

Determining capability also presupposes that there is an answer to the question of how far decentralisation should go. This is essentially a political and institutional question which has not been clearly answered, and was also a limitation to the development of specific, implementable recommendations. Notwithstanding these limitations, the study has provided recommendations which may lead to more efficient development projects. In the remainder of this section the recommendations of the report are summarised.

Overcentralisation of authority

The primary recommendations regarding this constraint are:

1. Reaffirm responsibility of ministries for integrating project goals with sector goals.

2. Emphasise Planning Commission's responsibility for macro-level planning, for integrating Annual Development Programmes (ADP) and Five Year Plan (FYP), and for establishing parametres for ministries and agencies to integrate projects with ADP and FYP.

3. Raise project approval limits for investment projects.

4. Eliminate separate administrative approval for components of approved projects.

5. Raise procurement and contract award authority.

6. Delegate to project directors full financial and administrative powers.

Other recommendations to overcome overcentralisation are:

7. Move appropriate authorities to include in Schedule 2 of Rules of Business all Class 1 officers, including Research officers to Chiefs with authority to sign letters and documents on behalf of government, if warranted, regardless of cadre affiliation.

8. Reduce details and highlight policy issues and issues critical for policy implementation in review of Project Proformas (PP) by Planning Commission's Project Evaluation Committee (PEC) and Executive Committee of the National Economic Council (ECNEC).

9. Emphasise joint review sessions at planning cell level before sending PPs for further processing.

10. Delegate authority to approve procurement proposals on one-step basis for approved proposals.

Human Resource Needs

The primary recommendations regarding this constraint include:

11. Conduct needs assessment in planning and development units to determine type and level of specific skills needed at project, agency and ministry levels for planning, implementing and monitoring roles.

12. Use qualified local consultants and make greater use of transfers and lateral entry to place qualified staff where immediate planning and monitoring needs are greatest.

13. Provide planning cells in ministries and implementing agencies with the number of skilled officers that results in satisfactory planning and monitoring of development project activities.

14. Acquire essential information technology, and appropriate staff training, for efficient project planning and monitoring.

15. Upgrade Academy for Planning and Development (APD) and strengthen capability to conduct needs assessment and to design and deliver training which will result in improved performance at the individual, work unit and organisation levels.

Other recommendations to improve the human resource base in all phases of the project cycle include:

16. Rotate non-cadre officers and officers from administrative, economic and technical cadres within allied sectors, and among project, agency and planning cell postings.

17. Develop effective incentive system based upon proven efficiency.

Weak Accountability and Information Systems

The primary recommendations to improve accountability regarding development projects are:

18. Increase delegation of monitoring responsibilities to ministries, implementing agencies and projects.

19. Design and implement a management information system for development projects, such as that in Malaysia.

20. Ensure that appropriate representation of affected people (i,e., stakeholders) is institutionalized in each phase of the project cycle.

21. Strengthen rules and regulations related to standards of conduct, and their enforcement.

Other recommendations to strengthen accountability include:

22. Provide more public information concerning development project decisions.

23. Improve utilisation of monitoring and evaluation reports from all sources, including donors.

24. Use wrap-up meetings between appraisal teams and sector divisions to clarify areas of agreement regarding project goals and requirements.

25. Convene meetings involving donors, ministries, agencies and project staff to review project implementation performance.

Bottlenecks

The primary recommendations to reduce bottlenecks are:

26. Rationalise allocation of resources to Revenue Budget and Annual Development Programme so that projects may be implemented on time and not be delayed by revenue shortage; strengthen capability of forward expenditure planning.

27. Allow staffing of key project positions as soon as projects are approved.

28. Allow project personnel to remain with project until its completion without forfeiting rights to promotion and increases.

29. Streamline procurement process based on study of procurement rules and procedures.

Other recommendations include:

30. Use more turn-key projects, when appropriate, keeping in view their impact on technology transfer.

31. Examine probable impact of Executive Orders to insure that high priority development projects will not be impaired in mid-stream.

32. Develop and use standard project management handbook for operational management.

33. Create inventory of information regarding successful projects and give them wide publicity, including use as training materials for project management.

34. Establish new guidelines for tender/purchase committees to expedite processing.

35. Assure access to procurement specialists for every project.

36. Increase donor funding for locally produced resources and improve opportunities for local suppliers to compete.

37. Publish lists of locally produced materials which meet procurement standards.

38. Encourage donors to give local offices more authority to approve bid packaging and to approve contract awards.

39. Consider creating special desks in Customs and CCI&E for processing of development projects' requirements.

40. Update and give wider distribution to 1979 ERD procurement guidelines.

41. Eliminate use of outdated procurement forms and procedures such as Forms #2911 and #2908.

42. Enforce time limits for procurement decisions; if time limits for large, complex projects are not appropriate, change them.

43. Enforce confidentiality in bid handling procedures.

44. Continue improvement of quality and coverage of database for macro economic planning.

45. Provide adequate logistic support to concerned planning and monitoring offices.

46. Assign responsibility for monitoring project approval to substantive divisions of the Planning Commissions, and report regularly to government regarding approval status of projects.

IV. IMPLEMENTATION PLAN

A. Perspective plan for administrative improvement

The development of an effective, sustainable implementation strategy to improve the efficiency and effectiveness of the public sector will require considerable political will and substantial resources. It will require patient coordination of efforts among government offices and between government and donors.

The overall strategy of implementing the recommendations outlined above is:

* to give priority to actions which can be initiated with little or no increase in expenditures, and without delay;

* to initiate actions within a limited scope of ministries, implementing agencies and projects on a pilot basis to determine their effectiveness before undertaking government-wide changes;

* to initiate actions which produce immediate and continuing benefits so that a climate of success is developed and maintained;

* to give priority to those actions which reduce delays without compromising accountability;

* to develop a coordinated long term plan of administrative improvement in order to assure positive outcomes.

B. Follow-on implementation committee

The formation of a strong implementation committee is most important if this study is to have a positive impact on public sector management systems. The Study Group is well aware that many of its recommendations will take years to implement. This committee will need superior talent in building consensus among political leaders and in the public service in support of the needed changes.

C. Initiate short-term implementation activities

A number of follow-on activities can and should be initiated immediately. These are priority aspects of the study which can be implemented over the next two to three years by the government with its own resources.

1. Implement existing government directives

The following directives need to be effectively implemented to increase the efficiency of corporations:

a. The Guidelines 1976 were issued by the Cabinet Division to define the relationship between the Government and Corporations and between the Corporations and their Enterprises.

b. The Resolution 1983 from the Cabinet Division contains 17 directives to improve the efficient operation and management of the Corporations. It was based on the recommendations of the Committee for Reorganisation of the Public Statutory Corporations.

2. Raise authority limits for approval of development projects and procurement/contract awards.

The Working Group on Project Cycle recommends raising the authority limits on development projects so that more projects may be approved at the ministry level, following parameters set by the Planning Commission.

It also recommends raising the authority limits for procurement and contract awards at the project, executing agency and ministry levels to expedite procurement decisions.

3. Delegating authorities to subordinate organisations in the government

The Working Groups have identified a series of specific administrative, financial and operational authorities which should be delegated to subordinate organisations in the government to facilitate decision making and the flow of government business.

These include the following authorities which should be delegated to Project Directors, Departments and Subordinate Offices:

Administrative authorities.

a. Discipline,
b. Transfer and posting,
c. Sanction of pension, and
d. Granting of leave.

Financial authorities.

a. Replacement of vehicles,
b. Repair of vehicles,
c. Purchase of office equipment,
d. Local printing, and
e. Purchase of stationery.

Delegations to Corporations should include:

Personnel authorities.

a. Creation of posts,
b. Appointment and dismissal of personnel,
c. Internal and foreign training, and
d. Sending delegations abroad.

Financial and operational authorities

a. Purchasing,
b. Construction contracts,
c. Pricing, and
d. Marketing.

4. Review of rules and instructions

4.1 The Study recommends the creation of an internal system to review and revise existing rules and instructions. The purpose of this system would be to provide the basis for simplifying and clarifying rules and instructions as a means to facilitate decision-making and the work of the government.

4.2 The Study recommends that Government should modify relevant rules and regulations so that once a development project has been approved no further administrative approval is required for project components. Adoption of this recommendation will have a significant impact on reducing the amount of time needed to start project implementation activities.

5. Accountability and professionalisation

The Study recommends a series of activities to strengthen accountability and professional values in the public service. These include:

a. Take action to ensure the timely and effective audit of government operations.
b. Review of policies and laws on standards of conduct.
c. Broadening public participation in planning and policy making.
d. Encouraging growth of professional associations and public groups concerned with establishing higher standards of individual professional behaviour.

6. In development efforts, certain steps may be taken immediately without major resource implications, which may have an impact on the efficiency of government actions regarding development projects. These include:

a. Use qualified local consultants and make greater use of transfers and lateral entry to place qualified staff where immediate planning, monitoring and project management needs are greatest.

b. Rotate officers from administrative, economic and technical cadres within allied sectors, and among project, agency and ministerial postings on a five year rotational basis.

c. Modify rules regarding transfer of officers to allow officers assigned to development projects to remain throughout the life of project without forfeiting rights to promotion and increases.

D. Initiate mid-term implementation activities

Another set of follow-on activities may require outside resources and the development of specific projects to address the problems identified in this study. If initial steps are taken in the coming year, it may be possible to anticipate benefits from these activities in the next three to five years.

1. Human resource development

1.1 General strategy

In cooperation with the USAID Development and Management Training Project, the Ministry of Establishment and the National Training Council should develop a strategy to improve the human resources available to the government. This strategy should include an action plan to:

a. Improve the quality of entrants to the public service.
b. Improve and expand the induction, foundation training for new entrants.
c. Develop practical, action training based on needs assessments to focus on key constraints to more effective individual and organisational performance.
d. Improve the quality of trainers through better selection and incentives.
e. Integrate in-country and foreign training programmes in support of sound career planning.
f. Create training reserve posts in key job categories to assure that personnel can be made available for training as needed.
g. Consider the means to strengthen and the possible consolidation of the many training institutes which exist in the public sector today.

1.2 On-the-job training

The Study recommends that On-the-Job Training (OJT) should be formally organised and conducted in the ministries. The basic objective of OJT is to improve knowledge, skills, and attitudes that are directly relevant to the managers' immediate environment. Therefore, there is a need to create a learning environment in the actual work-setting where supervisors trained in OJT techniques can instill practical problem solving skills in their subordinates.

Proposal: An OJT program would be introduced in selected Ministries and implementing agencies on a pilot basis for one year period under the general management and supervision of the O&M Wing and Internal Training Section of the Ministry of Establishment. The program will be implemented by the following methods.

Methods to be followed :

a. The O&M Wing will conduct an assessment of work-methods and operations in selected number of units in different Ministries and identify the major problems related to supervision, leadership, motivation, and skills and attitudes.

b. The O&M Wing will select approximately twenty supervisory officers of the ranks of Deputy Secretaries and Assistant Secretaries from different Ministries. The selection will be based on academic qualifications, previous training, and a willingness of the officers to train their subordinates.

c. The selected group of officers will be given training in OJT methods and their application to improve supervision, employee motivation individual and organizational performance according to specific needs as identified by the assessment. The training will be conducted at the BCS (Administration) Academy at Dhaka with the assistance of qualified local consultants from outside as well as from within the government.

d. The training program at the BCS Academy will be of approximately 10-12 weeks and will be conducted in the evening after office hours. Both the trainers and program managers as well as the participant trainees will be compensated at the daily rates allowed for local consultants.

e. The participant trainees after completing their training will assume the responsibility of formally supervising and conducting training for their subordinates in actual work setting through the application of OJT techniques.

f. Similar programs can be extended to other parts of government after the success of the pilot activities have been evaluated.

Performance Indicators: The number of supervisors trained in OJT methods; the number of supervisors applying OJT methods to train subordinates; impact on individuals job performance and efficiency.

1.3 Development projects training

The Ministry of Establishment and Planning, in conjunction with interested donors such as USAID, UNDP, and World Bank which already have project mechanisms to address human resource needs, may plan and initiate a series of actions to strengthen human resources in all phases of the project cycle, and strengthen the institutions (primarily the Academy for Planning and Development and the Bangladesh Project Management Institute) which provide training in the areas of planning, monitoring, evaluation and project management. Actions to strengthen the human resources should include the following:

a. Conduct a comprehensive needs assessment in planning and development units to determine type and level of specific skills needed at project, agency and ministry levels for planning, implementing and monitoring roles.

b. Provide planning cells in ministries and implementing agencies with the number and quality of officers that result in satisfactory planning and monitoring of development project activities.

c. Review the adequacy of information technology available for planning, monitoring, evaluation and project management needs, and seek donor assistance to upgrade capabilities, with emphasis given to training which builds networking capability.

d. Upgrade APD and strengthen capability to conduct needs assessment and to design and deliver training which will result in improved performance at the individual, work unit and organisation levels. Short term assignments for training staff from APD in planning cells would help ease the shortage of staff in those cells, and provide trainers with valuable experience.

e. Provide training in employee involvement techniques that have demonstrated value in raising productivity (such as Quality Circles).

f. Develop a pilot project of monetary reward systems based upon proven cost savings and promote regular procedures of employee recognition for outstanding performance each FY.

g. DSI, APD and donors should conduct more frequent training in procurement, including mandatory courses for project procurement officers without previous training or experience.

2. Management and office systems

2.1 The Study recommends that the O&M Wing be upgraded into a Division. The objective is to expand the scope and functions of the existing O&M Wing to include developmental activities related to organisational changes, improvements in work procedures, personnel development, career development, training, organisational development, and management information systems.

A study should be conducted to determine the organisational and personnel requirements of the proposed O&M Division. The study will focus upon:

a. Appropriate organisational structure and mandate of O&M - examine the range of alternatives for an effective O&M reorganisation by addressing the issue of how the O&M can perform service-oriented functions rather than regulatory functions and the level of autonomy that may be required for this purpose.

b. Relationship between O&M and the Ministries and other agencies - examine the modes of delivery of O&M services to the governmental organisations.

c. Personnel requirements - determine the strength, qualifications, and service conditions for the O&M personnel.

d. Training - formulate a training programme for O&M personnel including training curriculum, target population, and institutions both in-country and abroad.

e. Financial requirements - estimate the financial and budgetary requirements of O&M development and operations.

2.2 Action Programmes : In addition, the O&M Wing would undertake, with the assistance of local consultant groups, action programmes to modernise the handling of routine office tasks through the introduction of appropriate equipment, to improve filing systems and to expand the use of standardised forms.

2.3 Office equipment modernisation

a. Examine existing office procedures and equipment usage in selected government offices;
b. Identify areas where the introduction of modern office equipment can be introduced on a cost effective basis.
c. Recommend specific office equipment which should be acquired and used on an experimental basis; and

d. Develop a programme for training the officers and staff in the use and maintenance of the equipment to be acquired;

The O&M Wing would be responsible for putting this programme into practice on a pilot basis. After an appropriate period, the results of the experience with the equipment would be evaluated and the successful systems would be expanded to other government organisations.

2.4 Filing system reform

a. Review existing filing systems in selected government offices;
b. Consider the applicability of modern file practices in the use of standardised paper, in the size and colour of file folders, in systems of bound and unbound files, simplified file classification and indexing systems, file disposal systems (storage or destruction) and file cabinet specifications;
c. Review and suggest improvements in instructions on file management;
d. Develop a plan for implementing a file modernisation programme including staff training.

The O&M Wing would be responsible for implementing those aspects of this survey which are approved by the government.

2.5 Forms management

a. Review existing systems of forms management in the government;
b. Examine the applicability and state of implementation of previous studies of forms management;
c. Identify areas where opportunities exist for the wider use of forms as a means to facilitate paper work.
d. Examine the design of existing forms to consider the possibility of improving their design and adopting standardised forms for agency-wide or government-wide usage.

e. Develop a forms improvement programme including training appropriate agency officers in forms design and forms management.

The O&M Wing would then be responsible for implementing this programme on a pilot basis and, when appropriate, on a government wide basis.

3. Procurement procedures

This Study concludes that one of the most serious problems facing the government is it's inefficient tendering process. The reform of this process is an urgent, but difficult task. A number of specific recommendations have been made by this Study including a comprehensive study of existing procurement policies, regulations and procedures. It is a problem which deserves separate and intensive work. The goal should be a purchasing system which protects the interests of the government but which produces the required goods in a reasonable time frame.

4. Audit systems

An effective, independent audit system is a priority need in Bangladesh. This system will ensure not only that funds are properly spent, but that they are well spent: that public purposes are being achieved. The need to move beyond financial audit to a broader management audit is recognised. This will require staff training and high level support for a new and more significant role of the audit function in public administration.

The programme will include:

a. Creation of a government-wide awareness of the need for a management audit system as a means to help organisations achieve their objectives.

b. Training. A staff of qualified auditors will need to be built up. The auditors must know not only auditing and accounting procedures but also economics, public administration and management. Initially these auditors may be selected from the cadres of the Financial Service. Participatory on-the-job training will be needed for these auditors.

c. Motivation. To attract and retain talented staff for this innovative programme, special pay, facilities and rapid promotion for excellent performance will be needed.

d. Reform of accounts system. The accounting system of the government will need to be reformed to adapt it for a management audit. Financial data should be readily available for management decision making. Government accounts should be computerised in the long run.

e. Application on a pilot basis of management audit in selected government agencies.

f. Consideration of the experience in the pilot areas and expansion to other organisations of the government.

5. Development Project Planning and Monitoring

The Study recommends the following long-term actions by government to improve the efficiency and effectiveness of development planning efforts, and the subsequent monitoring of development project implementation activities:

a. Reaffirm responsibility of ministries for integrating project goals with sector goals, and taking necessary steps to develop capability to carry out this responsibility.

b. Emphasise Planning Commission's responsibility for macro-level planning, for integrating ADP and FYP, and for establishing parameters for ministries and agencies to integrate projects with ADP and FYP.

c. Increase delegation of monitoring responsibilities to ministries, implementing agencies and projects.

d. Design and implement a management information system for development projects, such as that in Malaysia.

e. Ensure that appropriate representation of affected people (i.e. stakeholders) is institutionalised in each phase of the project cycle.

6. Corporation performance

This follow-on activity in accord with the recommendations of Volume 4 of this study, would seek to improve the performance of critical government corporations through support for:

a. Organisational changes
b. Legislative changes
c. Policy changes
d. Improvements in financial, contract and material management
e. Staffing improvements, and
f. Training programmes.

E. On a longer-term basis, it will be necessary to evaluate the results of those recommendations which are implemented on a pilot basis. Based on these evaluations, modifications will need to be made in the systems and decisions made as to their extension to other organisations in the government.

Annex A: Previous Government Reform Efforts

1. Administrative Services Reorganisation and Reform Committee

During the post-independence era, the need to invigorate the civil service of the new country was severely felt. Since then attempts have been made by successive governments to bring about desirable changes in the administrative system. Thus, this Public Administration Efficiency Study possesses a rich historical background. Immediately after liberation the Mujib Government appointed a four member Administrative Services Reorganization and Reform Committee (ASRC) with Professor Muzaffar Ahmed Chowdhury, the then Vice Chancellor of Dhaka University as its Chairman. The objective of the Committee was to determine the staffing policy regarding recruitment, consider the question of amalgamation of the services into a unified service and to recommend a comprehensive plan for administrative reorganization.

The Committee called for the abolition of division among different civil services and recommended in its place a single classless Unified Grading Structure containing ten grades and job analysis to be the basis for grading of posts. The Committee also stressed the need to inculcate professionalism among civil servants. It advocated the creation of "Senior Policy and Management Posts" which would include all posts from Grade I to III and would be filled by the most competent civil servants. It emphasized the need to reduce supremacy of the elite cadre and the adoption of merit as the cardinal principle for recruitment and promotion.

The political leadership did not make the report public and the recommendations were never implemented. But ASRC recommendations were so profound and fundamental that latter committees were influenced in varying degrees by its deliberations.

2. National Pay Commission I

The National Pay Commission (NPC I) was appointed by the same regime under the Chairmanship of A. Rab, a member of pre-partition Bengal Civil Service, to suggest pay scales keeping in view the cost of living, resource constraints of the government, government's declared policy to establish a socialist society and the need to reduce the disparity in income between civil servants.

NPC I recommended ten national scales of pay within the range of Taka 130 (lowest) and Taka 2000 (highest) to match the ten service grades as recommended by ASRC.

NPC I fared little better than ASRC, as only some inconsequential parts of its recommendations which did not affect any powerful interest group within the civil service were implemented.

3. Pay and Services Commission

The Pay and Services Commission (P&SC) was set up in 1976 by the Ziaur Rahman government under the Chairmanship of A. Rashid, a retired Secretary to the government.

The major recommendations of P&SC included the amalgamation of all erstwhile services, emphasis on merit principle as the determining factor for recruitment and promotion, removal of barriers existent between the erstwhile CSP and other services through the introduction of equal initial scales of pay and provisions for equitable scope of advancement towards the top of the administrative hierarchy, creation of a new apex cadre with talented, efficient and experienced officials drawn from all functional cadres and the adoption of the cadre concept in the civil service structure for major functional areas and 52 scales of pay within the range of Taka 230 (lowest) and Taka 4000 (highest).

At the implementation stage, after certain modifications, 21 scales of pay within the range of Taka 225 and Taka 3000 were introduced. The new grading system was not implemented due to strong resistance from within and outside the civil service. The new apex cadre, the Senior Services Pool (SSP) formally came into being on 1st of March 1979. On 1st September 1980, Government announced the introduction of a "Unified Career Service" with fourteen functional cadres and fourteen sub-cadres. Later on the number of cadres/sub-cadres increased to thirty-one.

4. Martial Law Committee

On April 18, 1982, the Martial Law Government appointed a five-member Martial Law Committee for examining the Organizational Set-up of Ministries/Divisions, Departments, Directorates and Other Organisations Under Them with late Brigadier Enamul Haque Khan as Chairman. The most significant recommendation of the Enam Committee was the reduction of the number of ministries from 44 to 19 and number of divisions from 60 to 42 and cutting staff mostly at lower levels of the secretariat from 9440 to 6118. Other recommendations included reduction of layers of decision making in the secretariat, fixing the supervisory ratio* at 1:3, formalizing and regularising recruitment processes, emphasizing the use of merit as the criterion for promotion, delegation of financial and administrative powers down the hierarchy and providing training for officials.

The government implemented the recommendations of the MLC pertaining to reduction of manpower as well as of duties for officers and staff of the secretariat and took necessary steps for their implementation. But within two and a half years of the acceptance of the recommendations, the number of ministries were increased from 19 to 32 and the bar on public employment at different levels was lifted. As a result the number of civil employees at the lower levels in the secretariat continued to increase.

5. Committee for Administrative Reorganisation/Reform

On April 28, 1982, the government constituted a seven-member Committee for Administrative Reorganisation/Reform (CARR) under the Chairmanship of late Rear Admiral M.A. Khan, the then Deputy Chief Martial Law Administrator and Minister in-charge of Communication.

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* Ratio of supervisors to employees.

The terms of reference of the Committee were to review the structure and organization of the existing civilian administration with a view to identifying the inadequacies of the system for serving the people effectively and to recommend an appropriate, sound and effective administrative system based on the spirit of devolution and the objective of placing administration nearer to the people.

The Committee recommended the turning of thanas into upazilas, the basic administrative unit, upgrading of subdivisions into districts and installation of elected local governments at district, thana and union levels for the transfer of developmental functions to these elected local governments.

The government accepted many important recommendations of CARR. Beginning from November 1982 all subdivisions were upgraded into districts and thanas into upazilas. At present there are 64 districts and 460 upazilas. Other complementary proposals of CARR, such as the introduction of a democratic governance system at zila level and the abolition of division as a unit of field administration were not implemented.

6. National Pay Commission II

On May 31, 1984, the present government appointed a fifteen member National Pay Commission (NPC II) under the Chairmanship of Justice Shahabuddin. The NPC was requested to submit recommendations concerning the present pay structure, allowances and other benefits of officers and employees of different government and semi-government bodies.

The NPC II recommended 20 different scales of pay covering almost all the employees within the civil service system and fixed the minimum and maximum pay at Taka 500 and 6000 per month. The scales of pay were given effect by the government from June 1985, and become known as Modified National Scales of Pay.

7. Matin Committee

In 1987, a Cabinet sub-committee headed by Dr. M.A. Matin, the then Deputy Prime Minister was formed to recommend policy measures for implementing the recommendations of the Secretary's Special Committee on the Structural Organization of the Senior Services Pool (SSP) and the Secretariat Committee Relating to the Problem of Unequal Prospects of Promotion of Officers of Different Cadre Services.

The Matin Committee, after examining the recommendations relating to the SSP and unequal prospects of promotion of officers of various cadre services, recommended the abolition of the SSP and certain other measures to improve prospects of promotion of officers of various cadre services.

In pursuance of its recommendations, on 29th June 1989, the Government abolished the SSP and asked the Ministry of Establishment to issue necessary orders with regard to the recommendations of the report.

8. Moyeed Committee

On 12th March 1989, a Government Committee was formed to determine the utility of retaining certain government departments, directorates and offices headed by Abdul Moyeed Chowdhury, Director General of the President's Secretariat.

One of the main functions of the Moyeed Committee was to re-examine the recommendations of the Enam Committee. The Committee found that seven thousand officers and employees were surplus in thirty-seven departments and offices. On the basis of its findings, the Committee recommended the abolition of twenty-seven departments.

9. National Pay Commission III

In August 1989, the Government constituted a National Pay Commission (NPC III) for all categories of employees of government and autonomous organisations. The Commission is headed by Kafiluddin Mahmud, a retired Secretary to the government.

The Commission will submit its recommendations relating to pay scales within one year beginning from August 1989.

This series of reform efforts shows a continuous striving on the part of the government to mould the public service to make it more responsive to the needs of the people and to development priorities.

Annex B: Terms of Reference and Organisation of the Study

The Steering Committee (SC) requested funding from USAID to contract for a team of consultants, both Bangladeshi and expatriate to undertake the Study. In an effort to delineate a manageable area of inquiry and generate timely recommendations within the broad mandate given to it, the SC chose to focus on four priority areas of inquiry. They are the following:

1. Secretariat System and Work Procedures;
2. Relationship between Ministries and Departments,
3. Relationship between Ministries and Public Corporations, and
4. Project Preparation, Approval and Implementation, with particular emphasis on the Planning and Budgeting Process.

The team of consultants, contracted for the PAES assisted the Steering Committee to develop recommendation relating to:

a. Higher standards in administrative performance;
b. Sound policy analysis;
c. Implementation of policy and its strategic implications;
d. Delegation of authority for non-policy making decisions;
e. Procedures for staffing the selected Ministries/Divisions, and
f. Development and improvement of training facilities for development administration.

The consultant team collected data on problems and performance from the following seven Ministries and selected agencies under them: Agriculture; Commerce; Establishment; Finance; Industry; Irrigation, Water Development and Flood Control, and Planning.

In view of the time constraints the team was asked not to carry out original research. Likewise, given the SC's mandate, the team was expected to focus on implementable recommendations which would address the real constraints of public administration in Bangladesh. In each of the four areas of inquiry, the study was to address the following issues:

> Bureaucratic behavior, accountability, continuity, decision making, personnel, training and utilisation of expert services.

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3. Mr. Khandaker Mahabub Rabbani Secretary, Ministry of Establishment	Member
4. Mr. Ayubur Rahman Chowdhury Secretary, Ministry of Works	Member
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Annex C: Comparative Administrative Experience.

1. Western, Industrial Nations.

Civil Service in the United Kingdom

In Great Britain Ministries are the basic administrative units, supplemented by nationalized industries and public corporations outside the ministerial framework. The standard arrangement is for each Ministry to be headed by a Minister who is responsible before the parliament for the Ministry's affairs. Directly under the Minister is the office of Permanent Secretary held by a senior civil servant. One or more deputy secretaries assist the permanent secretary. Each is in charge of several sections. Under secretaries and assistant secretaries head up lower echelon divisions, with principals and assistant principals in turn heading smaller units within these divisions. The Prime Minister and Cabinet can make adjustments within the administrative hierarchy.

The Civil Service Department is directly under the control of the Prime Minister. It is responsible for supervising the civil service, including recruitment, training, promotion and compensation.

For recruitment purposes candidates are put through a series of examinations and interviews along an approach to recruitment that was introduced after World War II. Most of the successful candidates continue to come from honours graduates of the universities, but an increasing number are chosen from persons already in the service with a minimum of two years of experience. Those chosen enter a probationary period of at least two years during which they serve as trainees, followed by a sixteen-week course at the Civil Service College. During the succeeding four years further assessment and training leads to "streaming" into ability groupings of those considered promising for high level posts in their later careers and those deemed more suitable for middle-management positions.

During most of its history, the British civil service was divided into three major classes - Clerical, Executive and Administrative class - in an ascending order of responsibilities and qualifications. The elite of the service were in the Administrative class, comprising less than 0.5 percent of the total civil service. In 1971, as recommended earlier by the Fulton Committee, these three classes were merged in a new Administrative Group as part of system of occupational groupings, but it appears that a small select cadre continues to bear senior responsibilities, although no longer identified as member of a distinct administrative class.

High ranking bureaucrats have substantial role in governmental decision-making. The system operates under a convention that imposes upon the official and the minister clearly understood mutual obligations based on the principles of impartiality and anonymity. The civil servant is expected to offer his advice to the minister, who has political responsibility, but he is obligated to carry out loyally whatever decision is reached. The principle of anonymity means that the career civil servant is to be protected by the political leadership from disclosure of the advice he gave and he is not to be brought into the limelight of the political arena.

External control over bureaucracy is extensive although concern has often been expressed in recent years about the growing complexities of maintaining accountability in view of increasing grants of discretionary authority to administrators and the burdens of legislative surveillance over a constantly widening range of governmental programs. Legislative oversight over administration relies on the doctrine of ministerial responsibility and also makes use of specialized parliamentary committees. Thus all actions of civil servants are taken in the name of the minister who is held accountable by the House of Commons for such actions. The office of British Parliamentary Commissioner was created in 1967 as a modified version of the Scandinavian Ombudsman to deal with citizen grievances against administrators. However, this official can act only if a complaint is received through a member of Parliament, and can only investigate and report back to Parliament as to defects of procedure in administration.

French Civil Service

France under the Fifth Republic has evolved a governmental system which combines old and new features in a pattern which is still fluid. The state remains unitary and highly centralized, with the prefect as the principal representative of the central government in each of the ninety-six departments-units of local government. At the center, however, a major transition has occurred, with the multiparty parliamentary system. The frequently changing coalition cabinets of the Third and Fourth Republics are being replaced by a mixed presidential parliamentary system. The President, who is directly elected is an extremely powerful chief executive, able to dominate the prime minister and ministers in the mixed system. Structurally, the central government is divided into ministries, each in turn subdivided into directions as the principal operating units, plus a ministerial cabinet with staff assisting the Minister, and various consultative and control organs. The field services of these ministries are extensive, with 95 percent of the total work force located outside of the central offices in Paris.

The higher level bureaucrats provide direction for the centralized administration. The most notable characteristic of members of the French administrative elite is that they are considered members of a corps or cadre representing the state. Speaking for the state and acting on its behalf, they tend to consider themselves as possessing a bit of sovereignty which entitles them to respectful attention, and this view is at least partly shared by the citizenry. The civil service is a career service, ordinarily chosen early in life and pursued till retirement, with slight movement of individuals into and out of the administrative corps in mid-career. Entrance to the bureaucracy, particularly at the higher levels, is difficult and through prescribed channels. A unique feature of the bureaucracy is the existence of an administrative elite, made up of members of groupings known as the grand corps. Included in it are major technical corps (such as Corps des Mines and Corps des Ponts et Chaussees) and non-technical corps (such as Conseil d'Etat, Cours des Comptes, and Inspection des Finances).

Extensive reforms were undertaken in 1945 aimed at broadening the recruitment base and bringing more uniformity into the selection process. The reforms led to the establishment of a National School of Administration (ENA) as a common training center for future higher administrators, with entry through a common

examination open to university graduates. The objective was to open up the service to a broader spectrum of applicants, screen them through a single examination device, train them through an intensive three-year post-selection curriculum, and then parcel them out to the grand corps and the ministries on the basis of matching the most promising young administrators with the most desirable career opportunities. For the first time, a central civil service directorate was established and a uniform code dealing with rights and responsibilities of civil servants was enacted.

The French civil servant enjoys security of tenure on a lifetime basis, subject only to the unlikely loss of job in case of redundancy or dismissal as a disciplinary sanction. Dismissal from the service must be made in accordance with detailed procedures by special disciplinary tribunals in which officials are represented.

In the absence of effective external controls, mechanisms of internal control have been developed as an "inner check" on the bureaucracy. The Council d'Etat has gradually become the most important such agency, by taking on the judicial function of evaluating administrative acts for the protection of citizens rights, by advising on the drafting of bills and executive decrees, and by consulting with ministries on administrative problems and suggesting remedial measures.

Civil Service in Federal Republic of Germany (FRG)

After the division of the country at the end of World War II, West Germany (FRG) became a federal system. In this system, the constituent units are the ten Laender plus West Berlin as an associated entity. Essentially, the division of functions in this federal system is that most important legislative decisions on policy are made by the central government. But the Laender are relied on primarily as the vehicles for administration of the programs. As a consequence only ten percent of the civil servants is attached to the national government, with the bulk of the bureaucrats belonging to the administrative service of the Laender.

The Bonn constitution of 1949 provided for a parliamentary government, with a bicameral legislature, a Chancellor as the chief executive officer and a President functioning essentially as an elected constitutional monarch with very limited powers chosen for a five year term of office. The chancellor is a strong executive. Elected by the Bundestag, or lower house of the legislature, every four years at the beginning of a new Bundestag, the chancellor can be removed only by motion of no confidence coupled with the election of a successor by an absolute majority of the Bundestag members.

The executive structure under the chancellor includes the chancellor's office and a variable number of ministries as determined by him. The typical general ministry is quite small as compared to those in most other countries, due to reliance in most instances on Laender officials to provide the necessary administrative infrastructure. Ministers are ordinarily experts in their sectoral fields as well as professional politicians. Rotation of civil servants among ministries is rare.

The typical ministerial structure is organised along lines that emphasize hierarchical authority but also allow for considerable decentralisation in operation. Staff capability around the minister is limited to a small staff selected by the minister. The staff consists of a personal assistant and a press or public relations assistant, a bureau to perform routine clerical and administrative tasks, and one or two state secretaries. The latter, usually picked from among the permanent civil servants in the ministry provide the strongest element of continuity and may continue in office from one minister to another although they have no claim to do so. In recent years, an additional role of parliamentary secretary has been created, designed to deal with parliamentary relations of the ministry, and filled by a member of parliament who usually is a close political associate of the minister.

Below the level of minister and state secretaries, the typical structural breakdown is into divisions, which in turn are subdivided into sections as the basic working units. Most of the operating sections are quite small, but the working capacity of the ministry is almost entirely concentrated at this lowest hierarchical level. Policy making is decentralised, with limited capacity for policy direction from the top.

Public employees are divided into three principal categories: permanent members of the civil service (Beamten), salaried employees (Angestellten) who do not have the same tenure and pension privileges, and wage earning manual labourers (Arbeiter) employed on short-term contracts. The Beamten have higher status and are assigned to the more responsible positions.

Vertically the civil service is divided into four classes - lower, medium, intermediate and higher. Each class is in turn broken into numerous functional categories such as general administration, finance, teaching, health and other technical fields. Each functional category within a class normally consists of five ranks constituting a career ladder, with entrance of new recruits at the bottom rank of the category for which they qualify. Only rare horizontal movement takes place between functional categories.

The Beamten in the higher civil service continue to characterize the German bureaucracy. Recruited on a career basis, these higher civil servants are expected to be prepared for assignment to positions covering a wide variety of duties, particularly in the functional category of general administration.

University graduates who are selected on the basis of general examinations enter a three-year period of further training within the service, combining academic and on the job instruction. Those who are successful in a second examination at the end of this period then enter the higher civil service as a career. Owing to the extended preparatory steps, entrance is rarely possible earlier than the age of twenty five.

Normally the higher civil service continues to be a career pursued until retirement. Advancement within the system after entry depends on a combination of two sets of criteria. Most important are the traditional civil service considerations such as seniority, professional competence, loyalty and good working relationships with colleagues. There are indications that criterion of a more political nature is now being given more weight as well, including political support and a record of good relations to one or more important client groups.

High ranking bureaucrats play a substantial role in governmental decision-making. The bureaucratic policy-makers must operate in the public eye which gives them leeway but also involves risks. The relationship between the top career officials and their political superior is variable. The civil servant has an obligation either to render loyal service, to resign or to seek transfer. They are likely to be linked with their policy preference in any event. He may be called to define the agency's policy decision in a congressional hearing whatever their own position or rank within the hierarchy.

In the United States, legislative committees exert strong control over many aspects of the operations of the agencies which fall under their jurisdiction. Suggestions for reform have usually taken the form of recommendations to weaken the direct control of particular committee over particular agencies, in favor of a program of legislative oversight focused on large rather than small issues. The General Accounting Office, continues review of both financial and managerial operations of the agencies of the government.

2. South Asian Nations

The Civil Service of India

The 1950 Constitution of India lays down the broad parameters of the Indian Civil Service system. The business of government is allocated among various ministries in accordance with the provision of the Business Allocation Rules. Every ministry consists of one or more departments and is headed by a minister. The responsibility for general supervision and coordination of all ministries and departments rests with the prime minister at the centre and the chief ministers in the states. A minister is accountable for all the official actions of the civil servants functioning under him. The central secretariat is the organisational entity closest to the political executive. It is responsible for aiding and assisting the political executive in policy formulation and for overseeing the implementation of governmental decisions. The sphere of civil servants' work is very wide and extends to the manning of most of the civil posts below the level of ministers in the secretariat and in the field organisations. The work consists of assisting the political executive in policy formulation, programme implementation, and administration of the laws of the land. The secretariat staff of a department consists of two categories of personnel, i.e., 1) the officer class and 2) the subordinate class. The officer class has four regular grades in case of the Union Departments. They are, secretary, additional secretary/joint secretary, deputy secretary and assistant secretary. In large departments a joint secretary/additional secretary is put in charge of certain branch of the department to lighten the work load of the secretary . The joint or additional secretary deals directly with the minister, though in more difficult or intricate cases he is expected to consult the Secretary.

Recruitment and service conditions of government servants are generally regulated by rules made by the government under the enabling provisions of the Constitution. Civil posts under the Central Government have been classified on the basis of scales of pay and nature of function. The Department of Personnel and Administrative Reform (DP and AR), the Union Public Service Commission (UPSC), the Central Vigilance Commission (CVC), the Staff Selection Commission (SSC), and the Ministries and Departments of the Government of India are the main agencies responsible for the formulation and administration of the Government's personnel policies.

The UPSC handles the recruitment and selection processes for the All India Services and other Class I Services for the Union Government. The combined civil services examinations given annually seek to obtain a diverse group of civil servants while assuring merit and equal opportunity. This examination comprises of written tests and interviews. Performance of the probationers are judged by departmental examinations and through appraisal of performance records. Successful probation leads to confirmation in the service. Apart from direct recruitment, recruitment rules generally provide for the reservation of a certain percentage of vacancies to be filled by the promotion of officers from lower grades. In most cases, promotional consideration is based on the appraisal of the performance as reflected in the annual confidential reports. Opportunities for limited departmental examinations are available in certain cases to provide avenues of accelerated promotion for the brighter elements in the feeder services and posts.

Training facilities in the Civil Service of India have expanded considerably since the Central Training Division was set up in the Ministry of Home Affairs in 1968. This Division now forms a part of the Department of Personnel and Administrative Reforms. The common training needs of the Central Government personnel are met by Lal Bahadur Shastri National Academy and the Institute of Secretariat Management and Training. Cadre controlling ministries in charge of various Group A Services run their own training institutions to look after the functional training needs of the services. Training institutions have also been set up by various ministries and departments to meet the training needs of the junior level staff. The DP & AR organizes a number of in-service executive and management development programmes. Promotions are based either on merit-cum-seniority or on seniority-cum-merit system. Performance assessment of civil servants is done annually. An employee initiates the recording and appraisal of his annual confidential report. The reporting officer, who is the immediate superior of the official whose report is being compiled, records his observations about the personality traits and performance of the official. These remarks are considered by the next higher authority who records his views regarding the suitability of the official for holding higher jobs and his potential for development. Departmental promotional committees mostly base their ranking and gradation of officials on the annual confidential reports.

Article 311 of the Constitution provides that no person who is a member of the Civil Service or holds a civil post shall be dismissed or removed or reduced in rank except after an enquiry in which they have been informed of the charges against them and given reasonable opportunity of being heard in respect of these charges. In addition, there are adequate legal provisions for appeal and representation against statutory punishment imposed under disciplinary rules governing different services.

The Civil Service in Pakistan

The Central Secretariat is the centre of all activities of the Government of Pakistan. It is responsible for the total administration of the country. The Secretariat is composed of all the ministries. Each ministry is headed by a minister. He/She is the political head of the ministry. Immediately under him/her is the non-political and permanent head, known as the secretary. As official head of the ministry he/she is responsible for its efficient administration and discipline.

A ministry is composed of divisions, each of which is placed under the charge of an additional or a joint secretary. The differences between these two titles is one of rank and not of function. The officer, if senior, is called an additional secretary and if junior, a joint secretary. A Division is split into a number of sections. A deputy secretary is placed in-charge of a group of sections. He/She is allocated duty by the secretary and can dispose of all cases which under the rules he/she is competent to dispose of. On important matters he/she can consult the additional or the joint secretary, or the secretary himself/herself or send cases to him/she for disposal with his/their own opinion.

Below the rank of deputy secretary lies the post of under secretary/assistant secretary, who is placed in-charge of a section. He can decide all routine matters within his section. Any case involving policy is to be referred to the additional or the joint secretary or the secretary as the case may be. The under secretary/assistant secretary is the lowest of the higher civil servants, serving in a Ministry. The implementation of administrative reforms in 1973, resulted in a Unified Grading System for civil servants. This has produced fifteen occupational groups in the civil service.

There are two major Central Personnel Agencies in Pakistan : The Establishment Division and the Federal Public Service Commission. While the Federal Public Service Commission handles personnel functions at the Centre, there are Provincial Public Service Commissions for the Provinces. Their major responsibility is to hold competitive examinations and interviews for recruitment to various grades of civil service. Recruitment to posts at the entrance level is done through the combined competitive examinations, and interview.

There are several training institutions which impart pre-service, in-service and advanced training to probationers, mid-level and senior administrators.

Promotion to selection grades is purely based on merit. In non-selection grade posts it is on the basis of seniority-cum-fitness. Evaluation of the performance of civil servants is based on the annual confidential reports written by the superior officers on their subordinates. Beside the Civil Service Act, 1973, there is Efficiency and Discipline Rules which spell out the procedures for processing of disciplinary cases against civil servants. The grounds for initiating disciplinary actions are inefficiency, misconduct, corruption, and subversion. The minor penalties include withholding of promotion or increment. The major penalties include demotion to a lower rank or post, compulsory retirement, removal or dismissal from service. Usually an enquiry officer is appointed to conduct disciplinary proceedings especially for major penalties and the accused officer is given reasonable opportunities to defend himself.

The Civil Service in Sri Lanka

In Sri Lanka the President has the power to appoint all public officers. The 1978 Constitution adopted the principle of political control of bureaucracy. Appointment, transfer, dismissal, and disciplinary control of public officers is vested in the Cabinet. The Cabinet is appointed by and accountable to the president.

The secretaries and officers acting under delegated authority attend to the functions of recruitment, transfer and disciplinary cases.

The Public Service Commission can delegate its power of appointment to a post to any other public officer. Usually such delegations is to the Secretary of the Ministry, who, in turn, delegates his powers to Heads of Departments and other staff officers.

The procedure for recruitment include:

a. recruitment by competitive examination open/limited;
b. recruitment by examination/interview; and
c. recruitment by interview only.

In recent years, recruitment has been slower than the rate of increase of jobs or the number of vacancies, as a result the tendency has been to shorten the period of training. There is still provision for induction training, which lasts from one week to one year. Promotion from one class to another or from one grade to another is normally considered on the basis of seniority and merit. In most cases seniority is an overriding consideration.

Serious attention is now given to pre-service and in-service training in most government departments. Training programmes are offered at several government institutions. Some of the major institutions are,the Academy of Administrative Studies, the National institute of Business Management, the Agrarian Research and Training Institute and the institute of Social Work.

Annex D : Long-term Administrative Reform Objectives

Although long-term reforms are not within the terms of reference of the current study, the Study Group wishes to suggest these future goals for public sector management improvement in Bangladesh:

1. Strengthen the parliament as a check on the bureaucracy through effective use of its power of the purse and the oversight of government operations.

2. Develop a stronger, more independent judicial system as a guarantee for the rights of citizens and of public servants.

3. Professionalise the audit function as a means to review not only financial soundness but also operational effectiveness.

4. Utilise the Departments and Corporations as the basic operating units of governmental action, with strengthened field operations where appropriate.

5. Strengthen self-reliant local government institutions, based on local elections and local revenue generation.

6. Reduce the government's role in areas where the private sector can better provide needed goods and services.

7. Strengthen the continuing systems within the government to improve the administrative systems of:
   - Personnel
   - Finance
   - Supply
   - Office work methods.

8. Simplify the rules of business. Work to create an administrative culture favourable to change and public service through training, incentives and rewards for initiative and responsible action.

9. Take charge of setting development priorities. Place international assistance agencies in a secondary, supporting role.

10. Strive constantly for an administration which is more responsible and responsive, for a more dynamic administration: Gotisheel Proshashan. There is always a better way to do the public's business.

There can be no clear-cut blueprint as to how to achieve these goals. It is something that must be worked for constantly through:

- Political leadership and support for dynamic administration,
- Publicity and public pressure to improve government performance,
- Serious training and administrative modernization efforts from within the public service,
- Adequate compensation and recognition for public servants, and
- Mutual trust between the political authorities and the bureaucracy and within the bureaucracy.

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Annex-F : Individuals Interviewed

The People's Republic of Bangladesh.

Mr. Moudud Ahmed, Vice President

Ministry of Agriculture

Major General (Retired) M.A. Munim, Minister
Mr. M.A. Sayed, Secretary
Mr. Abul Hashem, Additional Secretary
Mr. M. Akmal Hossain, Joint Secretary (Policy Planning)
Mr. M. Gulam Sarwar Mollah, Joint Chief (Policy Planning Wing)
Mr. M. Azizur Rahman, Deputy Secretary (Foreign Aid)
Dr. Arif Ahmed, Deputy Chief (Policy Planning)
Mr. Shamsuzzaman Majumder, Deputy Chief (Agriculture) Planning Commission

Agriculture Extension Department

Mr. M. Shahidul Islam, Director General

Agriculture Marketing Department

Mr. A.K.M. Razlur Rahman, Director
Mr. M. Atiqur Rahman, Deputy Director

Soil Resources Development Institute

Mr. S.N. Shaheed, Director
Mr. M. Anwar Hossain, Principal Scientific Officer

Agriculture Information Service

Mr. A.M.K. Giasuddin Milki, Director

Bangladesh Agricultural Development Corporation (BADC)

Mr. M.A. Malik, Chairman
Mr. Azad Ruhul Amin, Member-Director
Mr. Abul Hashem, Member-Director
Mr. Azharul Hoque, Member-Director
Mr. M.A. G. Kabir, Member-Director
Mr. M.A. Wadud, Member, Finance
Mr. A.K.M. Shahjahan, Chief(Marketing and Extension)
Mr. Paul Hardin, Consultant
Mr. K. Robert Kern, Consultant

Ministry of Commerce

Mr. Mohammad Abdus Sattar, Minister
Mr. Mohiuddin Azad, Joint Secretary (Administration)
Mr. Margoob Murshed, Joint Secretary (Development/Planning)
Group Captain (Retired) Khairul Anam, Director

Office of the Chief Controller of Imports and Exports

Mr. M.L. Majid, Chief Controller

Directorate of Prices and Market Intelligence

Mr. S.W. Wali, Director
Mr. Mirza Hamidul Haque, Director of Policy

Ministry of Establishment

Mr. Bazlur Rahman Chowdhury, Joint Secretary (Organization and Management)
Mr. Nur Mohammad, Joint Secretary (Administration)
Dr. Shah M. Farid, Joint Secretary (Appointment, Deployment & Planning)
Mr. Nazrul Islam, Joint Secretary (Regulation)
Mr. Athar Islam Khan, Deputy Secretary (Regulation)
Mr. Khan Hamid Ali, Deputy Secretary (Foreign Training and Employment)
Mr. Keshab Acharjya, Senior Assistant Secretary

Department of Printing, Stationery, and Forms

Mr. Abdul Hye, Controller

Public Administration Training Center

Mr. A.M. Anisuzzaman, Rector
Dr. Ekramul Ahsan, Member - Directing Staff (Research and Consultancy)
Dr. M.K. Alamgir, Member - Directing Staff (Programming and Studies)
Mr. Safiur Rahman, Member - Directing Staff (Management and Public Administration)

B.C.S. (Administration) Academy

Mr. A.Z.M. Shamsul Alam, Director General

Public Service Commission

Mr. S.M. Al-Hussainy, Chairman
Mr. Amin Mia Chowdhury, Member

Ministry of Finance

Mr. M.K. Anwar, Secretary
Dr. Syed Abdus Samad, Additional Secretary
Mr. Jamal Hussain, Joint Secretary

Office of the Comptroller and Auditor General

Mr. Gulam Kibria, Comptroller and Auditor General

Office of the Director of Audit, Civil

Mr. Syed Sajedul Karim, Director

Office of the Director of Audit, Works, Water and Power

Mr. R. Mondol, Director of Audit
Mr. M.G. Mustafa, Additional Director

Office of the Director of Audit, Post and Telegraph and Telephone

Mr. Gulam Rasul, Director of Audit

Office of the Chief Accountant, Post, Telegraph and Telephone

Mr. Golam Kibria, Chief Accountant

Ministry of Industries

Mr. Mosharraf Hossain, Secretary
Mr. M. Maniruzzaman Chowdhury, Joint Secretary (Administration)
Mr. Azizur Rahman, Joint Chief (Planning Cell)
Mr. Abdul Huq, Deputy Secretary

Bangladesh Chemical Industries Corporation

Mr. Mohammad Toha, Chairman
Mr. Giasuddin Ahmed, Director (Technical and Engineering)
Mr. A. Momin, Director (Planning)
Mr. M.M. Eunus, Director (Commercial)
Mr. M. Shahjahan, Director (Production)
Mr. Muzaffar Ahmed, Director (Finance)
Mr. K.M. Hussain, Secretary
Dr. Syed Yusuf Farooq, Senior General Manager (Planning)
Mr. Badiuzzaman, Senior General Manager (Research and Productivity)
Mr. Kamal Rabiul Hoque, Senior General Manager (Implementation)
Mr. Rahmatul Islam, Chief Manager (Production)
Mr. Zahirul Hoque, Chief Engineer (Planning)
Mr. A. Latif, General Manager(Purchase)

Bangladesh Small Cottage Industries Corporation (BSCIC)

Mr. Mollah Shahidul Haque, General Manager
Mr. Nurul Alam, Planning Officer

Bangladesh Steel and Engineering Corporation (BSEC)

Mr. Nefaur Rahman, Chairman
Mr. A.R.S. Hameed, Director
Mr. Mahfuzur Rahman, Director (Planning)
Mr. Waseq Al-Azad, Director (Commercial)
Mr. S. Hyder, Secretary
Mr. K.A.M. Kamaluddin, General Manager, Engineering-I
Mr. Narun Nabi Chowdhury, General Manager, Engineering-II
Mr. Mir Nazrul Islam, General Manager, Engineering-III

Mr. Sadiq Khan, General Manager (Steel)
Mr. S.A. Sikder, General Manager, (Research and Development)
Mr. A.F.M. S. Zaman, Chief Personnel Officer
Mr. Enayet Hussain, General Manager (Ship-Building)
Mr. B.A. Khan, General Manager (Management Information System)
Mr. Hedayet Hussain, General Manager (Marketing)
Mr. Meftahur Rahman, General Manager (Purchase)
Mr. N. I. Khan, Additional Chief Auditor
Mr. Eric Gonsalves, Additional Chief Accounts Officer
Mr. Nurun Nabi, Chief Engineer (Construction)
Dr. Khairuzzaman, General Manager (Planning)

Bangladesh Sugar and Food Industries Corporation (BSFIC)

Mr. Hedayet Hussain, Chairman
Mr. Nuruzzaman, Director (Production)
Mr. Muazzam Hossain, Director (Finance)
Mr. Syeduzzaman, Director (Marketing)
Dr. N.M. Sheikh, Director (Planning and Development)
Mr. M. Shawkat Ali, Secretary.
Mr. Mahmud Hussain, Senior Executive
Mr. Syed Harun-ur-Rashid, Chief (Mangement Development)
Mr. A. Karim Chowdhury, Chief (Agricultural Engineering)
Mr. Taher Ahmed, Chief (Cane Procurement Support Service)
Mr. Masood Alam Siddiquee, Chief (Management Information System)
Mr. M.A. Quddus, Chief (Inspection)
Mr. A.F.M. Asafzah, Chief (Oil and Food)
Mr. M. Hossain, Controller of Accounts
Mr. M.A. Jabbar, Chief (Expansion)
Mr. Moazzem Hossain Khan, Chief (Purchase)

Board of Investment

Mr. Mahmudel Huq, Member

Central Testing Laboratory

Dr. Azizur Rahman, Director

Export Promotion Bureau

Mr. Mushfiqur Rahman, Vice Chairman
Mr. Akmal Hossain, Director General

Ministry of Irrigation, Water Development and Flood Control

Mr. Emdadul Huq, Joint Chief, (Planning)

Bangladesh Water Development Board (BWDB)

Mr. Amjad Hossain Khan, Chairman
Mr. Shamsur Rahman, Member
Mr. S.M. Zakiul Alam, Member
Mr. Belayet Hussain, Member

Ministry of Planning

Mr. Kazi Fazlur Rahman, Member, Planning Commission
Dr. Sheikh Maqsud Ali, Member, Planning Commission
Mr. A.M. Shamsul Haque, Division Chief, (General Economic Section)
Mr. Abdus Samad, Director General, IMED (Agriculture)
Mr. Fasiul Alam Khan, Joint Secretary (Administration)
Mr. Nazmul Ahsan, Joint Secretary (Programming)
Mr. Shamsuzzaman Majumdar, Division Chief
Mr. A.B.M. Abdul Fattah, Joint Chief, (Coordination Wing)
Dr. Harun-ar-Rashid, Joint Secretary, External Resources Division
Mr. Ayub Quadri, Joint Secretary, External Resources Division
Mr. A.B.M. Siddique, Joint Secretary, External Resources Division
Mr. Munirul Haq, Director, PAMSTECH, Planning Commission
Mr. Sheikh Sirajuddin, Deputy Chief, Planning Commission
Ms. Momtaz Mannan, Assistant Chief, Planning Commission
Ms. Rini Reza, Senior Assistant Secretary, Planning Commission

Academy for Planning and Development

Mr. Joynal Abedin, Principal

OTHERS

Atlas (Bangladesh) Ltd.

Mr. S.H. Khondkar, Managing Director

Bangladesh Cooperative College

Dr. K.M. Das, Principal

Bangladesh Diesel Plant

Mr. M. Khalilur Rahman, Managing Director

British High Commission

Ms. Linda Brown, First Secretary

Bangladesh Project Management Institute

Dr. Mokbul Ahmed Khan, Secretary General

CARE

Mr. Arthur Hussey, Director

CIDA

Mr. Tony Brewer, Counselor (Development)

DANIDA

Mr. Finn Thilsted, Counselor

Eastern Tubes Ltd

Mr. M.A. Matin, Managing Director

Jamuna Fertilizer Co. Ltd.

Mr. M. Siddiqur Rahman, Managing Director

Mehar Industries (Bangladesh) Ltd.

Mr. Khan Mominul Islam, Managing Director

SIDA

Mr. Skylark Chadha, Consultant

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Mr. Michael Loft, Research Team Leader, Task Force

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Dr. Terrance Jones, Deputy Resident Representative
Ms. Flavia Pansieri, Assistant Resident Representative
Mr. Aly Reza Nazerali, Assistant Resident Representative
Dr. Fredric C. Thomas, Consultant on Management Development
Ms. Nuzhat Ehsan, Programme Officer

USAID

Ms. Priscilla M. Boughton, Director
Dr. Malcolm J. Purvis, Deputy Director
Mr. Frank J. Young, Programme Officer
Ms. Colette Chabott, Assistant Programme Officer
Ms. Marion Warren, Assistant Programme Officer
Mr. S.A. Al-Muti, Project Manager
Mr. David A. Hessen, Office of Food and Agriculture
Dr. Ray Morton, Office of Food and Agriculture
Dr. Tridib Mukarjee, Office of Food and Agriculture

World Bank

Mr. Francis Van Gigch, Resident Representative
Dr. N. Ramchandran, Senior Economist
Mr. Goran Segerlund, Senior Economist
Mr. Wayne Edisis, Senior Economist, International Finance Corporation
Mr. Syed Nizamuddin, Programme Officer
Dr. Richard B. Westin, Senior Consultant, Asia Country Department
Mr. Mohammad Ali, Procurement Officer

World Food Programme

Mr. Ron Ockwell, Programme Officer

Embassy of the People's Republic of Bangladesh in Washington

Dr. Akbar Ali Khan, Economic Minister

Agency for International Development, Washington

Dr. Kenneth Kornher, Science and Technology Bureau
Mr. Alexander Shapleigh, Bangladesh Desk Officer
Mr. Dean Alter, Agriculture Officer, (Rural Development)
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Dr. Anne Marie Walsh, Project Manager.
Mr. Hermann Bretsch, Consultant

REPORT
OF THE

PUBLIC ADMINISTRATION EFFICIENCY STUDY

Volume - 2

Secretariat System and Work Procedures

Ministry of Establishment
Government of the People's Republic of Bangladesh

Dhaka
November 1989

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LIST OF ABBREVIATIONS

ACR	Annual Confidential Report
ASRC	Administrative and Services Reorganization Committee
Admin.	Administration
BSR	Bangladesh Service Rules
BCS	Bangladesh Civil Service
BARD	Bangladesh Academy of Rural Development
ERD	External Resources Division
MLC	Martial Law Committee
No.	Number
OJT	On-the-Job-Training
O&M	Organization and Management
PATC	Public Administration Training Centre
PAES	Public Administration Efficiency Study
PSC	Public Service Commission
PUC	Paper Under Consideration
R&I Unit	Receipt and Issue Unit
RPATC	Regional Public Administration Training Centre
STI	Staff Training Institute
SSB	Superior Selection Board
SSP	Senior Service Pool
Tk.	Taka
UNDP	United Nations Development Programme
USAID	United State Agency for International Development
UNO	Upazila Nirbahi Officer

HIGHLIGHTS OF THE REPORT ON SECRETARIAT SYSTEMS AND WORK PROCEDURES

Constraints	Recommended Actions
1. Lack of internal capacity for management improvements.	1. Upgrade O&M Wing into O&M Division.
2. Overly complex rules and procedures.	2. Expand the work simplification functions of the O&M Wing.
	3. Simplify the rules and strengthen training in their application.
3. Non-observance of rules and procedures.	4. Monitor observance of rules and procedures and include observance as a measure of performance.
	5. Assign ultimate responsibility for non-observance to the supervisors.
4. Weak decision-making systems.	6. Simplify communications and reduce layers in decision making.
	7. Delegate routine matters to subordinate offices.
	8. Improve decision-making meetings.
	9. Strengthen policy-oriented capabilities.
	10. Improve management information systems.
5. Weak supervision and inspection.	11. Strengthen formal application of existing provisions in supervision and inspection.
	12. Increase informal interaction and communication among superiors and subordinates.
6. Inadequate human resources	13. Reform recruitment, incentives and promotion systems with emphasis on merit.

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	14. Introduce a two-tier recruitment to raise the quality of senior civil service.
	15. Upgrade relevant training with emphasis on OJT.
7. Weak logistical support systems	16. Modernise office equipment.
	17. Rationalize manpower and train officers and staff in the use of modern office equipment and computers.
8. Inadequate and poorly planned physical facilities.	18. Plan new Secretariat facilities for an improved working environment.

EXECUTIVE SUMMARY

Functional Context

The Secretariat System is the cornerstone of government administration in Bangladesh. The decisions of the Government, both regulatory and developmental, come about as a result of elaborate deliberations within the Secretariat. The Secretariat is primarily responsible for formulating administrative and development policies, monitoring their execution, and evaluating their impact. In carrying out its responsibilities, the Secretariat is ultimately accountable to the Parliament through the Ministers.

The basic structure of the present Secretariat in Bangladesh has been derived from the administrative framework of Pakistan. At the time of independence in 1971, Bangladesh inherited the structure of the provincial secretariat of the then East Pakistan. The provincial secretariat in East Pakistan consisted of departments whose main responsibility was the field administration of the province. The present Secretariat serves as a national Secretariat and is responsible for formulating policies and coordinating their implementation for the socio-economic development of the country. The functional responsibilities of the present Secretariat are, therefore, intrinsically different from those of the Secretariat of the pre-independence era.

Objectives of this study

This study has been prepared by the Working Group on the Secretariat System and Work Procedures. The basic objectives of the study are to identify the key constraints in the Secretariat and its Work Procedures and develop feasible recommendations toward enhancing the efficiency of the system. In the conduct of this study, the Working Group has taken into account the broader objectives of the Public Administration Efficiency Study (PAES).

The constraints to achieving the broader objectives of the PAES have been addressed in this study specifically in relation to: (a) efficacy of rules and regulations that govern decision-making and communication procedures and the observance of these rules and regulations; (b) requirements of management skills and competencies of personnel; (c) logistical support required for smooth and efficient functioning of the Secretariat.

The major constraints and recommended changes are integrated and summarized below. A complete summary of constraints and recommendations is included as Annex A.

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Constraints and Recommendations

1. Rules and Regulations

The Working Group on Secretariat System and Work Procedures has examined the various problems related to the substance as well as the practice of the existing rules and regulations. It has determined that rules and regulations require simplification as well as modifications in order to serve as efficacious tools of administration. At present, virtually every decision in the Secretariat is governed by disparate sets of rules and regulations which tends to create procedural bottlenecks. Administration by minute rules for every occasion is inconsistent with a dynamic administration in which individuals and organizations may have legitimate freedom of action in well specified areas of responsibilities. To encourage initiative and creativity in decision-making, it is necessary that the responsibilities assigned to the officers should be congruent with the powers delegated and that officers should have the assurance of the neutrality of their actions.

The Rules of Business, 1975, and the Secretariat Instructions, 1976 embody the necessary provisions for allocating functional responsibilities to different parts of the Government and for specifying work procedures. The majority of the provisions of these two documents have been carried over from the British period and have been modified from time to time. There is, however, further scope for modifications. To ensure efficiency, the provisions of the Rules of Business and especially of the Secretariat Instructions need modifications in the following specific areas:

- Delegation of administrative and financial powers;
- Intra and inter-ministerial coordination;
- Multiplicity of decision-making layers;
- Channels and process of communication; and
- Allocated time for disposal of business.

A lack of sufficient familiarity with the existing rules and regulations among the junior officers serves as a constraint to speedy disposal of business. According to our study, approximately one-half of the junior officers do not have a good grasp of the rules and regulations. The lack of knowledge results in either delay in decisions, inaction or inappropriate action.

An important factor contributing to insufficient familiarity with rules and regulations among the officers is deficient training at the post-entry and in-service levels. The officers belonging to non-secretariat cadres who are transferred to the Secretariat display even lesser familiarity with rules and regulations. Lacking sufficient knowledge, the officers are unable to make or suggest appropriate decisions consistent with prevailing rules and procedures.

The non-observance of many important provisions of the Rules of Business and the Secretariat Instructions has become a common practice. The Instructions are not observed in such important matters as timely disposal of business, supervision, and proper filing and record keeping. Non-observance of the important Rules and Instructions is not monitored and penalized. The officers are neither rewarded for observing rules nor disciplined for non-observance.

The reasons behind the non-observance of the Rules and Instructions are many and often interrelated. In some instances, non-observance is encouraged due to lack of sanctions, and lack of time and proper logistical support interfere with observance in other instances.

To make the rules and regulations as efficient instruments, the Working Group recommends:

- Simplification of rules and regulations;
- Modifications in rules and regulations to enhance efficiency;
- Institutional and on-the-job training in rules and regulations; and
- Strict compliance and disciplinary measures for non-compliance.

2. Decision-Making

Decision-making in the Secretariat, in practice, is highly centralized and suffers from a number of procedural bottlenecks associated with unnecessary scrutiny at multiple layers, incrementalism, fragmentation of responsibilities, and elaborate and time consuming requirements of coordination. Moreover, the decision-making is too focused on administrative and operational details and policy-making matters are given limited attention.

Most of the decisions are actually made at the highest level although the powers to make decisions are delegated within the hierarchy. The delegated powers are exercised within narrow limits, especially by the middle and junior level officers, for fear of contravening the decisions higher up as well as for lack of self-confidence and hesitancy to assume responsibility. Furthermore, there is no particular incentive to take initiative and the perceived risks of making decisions outweigh both benefits and risks of not making them.

The Working Group recommends that most of the administrative and operational activities in the secretariat should be delegated to the Attached Departments, Directorates, and Subordinate Offices so that the Secretariat could devote its resources to formulate policy, monitor policy implementation, and evaluate the impacts of policies. With regard to the decision-making procedures, multiple layers should be reduced and organizational communication methods should be made more efficient and productive. The recommended changes specifically focus upon:

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- Developing policy-analytic capability within the Ministries;
- Reducing administrative and operational activities of the Ministries;
- Modifying communication procedures and minimizing written communication;
- Improving the structure and quality of intra and inter-ministerial meetings; and
- Complying with the specified time-limits in the disposal of business.

3. Personnel Management

A well-trained, motivated, and competent cadre of officers is essential to an efficient working of the Secretariat. This study finds that the competence of the officers, especially at the junior levels, is in rapid decline. Officers of the level of Assistant Secretaries are inadequately trained and have limited motivation. A number of factors, other than a general deterioration in educational standards, have contributed to this decline which include a lag in consistent and timely recruitment, non-uniformity of recruitment standards, deficiency in post-entry training, and an overall expansion in the size of government personnel after independence.

Supervision of personnel is very weak in the entire system. Important matters such as timely disposal of cases; proper filing and record keeping; office organization and management; utilization of office equipment; and punctual attendance are not monitored and supervised in a systematic manner.

The incentives and the opportunities for career development are negligible. Professional mobility is restricted because merit and performance are not differentiated from seniority. Under the existing system, merit is often subsumed by other considerations and therefore there is a need to clearly define merit as a singular trait of higher performance.

Recruitment is partially based on merit. After the initial posting, there is a need for further screening and selection of officers on the basis of merit and high performance. A two-tier recruitment process needs to be introduced under which officers after their initial posting in the field will become eligible to compete through an open examination held by the PSC. The top ranking candidates would qualify for accelerated promotion at appropriate levels in their respective cadres.

Improvements in recruitment and selection of personnel with simultaneous improvements in supervision, incentive structures, career development, and in building trust and confidence are needed. We have made specific recommendations for:

- Streamlining and simplifying recruitment procedures;
- Introducing a two-tier recruitment to raise the quality of senior civil service;
- Delegating powers of posting and transfers to the line agencies;
- Instituting strict measures of supervision and inspection;
- Simplifying and improving performance appraisal system and integrating performance with promotion; and
- Increasing pecuniary and non-pecuniary incentives to merit and performance.

4. Training

The existing training facilities for Secretariat personnel at all levels are limited; the quality of staff and the training methods and materials are marginal. No formal on-the-job training is given to the probationers. Consequently, less than the required number of officers receive training, and the relevance and impact of training is unsatisfactory. The training facilities, the planning of curriculum and training delivery methods need significant improvements. To enhance the quality of training and its impact, greater incentives need to be provided to the trainers as well as to the trainees.

The requirements of improving training are manifold and our recommendations address the development of training facilities and staff in the area of general administration only. Specific measures are recommended for:

- Improving and expanding the training facilities of the PATC and the BCS (Administration) Academy;
- Introducing intensive training programs at appropriate local institutions;
- Formalizing on-the-job training (OJT) and developing capability to conduct OJT in the Secretariat on a regular basis;
- Recruiting trainers on the basis of merit and qualifications and motivating them;
- Integrating training with career development; and
- Increasing incentives for trainers as well as trainees.

5. Filing and Record Keeping

The filing and record keeping systems in the Secretariat are outmoded and inadequate for the present day requirements of information management. The present system of filing and record keeping is based on a subjective classification of materials and information and the application of the system is too labour intensive and reliant upon the personal skills of lower staff.

The Working Group recommends that the filing and record keeping system should be improved through:

- Methodical observance of instructions as laid down in the Secretariat Instructions; and
- Changing and improving the materials utilized i.e., paper, file covers, filing cabinets etc. and their organization and supply.

6. Physical Facilities and Logistics

The present physical facilities and office lay-outs in the Secretariat are poorly planned and insufficient for the size of the Ministries and their personnel. The physical environment generally is that of overcrowded and unmethodical arrangement of work. Logistical support is equally deficient. The necessary office equipment are either in short supply or improperly organized and utilized. These physical conditions and deficient logistical support are responsible, to a great extent, for causing delays in the disposal of business.

A work conducive environment and adequate material and logistical support is essential for improving efficiency. In this regard, our recommendations specifically address improvements for:

- Expanding physical facilities and rationalizing office layouts;
- Improving the methods of procurement, supply, and utilization of existing office equipment;
- Modernizing office equipment through the introduction of micro computers, photo-copiers, telex or fax machines; and
- Rationalizing and training manpower to use new technology.

In the last section of the Report, we have outlined several programmes for implementation along with brief terms of reference and methods of implementation for each programme. We have proposed that the O & M Wing of the Ministry of Establishment should be assigned an overall responsibility for coordinating and monitoring the implementation of the recommended programmes. The O&M Wing should be transformed into a Division and its functions should be enlarged to include developmental activities related to organizational changes and improvements in office and work procedures, personnel development, information management systems etc. A study should be conducted to transform O&M Wing into a full-fledged Division with professionally skilled personnel.

I. INTRODUCTION

A. Background of the Study

The successive Governments in Bangladesh have been cognizant of the problems in public administration since 1972 and the macro-level issues in administration have been addressed by various committees from 1972 to the present. Some of the recommendations of the various committees have been implemented and have brought about changes in the civil service structure. However, the micro-level problems in public administration such as internal procedures, work-methods, logistical support have received limited attention.

In 1987, the Bangladesh Government decided to undertake a study to identify key constraints affecting the efficiency of Public Administration, particularly in relation to important key ministries. The study would deal with class I officers since this group plays a most central role in the management of the economy. The decision to undertake the study was also in response to the provision made by the World Bank in its thirteenth imports programme credit.

The structure and the scope of work of the Public Administration Efficiency Study was developed by the BDG officials in consultation with the World Bank. A Steering Committee of the BDG officials was set up to produce this study. The study was funded by the United States Agency for International Development (USAID).

The recommended changes from the study are limited to the existing BDG structure and the rules of business. The main focus of the study is on the following four priority areas:

(1) Secretariat System and Work Procedures;

(2) Relationship between Ministries and Departments;

(3) Relationship between Ministries and Public Corporations; and

(4) Project Preparation, Approval and Implementation, with particular emphasis on the Planning and Budgeting process.

The studies in the above areas have been undertaken by the four respective Working Groups. This study has been produced by the Working Group on Secretariat System and Work Procedures headed by the Additional Secretary of the Ministry of Establishment. The members and staff of the Working Group are listed in Annex B.

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B. Objectives

1. The main objective of the Public Administration Efficiency Study (PAES) is to identify the key constraints in public administration and recommend implementable measures for improving administrative efficiency. According to the Scope of Work of the Steering Committee, recommendations are to be developed to achieve the following objectives:

   (a) Higher standards in administrative performance;

   (b) Sound policy analysis;

   (c) Implementation of policy and its strategic implications;

   (d) Delegation of authority for non-policy making decisions;

   (e) Procedures for staffing the selected ministries/divisions; and

   (f) Development and improvement of training facilities for development administration.

   The above objectives are common to the four priority areas of the study. The Secretariat System and Work Procedures constitutes one of the four priority areas.

   The Working Group on the Secretariat System and Work Procedures has defined the objectives of this study as follows:

   (a) Examine the provisions of the Rules of Business and the Secretariat Instructions with a view to pointing out the deficiencies in the substance as well as the practice of the provisions;

   (b) Assess the dysfunctional aspects of decision-making in the Secretariat System in terms of the levels, stages, and procedures of decision-making;

   (c) Examine the problems in work methods and communication procedures i.e. filing, record-keeping, and inter and intra-organizational communication;

   (d) Review the personnel management procedures and identify problems in recruitment, staffing, transfer, promotion, supervision, and incentives;

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(e) Examine the deficiencies in training in terms of physical facilities, financial resources, staff, and the relevance and impact of in-country as well as foreign training;

(f) Identify problems of inadequate physical facilities and logistical support; and

(g) Develop recommendations and an implementation plan for making improvements in the above areas.

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C. Methodology

The basic mechanism for this report was the Working Group on the Secretariat System and Work Procedures which held eight meetings with the consultants during May through September. The chairman and the members of the Working Group provided guidance to the consultants at each step of the study. The consultants also met with the individual members of the Working Group several times to discuss specific issues and to seek their advice.

The methodology for the collection of data relied on documentary analysis, interviews with the class I officers at all levels in the ministries, and a survey conducted to collect in-depth information from a selected sample of officers on specific issues.

1. Important Government documents and the reports of various official committees were reviewed with special attention to the organization, functions and work procedures of the Secretariat. The entire provisions of the Rules of Business, 1975 and the Secretariat Instructions, 1976 were examined to determine the adequacy and practice of these provisions and the extent to which the existing provisions require modifications and improved measures of enforcement. The list of the documents reviewed is contained in the Bibliography.

2. Interviews were conducted with approximately sixty officials at all levels in seven Ministries. The Ministries include: Establishment; Industry; Commerce; Finance; Planning; Agriculture; and Irrigation, Water Development and Flood Control.

   The consultants interviewed the majority of the government officers more than once. Officials from the United States Agency for International Development (USAID), United Nations Development Program (UNDP), and the World Bank were also interviewed. The list of the individuals interviewed is attached as Annex C.

3. The consultants designed a semi-structured questionnaire on the basis of the information from the documentary analysis and formal interviews in order to collect further data on important issues from the government officials. The questionnaire and the analysis of the responses is attached as Annex D. The questionnaire was circulated to a selected sample of 70 class I officers in the seven Ministries. The majority of the respondents selected were of the level of Assistant Secretaries. However, at least one Joint Secretary and one Deputy Secretary were included in the sample from each of the Ministries. A total of 49 officials provided complete responses to the questionnaire.

4. An attempt was made to examine the difficulties faced by the clientele of the Secretariat. For this purpose, forty visitors to the Secretariat were interviewed on a random basis through a prepared interview guide. Four members of the consultant team conducted interviews over a two day period. The interview guide and the findings from the Survey are attached as Annex E.

II. SECRETARIAT SYSTEM

A. Historical Overview

The essential structure and functions of the Bangladesh Secretariat System, like the secretariat systems in other countries of South Asia, were developed under the British period. British colonial administration provided the framework of organization and operational procedures. The legal and political framework of the British administrative set-up in India was mainly geared towards the maintenance of law and order, the collection of revenues and the promotion of commercial interests. The district was the focal point of its administration. The functions of the British Secretariat System were strictly regulatory in nature.

India won freedom from the British rule in 1947 and it was partitioned into two independent states i.e. India and Pakistan. Both of the independent states inherited the administrative system from the British. The structure and functions of the secretariat system, more or less, remained intact in both the nations. The former state of Pakistan adopted a unitary form of government with West Pakistan and East Pakistan as the two provinces. The government administration was mainly conducted through the central secretariat and the two provincial secretariats in West Pakistan and East Pakistan respectively.

During the time of the united Pakistan, the provincial government in East Pakistan was more or less a replica of the central government. It had a secretariat similar to that of the center, consisting of several departments and respective attached directorates and subordinate offices patterned along the lines of the central secretariat. The administrative set-up was split into central administration and provincial administration. The central secretariat was composed of all ministries and was responsible for formulation of national policies. The structure of the provincial administration was, however, different from that of the central government. The provincial administration and the provincial secretariats were created as field units on a geographical basis and organised into divisions, districts, subdivisions, and thanas. The provincial secretariat was responsible for field administration and execution of plans and policies as opposed to the formulation of policies which was the main responsibility of the central secretariat.

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The painful circumstances in which the state of Bangladesh was created produced utter chaos in its administrative and economic systems. Soon after independence in 1971, the main concern of the new Government of Bangladesh was to undertake necessary measures to transform the provincial secretariat of the former East Pakistan into a national Secretariat. The task of building a new nation required the administrative system to be reorganized and strengthened at all levels of the government.

B. Post Independence Changes

At the time of independence, the newly constituted national Government of Bangladesh inherited a deficient institutional structure. Public sector institutions were severed from their parent bodies which significantly weakened their organizational and manpower capabilities. The inherited civil service organization and personnel were not adequate to meet the requirements of the new nation. Since then, successive Governments have initiated changes and reforms to reorganise and strengthen the civil service. A number of committees since 1972 have addressed the problems in the civil service and recommended measures for improvements.

1. The objectives of the Administrative and Services Reorganisation Committee (ASRC), appointed by the Government in 1972, was to determine an appropriate framework for reorganization of the administrative system and proposed changes in recruitment, staffing, service conditions, work methods etc. (1).

   The committee proposed a classless Unified Grading Structure consisting of ten grades and the creation of Senior Policy and Management Posts to be filled on the basis of competence by the personnel of grades I to IV. The Committee also recommended to professionalise the services and to allow equal opportunity to both generalists and professionals.

   With respect to the organization and functions of the Secretariat, the Committee was of the view that the role of the Secretariat should be limited to: (i) policy formulation; (ii) planning; (iii) evaluation of execution of plan; (iv) legislative measures; (v) assisting the Minister in discharge of his responsibilities; (vi) personnel management at the top level (vii) execution only in areas where there is an advantage in merging the Departments with the Secretariat, and (viii) supervision of the work of the Operating Departments where necessary.

   The functions of national government, according to members of the Committee, were defined as mainly developmental in nature and therefore the bulk of operational and administrative functions should lie with the public statutory corporations and regional and local public bodies.

   The Report of ASRC was not made public and its recommendations were not fully implemented.

2. In 1977, the Government formed another Committee on Services structure known as Rashid Committee (2). The Government, based on recommendation of Rashid Committee, constituted the Senior Services Pool (SSP) in March 1979 consisting of posts of Deputy Secretaries and above in the national secretariat. The basic concept was to select people at the level of Deputy Secretary through an examination system to be conducted by the Public Service Commission. Promotion within the Pool was to be given strictly on the basis of merit.

3. The Martial Law Committee (MLC), appointed by the Martial Law Government in April 1982, was responsible for examining the organizational set-up of the Ministries/Divisions, the Departments, Directorates, Subordinate Offices, and the Public Statutory Corporations(3). The most significant recommendation of the Committee was the reduction of ministries from 36 to 20 and the number of divisions from 49 to 45. The recommended reductions implied reductions in the total strength of personnel from 9440 to 6118. With regard to the Secretariat, the Committee recommended that the layers of decision-making should be reduced and proposed a 1:3 ratio of supervisors to staff. Other recommendations of the Committee included the introduction of merit system for promotions and a maximum delegation of financial and administrative powers.

   The recommendations of the MLC with regard to the reduction of the Ministries/Divisions and their staff were implemented. The number of ministries were reduced to 20 and a ban was imposed on public employment. However, two years after these changes were implemented, the number of ministries were again increased to 32 and the ban was lifted resulting in an increase of the strength of staff approximating to its previous levels.

4. The Committee for Administrative Reorganization/Reform (CARR) was constituted in 1982 to review the structure of the administration and recommend changes for the devolution of authority to local government institutions (4).

   The Committee recommended substantive measures to decentralise administration to the district and subdistrict levels by upgrading thanas into upazilas and subdivisions into districts. As a result of the implementation of the Committees' recommendations, local administration was reorganized into the upazila system. Administrative decentralisation was undertaken by transforming thanas into upazilas and by replacing the Circle Officer of thana with the Upazila Nirbahi Officer (UNO). Political participation and accountability in the local government administration was introduced, to some extent, by assigning significant authority to the elected chairmen and members of the upazila councils.

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5. A Cabinet sub-committee, under the chairmanship of Dr. M.A. Matin, was appointed in June, 1987 to examine the structural organization of Senior Services Pool (SSP) and unequal prospects of promotion of officers of various cadre services (5). The Matin Committee, after examining the proceedings of the Special Committee regarding SSP, which was constituted in 1985, recommended the abolition of SSP.*

The Matin Committee proposed that the Secretariat can be made more representative by assigning quota to the posts of Deputy Secretaries and Joint Secretaries for various cadre services. The committee also provided quota for posts of Deputy Secretaries and Joint Secretaries of various services. The post of Secretaries and Additional Secretaries will not be subject to quota for any service.

The recommendations of the Matin Committee have been approved and the Government has abolished the SSP.

* A special Committee was formed in 1985 under the Chairmanship of Admiral Sultan Ahmad to review the structure of the SSP. The Committee had recommended that the SSP should continue. It should be noted that two members of the Sultan Committee were also the members of the Matin Committee which recommended to abolish the SSP.

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C. Present Organization and Functions

1. Organization of the Secretariat

The Secretariat is the center of the government administration. It is in the Secretariat that all the administrative and developmental policies are formulated. The decisions of the Government, both administrative and developmental, come about as a result of elaborate deliberations within the Secretariat. The Secretariat also serves as an important channel of advice to the Ministers in policy-making and legislative matters.

1.1 Under Article 56 of the Constitution of the People's Republic of Bangladesh, the executive authority of the Republic vests in the President, who under his rule-making power has made the Rules of Business, 1975, for the allocation and transaction of the business of the Government. Under the provisions of these rules, the President has the authority to constitute a Ministry consisting of one or more Divisions and distribute business of the Government among them. If any doubt arises as to the Ministry to which a case properly pertains, the matter is referred to the Cabinet Division for decision. The Secretariat Instructions, 1976, framed under the provisions of the Rules of Business, 1975, lays down the procedures as to how the business of the government should be conducted.

1.2 At present there are 32 Ministries comprising of 49 Divisions (Annex-F). All the Ministries and the Divisions are collectively known as the Secretariat. There is practically no difference between a Ministry and a Division, except that a Ministry may be constituted with one or more Divisions. Thus a Ministry/Division has been defined to be a self-contained administrative unit responsible for the conduct of business of the Government in a distinct and specified sphere.

1.3 A Minister may be assigned the charge of one or more Ministries by the President. He is responsible for policy matters concerning his Ministry and for implementation thereof. He is also responsible for conducting the business of his Ministry in the Parliament.

1.4 The Secretary is the official head of the Ministry. He is responsible for its administration and discipline and for the proper conduct of the assigned business. He is also the Principal Accounting Officer of the Ministry, its Attached Departments and Subordinate Offices. He keeps the Minister-in-Charge informed of the working of the Ministry and according to the latest amendments in the Rules of Business, works under his supervision.*

* As amended by notification number CD-4/18/89-Rules/745 dated September 2, 1989. The amendment implies that the Secretary can not dispose of important cases without the approval of the Minister.

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1.5 The Secretary is responsible for organizing the Ministry into a number of working units known as Sections. A group of Sections constitute a Branch, and a number of Branches form a Wing, which is a sub-division of a Ministry/Division.

1.6 An Assistant Secretary is in charge of a Section, while a Deputy Secretary and a Joint Secretary are in charge of a Branch and a Wing respectively. In some Ministries there are one or more Additional Secretaries depending on the volume of work. The Additional Secretaries are made in-charge of a wing similar to the Joint Secretary.

1.7 The Secretary is in overall charge of a Ministry or a Division. The Additional Secretary and the Joint Secretary are entrusted with a well defined sphere of duty. Within their sphere, they are supposed to assume full responsibility and submit cases direct to the Minister for orders. Such cases are returned to them through the Secretary. However, the Joint Secretaries, in actual practice, submit cases to the Ministers through the Secretaries.*

1.8 The Deputy Secretary disposes of all cases in which no major question of policy is involved or which, under the rules or standing orders, he is competent to dispose of. The Assistant Secretary disposes of all cases where there are clear precedents, and no question of deviation from such precedents is involved or which under the rules or standing orders he is competent to dispose of.

2. Distribution of work

The Secretary, by means of standing orders, distributes the work of the Ministry among the various sections and other working units. He determines the maximum extent of delegation of powers to officers serving under him and issues clear orders laying down these powers and also the manner of disposal of cases and ensures that -

a) the distribution of work is equitable;
b) the channel of submission of cases is vertical and not horizontal; and
c) the tiers through which a case has to pass are ordinarily not more than two, excluding the Secretary.

* The current practice of all cases being submitted by the Joint Secretaries and Additional Secretaries through the Secretary is inconsistent with the provision of Secretariat Instruction No. 8 which entrusts them with a well-defined sphere of authority and allows them to submit all cases direct to the Minister. The Secretary will have the power, however, to call for any case for his own consideration before it is submitted to the Minister.

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3. Role and Functions of the Secretariat

The role of the Secretariat is limited to -

a) policy formulation;

b) planning;

c) evaluation of execution of plans;

d) legislative measures;

e) assisting the Minister in the discharge of his responsibilities to the Parliament;

f) personnel management at the top level, viz., (i) officers not below the rank of Member/Director in the cases of Public Statutory Corporations and (ii) officers not below the rank who are in receipt of Modified New National Scale of Pay of Tk. 1650-3020, in the cases of Attached Departments and Subordinate Offices.

g) personnel management of the officers of concerned cadre services. The function of the Ministry of Establishment shall be limited to personnel administration of the officers of BCS (Administration) and BCS (Secretariat) Cadres as well as first appointment to all cadres of BCS and inter-ministerial transfer and posting of Class I officers within the Secretariat:

h) such other matter/matters as may be determined by the President from time to time.

4. General administrative tiers

Government policies are executed by different politico-administrative tiers in the field level. For this purpose administrative hierarchies are as follows:*

(1) Divisions	-	4
(2) Districts	-	64
(3) Upazilas	-	460
(4) Unions	-	4403
(5) Villages	-	85,650

* Source: Statistical Pocketbook of Bangladesh, 1989 (Published by the Bangladesh Bureau of Statistics).

Total manpower of the Government, the biggest employer in the country, is approximately 12,25,784 including the Public Statutory Corporations/Semi-autonomous bodies (Annex-G). The total number of class I officers in the Government is 36,666 out of which 1631 Class I officers are posted in the Secretariat.

The ratio of officers to staff in the Secretariat is approximately 1:4, while the same ratio in Departments and Corporations is of much higher magnitude. Apparently, there is no uniform criteria which dictates the strength of staff vis-a-vis officers. The Enam Committee of 1982 recommended a 1:3 officers to staff ratio but the recommendations could not be implemented due to the government's committment to public sector employment. A rationalization of staff allocations to increase functional productivity, with or without retrenchment of personnel, however, remains an important issue which should be considered by the government within the framework of its employment policy.

8. The Government Administration represents a unified structure within which specific functions are assigned to the different parts of the administration. The role and functions of the Secretariat vis-a-vis the Departments, Directorates, Subordinate offices and Public Statutory Bodies are delineated for the purpose of efficient working of the total system. These functional relationships can be portrayed by the following diagram.

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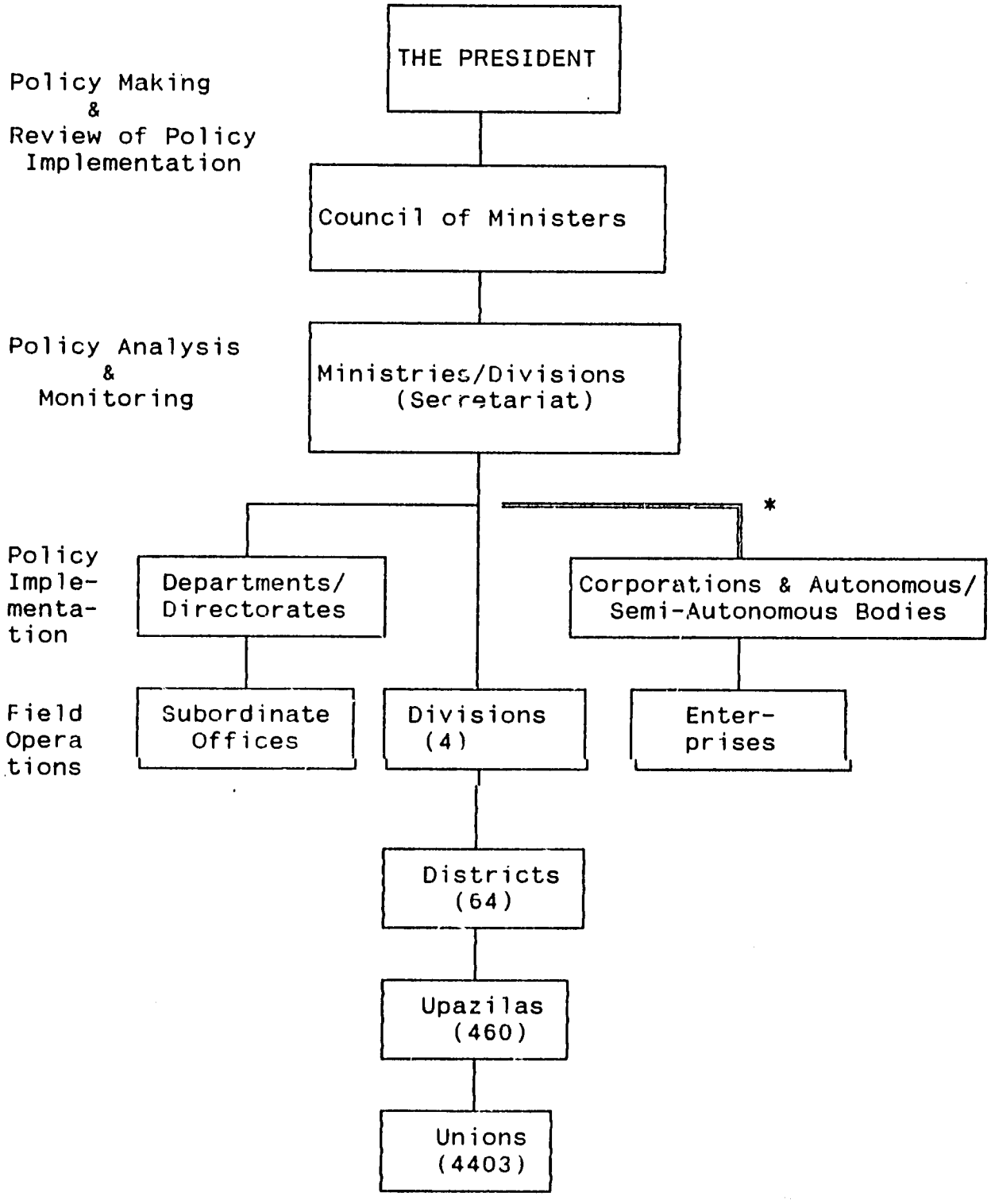
Diagram 1: Public Administration in Bangladesh.



* Double lines indicate autonomous relationship.

III. KEY CONSTRAINTS IN THE SECRETARIAT SYSTEM AND WORK PROCEDURES

A. Rules, Regulations, and Instructions

1. Scope and Functions

1.1 Rules and regulations are the primary means by which an administrative system designates responsibility and authority to its various organs and lays down the procedures for an efficient conduct of official business. Rules and regulations define who does what and how in a government and therefore are necessary to delimit the functional jurisdications, delineate the duties and spell out a rather stable and predictable procedure for carrying out these duties.

To ensure efficient administration in the Secretariat, the Ministries/Divisions are governed by various laws, rules, instructions etc. the most common of which are the following:

a) The Official Secrets Act, 1923;

b) The Public Servants (Retirement) Act, 1974;

c) The Rules of Business, 1975;

d) The Secretariat Instructions, 1976;

e) The Government Servants (Conduct) Rules, 1979;

f) The Government Servants (Special Provisions) Ordinance, 1979;

g) The Bangladesh Public Service Commission (Consultation) Regulations, 1979;

h) The General Provident Fund Rules, 1979;

i) The Bangladesh Allocation Rules, 1982 (concerns allocation of residential accommodation);

j) The Administrative Tribunals Act, 1982;

k) The Public Employees Discipline (Punctual Attendance) Ordinance, 1982;

l) The Government Servants (Discipline & Appeal) Rules, 1985;

m) The Public Servants (Dismissal on Conviction) Ordinance, 1985;

n) The Bangladesh Service Rules, Part I and Part II;

o) The Delegation of Administrative Powers;

p) The Delegation of Financial Powers;

q) The Bangladesh Financial Rules;

r) The Recruitment Rules;

s) The Seniority Rules;

t) Training Policy of National Training Council;

u) The Treasury Rules, Part I and Part II;

v) Instructions regarding advance, office accommodation, security, supply, use of government transport; etc.

1.2 The Rules of Business, 1975 and the Secretariat Instructions, 1976, embody the necessary provisions for allocating functional responsibility to various areas and levels of the Government and for specifying work procedures. The majority of the provisions of the two documents have existed since the British period and have been modified from time to time. The latest revision in the Rules of Business was undertaken in September, 1989.

2. Knowledge of Rules and Instructions

2.1 The knowledge of the Rules of Business and the Secretariat Instructions on the part of the officers is essential for their satisfactory performance. Without an adequate knowledge it is difficult to make appropriate decisions in an appropriate manner.

It is widely believed that the officers, particularly at the lower level, do not have a good grasp of the Rules and Instructions. The concern that the lack of knowledge results in either delay in decisions or in inaction or inappropriate action has been raised among the majority of the officers we interviewed. It was pointed out that a lack of adequate training at the post-entry and in-service stages is a major contributing factor to the decline in knowledge. Earlier, when the entrants to the civil service were required to undergo rigorous theoretical and practical training, the level of the officers' knowledge about Rules and Instructions was believed to be higher and manifested in

higher standards of administrative performance. The Survey conducted by the consultants has made an attempt to identify the levels of knowledge among the officers on the basis of their own self-evaluation and an evaluation of their subordinates. The following findings emerge from the Survey.*

2.2 Approximately one-third of the officers indicate a good knowledge of the Rules of Business and the Secretariat Instructions according to self-evaluation. Good knowledge implies a knowledge of seventy five to hundred percent of the provisions.

2.3 Approximately one-half of the officers indicate a satisfactory knowledge of the Rules and Instructions according to self-evaluation. Satisfactory knowledge implies a knowledge of fifty to seventy five percent of the provisions.

2.4 Approximately one-sixth of the officers indicate a poor knowledge of the Rules and Instructions according to self-evaluation. Poor knowledge implies a knowledge of less than fifty percent of the provisions.

2.5 The estimate of knowledge of the Rules and Instructions on the part of the subordinates as estimated by their supervisors is considerably different from the self-estimates. Approximately one-half of the subordinates i.e. Assistant Secretaries were estimated to have poor knowledge. Approximately forty-five percent have satisfactory knowledge; and only six-percent have good knowledge.

2.6 The level of knowledge does not appear to be directly related to the length of service.

2.7 There are no significant differences among the officers across the seven Ministries in which the Survey was conducted.

On the basis of our interviews and the findings from the Survey, it appears that the knowledge of Rules and Instructions among at least half of the officers at the level of the Assistant Secretaries is less than satisfactory. The officers in the rank of Deputy Secretaries and Joint Secretaries appear to be more familiar with the Rules and Instructions. This is particularly true of the officers who joined the civil services before 1971.

* For the purpose of the Survey, knowledge of rules and regulations was estimated in three general categories: good knowledge; satisfactory knowledge and poor knowledge. The three categories indicate approximate estimates only and should not be construed as quantitative indicators of knowledge.

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Recommendations: 1. Training on the Rules of Business and Secretariat Instructions should be an integral part of on-the-job training in the Secretariat.

2. Frequent refresher courses on Rules and Instructions should be undertaken at the PATC, the RPATCs, the BCS (Admin) Academy, and the Staff Training Institute (STI).

3. Case-study methods should be applied in the training of officers in rules and regulations.

3. Availability of Documents

3.1 The knowledge as well as the practice of Rules and Instructions is constrained by the fact that the related documents are not available to the officers for quick reference. In certain cases, the documents are available in the Sections but are not properly kept. The officers have a tendency to keep copies of these documents in their personal custody and take them along upon their transfer.

3.2 According to the Survey conducted, approximately fifty percent of the officers acknowledge to have the copies of the documents available. In the case of the Assistant Secretaries, only thirty-three percent acknowledge to have the copies of the documents available.

3.3 The problem of availability is both a problem of scarcity as well as a problem of organizing and maintaining the documents in an appropriate place.

The documents on important Rules and Regulations including the current amendments are not catalogued and placed in a centrally located unit or office within the Ministries for easy access and reference. The availability of these documents could be increased by printing the documents in sufficient quantities to be distributed to all officers and staff, as well as by establishing a well organized mini-library in each Ministry with catalogued and indexed documents and other necessary reference materials.

Recommendation: 4. Ministries should establish documentation centers where properly catalogued documents on rules and regulations are kept for reference.

5. All officers should be provided a complete set of rule books at the time of post-entry training and asked to keep them up-to-date.

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4. Adequacy of Rules and Instructions

4.1 Systems and procedures embodied in the Rules of Business and the Secretariat Instructions are theoretically sound except in cases where modifications may be needed to make the Rules and Instructions more practicable and responsive to the present day conditions. The same systems and procedures in public administration have existed more or less in the Subcontinent for a long period (6). In the past, these systems and procedures have worked well in this country as well as in other countries like India, Pakistan and Sri Lanka.

It is, therefore, not the substance of the Rules and Instructions in most cases that presents problems to efficiency but rather their non-observance (7).

4.2 An examination of the provisions of the Rules of Business and the Secretariat Instructions indicates that approximately three-fourth of the provisions, are sound in substance. It must be added, however,that there are examples of Rules and Instructions which do present linguistic difficulties (8). Some of the Rules and Instructions are difficult to comprehend and to follow. The language of such Rules and Instructions could be simplified.

4.3 The provisions of the Rules and Instructions are considered as adequate for an efficient disposal of business by the majority of the officers. According to the Survey, approximately seventy-five percent of the officers believe that the efficiency in the Government will significantly increase if the provisions were appropriately applied. In certain areas, the provisions of the Rules and Instructions require modifications and improvements. The respondents to the Survey identified the following areas for modifications, in order of importance.

- Delegation of administrative and financial powers;
- Intra and inter-ministerial coordination;
- Multiplicity of decision-making layers;
- Channels and process of communication; and
- Allocated time for the disposal of business.

4.4 In examining the provisions of the Rules and Instructions, we have identified those Rules and Instructions that call for modifications in order to enhance the efficiency. We have been guided in this effort by the findings from the Survey and the following general principles:

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a. Allocation of responsibility to both individuals as well as to organizations ought to be clearly assigned and should be consistent with the delegated powers;

b. Functional jurisdictions ought to be clearly delineated to minimize overlap. For example, jurisdiction over formulating policies ought to be differentiated from jurisdiction over execution of policies as far as practicable;

c. Administrative and financial powers ought to be delegated to the maximum extent possible.

d. Excessive noting and file-shifting ought to be minimized to avoid delays in making decisions.

Recommendations: 6. The Secretariat Instructions should be made simpler, especially in its Bengali version.

7. Further revisions in the Rules of Business may be made in future after the effects of Rules revised in 1989 have been institutionalised. Such revisions should be based on careful assessments by the concerned organisations to be undertaken on a continuing basis.

5. Observance of Rules and Instructions

5.1 Non-observance of the Rules and Instructions has become a common practice. The Secretariat Instructions contains specific provisions for decision-making, delegation of authority, supervision, files management etc. The observance of these provisions by the officers is crucial to the efficiency of the Government. Non-observance of the important Rules and Instructions is not monitored and penalized. The officers are neither rewarded for observing the Rules and Instructions nor disciplined for non-observance. Unless, Rules and Instructions are strictly observed under a supervision and monitoring system, it may be difficult to obtain the required compliance.

During the course of this study, we have examined the provisions of the Rules and Instructions which have a direct bearing on efficiency. We have found that a majority of these Rules and Instructions are not observed. In some cases, the Rules and Instructions are observed but not according to their full intent.

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The reasons behind the non-observance of the Rules are many and interrelated (9). In certain cases, the Rules may not be followed deliberately due to lack of sanctions or hidden personal motives. The lack of adequate knowledge, time, and proper logistics interfere with their application in other cases. The findings from the Survey indicate that the officers consider that the following factors militate against the observance of the Rules and Instructions:

- Inadequate knowledge;
- Time constraints;
- Inadequate delegation of authority; and
- Lack of supervision and inspection.

The major examples of the non-observance of the provisions of the Secretariat Instructions and the Rules of Business, the deviations in actual practice and their impact on efficiency are briefly discussed below:

5.2 Delays in decision-making occur primarily due to non-observance of the prescribed time limit as laid down in the Secretariat Instruction No.185. The Instruction is seldom followed by officers due to several reasons. First, there is an intentional neglect in observance due to weak supervision and lack of accountability. Second, the overload of work due to its unequal distribution presents problem in following the time-limit. Third, poor logistical support, in some cases, interfere with disposing cases in time.

Recommendations: 8. The time limit laid down in the Instruction No. 185 for the examination and disposal of cases should be strictly followed by all officers.

9. Disposal of Business within the prescribed time limit by the officers should be taken into account in their performance appraisal.

5.3 The existing provision for submitting a statement of pending cases on a monthly basis, according to Secretariat Instruction No. 194, is not appropriately followed. The monthly statements generally do not contain sufficient information needed for the disposal of the cases.

Recommendation: 10. Assistant Secretaries should maintain a weekly list of pending cases with full particulars to be included in the monthly statement on pending cases.

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5.4 At present, officers seldom inspect Sections and inquire into the problems of the office. As a result, the subordinate staff do not feel the urgency to dispose of cases within prescribed time limit. This leads to delay in the disposal of business.

Recommendation: 11. Inspection of Sections by Assistant Secretaries and Deputy Secretaries and surprise visit by higher officers as laid down in Instruction numbers 196, 197 and 201 202 should be duly made. While making the inspection, the officers should have Instruction Nos. 203-208 in hand as a checklist.

5.5 Prescribed office hours are not adequately observed . Non-gazetted staff do not find it necessary to observe office hours due to lack of supervision and absence of disciplinary measures. Attendance Registers are not maintained according to Secretariat Instruction Nos. 81-82.

Recommendations:12. The provisions of Secretariat Instruction Nos. 81 - 82 should be strictly followed.

13. Senior Officers should demonstrate the value of punctuality through personal examples.

5.6 Files and records are not properly organized and maintained which adversely affects the speed at which relevant and important information can be processed and retrieved for the disposal of business.

The responsibility of properly organizing files and maintaining records lies with the Section Assistant who, according to Instruction No.11, is responsible for the following:

a) Putting up previous papers, precedents, rules, regulations and other references relating to the case under consideration;

b) Opening of files and keeping a record of movement of files;

c) Keeping a note of all important orders and decisions;

d) Recording, indexing, and weeding of files;

e) Watching the necessity of keeping priority or security labels on files. He will bring to the notice of the Assistant Secretary at the first opportunity that occurs of removing these labels;

f) Other clerical duties assigned to him, including casual typing, maintenance of Diary Register and the preparation of statements and returns.

In practice, Section Assistants normally carry items (a) and (b) and part of (f). Items (c), (d), and (e) which are crucial for filing and record keeping are not undertaken. Also, very few of the Section Assistants know how to type although typing skills are required for their appointment.

Recommendations:14. The Assistant Secretaries, as the immediate superior of Section Assistants, should ensure that the Instructions for organizing files and keeping records are carried out in their entirety.

15. Ultimate responsibility of proper filing and record keeping should be assigned to the Assistant Secretaries.

5.7 In many cases, the margin of a note sheet is used for marking files to superior officers. The margin is primarily meant for referencing and for unofficial observation which do not form part of a note. Using the margin for other than specified purposes causes unnecessary waste of paper and sloppiness in the note sheets.

Recommendation: 16. Margin of a note sheet be reserved for the purposes of referencing and unofficial observations. Secretariat Instruction No. 115(2) regarding the use of margin should be observed.

5.8 In writing notes on a file, there is a common tendency among Assistant Secretaries to reproduce the contents of the paper under consideration (PUC). Such notes are unnecessary and redundant. An incorrect summary or paraphrasing of PUC into notes may bias a decision. The Secretariat Instruction No. 117 provides that "the reproduction of a note of verbatim extracts from paper under consideration or its paraphrasing will, as a rule, be avoided. It will be presumed that the paper under consideration will be read by the officer to whom it is submitted".

Recommendation: 17. It is important that the Secretariat Instruction No. 117 should be observed by Assistant Secretaries. Paraphrasing from paper under consideration (PUC) should not be undertaken in any case to avoid unnecessary notings and allow the concerned officer to read the PUC in full.

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5.9 Inordinate amounts of time, labour, and materials are wasted due to the common practice of diarising all receipts in the Sections. This practice is clearly against Instruction No.32 which specifies the ten types of receipts that will not be diarised.

Recommendation: 18. Instruction No. 32 regarding proper diarising of in-coming mail should be strictly followed by the Section Assistants.

5.10 Monthly reports of the activities of the Ministries/Divisions, as required by Rule No. 23 of the Rules of Business, are not regularly prepared and submitted to the Council of Ministers by all Ministries. As a result, the Council of Ministers is unable to know and help resolve the outstanding issues and problems faced by the Ministries/Divisions.

Recommendation: 19. All Ministries/Divisions should prepare a brief statement of their activities on a monthly basis and submit it to the Council of Ministers in accordance with the Rule 23 of the Rules of Business.

5.11 Application of the security procedures for protecting important government information; providing valid access to visitors; and ensuring proper working environment in the Secretariat are totally lacking.

It has been observed that visitors, both officials and non-officials, have easy access to the rooms of officers, especially of junior officers which interrupts the work. Official business is often conducted in the presence of the visitors who come to know of information of confidential nature. Rule No. 26 of the Rules of Business regarding the protection and communication of official information is frequently violated.

Recommendations: 20. The visitors' access to the Secretariat should be restricted. A visitor should not be allowed to see an officer other than that directly concerned with his business.

21. Visitors should be received by the officers in a separate meeting room rather than in their offices to minimize interruption of official work.

22. The Secretary of the Ministry should ensure proper compliance with Rule No. 26 by all concerned.

B. Decision-Making

1. Policy Analysis and Monitoring

1.1 According to the Rules of Business, it is the responsibility of the Secretariat to formulate policies and plans and evaluate and monitor their execution. In Bangladesh as in most countries, the policies are formulated at the highest political level. The process of policy-formulation in development sectors is also influenced by the donor organizations which contribute approximately 90 percent of the nation's annual development budget. The role assigned to the Secretariat in policy-making process basically is to provide the raison detere for formulating sound policies through collection and analysis of information to establish priorities and objectives and to develop effective strategies for achieving them. This form of strategic thinking is crucial to the development of policies but is seriously neglected in the Secretariat.

1.2 At present, the Ministries perform limited functions in support of policy-formulation and have assumed disproportionate responsibilities for executive and administrative functions, especially in the area of personnel management. The Ministries retain the authority over a large number of administrative decisions which should appropriately be transferred to the Departments. It is estimated that more than half of the cases in the Secretariat involve personnel matters. As a consequence of the creation of 30 cadres and an approximately four-fold increase in the number of personnel since 1982, the Ministries have become overburdened with administration of personnel and related matters.

1.3 The Secretariat has also been assigned the important function of monitoring the implementation of policies. The policies are implemented through the Departments and Corporations and the Ministries are responsible to follow-up on the problems in implementation and take necessary measures. In Bangladesh, an effective implementation of the Government policies is often hampered by lack of coordination among various agencies; logistical, financial and manpower problems; and other institutional shortcomings. It is the function of the Ministries to keep abreast of these difficulties and devise means to overcome them.

1.4 The Ministries do not have appropriate organizational mechanisms for undertaking policy-oriented work. There is a lack of well trained officers and staff needed for policy analysis, planning, monitoring and evaluation. The personnel who have the appropriate training are not utilized. Moreover, policy-planning activities and skills are not adequately rewarded under the current system.

1.5 The Ministry of Establishment is the central personnel agency of the Government. One of the main difficulties in the Ministry of Establishment is the lack of expertise for the formulation of comprehensive and effective personnel policies throughout the government machinery. The role of the Establishment Ministry in setting personnel policies has become especially important after the introduction of a new service structure in 1980. This entails a challenging task of formulating personnel policies for a large number of existing employees. Acute shortage of qualified staff in such important functional spheres as training, organizational development and supervision has been seriously hampering various programmes of staff development and organizational improvements for which the Ministry is directly responsible. People trained and experienced in these areas are inadequately available. Those few who are trained in these fields are not properly utilized. Fresh recruits are hardly attracted to these areas because of a lack of career opportunities.

Recommendations:23. The Ministries should develop internal mechanisms for policy formulation and analysis and for monitoring the proper execution of the policies.

24. A well trained cadre of specialists to analyze the impact and strategic implications of the policies should be developed through in-country and foreign training programs. The trained specialists should be appropriately posted and utilized in the Ministries for a minimum of five years.

25. The responsibility of the Ministries in the area of sound policy analysis requires that the Secretariat reduce its operational and administrative activities in the secondary matters of personnel administration. The Ministries should delegate the administration of personnel to the Departments as discussed in the section on personnel management of this Report.

2. Decision-Making Procedures

2.1 Decision-making in the Government, in practice, is highly centralized. Most of the decisions are actually made at the highest level of the Government although the power of the authority is delegated within the hierarchy. The delegated authority especially at the middle levels is exercised within very narrow limits for fear of contravening the decisions higher up. According to the Survey, the foremost reason for not exercising authority that has been assigned to the officers is their fear of unknown consequences. The problem is made worse by the fact that the performance of an officer is not judged on the basis of his competence in taking decisions. There is no particular incentive in taking initiatives. It may not be inappropriate to say that under the existing circumstances, it is safer not to take decisions and the perceived risks of making decisions outweigh both benefits and risks of not making them.

The findings from the Survey indicate that over 50 percent of the officers do not exercise the powers that have been assigned to them. These officers do acknowledge their powers but do not exercise it for several reasons. The fear of negative consequences and the lack of trust of the superiors are cited by the officers as the most frequent reasons for avoidance of responsibilities. Other reasons include: incomplete information,lack of knowledge and extraneous interference.

The findings of the Survey suggest that the constraints perceived by the officers in meeting their responsibilities are overwhelming. However, it has also been observed that there is a class of officers, especially at middle and higher levels, with demonstrated competence. The emphasis on perceived constraints therefore needs to be qualified. It seems that the constraints to performance may be inversely related to an individual's level of self-confidence and, the trust he is able to earn from his colleagues and superiors.

2.2 A large number of decisions in the Government require coordination among different ministries and agencies and are made through inter-ministerial consultation and committees. Committee meetings are important for coordination and for developing a common point of view to avoid jurisdictional problems. However, the committee system also carries the risks of diffusing responsibility and deferring decisions.

Inter-ministerial meetings as presently conducted mean delays and deferrals of decisions. The problem is not so much with the concept of decisions by committee but with the structure and participation of committee meetings. There are several difficulties associated with meetings in the public sector organizations. Meetings take place without adequate preparation. In convening a meeting, the concerned

organization does not adequately specify the issues and determine the agencies or the level of officers most appropriate for participation. The role and expectations of the participants are important for the success of a meeting. The meetings are often conducted without a clear statement of problems and issues and attended by a mix of senior and junior officers which works against the efficiency of such meetings. In addition, the status of decision taken in these meetings is generally unclear and the decisions are not always binding upon the concerned parties. The Secretariat Instruction No. 199 regarding the purpose of inter-ministerial meeting is rather vague.

2.3 The formal coordination of the activities of different organs of a ministry is primarily undertaken through monthly coordination meeting called by the Secretary. The purpose of the monthly meeting is to discuss important issues and pending cases and take appropriate measures.

The monthly meetings could be a useful mechanism for expediting pending cases if they are well structured and conducted on the basis of a proper working paper. Presently, the meetings are conducted without the crucial information on pending issues and likely options. Important matters, like problems of supervision, inspection and undisposed cases, are not presented and resolved systematically in these meetings. A well prepared document on important issues and likely solutions circulated to the participants in advance would produce expected results.

The process of coordination within each Ministry would be facilitated by holding more frequent and well structured meetings among the middle and junior level officers i.e. the Deputy Secretaries and Assistant Secretaries. The Deputy Secretary could meet with the Assistant Secretaries in each section, on a regular basis, to discuss problems and take necessary measures.

2.4 Decision-making procedures rely mostly on formal written communication among different levels of officers and Ministries/Divisions. Unless files arrive, no action is initiated. It is considered safer by the officers to take action only upon receiving formal written communication. The heavy reliance on written communication has created a culture of bureaucratic rigidity and does not promote a climate of trust. Junior officers show deference to the personal authority of the superiors and feel reluctant to approach them informall· and seek directions.

2.5 The examination of a case begins at the lowest level i.e. at the level of the Section Assistant, who receives the incoming communication from the R&I unit. The Section Assistant makes a determination of the subject matter of the case and places it in a file accordingly. The file is then passed on to the succeeding higher levels for action.

The existing procedure of examining a case and determining its subject matter and importance creates two major problems. First, the movement of files takes time and prevents action on urgent cases. Second, cases are not properly distinguished in terms of their subject matter and importance. The procedure requires changes so that cases can be examined and classified appropriately with due attention to their importance and subject matter.

Recommendations:26. Consultations within the same Ministry should be carried mostly through telephone or informal personal meetings as intended by Secretariat Instruction No. 121. Decision resulting from such consultations should be recorded for confirmation by the appropriate senior officer.

27. Intra-ministerial monthly meetings on cases pending for more than a month should be held regularly to ensure quick disposal of business according to a well prepared document on pending cases and other matters related to supervision, inspection, record keeping, and security. Instruction No.195 should be modified to include the subjects in addition to pending cases as mentioned in this recommendation.

28. Inter-ministerial meetings should be conducted only on the basis of a prepared document on issues and alternatives to be placed before the committee one week in advance. The objective of the meeting should be to arrive at a consensus and decision. The deliberations of the meetings should be recorded into proforma minutes specifying the issues, the alternatives discussed, the decisions taken and the agency responsible for their implementation.

The Secretariat Instruction No. 199 regarding the format of inter-ministerial meetings should be amended requiring a working document and specifying the status of decisions taken.

29. The Deputy Secretary in charge of a Branch should hold regular meetings twice a week with the Assistant Secretaries working under him. The purpose of these meetings should be to discuss important problems and pending cases and take necessary decisions during the meeting.

30. The R & I unit should sort out the in-coming communication Branch-Wise instead of Section-Wise and send it directly to the Deputy Secretary in-charge. The Deputy Secretary should classify the cases in terms of necessary actions and the appropriate levels at which the actions can be taken. He should pass these cases on to the Assistant Secretary who will ensure that the cases are placed in files and directly forwarded for action at the appropriate level. Receipts dealing with urgent and important cases should be directly forwarded to the Secretary. The Secretariat Instruction No. 22 should be accordingly modified.

3. Delays in Decision-Making

3.1 Delays in making decisions in the Government are known to occur more frequently now than in the past. Delays are often considered as synonymous with administrative inefficiency which may not be necessarily true. The time, resources, information and competence for making decisions vary from one case to another. The statements about the frequency and causes of delays are therefore difficult to generalize.

Delays in decision-making occur for several reasons. Some of the important reasons include:

(a) non-adherence to procedures laid down in the Secretariat Instructions and the Rules of Business; (b) lack of enforcement of accountability; (c) work overload; (d) lack of logistical support; and (e) lack of well-trained personnel.

3.2 Many delays occur at the initial stages of the disposal of business. Letters initially received in the Receipt and Issue Unit (R & I Unit) are not delivered systematically and on-time to the addresses and Sections. This time-lag sets up a chain reaction of delays at the remaining stages.

3.3 The work load of the sections is not equally distributed. Unequal distribution of work is one of the causes of delays in the Secretariat. The distribution of work as specified under the Rules of Business is not reviewed in relation to the nature and volume of actual work. According to the Rules, subjects of allied nature have to be assigned to one Section. Furthermore, the work load of a particular section is not allocated as reflected by the issue and receipt figures in the Sections. Delays often occur as a result of overload of work in certain Sections.

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3.4 Lack of confidence on the part of the officers about their own authority and specified duties often accompanied by jurisdictional and personal infringements by higher levels into the affairs of lower levels contribute to the problem of delays. In the absence of a clear job description, it becomes difficult for the officers to prioritize their work and allocate due time and attention to its disposal. The time of subordinate officers and staff is frequently diverted to carry out less important business upon instructions from superiors.

3.5 The time limits for an examination and disposal of a case have been laid down under the Secretariat Instructions. The prescribed time limits at all levels are adequate for the disposal of business except in cases requiring additional information or inter-ministerial consultations for which exemptions are allowed. The specified time-limit is rarely observed including for routine cases which can be easily disposed without delay.

3.6 There is a common tendency to push the files up even in cases where the concerned officer is authorized to dispose of the case. The tendency is more common at the level of Assistant Secretaries. According to the Secretariat Instructions, an Assistant Secretary is authorized to dispose most of the routine cases. It is estimated that about fifty percent of the cases can be disposed of within the prescribed time-limit at the level of the Assistant Secretary. However, it has been found that the Assistant Secretaries as a class dispose of only 10 percent cases and take an average of 8 days (10).

According to our Survey, the officers identify a lack of trust by the superiors and a lack of self-confidence in their own ability as the two primary factors for passing files.

3.7 Decision made in the Secretariat on public cases are not communicated to the concerned parties in time. Logistical difficulties sometime interfere with prompt acknowledgment of cases and communication of the decisions made. It has been found that about one-fourth of the decisions are not communicated (11). Given the difficulties, the clients have come to invoke patronage and persuasion to solve their problems. The common practice among the clients is to look out for patron who has influence in the Secretariat. This explains why almost 40 percent of the visitors desired to see the Ministers and their private Secretaries.

Recommendations: 31. All receipts in the R&I unit should be delivered to officer/section every two hours. Urgent cases should be delivered immediately upon receipt. Instruction No. 22 should be modified accordingly.

32. Distribution of work of the Ministries/ Divisions should be reviewed at regular intervals by the O&M Wing to ensure equitability and to avoid overload and overlap of work. Instruction No. 7 and Rule 3(vi) should be accordingly modified to include review at regular intervals.

C. Personnel Management

1. Recruitment, Selection, Appointment, and Transfer

1.1 The responsibility for recruitment and selection of BCS cadre officers is primarily vested in two bodies - the Ministry of Establishment and the Public Service Commission (PSC). The Rules, Regulations and Instructions emanate from the Ministry of Establishment which also ensures their proper pursuance by other agencies. Operationally, the Regulation Wing of the Ministry of Establishment prepares as well as examines the recruitment rules prescribing the method and criteria for recruitment before they are sent to the PSC for approval. Each Ministry/Division can frame its own recruitment rules and enforce them with the approval of the Ministry of Establishment, the Ministry of Law and Justice and the PSC.

The processing of recruitment rules, prepared by a Ministry, by the Ministry of Establishment and the Ministry of Law and Justice often causes delay in finalisation of rules and consequently in recruitment. The draft recruitment rules prepared by a Ministry are based on the Model Recruitment Rules approved by the Government and provide an adequate basis for framing draft rules by the individual ministries. The process of review and approval is a mere formality and should be undertaken without unnecessary delays.

1.2 At present, recruitment to vacant posts is often delayed. Selection for recruitment to all cadre posts and all non-cadre class I and class II posts is made on centralized basis by the Public Service Commission. Different agencies of the Government request the PSC to select candidates to fill up vacant posts in their offices. Owing to large numbers of such requests and the time consuming procedures of selection, the PSC finds it difficult to meet their demand in time.

1.3 Recruitment of class I civil servants is based on the quota system which restricts the range of selection based on merit. In the initial recruitment to class I posts today, 40 percent of all positions are filled on the basis of merit and the rest are distributed on the quota system.

1.4 The incentives and opportunities for career development are negligible. Professional mobility in the civil service is restricted because merit and performance are not differentiated from seniority. Under the existing system, merit is often subsumed by other considerations and therefore there is a need to clearly recognize merit as a trait of higher performance and as a basis of accelerated promotion and career advancement.

1.5 Recruitment is partially based on merit. After the initial posting, there is a need for further screening and selection of officers on the basis of merit and high performance. A two-tier recruitment process needs to be introduced under which officers after their initial posting in the field will become eligible to compete through an open examination held by the PSC. The top ranking candidates would qualify for accelerated promotion at appropriate levels in their respective cadres.

1.6 Civil service examinations are not regularly conducted in Bangladesh. This condition affects the normal recruitment and selection system and leads to the necessity for making adhoc appointment. A large number of adhoc appointments continue from year to year.

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1.7 The power of initial appointment of BCS cadre officers is exercised by the Ministry of Establishment. The entry level appointments of non-cadre class I officers are made by the respective Ministries. The process of initial appointments of non-cadre officers as well as the transfer of both cadred and non cadred officers is too time consuming and involves details of administration which are not crucial to the functions of the Secretariat. The main role of the Secretariat is to formulate policies and not to deal with administrative details associated with the execution of policies.

1.8 The authority and procedures for appointment and promotion for the officers in the MNS grades 1 to 6 have been recently amended and the Superior Selection Board (SSB) previously responsible for these functions has been abolished.*

According to the latest amendment, the government has decided to place ministers at the head of committees responsible to select candidates for promotion and appointment to higher posts. Prior to this decision, these selections were made by the SSB headed by the Cabinet Secretary. The existing promotional committees have been abolished and replaced by two Boards. The "Department Superior Promotion and Appointment Board" consists of the Minister-in-charge as the chairman and the Secretary or Additional Secretary of the Ministry of Establishment and the Secretary or Additional of the concerned Ministry as the members. It has been given the authority to recommend for selection and promotion of officers in the MNS grades 1, 2, and 3 i.e. the posts of Secretaries, Additional Secretaries, and Joint Secretaries as well the chairmen or management directors of autonomous organizations. The recommendations of the Board will be placed before the President for his approval.

* Ministry of Establishment, Notification No. SA-3/1-14/89-325 dated July 24, 1989.

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The second Board "Departmental Promotion and Appointment Board" consists of the Minister-in-charge, as chairman, the Secretary or Additional Secretary of the concerned Ministry and the Head of concerned Department or Corporation as members. It has been given the authority to recommend for selection and promotion of officers in the grades of MNS 4, 5, and 6 of all cadre and non-cadre officers under the administrative control of the Ministry concerned. This Board is also authorized to select candidates for appointment or promotions of whole time members or directors or semi-autonomous organization. The Board will submit its recommendations to the President for approval.

The latest amendments have given the Ministers extensive authority in the selection and promotion of middle and high level officers.

Recommendations:33. To expedite the processing of draft recruitment rules, a legal officer should be posted in the Ministry of Establishment. The draft rules prepared by a Ministry should be jointly reviewed and approved by the concerned officers of the Ministry of Establishment.

34. The power of initial appointment of non-cadre class I officers in Modified National Scale (MNS) of Tk. 1650-3020 in the attached Departments, should be delegated to the Heads of the Departments.

35. The power of transfer of class I officers of the BCS cadres, except BCS (Administration) & BCS (Secretariat), should be delegated to the Heads of the Departments except their immediate deputies.

36. The power of transfer of non-cadre class I officers of the Departments should be delegated to the Heads of the Departments except their immediate deputies under the guidelines specified by the Ministries.

37. The Government should consider the introduction of a two-tier recruitment process to select, on the basis of competitive examination, candidates for accelerated promotion. Under the suggested system, the PSC would hold a competitive examination to select the candidates with five years of service. The top-ranking candidates would become eligible for accelerated promotion at the level of the Deputy Secretaries. This recommendation should be further developed by the Ministry of Establishment in relation to the current policies.

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2. Supervision

2.1 Supervision of subordinate officers and staff is deficient in the Secretariat System. Important matters such as disposal of cases in time; proper filing and record keeping; organization of office; utilization of equipment; punctual attendance etc. are not monitored by the supervisors in a regular and systematic manner. Some of the officers take personal initiatives to follow-up on the work of their subordinates. However, very few officers personally visit subordinate offices under their supervision. During the course of our interviews, we were informed by senior officers that they had made personal visits to the subordinate offices only a few times in fifteen to twenty years of their service.

The Secretariat Instruction No. 201 provides that the officers of the rank of Joint Secretary and above will pay surprise visits to the Sections at reasonable intervals. While paying such visits, they will pay special attention to the following points:

(a) Whether the provisions of the Rules of Business, the Secretariat Instructions, Standing Orders and office instructions are being duly complied with;

(b) Whether security arrangements are adequate;

(c) Whether office lay out is in order and the records are properly maintained;

(d) Whether government property and office equipments are properly utilized and taken care of;

(e) Whether cash and accounts are properly maintained; and

(f) Whether the work of receipt and despatch is done smoothly.

All of the above necessary details of supervision are presently neglected.

2.2 Formal inspections on a periodical basis are not undertaken. The purpose of formal inspections is to conduct a thorough investigation of the office procedures and personnel problems and take corrective measures. According to the Secretariat Instructions, the Deputy Secretaries are required to inspect the Sections under their charge once in every six months; while the Assistant Secretaries are required to inspect their respective Sections once every month. During inspection, the officers are supposed to pay special attention to office organization, utilization of office equipment, filing and record keeping, financial

accounts and other matters of importance according to the guidelines on inspection given in Instruction NOs. 203-208 of the Secretariat Instructions, and submit a report to the next higher authority.

2.3 A number of difficulties in supervision arise out of poor lay out of offices. The offices in the Ministries are not laid out to accommodate the superiors and the subordinates within proximity to each other. The offices are separated from each other and in some cases the superiors and subordinates occupy offices at the different ends of the different floors of the building. Moreover, the offices are often secluded through multiple doors and walls where it becomes impossible for the officers to be aware of the presence and activities of their subordinates.

2.4 A variety of attitudinal and behavioural factors work against supervision. The senior officers appear reluctant to leave their offices and go to the offices of their subordinates. On the other hand, the subordinates display a lack of deference toward the authority of their superiors.

Recommendation: 38. Every Ministry/Division should form an internal work study unit for the regular inspection and supervision of all Sections. A Joint Secretary, a Deputy Secretary, and an Assistant Secretary should serve on a monthly rotation basis, as an inspection team. The Joint Secretary (Administration) should coordinate the inspection team, compile the findings, and prepare and submit a monthly report to the Secretary.

3. Performance Appraisal and Promotion

3.1 Performance appraisal is undertaken through ACR. The current form of ACR is of a subjective nature and is inadequate to reflect the actual performance of an officer. The form is too lengthy and its completion by the supervisors is time-consuming. As a result, significant delays take place in completing the forms and in submitting appraisal reports to the concerned authorities.

3.2 The subjective and confidential nature of the ACRs represent a concern to many officers especially among the Assistant Secretaries. The underlying method of appraisal does not allow any participation or feedback on the part of an appraisee. According to the Survey, a majority of the Assistant Secretaries have indicated a need for modifying the appraisal methods. The main suggestions for modifications include:

(a) participatory appraisal in which the superiors and subordinates specify the performance targets by mutual consultation;

(b) two-way appraisal in which subordinates also play some role in evaluating their superiors; and

(c) feedback from subordinates on the appraisal report before its finalisation.

Recommendations: 39. The existing ACR forms should be made more objective to reflect actual performance of the officers. Accelerated promotions should be awarded on the basis of outstanding performance. The criteria of "outstandingness" should be more objectively defined.

40. The performance appraisal should be initiated on the basis of a statement of self-evaluation prepared by the appraisees. The self-evaluation statement should consist of quantitative and qualitative evidence of the performance.

4. Incentives

4.1 The salaries and fringe benefits of the officers, with the exception of those at the very top level, are not adequate to meet their economic needs. The salaries are not adjusted to real inflation which continues to erode the value of the income.

4.2 The fringe benefits, i.e. free accommodation and transport and special categories of allowances, are highly skewed in favour of only a limited number of top civil servants. The majority of the officers do not enjoy adequate fringe benefits.

4.3 A majority of the officers do not have the financial means for taking an occasional vacation or for recreation. Consequently, the officers suffer from health problems for lack of recuperation from uninterrupted daily routines of office work over a long duration.

4.4 Non-pecuniary incentives in the form of recognition awards for merit, performance and promotion do not exist. For instance, foreign training opportunities are not utilized as incentives for performance

Recommendations: 41. The Government should ensure adequate fiscal compensation, in real terms, to the public servants. A permanent body may be constituted to continuously review the compensation system.

42. An occasional vacation is important for the officers for maintaining physical and mental fitness. The Government should consider granting the officers both recreational and festival allowances every three years and withdraw the existing ban. The officers should be permitted to avail the due vacation leave.

5. Rules and Regulations in Personnel Administration

The Rules and Regulations pertaining to different aspects of personnel administration are embodied in various documents and are not easily accessible to all concerned. This often presents difficulties in taking quick decisions on personnel matters.

Recommendation: 43. A Personnel Manual was prepared in 1985 under the World Bank financed Public Administration Project. The Manual covers the pertinent rules and regulations and the procedures for their application in personnel matters. The Government should provide this manual to officers as a guide for personnel management.

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D. Training

1. Training Facilities and Staff

There are approximately 150 training institutions in the country established by different ministries, divisions and autonomous bodies. The training in general administration is primarily conducted by the Public Administration Training Center (PATC) and the BCS (Administration) Academy.

The PATC is the apex institution for training of all cadre officers. It was established by merging erstwhile government training institutions i.e. the Bangladesh Administrative Staff College, the National Institute of Public Administration and the Civil Officers' Training Academy. It is primarily responsible for providing foundation training, in-service training, and refresher courses to different cadres of the Civil Service. The BCS (Admin) Academy established in 1987, is at its nascent stage and lacks adequate training staff and logistical support.

The existing training facilities and staff of the PATC and the BCS Academy are limited and inadequate to meet the post-entry and in-service training requirements of the BCS class I officers.

1.1 The number of qualified and well-trained staff needed is limited due to the existing system of posting and deputing the senior officers into the positions of trainers. It is a common knowledge that senior officers are posted in the training institutions against their wishes and often the posting is considered as a punitive measure by the officers. The practice of posting the officers does not systematically take into account their experience and qualifications, and previous training. As a result, the quality and the motivation on the part of the designated trainers is limited.

1.2 Follow-up training is not undertaken systematically and at regular intervals. The post-entry training and in-service training courses are not well integrated and scheduled to provide and continuously update the levels of knowledge and skills required of the officers in the Secretariat.

1.3 A number of officers, at the level of the Assistant Secretaries, are assigned to their initial postings without having undergone the required post-entry training. Moreover, the deficiencies of post-entry training are not compensated by a systematic on-the-job training. A formal system of on-the-job training for the probationers in the Secretariat does not exist. The dual lack of institutional training and on-the-job training has a direct bearing on the low performance of the Assistant Secretaries leading to decrease in the standards of performance expected of them.

1.4 The physical capacity for trainees at the PATC is inadequate to impart training to the required number of officers. At present, foundation training for 16 weeks can be given to approximately 400 officers in a year. There is an increasing backlog of trainees for the foundation course due to increase in the strength of officers under the upazila decentralisation system. It is estimated that about 1600 officers, recruited since 1981, have not received foundation training (12). The problem is made worse by the fact that the duration of foundation training has been reduced to two months until June, 1990. To meet the requirement of the foundation training, facilities of the BARD at Comilla and BARD at Bogra and the BCS Academy are being utilized to clear the backlog.

The adequacy of the duration of the foundation training is questionable. Too much appears to be covered in the foundation courses within too little time. In the effort to maximize its capacity, the PATC conducts training for all cadres which leaves limited scope for specialized training in functional areas.

Recommendations:44. The facilities and training capacity of the PATC should be expanded as a long-term measure.

45. Training programs should also be expanded at other institutions in the country.

46. Crash training programs at the PATC and the BCS (Admin) Academy should continue to meet the immediate needs and to clear up the backlog.

47. On-the-job training programs in the Ministries should be conducted by selected officers of the Ministry. Outside consultants and specialists may be liberally utilised for this purpose. The conduct of on-the-job training should be a routine responsibility of each supervisor.

2. Relevance of Training

2.1 The relevance of training is determined by the extent to which the training imparted helps the trainees to perform their actual job efficiently. According to the Survey, a majority of the officers at the level of the Assistant Secretaries indicate the limited relevance of the training received. However, the findings of our survey also indicate that the trained officers consider in-country training more relevant than foreign training. The existing methods of training are found to be mostly based on traditional class room teaching and are inadequate to create an appropriate learning environment.

Training curricula and methods are not based on assessment of the training needs of the participants. The training institutions as well as the Ministries do not conduct an assessment of the practical skills needed by different categories of personnel which could provide a basis for tailoring training curricula and methods. This observation applies to both in-country as well as foreign training programmes.

2.2 In-country and foreign training are not linked to maximize the impact of the existing training opportunities. According to the National Training Policy (NTP), foreign training is preconditional on in-country training (13). The linkage between the two forms of training, however, requires to be made with respect to development of specific skills in such a manner that skills first developed through in-country programmes can be further developed through foreign training opportunities. Thus, there is a need to match potential trainees with the required skills and the training opportunities.

Recommendations: 48. Assessment of training needs should be undertaken by the training institutions in cooperation with the Ministries to determine the actual job skills required at different levels in the Secretariat system.

49. The design of training curricula should be based on an assessment of training needs.

50. Trainers should be trained in applying modern methods such as interactive management, simulated decision making, audio-visual learning techniques etc.,and minimise traditional class room teaching.

3. Utilization of Training

3.1 Utilization of the trained personnel and especially of those who are trained under the foreign facilities is hampered by two major factors. First, candidates for the foreign training are not selected on the basis of predefined needs in organizational and skills development nor on the basis of the individual career planning. The opportunities of foreign training are mostly granted on the donors' perception of needs or as personal reward to the officers. Second, foreign trained personnel are not placed, upon their return, into positions where they could utilize their training appropriately. In some cases, trained personnel are placed appropriately for a brief duration and then transferred to positions not strictly relevant to their training(14). As a result, the potential impact of the training for organizational and personnel development is lost.

Recommendation: 51. Long term foreign training of middle level officers should be restricted to specialized areas of high priority. Foreign trained officers should be placed in the posts where they can best utilize their expertise. The duration of such postings should be a minimum of five years.

52. Long term foreign training in broad functional or academic areas should be reserved for senior officers engaged in general macro management.

4. Training Incentives

4.1 Well-qualified and motivated trainers are essential for improving the quality and effectiveness of training. The status and incentives for trainers under the present system are so limited that very few qualified individuals aspire to take up the job of a trainer. The professional image of the trainer does not carry a "respectable" status nor is associated with achievement and merit.

4.2 The incentives to the trainees are inadequate to provide necessary motivation. Very few officers, according to our interviews and the Survey, look forward to in-country training which implies a variety of personal hardships. Foreign training provides for greater personal incentives and is considered very attractive. The overall conclusion is that the in-country training is more relevant but less attractive while foreign training is found to be more attractive but less relevant.

The opportunities for foreign training, however, are not equally extended to all qualified candidates due to time consuming procedures of selection and clearance. As a result, a significant number of foreign training opportunities are not availed.

4.3 The financial resources required for improving the training facilities and for providing increased incentives to the staff and trainees are constrained by the existing government expenditure on training and manpower development. The present training budget of approximately Tk. 30 Crore is not sufficient to make necessary improvements in training facilities.

Recommendations: 53. Trainers should be recruited on the basis of qualification and professional interest.

54. Trainers should be given attractive benefits like instructional pay, free accommodation, overseas training opportunities, and other benefits which the government may consider appropriate.

55. Trainees should be given special pay/allowance in addition to travel and daily allowance.

56. Foreign training and in-country training should be linked together as a career development incentive. A time-based sequence of training should be followed as a precondition for promotion and as a part of sound career planning for each officer.

57. Donor funded foreign training programs should have an in-country training component for training of trainers and for improving the quality of in-country training programmes.

58. Foreign training should maximise the use of training institutions in Asia and the Pacific in order to benefit from the experience and resources of those countries which are most relevant to the development needs of Bangladesh.

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59. Training offers should be widely circulated. Ministries/Divisions should plan their manpower training needs and prepare a roster of potential candidates to expedite the selection procedure. The potential candidates should be identified on the basis of skill requirements, seniority, age, educational qualifications, and potential for making a long time contribution to development in Bangladesh.

60. The development of the capacity of in-country training institutions is a high priority. Technical and financial resources should be directed towards the development of high quality and motivated staff, physical facilities, modern equipment, and locally appropriate training materials.

61. The Government should increase the expenditure on training and human resource development for upgrading and expanding training facilities.

E. File Management and Record Keeping

1. File Management

1.1 The records management is an integral part of the functions of any organization. File system is one of the aspects of the records management. In the files, written communications are stored which serves as the memory of the organization. The better the filing and record keeping system and management in an organization, the more efficient will be the working of that organization.

The existing filing and record keeping procedures are deficient in meeting the present requirements of information management in the Secretariat. The Secretariat Instructions have specified procedures on how to open new files and record and index them.

The opening of files in the Secretariat follows the one letter and two figures system. In this system, the catch words of the title of the files are first separated and grouped into alphabetical order.

Under an alphabetical group there may be many files. To distinguish one file from the other under the same alphabetical group, the files are assigned an Index number e.g. "1A" meaning files on "Appointment" and "2A" meaning files on "Accounts" and so on.

Under each Index Number there may be many files. To distinguish one file from the other under the same Index No. a hyphen is put and then serial numbers, of the files under the same Index are given by figures, for example : 1A - 1 may mean appointment of head assistant 1A - 2 may mean appointment of stenographer; 1A - 3 may mean appointment of MLSS and so on.

The old undisposed files of any year are brought forward to the File Index Register of the next year with a new serial number retaining the old Index No. as far as practicable. But in practice this is not followed in many cases and the old files with their original number are allowed to continue. This causes unnecessary confusion and poses difficulty in retrieval at a later date.

This system of filing and indexing is based on a subjective classification of files. The application of this system is labour-intensive and too reliant upon the personal skills of the lower staff.

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1.2 Files have two parts. The first part of a file is reserved for making comments and references in the form of notes. The second part of a file consists of correspondence and the documents as applicable to a case. The noting part of the file takes up considerable volume with comments and opinions of the officers at various level and summary or paraphrasing of the documents from part two.

The two part filing system creates two problems. One, the files get voluminous from notes and comments at multiple levels. Second, the contents of the part two of the file are summarized or replicated in part one which makes the contents of some portions of the file redundant.

2. Record Keeping

2.1 The procedures of recording, indexing and weeding of files or in other words preservation and destruction of files as contained in Instruction Nos. 85-99 are complex and difficult to understand. As a result this aspect of records management remains neglected in the Secretariat. Old files are piled up year after year and are destroyed indiscriminately upon the orders of the higher authorities. Many valuable records are lost in this process. This practice of destroying the old files indiscriminately also presents problems of security of information. The possible use of computers to sort out obsolete files for destruction and micro-filming for preserving needed files should be given consideration by the Government.

2.2 Procedures for closing files require that files have to be classified into four categories: (a) permanent cases; (b) semi-permanent cases; (c) ordinary cases; and (d) routine cases. The procedures do not make any sense, even if properly executed. In closing the files, the following activities are involved which appear to be unnecessary.

(a) Listing of papers contained in the file is to be prepared and maintained on the file.

(b) The papers on the correspondence side are reversed and the note sheets are placed below the correspondence.

(c) Preparation of abstract of the case as well as index slips and arranging the latter alphabetically in loose leaf binders in the R & I unit for printing of the Index at the end of the year, are quite unnecessary, time consuming and serves no useful purpose.

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2.3 The Secretariat Record Room is the central repository for preserving permanent (Category A) and semi-permanent (Category B) files of all the Ministries/Divisions. This Record Room has trained manpower for taking care of these files. Whenever, any Ministry/Division requires old files for reference purpose, they send requisition to the Record Room for getting the files. When the time comes for destruction of 'B' category files it is the Ministry/Division concerned who does it after bringing those files from the Record Room.

'A' category of files are taken by the Department of Archives from the Record Room after 25 years, when these files are treated to be historical document.

At present consignment of 'A' & 'B' category files into the Record Room is seldom done because of the lengthy and cumbersome recording procedures.

Recommendations:62. The use of letter sized paper (A-4), modern file folders, and filing cabinets should be introduced.

63. A study on how to modernize the filing system should be undertaken in order to introduce a simple and standardized system. The study should examine the application of computers and micro-filming for storing and retrieving information and its cost effectiveness.

64. The procedures regarding recording, indexing, weeding and destruction of records need to be simplified so that the Section Assistants can understand and apply them. The timely application of the existing procedures should be ensured by the higher officers. Consideration may be given to the introduction of paper-shredding machines for the destruction of old and unnecessary materials.

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F. Physical Facilities and Logistics

1. Physical Facilities

Physical facilities in the present Secretariat have not been planned according to the growth in the Ministries and the size of their personnel. **In most cases, physical facilities are limited and do not provide for adequate space and a work-conducive environment. The situation generally is that of overcrowded and unmethodical arrangement of work.**

1.1 There is no rational basis upon which the various Ministries and Divisions are housed inside the Bangladesh Secretariat. Apparently there is no relationship between the size of a Ministry/Division and the amount of physical space allocated. The manner in which various Ministries are housed in the Secretariat is a big source of inefficiency. In some instances, a Ministry is truncated into three or four portions, each housed in small blocks in different floors of a building. It is not uncommon to find top ranking officers sitting in one building and the supporting staff in another building.

1.2 The Ministries occupy offices on different floors of the same building which makes it inconvenient for the officers or the visitors to carry their business. The Sections and the Wings of the Ministry are also dispersed, occasionally at considerable distance from each other which presents difficulty in communication among the officers and in transmitting files and papers from one place to another place.

1.3 There is no space to receive visitors and conduct meetings. Meetings are held and visitors are received by the officers in their own offices which interrupts the official business.

1.4 The buildings of the Ministries are not situated in accordance with their functions. The Ministries performing related functions are not situated in proximity to each other which creates problems of coordination. For instance, the service Ministries such as Works, Communication, Education etc. which have more contacts with individual clients than other Ministries are scattered all over the Secretariat. Regulatory Ministries/Divisions such as the Establishment, the Finance and the Cabinet Division are the primary agencies to issue rules and regulations pertaining to personnel and financial matters. These Ministries/Divisions are not located in such a manner that these could be conveniently reached by all other Ministries/ Divisions.

Recommendations: 65. The Government should consider building a new Secretariat. The physical facilities in the new Secretariat should be designed to foster an improved working environment.

66. The Secretariat should be housed into blocks. The Ministries should be housed in proximate block on the basis of their functions. The main regulatory Ministries should be located in the center so that ministerial business concerned with regulatory matters could be efficiently conducted.

67. Each block should have intercom telephone system. Visitors wishing to meet any officer should be allowed to use the facility of such telecom systems. In cases where the entry of an individual is considered necessary by the officer concerned, he should be allowed to enter the Secretariat offices. Strictness in the matter of entry into the Secretariat should be given serious consideration.

2. Organization of Offices

2.1 The office lay-out and the organization of offices in the Secretariat does not follow a rational order. The offices of Divisions , Wings and Sections are all scattered. This hampers smooth operation of business and creates difficulty for the officers in supervising the supporting staff.

2.2 The present system of arrangement of offices creates confusion among the officers and staff; a lot of time is wasted in either looking for or finding the desired office. Time is wasted in reaching a certain office as the offices are not located according to the homogeneity of their functions. The present arrangements also act as a barrier to easy communication and consultation among the officers.

2.3 There is lack of uniformity in the allocation of office space among different officers in the Secretariat. The allocation of office space, according to the Government specifications to different levels of the hierarchy is not followed due to the physical limitations. As a result, officers of the same rank occupy offices of varying proportions. The discrepancy in allocation of office spaces creates problem in work as well as morale for the officers.

Recommendations:68. The existing office lay out and seating arrangements of the officers should be uniformly designed to facilitate supervision and economy of time and logistics.

69. The physical lay-out of the offices should be designed so that the officer in-charge and his subordinates are housed in proximity to each other in order to facilitate easy consultation and supervision.

70. The official meetings and reception of visitors should take place in a meeting room which is separate but connected to the main offices in order to avoid unnecessary interruption.

3. Office Equipment

3.1 Office work suffers for lack of office equipment, forms and stationeries. The supply of common items of stationery is irregular. The administrative section in the Ministry responsible for the supply of office equipment and stationeries is unable to perform satisfactorily. Due to the lack of maintaining proper inventories, requirements can not be determined in advance.

3.2 The present system of procurement of office equipment is rigid and time-consuming and needs to be changed. Under the system, after the annual budget is passed and approved, each Ministry/Divisions prepares an indent in the prescribed form and sends it to the Bangladesh Forms and Stationery Office for the needed supply of items. The articles which are not available in that office are procured from the local market through tender procedure for which there is a standing Tender Committee in each Ministry/Division. Before any item can be procured from the local market, a non-availability certificate is required to be obtained from the Forms and Stationery Office. Items such as furniture, photo-copiers, computers, etc. are usually procured through tender procedure. This system prevents Ministries and Divisions from obtaining useful and important office equipment at the needed time.

3.3 The existing equipment is inappropriate for conducting the official business in an efficient manner. Typing is generally done on manual typewriters. A limited quantity of electrical typewriters and micro computers exist but are not sufficiently utilized. Hence, delays occur in the typing of the official documents. Documents are copied mostly on antiquated duplicating machines which suffer from frequent

breakdown. Duplicating services are operated on a central basis and the requisitioning of services by different offices makes it inconvenient to duplicate and copy necessary materials.

Recommendations: 71. Every Ministry should be equipped with an adequate number of photo-copiers and micro computers.

72. Office equipment should be modernized by introducing micro computers and photocopying machines to expedite and manage the flow and storage of information.

73. Conference telephone systems should be introduced in selected Ministries on a pilot basis.

74. Training in the use of modern office equipment and computers should be mandatory for Assistant Secretaries as part of the post-entry and in-service training.

75. Logistic support, such as forms and stationeries, office equipments, etc. should be adequately provided to all Sections for the smooth flow of business. All Sections should be provided office supplies according to their needs at regular intervals and a system of inventory control should be maintained.

4. Transport

4.1 The transport facility provided by the Secretariat is inadequate and proper procedures for utilizing existing transport are lacking. Lack of transport facility for the officers and staff to commute to and from the place of work causes severe problems in maintaining punctual office hours.

4.2 The transport facility available for official purposes are also inadequate. Transport is sometimes not available when needed for important official work.

Recommendations: 76. The Government should expand and improve public transport facilities. As an interim measure, the government should consider the use of micro and mini buses to pick and deliver government personnel at fixed points in Dhaka.

77. The existing procedures for the utilization of present transport facilities for government personnel should be improved.

IV. IMPLEMENTATION PLAN

A. Implementing Mechanisms

The recommendations of the Working Group have been developed with a view to enhance the efficiency in the Secretariat System and its Work Procedures. Implementation of the recommendations in the specific areas of the Report i.e., Rules and Instructions; Decision-making; Personnel Management; Training; Files Management and Record Keeping; Physical Facilities and Logistics requires an overall mechanism to ensure that appropriate methods, resources and personnel are applied for implementing the recommendations.

The O & M Wing of the Ministry of Establishment should be designated the prime responsibility for coordinating and monitoring the implementation of the various programmes as described in this section. For this purpose, a number of changes and improvements in the existing functions and staff of O & M Wing should be first undertaken.

1. The functions and scope of work of the existing O & M Wing should be enlarged to include developmental activities related to organizational changes and improvements in office and work procedures, personnel development, information management systems etc. The current regulatory functions of O & M in reviewing proposed reorganizations and personnel additions should continue as one of the components of O & M services.

2. The staff capacity of O & M should be strengthened through deputing and recruiting qualified personnel with training and experience in organizational change and development. A review of the present staff of O & M should be undertaken and the staff with inappropriate qualifications and experience should be posted elsewhere. The selected O & M staff should be provided with special pay and other attractive benefits including foreign training opportunities.

3. O & M should be allocated a separate and sufficient budget for its internal organizational and staff development as well as for contracting outside consultancy services.

   In our view, the above proposed changes and improvements in the O & M Wing could be completed within a short period, presumably within a 6-12 months' duration, which will enable the O & M Wing to coordinate and monitor the implementation of the recommended programmes:

4. A study should be undertaken to transform the O & M Wing of the Ministry of Establishment into a full-fledged Division.

B6

DEVELOPMENT OF O&M CAPACITY (Terms of Reference)

The Study Group recommends that the O&M Wing of the Ministry of Establishment should be significantly strengthened and transformed into a full-fledged Division.

Objective

The objective is to expand the scope and functions of the existing O&M Wing to include developmental activities related to organizational changes and improvements in work procedures, personnel development, information management systems etc.

A study will be conducted to determine the organizational and personnel requirements of the proposed O&M Division.

The study will focus upon:

1. Appropriate organizational structure and mandate of O&M: examine the range of alternatives for an effective O&M reorganization by addressing the issue of how the O&M can best perform service-oriented functions rather than regulatory functions and the level of autonomy that may be required for this purpose.

2. Relationship between O&M and the Ministries and other agencies - examine the modes of delivery of O&M services to the governmental organizations.

3. Personnel requirements - determine the strength, qualifications, service conditions, and training requirements for the O&M personnel.

4. Training - formulate a training programme for O&M personnel including an identification of target population, training curriculum and appropriate institutions both in-country and abroad.

5. Financial requirements - estimate the financial and budgetary requirements of O&M development and operations.

Approximate Cost

The study will be conducted by an independent team consisting of 1 expatriate and 2 local consultants (3 person-months for expatriate and 6 person-months for local consultants). It will approximately cost $82,000.

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B. Programmes

1. Rules and Regulations

Objective: To simplify Rules, Regulations, and Instructions and adopt measures to increase the knowledge and compliance on the part of the officers and staff.

Methods:

(a) Monitor, through administering a test, the state of knowledge of the Rules and Instructions on the part of the desk officers and take necessary actions for improving the knowledge.

Implementing Organization(s): Respective Ministries.

(b) Arrange special training courses of short duration within the Ministry/Division periodically to up-date the knowledge of the officers.

Implementing Organization(s): Ministry of Establishment in consultation with respective Ministries.

(c) Print and supply sufficient number of Rules and Instructions with up-to-date amendments to all officers.

Implementing Organization(s): Respective Ministries.

(d) Introduce proper cataloging and inventory control of books of reference.

Implementing Organization(s): Respective Ministries.

(e) Simplify the Rules and Instructions with the assistance of experienced consultants;

Implementing Organization(s): Ministry of Establishment in consultation with the Cabinet Division, Ministry of Finance, and Ministry of Law.

(f) Ensure compliance of the Rules of Business, 1975 and the Secretariat Instructions, 1976 by all concerned through regular inspections and supervision by senior officers and through monthly coordination meetings.

Implementing Organization(s): Respective Ministries.

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2. Decision-Making

Objective: To develop and introduce improved decision-making systems and procedures.

Methods:

(a) Analyze intra-organizational and inter-organizational methods of coordination and improve upon the existing methods;

(b) Design and conduct workshops on improving the structure and quality of meetings and for making meetings result-oriented;

(c) Simplify communication procedures and reduce written forms of communication;

(d) Develop and install monitoring systems and procedures for supervision.

(e) Introduce the system of sending in-coming mail by the R&I Unit to the Deputy Secretaries every two hours during the day and modify Secretariat Instruction No. 22 accordingly.

(f) Direct the Deputy Secretaries to meet the Assistant Secretaries under them on a regular basis to sort out pending cases and provide a new provision in the Secretariat Instructions in this regard.

(g) Make provision for review of the distribution of work among the officer of the Ministry/Division by amending Secretariat Instruction No. 7.

(h) Ensure regular submission of monthly report of the acitivities of the Ministry/Division for consideration by the council of Minister. Also, ensure submission of annual report for information of the said council, as per Rule 23 of the Rules of Business.

Implementing Organization(s): O & M Wing.

3. Personnel Management

Objective: To improve personnel management through better procedures of recruitment, selection, transfer, promotion and incentives.

Methods:

(a) Review the present system of the processing of recruitment.

(b) Develop a two-tier recruitment system as recommended in the study.

Implementing Organization(s): Ministry of Establishment in consultation with the Public Service Commission.

(c) Introduce formal supervision and inspection procedures based on the Secretariat Instructions and form internal work study units in all Ministries/Divisions.

Implementing Organization(s): Respective Ministries.

(d) Simplify and modify ACR forms to reflect the actual performance of the officers and link performance with promotion;

Implementing Organization(s): Ministry of Establishment.

(e) Devise options for increasing both pecuniary and non-pecuniary incentives for officers based on merit and performance.

Implementing Organization(s): Ministry of Establishment in consultation with Ministry of Finance.

4. Training

Objective: To enhance the training facilities and the quality of their staff and to produce increased number of well-trained personnel.

Methods:

(a) Develop and apply an appropriate policy to recruit qualified trainers with better remunerations and incentives;

(b) Conduct training needs assessments to update training curricula and method;

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(c) Introduce computer-based training technologies;

(d) Expand financial support for research and publications;

(e) Increase the training capacity at the PATC and the BCS (Administration) Academy;

(f) Integrate in-country and foreign training programs in support of career planning and development of local training institutions.

(g) Institute on-the-job training programs in the Ministries to be conducted by the senior officers;

Implementing Organization(s): Ministry of Establishment.

ON-THE-JOB TRAINING (Terms of Reference)

The Study Group recommends that On-the-Job Training (OJT) should be formally organized and conducted in the ministries. The basic purpose of OJT is to improve knowledge, skills, and attitudes that are directly relevant to the managers' immediate environment. Therefore, there is a need to create a learning environment in the actual work-setting where supervisors trained in OJT techniques can instill practical problem solving skills in their subordinates.

Objective

An OJT programme will be introduced in selected ministries and implementing agencies on a pilot basis for a one year period under the general management and supervision of the O&M Wing and Internal Training Section of the Ministry of Establishment. The programme will be implemented by the following methods.

Methods

1. The O&M Wing will conduct an assessment of work-methods and operations in selected number of units in different ministries and identify the major problems related to supervision, leadership, motivation, and skills and attitudes.

2. The O&M Wing will select approximately twenty supervisory officers of the ranks of Deputy Secretaries and Assistant Secretaries from different ministries. The selection will be based on academic qualifications, previous training, and a willingness of the officers to train their subordinates.

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3. The selected group of officers will be given training in OJT methods and their application to improve supervision, employee motivation, and individual and organizational performance according to specific needs as identified by the assessment. The training will be conducted at the BCS (Administration) Academy at Dhaka with the assistance of qualified local consultants from outside as well as from within the government.

4. The training programme at the BCS Academy will be of approximately 10-12 weeks and will be conducted in the evening after office hours. Both the trainers and programme managers as well as the participant trainees will be compensated at the daily rates allowed for local consultants.

5. The participant trainees after completing their training will assume the responsibility of formally supervising and conducting training for their subordinates in actual work setting through the application of OJT techniques.

6. Similar programs can be designed and extended to other organizations in accordance with the job-specific skill requirements after the success of the pilot activities have been evaluated.

Performance Indicators: The number of supervisors trained in OJT methods; the number of supervisors applying OJT methods to train subordinates; impact on individuals job performance and efficiency.

Approximate Cost

The approximate cost of implementing the pilot programme for 60 participant trainees (20 trainees/3 months sessions) and 10 trainers and managers will be about $62,000 in local Taka currency, an equivalent of 40 person months of local consulting. The total cost of extending OJT programs to other organizations over a 5 year period will be approximately $310,000 in local Taka currency.

5. File management and record keeping

Objective: To simplify and modernize the filing and record keeping systems and procedures. The proposed activities will be implemented by the O&M Wing.

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Methods:

(a) Introduce simple and standardized filing system;

(b) Introduce the application of computers for storing and retrieving information and the use of micro-filming for preserving old records;

(c) Set-up a committee of experts to study the existing instructions regarding recording, indexing and weeding of files and suggest simplification to make those easily understandable by all concerned, particularly by the Section Assistants.

Implementing Organization(s): O & M Wing.

6. Physical Facilities and Logistics

Objective: To improve the working environment and provide better logistical support.

Methods:

(a) Expand and improve physical facilities according to the requirements of the Ministries/Divisions and locate them on the basis of allied functions to facilitate coordination and consultation;

(b) Modify lay-out of the offices with a view to improve working conditions and supervision;

(c) Modernize all office equipments by introducing micro computers, photocopiers, telex or fax machines based on a survey to determine the exact needs of each Ministry/ Division.

(d) Introduce conference telephone facilities in the selected Ministries.

Implementing Organization(s): Ministry of Public Works in consultation with respective Ministries.

FOOT NOTES

1. Government of the People's Republic of Bangladesh, Report of the Administrative and Services. Reorganization Committee, Part I: The Services, April 1973. Part II: Administration, October, 1973.

2 Government of the People's Republic of Bangladesh, Report of the Pay and Service Commission 1977 Part I - The Service, Part II - Pay and other benefits. May, 1977.

3. Government of the People's Republic of Bangladesh, Report of the Martial Law Committee for Examining Organizational set-up of Ministries/Divisions/Departments/Directorates and other organizations under them. Phase I (Ministries/Divisions) May 1982. Phase II (Departments/Directorates and other organs under them) November, 1982.

4. Government of the People's Republic of Bangladesh, Report of the Committee for Administrative Reorganization/Reform, June 1982.

5. Government of the People's Republic of Bangladesh, Report of the Cabinet Sub-Committee for Examination of the Structural Organization of the Senior Services Pool (SSP) and unequal prospects of Promotion of officers of various cadre services, October 1987.

6. Secretariat Work Procedures as defined by the Rules of Business and the Secretariat Instructions have been carried over from the British time and have provided continuity to the conduct of official business. However, the provisions of the two documents have not been revised to suit the changing conditions and the requirements of administration. The problems in the Rules and Instructions had been pointed out as early as in 1945 by Sir Richard Tottenhams who commented that the disadvantages of the system can be summed up in two phrases - excessive noting and file shifting, the combined effect of which is delay and inefficiency.

7. The functional relationship between application of rules and administrative efficiency is not a direct relationship but is mediated by the competence and intentions of the personnel applying rules. Rules, in a certain environment, could be applied for dysfunctional purposes depending on the intentions of the individuals.

8. Examples of rules that are difficult to comprehend are too many to quote. We quote only two examples here:

(1) "The application of the provisions of rule 192 may be extended to a Government servant who is disabled by injury accidentally in, or in consequence of, the due performance of his official duties or in consequence of his official position, or by illness incurred in the performance of any particular duty which has the effect of increasing his liability to illness or injury beyond the ordinary risk attaching to the civil post which he holds. The grant of this concession is subject to the further conditions -

(i) that the disability, if due to disease, must be certified by a medical board to be directly due to the performance of the particular duty; and

(ii) that, if the Government servant has contracted such disability during service otherwise than with a military force, it must be, in the opinion of Government, so exceptional in character or in the circumstances of its occurrence as to justify such unusual treatment as the grant of this form of leave; and

(iii) that the period of absence recommended by the medical board may be covered in part by leave under this rule and in part by other leave, and that the amount of special disability leave granted on average pay may be less than four months".

(vide Rule 193 - of BSR Part I)

(2) "Subject to the provisions of Chapter VII, a Government servant who is appointed to officiate in a post shall not draw pay higher than his substantive pay in respect of a permanent post, other than a tenure post, unless the officiating appointment involves the assumption of duties and responsibilities of greater importance than those attaching to the post, other than a tenure post, on which he holds a lien, or would hold a lien had it not been suspended. For the purpose of this rule, the officiating appointment shall not be deemed to involve the assumption of duties and responsibilities of greater importance if the post to which it is made is on the same scale of pay as the permanent post, other than a tenure post, on a scale of pay identical therewith.

The intention of the so-called rule is that an officer out of his regular line should not suffer by forfeiting officiating promotion which he would otherwise have received had he remained in his regular line. From this it follows that the fortuitous officiating promotion of some one junior to an officer who is out of the regular line does not in itself, give rise to a claim under the "next below rule". Before such a claim is established it should be necessary that all the officers senior to the officer who is out of the regular line have been given officiating promotion, and also the officer next below him unless in any case the officiating promotion is not given because of inefficiency, unsuitability or leave. In the event of one of these three bars being applicable to the officer immediately below the officer outside his regular line, then some other officer, even more junior, should have received officiating promotion and the officers, if any, in between should have been passed-over for one of these reasons.

This should be allowed as a temporary expedient and arrangement should be made to revert such an officer to his parent office as soon as possible. Application of the "next below rule" amounts to temporary upgrading of posts and should not be permitted except in very exceptional circumstances and that too for very short period".

(vide Rule 54 - of BSR Part I)

9. Huda, A.T.M. Shamsul, and Rahman, M.A. Delay in Disposal of cases, Savar: PATC, 1989, pp. 118-129.

10. Ibid, p. 100

11. Ibid, p. 102

12. Khan Ali Akbar, Hossain Mosharraf, Post Entry Training in Bangladesh Civil Service: A Survey of the Problems and Potentials. p.12-13. Post-entry Training in Bangladesh Civil Service: The challenge and Response, Proceedings of the workshop on problem of the BCS Probationer Training in Bangladesh held in the BPATC on 30th and 31st December, 1985. Programme & Studies Div. BPATC, August 1986.

13. For details, please see, National Training Policy. Ministry of Establishment, Government of the People's Republic of Bangladesh, 1986.

14. Final Report of Study on Utilisation of Foreign Training Facilities, p. 80, ERD, 1987.

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14. Government of the People's Republic of Bangladesh, Cabinet Division, President Secretariat, Allocation of Business Among the Different Ministries and Divisions (Schedule I of the Rules of Business, 1975).

15. Government of the People's Republic of Bangladesh, Report of the Administrative and Services Reorganization Committee, Part I: The Services, April 1973.

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19. Government of the People's Republic of Bangladesh, Ministry of Finance and Planning, Finance Division, Expenditure Control and Regulation Wing, Revision Of Delegation Of Financial Powers To The Ministries Divisions, 1983.

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21. Government of the People's Republic of Bangladesh, Ministry of Finance, E.C.R and Implementation wing. Sub-delegation of Financial Powers to Heads of Departments and Subordinate Officers Under the Various Ministries/ Divisions, 1985.

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Annexure A

SUMMARY OF CONSTRAINTS AND RECOMMENDATIONS

SUMMARY OF CONSTRAINTS AND RECOMMENDATIONS

Findings:	Recommendations:
A. Rules and Regulations	
Inadequate knowledge of the rules and regulations on the part of officers	1. Training on the Rules of Business and Secretariat Instructions should be an integral part of on-the-job training in the Secretariat.
	2. Frequent refresher courses on Rules and Instructions should be undertaken at the PATC, the RPATCs, the BCS (Admin) Academy, and the Staff Training Institute (STI).
	3. Case-study methods should be applied in the training of officers in rules and regulations.
Non-availability documents on rules and regulations	4. Ministries should establish documentation centers where properly catalogued documents on rules and regulations are kept for reference.
	5. All officers should be provided a complete set of rule books at the time of post-entry training and asked to keep them up-to-date.
Unclear Instructions	6. The Secretariat Instructions should be made simpler, especially in its Bangla version.
Revision of Rules of Business to increase political control of bureaucracy	7. Further revisions in the Rules of Business may be made in future after the effects of Rules revised in 1989 have been institutionalized. Such revisions should be based on careful assessments by the concerned organisations to be undertaken on a continuing basis.

Delays in decision-making

8. The time limit laid down in the Instruction No. 185 for the examination and disposal of cases should be strictly followed by all officers.

9. Disposal of Business within the prescribed time limit by the officers should be taken into account in their performance appraisal.

10. Assistant Secretaries should maintain a weekly list of pending cases with full particulars to be included in the monthly statement on pending cases.

Lack of Inspection

11. Inspection of Sections by Assistant Secretaries and Deputy Secretaries and surprise visit by higher officers as laid down in Instruction numbers 196, 197 and 201-202 should be duly made. While making the inspection, the officers should have Instruction Nos. 203-208 in hand as a checklist.

Inadequate attendance

12. The provisions of Secretariat Instruction Nos. 81 - 82 should be strictly followed.

13. Senior Officers should demonstrate the value of punctuality through personal examples.

Improperly organized files and records

14. The Assistant Secretaries, as the immediate superior of Section Assistants, should ensure that the Instructions for organizing files and keeping records are carried out in their entirety.

15. Ultimate responsibility of proper filing and record keeping should be assigned to the Assistant Secretaries.

Improper making and noting on files	16. Margin of a note sheet be reserved for the purposes of referencing and unofficial observations. Secretariat Instruction No. 115(2) regarding the use of margin should be observed.
Redundant information due to unnecessary reproduction of the contents of supporting papers and documents	17. It is important that the Secretariat Instruction No. 117 should be observed by Assistant Secretaries. Paraphrasing from paper under consideration (PUC) should not be undertaken in any case to avoid unnecessary notings and allow the concerned officer to read the PUC in full.
Waste of time, labour, and materials in diarising all receipts	18. Instruction No. 32 regarding proper diarising of in-coming mail should be strictly followed by the Section Assistants.
Incomplete preparation and irregular submission of monthly reports on Ministries activities	19. All Ministries/Divisions should prepare a brief statement of their activities on a monthly basis and submit it to the Council of Ministers in accordance with the Secretariat Instruction number 23.
Inadequate security in Secretariat	20. The visitors' access to the Secretariat should be restricted. A visitor should not be allowed to see an officer other than that directly concerned with his business.
	21. Visitors should be received by the officers in a separate meeting room rather than in their offices to minimize interruption of official work.
	22. The Secretary of the Ministry should ensure proper compliance with Rule No. 26 by all concerned.

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B. Decision-Making

Lack of policy-planning capacity in Ministries	23. The Ministries should develop internal mechanisms for policy formulation and analysis and for monitoring the proper execution of the policies.
Lack of monitoring capacity in Ministries	24. A well trained cadre of specialists to analyze the impact and strategic implications of the policies should be developed through in-country and foreign training programs. The trained specialists should be appropriately posted and utilized in the Ministries for a minimum of five years.
Excessive involvement of Secretariat in administrative and operational matters	25. The responsibility of the Ministries in the area of sound policy analysis requires that the Secretariat reduce its operational and administrative activities in the secondary matters of personnel administration. The Ministries should delegate the administration of personnel to the Departments as discussed in the section on personnel management of this Report.
Excessive reliance on written communication and passing files	26. Consultations within the same Ministry should be carried mostly through telephone or informal personal meetings as intended by Secretariat Instruction No. 121. Decision resulting from such consultations should be recorded for confirmation by the appropriate senior officer.

Poor organization and inefficiency of intra-ministerial meetings

27. Intra-ministerial monthly meetings on cases pending for more than a month should be held regularly to ensure quick disposal of business according to a well prepared document on pending cases and other matters related to supervision, inspection, record keeping, and security. Instruction No. 195 should be modified to include the subjects in addition to pending cases as mentioned in this recommendation.

Decisional delays and deferrals due to lack of structure of inter-ministerial meetings

28. Inter-ministerial meetings should be conducted only on the basis of a prepared document on issues and alternatives to be placed before the committee one week in advance. The objective of the meeting should be to arrive at a consensus and decision. The deliberations of the meetings should be recorded into proforma minutes specifying the issues, the alternatives discussed, the decisions taken and the agency responsible for their implementation.

    The Secretariat Instruction No. 199 regarding the format of inter-ministerial meetings should be amended to requiring a working document and specifying the status of decisions taken.

Limited informal interaction among junior and middle level officers

29. The Deputy Secretary in charge of a Branch should hold regular meetings on a regular basis with the Assistant Secretaries working under him. The purpose of these meetings should be to discuss important problems and pending cases and take necessary decisions during the meeting.

Undifferentiated examination of cases at the lowest level without regard to their importance and urgency

30. The R & I unit should sort out the in-coming communication Branch-Wise instead of Section-Wise and send it directly to the Deputy Secretary in-charge. The Deputy Secretary should classify the cases in terms of necessary actions and the appropriate levels at which the actions can be taken. He should pass these cases on to the Assistant Secretary who will ensure that the cases are placed in files and directly forwarded for action at the appropriate level. Receipts dealing with urgent and important cases should be directly forwarded to the Secretary. The Secretariat Instruction No. 22 should be accordingly modified.

31. All receipts in the R&I unit should be delivered to officer/section every two hours. Urgent cases should be delivered immediately upon receipt. Instruction No. 22 should be modified accordingly.

Unequal distribution of work load among various units of Ministries

32. Distribution of work of the Ministries/Divisions should be reviewed at regular intervals by the O&M Wing to ensure equitability and to avoid over load and overlap of work. Instruction No. 7 and Rule 3(vi) should be accordingly modified to include review at regular intervals.

C. Personnel Management

Delays in recruitment due to lengthy process of approval of recruitment rules prepared by the individual Ministries

33. To expedite the processing of draft recruitment rules, a legal officer should be posted in the Ministry of Establishment. The draft rules prepared by a Ministry should be jointly reviewed and approved by the concerned officers of the Ministry of Establishment.

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Overcentralisation of authority of personnel management functions in Secretariat

34. The power of initial appointment of non-cadre class I officers in Modified National Scale (MNS) of Tk. 1650-3020 in the attached Departments, should be delegated to the Heads of the Departments.

35. The power of transfer of class I officers of the BCS cadres, except BCS (Administration) & BCS (Secretariat), should be delegated to the Heads of the Departments except their immediate deputies.

36. The power of transfer of non-cadre class I officers of the Departments should be delegated to the Heads of the Departments except their immediate deputies under the guidelines specified by the Ministries.

Inadequate recognition of merit and limited career mobility

37. The Government should consider the introduction of a two-tier recruitment process to select, on the basis of competitive examination, candidates for accelerated promotion. Under the suggested system, the PSC would hold a competitive examination to select the candidates with five years of service. The top-ranking candidates would become eligible for accelerated promotion at the level of the Deputy Secretaries. This recommendation should be further developed by the Ministry of Establishment in relation to the current policies.

Subjective and non-merit based performance appraisal system

38. Every Ministry/Division should form an internal work study unit for the regular inspection and supervision of all Sections. A Joint Secretary, a Deputy Secretary, and an Assistant Secretary should serve on a monthly rotation basis, as an inspection team. The Joint Secretary (Administration) should coordinate the inspection team, compile the findings, and prepare and submit a monthly report to the Secretary.

39. The existing ACR forms should be made more objective to reflect actual performance of the officers. Accelerated promotions should be awarded on the basis of outstanding performance. The criteria of "outstandingness" should be more objectively defined.

40. The performance appraisal should be initiated on the basis of a statement of self-evaluation prepared by the appraisees. The self-evaluation statement should consist of quantitative and qualitative evidence of the performance.

Inadequate salaries and fringe benefits

41. The Government should ensure adequate fiscal compensation, in real terms, to the public servants.

42. An occasional vacation is important for the officers for maintaining physical and mental fitness. The Government should consider granting the officers both recreational and festival allowances every three years and withdraw the existing ban. The officers should be permitted to avail the due vacation leave.

Inadequate familiarity with rules and regulations in personnel management among officers

43. A Personnel Manual was prepared in 1985 under the World Bank financed Public Administration Project. The Manual covers the pertinent rules and regulations and the procedures for their application in personnel matters. The Government should provide this manual to officers as a guide for personnel management.

D. Training

Inadequate facilities of the local training institutions

44. The facilities and training capacity of the PATC should be expanded as a long-term measure.

45. Training programs should also be expanded at other institutions in the country.

46. Crash training programs at the PATC and the BCS (Admin) Academy should continue to meet the immediate needs and to clear up the backlog.

Lack of job-specific skills

47. On-the-job training programs in the Ministries should be conducted by selected officers of the Ministry. Outside consultants and specialists may be liberally utilised for this purpose. The conduct of on-the-job training should be a routine responsibility of each supervisor.

Limited relevance of training

48. Assessment of training needs should be undertaken by the training institutions in cooperation with the Ministries to determine the actual job skills required at different levels in the Secretariat system.

49. The design of training curricula should be based on training needs assessment.

50. Trainers should be trained in applying modern methods such as interactive management, simulated decision making, audio-visual learning techniques etc., and minimise traditional class room teaching.

Poor utilization of officers trained abroad

51. Long term foreign training of middle level officers should be restricted to specialized areas of high priority. Foreign trained officers should be placed in the posts where they can best utilize their expertise. The duration of such postings should be a minimum of five years.

52. Long term foreign training in broad functional or academic areas should be reserved for senior officers engaged in general macro management.

Poor quality of trainers

53. Trainers should be recruited on the basis of qualifications, professional interest, and training experience.

54. Trainers should be given attractive benefits like instructional pay, free accommodation, overseas training opportunities and other benefits which the government may consider appropriate.

55. Trainees should be given special pay/allowance in addition to travel and daily allowance.

Weak relationship between foreign training and local training

56. Foreign training and in-country training should be linked together as a career development incentive. A time-based sequence of training should be followed as a precondition for promotion and as a part of sound career planning for each officer.

Too much dependence on foreign training

57. Donor funded foreign training programs should have an in-country training component for training of trainers and for improving the quality of in-country training programmes.

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58. Foreign training should maximise the use of training institutions in Asia and the Pacific in order to benefit from the experience and resources of those countries which are most relevant to the development needs of Bangladesh.

Unsatisfactory utilization of foreign training opportunities

59. Training offers should be widely circulated. Ministries/Divisions should plan their manpower training needs and prepare a roster of potential candidates to expedite the selection procedure. The potential candidates should be identified on the basis of skill requirements, seniority, age, educational qualifications, and potential for making a long time contribution to development in Bangladesh.

Underdeveloped capacity of local training institutions

60. The development of the capacity of in-country training institutions is a high priority. Technical and financial resources should be directed towards the development of high quality and motivated staff, physical facilities, modern equipment, and locally appropriate training materials.

Insufficient government expenditure on training and human resource development

61. The Government should increase the expenditure on training and human resource development for upgrading and expanding training facilities.

E. File Management and Record Keeping

Obsolete filing system and procedures

62. The use of letter sized paper (A-4), modern file folders, and filing cabinets should be introduced.

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63. A study on how to modernize the filing system should be undertaken in order to introduce a simple and standardized system. The study should examine the application of computers for storing and retrieving information and its cost effectiveness.

64. The procedures regarding recording, indexing, weeding and destruction of records need to be simplified so that the Section Assistants can understand and apply them.

F. Physical Facilities and Logistics

Inadequate and poorly planned physical facilities

65. The Government should consider building a new Secretariat. The physical facilities in the new Secretariat should be designed to foster an improved working environment.

66. The Secretariat should be housed into blocks. The Ministries should be housed in proximate block on the basis of their functions. The main regulatory Ministries should be located in the center so that ministerial business concerned with regulatory matters could be efficiently conducted.

67. Each block should have intercom telephone system. Visitors wishing to meet any officer should be allowed to use the facility of such telecom systems. In cases where the entry of an individual is considered necessary by the officer concerned, he should be allowed to enter the Secretariat offices. Strictness in the matter of entry into the Secretariat should be given serious consideration.

Improper office-lay-out in the Secretariat

68. The existing office lay out and seating arrangements of the officers should be uniformly designed to facilitate supervision and economy of time and logistics.

69. The physical layout of the offices should be so designed that the officer in-charge and his subordinates are housed in proximity to each other in order to facilitate easy consultation.

70. The official meetings and reception of visitors should take place in a meeting room which is separate but connected to the main offices in order to avoid unnecessary interruption.

71. Every Ministry should be equipped with an adequate number of photo-copiers and micro computers.

Outmoded office equipment

72. Office equipment should be modernized by introducing micro computers and photocopying machines to expedite and manage the flow and storage of information. Officers and staff should trained concurrently with the introduction of new technologies.

73. Conference telephone systems should be introduced in selected Ministries on a pilot basis.

74. Training in the use of modern office equipment should be mandatory for Assistant Secretaries as part of the post-entry and in-service training.

Poor logistical support

75. Logistic support, such as forms and stationeries, office equipments, etc. should be adequately provided to all Sections for the smooth flow of business. All Sections should be provided office supplies according to their needs at regular intervals and a system of inventory control should be maintained.

Inadequate transport facilities

76. The Government should expand and improve public transport facilities. As an interim measure the government should consider the use of micro and mini buses to pick and deliver government personnel at fixed points in Dhaka.

77. The existing procedures for the utilization of present transport facilities for government personnel should be improved.

Annexure B

WORKING GROUP ON SECRETARIAT SYSTEM AND WORK PROCEDURES

Working Group of the Secretariat System and Work Procedures:

	Name	Designation
1.	Mr. Mohammad Ali Additional Secretary Ministry of Establishment	Chairman
2.	Mr. Bazlur Rahman Chowdhury Joint Secretary (O & M) Ministry of Establishment	Member
3.	Mr. Athar Islam Khan Deputy Secretary (Regulation) Ministry of Establishment	Member
4.	Mr. M. Idris Ali Deputy Secretary (Dev) Ministry of Establishment	Study Coordinator

The Working Group is assisted by the following staff members:

1.	Dr. Rashid S. Ahmad	Consultant
2.	Mr. S. K. Das	Local Consultant
3.	Mr. A. A. Khan	Local Consultant
4.	Mr. Hasnat Muzammel	Research Assistant
5.	Ms. Zulekha Parveen	Research Assistant
6.	Mr. Ismail Hossain Patwary	Secretary

Annexure C

INDIVIDUALS INTERVIEWED

INDIVIDUALS INTERVIEWED

Name	Designation
Mr. Moudud Ahmed	Honourable Vice-President, Government of the People's Republic of Bangladesh
Ministry of Establishment	
Mr. Mohammad Ali	Additional Secretary
Mr. Bazlur Rahman Chowdhury	Joint Secretary (O & M)
Mr. Nur Muhammad	Joint Secretary (Administration)
Dr. Shah M. Farid	Joint Secretary (APD)
Mr. Nazrul Islam	Joint Secretary (Regulation)
Mr. Athar Islam Khan	Deputy Secretary (Regulation and Discipline)
Mr. M. Idris Ali	Deputy Secretary (Development)
Mr. Keshab Acharjya	Senior Assistant Secretary
Ministry of Agriculture	
Mr. M. A. Sayeed	Secretary
Mr. Abul Hashem	Additional Secretary
Mr. Mohammad Akmal Hossain	Joint Secretary (Policy Planning Wing)
Mr. Mohammad Ghulam Sarwar Mollah	Joint Chief (Policy Planning)
Mr. Sheikh Shafiqul Islam	Deputy Secretary
Dr. Arif Ahmed	Deputy Chief (Policy-Planning)
Mr. M. Azizur Rahman	Deputy Secretary (Foreign Aid)

Public Administration Training Center (PATC)

Mr. A.M. Anisuzzaman	Rector
Dr. Ekramul Ahasan	Member-Directing Staff
Dr. Syed Abdus Samad	Member-Directing Staff
Dr. Mohiuddin Khan Alamgir	Member-Directing Staff

BCS (Administration) Academy

Mr. A.Z.M. Shamsul Alam	Director General

Public Service Commission (PSC)

Mr. S.M. Al-Hussainy	Chairman
Mr. Amin Mia Chowdhury	Member

Ministry of Planning

Mr. A. B. M. Siddique	Director General, IMED.
Mr. A. F. M. Alamgir	Joint Secretary
Mr. Fasiul Alam Khan	Joint Secretary (Administration)
Mr. Nazmul Ahasan	Chief, General Economic Division
Mr. A.F.M. Abdur Rashid	Deputy Secretary (PTC)

Ministry of Finance

Dr. A.K.M. Mashiur Rahman	Joint Secretary
Mr. Jamal Hussain	Joint Secretary
Mr. Dilip Kumar Biswas	Deputy Secretary

Ministry of Industries

Mr. Mosharraf Hussain	Secretary
Mr. M. Maniruzzaman Chowdhury	Joint Secretary (Administration)
Mr. N.A.M. Alamgir	Deputy Secretary (Training)

Ministry of Commerce

Mr. Mohiuddin Azad	Joint Secretary (Administration)

Ministry of Irrigation, Water Development and Flood Control

Dr. A.T.M. Shamsul Huda	Joint Secretary

Ministry of Public Works

Mr. Ayubur Rahman Chowdhury	Secretary

Bangladesh Krishi Bank (BKB)

Dr. A.M.M. Shawkat Ali	Managing Director

Bangladesh Chemical Industries Corporation (BCIC)

Mr. Muzaffar Ahmed	Director (Finance)
Mr. Abdul Momin	Director (Planning)
Mr. M. M. Eunus	Director (Commercial)
Mr. Gias Uddin Ahmad	Director (Technical)

Office of the Controller & Auditor General

Mr. Gulam Kibria	Comptroller and Auditor General

Annexure D

SURVEY OF OFFICERS ON ISSUES & PROBLEMS
IN SECRETARIAT SYSTEM AND WORK PROCEDURES

USAID

Ms. Priscilla M. Boughton	Director
Dr. Malcolm J. Purvis	Deputy Director
Ms. Collette Chabott	Assistant Program Officer
Mr. S. A. Al-Muti	Project Manager
Mr. Frank J. Young	Program Officer
Mr. David A. Heesen	Office of Food and Agriculture
Dr. Ray Morton	Office of Food and Agriculture

World Bank

Mr. Francis Van Gigch	Chief of Mission
Mr. Goran Segerlund	Senior Economist
Mr. Wayne Edisis	Senior Economist, IFC
Mr. Syed Nizamuddin	Program Assistant

UNDP

Ms. Flavia Pansiori	Assistant Resident Representative
Dr. Fredrick C. Thomas	Consultant on Management Development

SURVEY ON SECRETARIAT SYSTEM AND WORK PROCEDURE

A. METHODOLOGY

1. Construction of Questionnaire

The questionnaire was constructed on the basis of the issues of administrative efficiency identified from important government documents, reports of various civil service committees and the terms of reference of the Study.

The preliminary questionnaire was pre-tested. For this purpose seven Assistant Secretaries from the Ministry of Establishment were requested to complete the preliminary set of questionnaire.

It was on the basis of the answers of the first five respondents that the final questionnaire was constructed. Changes in the questionnaire were made by reducing the number of open-ended questions, rephrasing, and providing a structured set of responses to most of the questions.

2. Sample Selection

It was decided that the questionnaire would be distributed among Class I officers in the seven designated Ministries, the majority of whom will be from the rank of Assistant Secretaries. In addition, the questionnaire were to be circulated to the selected officers on the basis of their responsiveness and experience. The selection was made in consultation with Joint Secretaries (Administration) of the respective Ministries.

3. Method of Administration

The questionnaire were circulated to a selected sample of 70 Class I officers of the concerned seven Ministries. Each of the Ministry was given ten sets of questionnaire except for the Ministry of Establishment, where fourteen questionnaire were given and the Ministry of Agriculture where fifteen sets of questionnaire were distributed. The questionnaire were circulated to the groups of the officers in each Ministry which included at least one Joint Secretary, one Deputy Secretary, and five Assistant Secretaries.

All the questionnaire were handed over to the concerned Deputy Secretaries of the seven Ministries who were the contact persons for the Project. Questionnaire were, however, individually distributed to all Joint Secretaries. The completed questionnaire were collected on days specified by the concerned Deputy Secretary of each of the Ministries. A total of 49 officials provided complete responses to the questionnaire.

4. Validity of Findings

To ensure the validity of responses, incomplete questionnaire were not included for analysis. Some questions were purposely structured for cross checking. For example, self estimate about knowledge of the Rules and Instructions were cross checked against the estimate of knowledge of the subordinates by their superiors. By this method, we were able to verify the validity of responses.

B. FINDINGS

RULES AND REGULATIONS

1. As per self-estimate 33 percent of the officers claimed that they have good knowledge about the Rules of Business and Secretariat Instructions, that is their knowledge range between 100 percent to 75 percent. This group consists of three Joint Secretaries(6.28 percent), four Deputy Secretaries(8.33 percent), and eight Assistant Secretaries (16.66 percent).

2. Fifty two percent of the officers claimed that their knowledge about Rules of Business and Secretariat Instructions range between 50 percent to 75 percent.

3. Only one Deputy Secretary and six Assistant Secretaries indicated that their knowledge about Rules and Regulations and Secretariat Instructions range between 50 percent to 25 percent.

4. In contrast, the opinion of the same respondents about the knowledge of their subordinates regarding Rules and Instructions seems to be very poor. Only 6.25 percent identified that the knowledge of their subordinates range between 100 percent to 75 percent. 45.8 percent said that it ranges between 75 percent to 50 percent followed by 47.9 percent, who consider the knowledge of their subordinates regarding Rules of Business and Secretariat Instructions to be unsatisfactory i.e. below 50 percent.

5. Fifty percent of the officers indicated that documents on Rules and Regulations including amendments are available in their section as opposed to 54.8 percent, who did not have the documents available.

6. A substantial number (72.9 percent) of the officers consider that the Rules of Business and Secretariat Instruction, 1976 facilitate quick disposal of business in the Secretariat while 27.1 percent are of the opinion that Rules and Instructions inhibit the disposal of business.

The above percentages may not be considered to give a clear picture regarding the provisions of Rules and Instructions in quick disposal of business in the Secretariat because of the fact that twenty respondents (41.66 percent) who answered positively to the question estimated their own knowledge to be between 75 percent to 50 percent. Five respondents (10.41 percent) in the same range answered negatively. Four respondents (8.33 percent) who estimated their own knowledge to be between 50 percent to 25 percent answered positively and three respondents (6.25 percent) in the same range answered negatively.

It may be pointed out that respondents who themselves claim less than satisfactory knowledge about the Rules and Instructions are not in a position to determine that the Rules of Business and Secretariat Instructions facilitate quick disposal of business. Taking the above fact into consideration, the perceived adequacy of the Rules and Instructions should be qualified. In the case of one-third of the respondents, their evaluation of the adequacy appears to be more a matter of their belief rather than their knowledge.

DECISION MAKING

1. A significant number (43.75 percent) of the officers exercise the authority given to them, as opposed to 25 percent who refrain from exercising their authority primarily due to unknown implications. Of the various other reasons that have been specified, lack of trust by superiors appears as the second important reason.

Other reasons for not exercising authority in order of importance are:

a) Lack of information;
b) Non familiarity with rules and regulations.

2. Twenty five percent of the officers identified lack of trust by superiors as the main reason for the tendency of putting up files to higher officers for decision. 22.91 percent is of the opinion that files are referred to higher officers for incomplete information, improper documentation, and uncertainty of consequences. 20.83 percent of the officers are of the opinion that lack of confidence is the reason for putting up files to higher officers.

3. More than one-fifth(22.91 percent) of the officers claim that their decisions are not at all influenced by any kind of extraneous considerations that may be beyond their control. But the 72.91 percent of the officers admitted being influenced by external considerations and ranked "Tadbir"(64.58 percent) as the main factor. 51.61 percent identified lack of cooperation by other Ministries and Departments as an important factor affecting quick decisions.

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Other reasons which also influence decision making are:

a) Instructions from higher authorities;
b) Deliberate withholding of information;
c) Political interference;
d) Interference by superiors;
e) Undue requests;
f) Time constraints for disposal of cases;
g) Incorrect information;

4. The Secretary has been identified as the person who contributes most to decision making, whereas the Additional Secretary has been identified to be contributing the least. The Deputy Secretary ranks second in contributing the most to decision-making. The Joint Secretary is considered third in contributing most to decision-making. The Assistant Secretary ranks fourth in contributing to decision making.

PERSONNEL MANAGEMENT

1. The highest number of times that an officer was transferred is fourteen, while on the other hand, quite a few of the officers have never been transferred at all.

2. The average length of service has been found to be 13.95 years, and the average number of transfers has been calculated to be 5.5 times.

3. There is no consistent pattern of transfer according to our findings. It has been found that eight officers were transferred three times. Out of these eight officers, one was transferred three times in eighteen years of service, while on the other hand another officer serving for the last six years was transferred the same number of times. The average length of service of those officers who have been transferred three times is 12.12 years.

4. Four officers have never been transferred at all. Two of them have been serving for the last four and five years respectively. But of the other two officers, one has been serving for fourteen years and the other for sixteen years.

5. The most adverse affect of transfer has been on job satisfaction with 39.58 percent of the officers indicating that their transfers have brought them professional frustration. A significant number (31.25 percent) of the officers claimed that their family life had been affected by transfers, and 16.66 percent of the officers specified that transfers had adversely affected the prospects of their promotion.

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TRAINING

1. Of the officers who have received in-country training, approximately 50 percent mention that their training had been relevant to their job, though a few of them specified that the training was relevant at the time of training. Only 10 percent of the respondents mentioned that the training undertaken was irrelevant. On the other hand one-third respondents claimed that their foreign training was relevant to their work.

For a majority of officers, in-country training has limited incentives and motivation. Foreign training, on the other hand, is considered more attractive. The overall conclusion is that in-country training is more relevant but less attractive while foreign training is attractive but less relevant.

LOGISTICS

1. Work seems to suffer the most for lack of staff or trained staff. A significant number of (81.25 percent) officers suggested improvements in this area.

2. Transport facility and office equipment are the next in order of importance with 60.42 percent and 58.33 percent of the respondents suggested improvements in transport facilities.

3. Approximately 50 percent of the respondents specified that physical facility needs improvement to create a congenial working condition.

4. Many of the respondents specifically identified lack of proper communication equipment to be a major area that needs improvement. Other specific areas that have been mentioned are office accommodation, office stationery, training facility and lack of well trained staff.

PUBLIC ADMINISTRATION EFFICIENCY STUDY
SECRETARIAT SYSTEM AND WORK PROCEDURES

QUESTIONNAIRE

Designation:.....

Age:.....

Highest Qualification:.....

Date of joining Class I Service:.....

1. How would you estimate your knowledge about the Rules of Business and Secretariat Instructions including amendments?

   ---100% - 75%

   --- 75% - 50%

   --- 50% - 25%

   Are these documents on Rules and Regulation including the amendments readily available in your Section?

   .....Yes .....No

2. How would you estimate the knowledge of your subordinates about the Rules and Regulations that are essential for the conduct of their duties?

   ---100% - 75%

   --- 75% - 50%

   --- 50% - 25%

3. Do you think that the provisions of the Rules of Business, 1975 and the Secretariat Instructions, 1976, facilitate quick disposal of business in the Secretariat?

.....Yes .....No

If no, please specify areas where existing Rules and Regulation should be modified. Please rank the areas in order of importance.

__ Channels of communication

__ Coordination

__ Allocated time for disposal

__ Layers of decision-making

__ Delegation of authority

__ Others

4. Do you think that the Rules of Business and Secretariat Instructions are followed by officers in disposing their duties?

/__/ Yes /__/ No

If no, what in your opinion , are the main reasons ?

/__/ Inadequate familiarity

/__/ Inadequate authority in application of rules

/__/ Lack of direction and supervision

/__/ Time constraint

/__/ Others Please specify_____

_____

5. Do you think that your work sometimes suffers from lack of logistical support? If so, please specify the areas for improvements.

/__/ Office equipment

/__/ Staff

/__/ Physical Facility

/__/ Transport Facility

/__/ Others. Please specify ----------

_____

6. Do you exercise the authority given to you? If not, what are the reasons for not doing so?

/__/ Lack of information

/__/ Non-familiarity of rules and regulations

/__/ Unknown implications

/__/ Others. Please specify_____

_____

7. Do you think that there is a tendency of putting up files to higher officers which an officer can dispose himself as per given authority? If so, what are the reasons for doing so? Please specify them in order of their importance.

/__/ Work overload

/__/ Incomplete information and documentation

/__/ Lack of trust by superiors

/__/ Lack of knowledge of the Rules of Business and Secretariat Instructions

/__/ Lack of self-confidence

/__/ Uncertainty of consequences

/__/ Others. Please specify_____

_____

8. Do you think that decisions are sometimes influenced by external considerations beyond your control?

.....Yes .....No

If yes, please identify some of these considerations.

/__/ Lack of cooperation by other Ministries and Departments

/__/ Tadbir

/__/ Others. Please specify_____

_____

9. Do you think that there are too many layers of decision making in the Secretariat? If so, which layers contribute most to the decision making and which layers contribute least?

Most	Least
_____	_____
_____	_____
_____	_____

10. How many times have you been transferred during the tenure of your service?

Number of times transferred: _____

Positions of transfer: 1. _____

2. _____

3. _____

4. _____

5. _____

11. How have your transfers affected your career?

/__/ Promotion

/__/ Job-Satisfaction

/__/ Family life

/__/ _____

/__/ _____

12. Have you received any in-country or overseas training, either short-term or long-term?

/__/ In-country training

Subject area and duration of training_____

Relevance to your present job _____

/__/ Overseas training; .....Degree .....Non-Degree

Subject area and duration of training_____

Relevance to your present job _____

---

13. Do you think that the present facilities for training of officers within the country are adequate? If not, what steps do you suggest to improve the situation.

14. Do you think that the trained officers are placed in their area of specialization? If not, what steps would you suggest to ensure proper utilization of the services of trained officers.

15. Do you think that the existing performance appraisal system in the Secretariat is satisfactory? If not, what do you suggest for its improvement.

Annexure E

SURVEY OF VISITORS TO THE SECRETARIAT

SURVEY OF VISITORS TO THE SECRETARIAT

A. Methodology

The main objective of the survey was to find out the purpose and the nature of the subject matter/case for which visitors come to the Secretariat. In doing so, an attempt were also made to identify, in general, the effectiveness of the various Ministries /Divisions in discharging their duties to public and also the effectiveness with which they dispose cases in relation to time.

Data was collected by means of the attached interview guide. Data collected was not limited to the prespecified issues, but other information regarding the nature of the cases of respondents, factors preventing solution of their specific problems, and other areas concerning the role of the Secretariat or the Ministry/Division with relation to the cases of respondents were also gathered by informal discussions with the visitors. Four interviewers conducted the Survey and collected the data from the respondents. A total number of thirty four persons were interviewed on a random basis.

B. Findings

1. People who visit the Secretariat can be divided into three distinct categories: 1) people who come to visit Ministries/ Divisions with specific official and personal matters/cases, (2) people who come in groups - members of associations, unions, business partners, etc. and (3) people who come and sit in the waiting room and have no personal or official business of their own. Some of them come to meet friends, relations and acquaintances working in the Secretariat. It has been observed that the members of this group also come to give support to others in case certain documents, authorization signatures, etc. are required. These people act immediately to obtain the required materials and bring it to the Secretariat.

More than three-fourth of the people who come to visit the Secretariat come from outside of the Dhaka city.

2. According to the survey, the Ministry which is visited the most is the Ministry of Education. 17.64 percent of the respondents expressed their intention of going to the Ministry of Education. Ministry of Law, Home, Finance, Land and Works were the next to follow, 8.28 percent of the respondents wanted to visit each of these Ministries.

3. The reasons for the high percentage of respondents who desired to visit the Education Ministry varied. Most of the visitors came for posting and transfer.

4. The Minister appears as the most sought after person. 23.52 percent of the respondents wanted to meet the Ministers. An equal percentage of people desired to meet the Secretaries, Additional Secretaries, and Joint Secretaries of different Ministries. The Assistant Secretaries ranked third (14.70 percent) followed by Deputy Secretaries (8.82 percent). Almost all persons wanting to meet Ministers claimed that they either know the concerned Minister personally or have met the Minister on previous visits and are following up on their particular case.

5. The problems for which people visit the Secretariat are so varied that it is not possible to arrange them under broad categories. The major reasons identified in our survey include:

a) posting and transfer,
b) land dispute,
c) relief and grants,
d) amendment of government order,
e) settlement of pay scale,
f) employment and re-employment,
g) tadbir,
h) family matters,
i) courtesy visit.

6. It was found that about one-third of the respondents were awaiting decision on their cases for more than three months. Fifty percent of the respondents mentioned that they had visited the concerned officer more than twice. Approximately 10 percent of the respondents had visited the same officer more than ten times.

7. Pressure of work, perceived inefficiency of officers, and limited office hours, were the main reasons mentioned by the respondents for the delay in disposal of their cases. Some respondents were more specific to mention reasons like corruption, delay in putting up files and absence of appropriate documents. Nearly half (44.12 percent) of the respondents opined that the reference of their case to the Secretariat could be avoided by delegation of power to the heads of other Government Departments, professional initiative, willingness to work, avoiding unnecessary referral of their case and assumption of responsibility. The others did not have a clear opinion as to what were the reasons for the difficulties in having their problems solved at the Secretariat or the alternate means by which their problem can be settled more efficiently.

The various dimensions of efficiency in the Secretariat in dealing with its clientele include the following:

1) problems of visitation and entry,

2) large number of people and interruption of work,

3) excessive use of tadbir,

4) centralization, and

5) unnecessary referral.

We make the following suggestions for improving the working environment in the Secretariat:

1. Visitors to the Secretariat should be restricted as much as possible to minimize interruptions in the working environment.

2. Steps should be taken to delegate and decentralize the service functions of the government so that the public can pursue their grievances without going to the secretariat.

3. The secretariat should be housed into blocks. The ministries should be housed in proximate blocks on the basis of their functions. The main regulatory ministries should be located in the center so that ministerial business concerned with regulatory matters could be efficiently conducted. Each block should have intercom telephone system. Visitors wishing to meet any officer should be allowed to use the facility once they are allowed to talk to any officer. In cases where the entry of an individual is considered necessary by the officer concerned, the visitor could be allowed to enter the secretariat.

TABLE OF FINDINGS

1. Ministry visited

Home	3	8.82%
Education	6	17.64%
Defence	1	2.64%
Law	3	8.82%
Health	1	2.64%
Jute	1	2.64%
Finance	3	8.82%
Land	3	8.82%
Culture	1	2.64%
Establishment	1	2.64%
Youth & Sports	2	5.88%
LGRD & Cooperatives	1	2.64%
Civil Aviation	1	2.64%
Religious Affairs	1	2.64%
Labour & Manpower	1	2.64%
Works	3	8.82%
Forest & Environment	1	2.64%
Industry	1	2.64%

2. Ministries most visited

1) Education	- 17.64%
2) Home, Law, Finance, Land, Works	- 8.82% (to each)
3) Youth & Sports	- 5.88%
4) Defence, Health, Jute, Culture, Establishment, LGRD, Civil Aviation, Religious Affairs, Labour and Manpower, Forest, Industry	- 2.64% (to each)

3. Minister/Officers most sought

A. Minister	8(23.52%)
B. Secretary, Additional Secretary, Joint Secretary	8(23.52%)
C. Deputy Secretary	3(8.82%)
D. Assistant Secretary	5(14.70%)
E. Others	10(29.41%)

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4. Primary Purpose of the visit

A) Posting and Transfer
B) Promotion
C) Foreign Training
D) Foreign Employment
E) Land Dispute
F) Licence & Permit
G) Relief
H) Grants-in-aid (Education)
I) Telephone connection

5. Duration of Pending Cases

A) Upto one month	7 (20.58%)
B) One to three months	4 (11.76%)
C) More than three months	11 (32.35%)

6. Number of times concerned officer visited

A) None	12 (35.29%)
B) Once	4 (11.76%)
C) Twice or more	17 (50.00%)

7. Perceived Reasons for Delay

A) Pressure of work	9 (26.47%)
B) Inefficiency	5 (14.70%)
C) Limited office hours	2 (5.88%)
D) Understaffing	3 (8.82%)

8. Visitors suggestions for avoidance of delay

A) Assumption of responsibility	2 (5.88%)
B) Avoidance of unnecessary referrals	3 (8.82%)
C) Delegation of power to the heads of Departments	5 (14.70%)
D) Professional Initiative	4 (11.76%)
E) Willingness to work	4 (11.76%)

PUBLIC ADMINISTRATION EFFICIENCY STUDY

Secretariat System and Work Procedures

Guide to Interview visitors to the Secretariat

1. Which Ministry do you intend to visit?

   Ministry of.....

2. Whom do you intend to meet?

   a. Minister
   b. Secretary, Addl. Secretary, Joint Secretary.
   c. Deputy Secretary
   d. Assistant Secretary
   e. Others

3. What is the purpose of your visit?

   a. Posting & Transfer
   b. Promotion
   c. Foreign Training
   d. Foreign Employment
   e. Land Dispute
   f. Licence & Permit
   g. Relief
   h. Grants-in-aid (education)
   i. Telephone connection
   j. Others

4. How long is the case awaiting decision in the Secretariat?

   a. Upto one month
   b. One to three months
   c. More than three months

5. How many times have you visited the officer concerned earlier for the same purpose?

   a. None
   b. Once
   c. Twice or more

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6. What, in your opinion, are the reasons for delay in disposal of your case?

a. Pressure of work
b. Inefficiency
c. Inadequate logistics
d. Limited office hours
e. Understaffing

7. Do you think, this reference of your case to the Secretariat could be avoided?

a. Yes
b. No

If yes, how?

a. Assumption of responsibility
b. Avoidance of unnecessary referrals
c. Delegation of powers to the heads of department
d. Professional Initiative
e. Willingness to Work

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Annexure F

LIST OF MINISTRIES

LIST OF MINISTRIES

1. Ministry of Agriculture
2. Ministry of Civil Aviation & Tourism
3. Ministry of Commerce
4. Ministry of Communication
   (a) Railways Division
   (b) Road and Road Transport Division
5. Ministry of Defence
6. Ministry of Education
   (a) Science and Technology Division
   (b) Cultural Affairs Division
7. Ministry of Energy and Mineral Resources
8. Ministry of Establishment
9. Ministry of Environment and Forestry
10. Ministry of Finance
    (a) Finance Division
    (b) Internal Resources Division
11. Ministry of Fisheries and Live-Stock
12. Ministry of Food
13. Ministry of Foreign Affairs
14. Ministry of Health and Population Control.
15. Ministry of Home Affairs
16. Ministry of Industries
17. Ministry of Information
18. Ministry of Irrigation, Water Development and Flood Control
19. Ministry of Jute
20. Ministry of Labour and Manpower
21. Ministry of Land
22. Ministry of Law and Justice

23. Ministry of Local Government, Rural Development and Co-operatives

    (a) Local Government Division
    (b) Rural Development and Co-operatives Division

24. Ministry of Planning

    (a) Planning Division
    (b) Statistics Division
    (c) External Resources Division
    (d) Implementation, Monitoring and Evaluation Division

25. Ministry of Post and Telecommunication

26. Ministry of Relief and Rehabilitation

27. Ministry of Religious Affairs

28. Ministry of Shipping

29. Ministry of Social Welfare and Women's Affairs

30. Ministry of Textiles

31. Ministry of Works

32. Ministry of Youth and Sports

Annexure G

TABLE OF MANPOWER

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

Number of Organisations

1. Ministry/Division : 45
2. Attached Departments : 185
3. Autonomous Bodies/Corporations : 115

Class-wise Manpower (as on 1st January, 1987)

Class	Ministry/Division (Secretariat)		Attached Department		Autonomous Bodies/ Corporation		Total	
	Sanctioned	In Position	Sanctioned	In Position	Sanctioned	In Position	Sanctioned	In Position
I	1836	1631	34,830	26,147	41,544	36,295	78,210	64,073
II	47	29	13,148	10,407	27,112	24,780	40,307	35,216
III	3817	3439	4,73,572	4,21,820	1,32,038	1,06,503	6,09,427	5,31,762
IV	2091	1992	2,09,666	1,92,903	84,395	75,159	2,96,152	2,70,054
Others	--	--	--	--	2,01,688	1,89,228	2,01.658	1,89,228
Grand Total	7791	7091	7,31,216	6,51,277	4,86,777	4,31,965	12,25,784	10,90,333

Compiled By: Statistics & Research Cell, O & M wing, Ministry of Establishment.

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REPORT
OF THE

PUBLIC ADMINISTRATION EFFICIENCY STUDY

Volume - 3

Relationship between Ministries and Departments

Ministry of Establishment
Government of the People's Republic of Bangladesh

Dhaka
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HIGHLIGHTS OF THE REPORT ON RELATIONSHIPS BETWEEN MINISTRIES AND DEPARTMENTS

Problems	Recommendations
1. Lack of adequate authority to carry out their responsibilities.	1. Delegate to the Department Heads or their subordinate officers: a. Disciplinary powers b. Powers of transfer and posting c. Sanction of Pension (to be considered) d. Granting of leave e. Counting of extra-ordinary leave for illness towards increment f. Purchase of replacement vehicles (to be considered) g. Repair of vehicles h. Purchase of office equipment i. Exceptional printing j. Emergency purchase of stationery.
2. Inadequate Departmental Participation in policy making	2. Organise well-prepared, joint Ministry-Department meetings for policy making.
3. Weak accountability systems	3. a. Maintain job descriptions and up to date work distribution descriptions. b. Stress effective supervisory training. c. Install reporting by exception to monitor the progress of subordinate units. d. Strengthen the audit system through - - timely audits - prompt review - setting audit objections promptly - developing a management audit capability.

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4. Weakness in technical and administrative capacity of Departmental staff.	4. a. Organise practical, problem-solving training b. Use trainees in fields for which they are trained c. Improve the quality of trainers through increased incentives d. Create training reserve posts for important job categories e. Extend work assignments to five years
5. Outdated paperwork systems	5. a. Reduce the unnecessary passing of files b. Expand the use of standardised forms for routine work c. Modernise filing systems d. Mechanise office systems when justified on a cost-effective basis and after the staff has been adequately trained to use the equipment.

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EXECUTIVE SUMMARY

The Working Group and its consultant staff have reviewed previous studies and documents on Ministry-Department relations. It has interviewed fifty-seven officials in the seven designated Ministries and related organisations. During ten meetings, the Working Group has adopted the following recommendations, which for purposes of this summary, are organised in relation to the objectives of the study as set forth in the terms of reference:

1. Higher standards in administrative performance

   - Need for clear job descriptions and work distribution.

   - Importance of the immediate supervisor in ensuring adequate performance, plus management information systems which will let superior officers know when major problems needing their attention arise.

   - Vital role of financial and performance audit to ensure that public purposes are achieved.

2. Sound policy analysis

   - Need for well-prepared and well-managed Ministry-Department decision-making meetings.

3. Implementation of policy and its strategic implications

   - Simplify the handling of cases, improving paperwork systems and utilizing modern office equipment when cost-effective.

4. Delegation of authority for non-policy making decisions

   - Administrative authority to be delegated to and within Departments for:

     a) Discipline,
     b) Transfer and posting,
     c) Sanction of pension,
     d) Granting of leave, and
     e) Counting extra-ordinary leave.

   - Financial authority to be delegated for:

     a) Replacement vehicle purchase
     b) Vehicle repair
     c) Purchase of office equipment
     d) Printing
     e) Stationery purchase

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5. Procedure for staffing

- Need to extend the three year rule on rotation to five years for greater continuity and growth of competence in Departmental management.

- Rotation to be made within groups of similar Ministries (areas of specialisation).

6. Development and improvement of training

- Better assessment of training needs.

- Priority for practical training linked to improving work methods.

- Need to train several people (a critical mass) from each organisational unit who will introduce new, improved systems of work.

- Need to use staff members in the fields for which they have been trained and to follow-up to ensure that training has a positive impact on work procedures.

- Creation of training reserve posts.

In the final section of this report, we have begun the process of identifying the steps which need to be taken to put these recommendations into practice. We believe that, if these opportunities for improvement are accepted and implemented, we will move toward:

- Departments with broader authorities to carry out their responsibilities, including sub-delegations to subordinate offices,

- Departments which can be held accountable for performing at higher levels of efficiency and effectiveness, and

- Departments which contribute to a more dynamic administration, an administration which will better contribute to meeting the needs of the people of Bangladesh.

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I. INTRODUCTION

A. The Constitutional Base

The Constitution provides a presidential form of government in Bangladesh. The President is both head of state and head of the government. All executive authority is vested in him. He exercises that authority either directly or through subordinate officers in accordance with the provisions of the Constitution. The Constitution also provides for a Council of Ministers, consisting of a Prime Minister, one or more Deputy Prime Ministers, and other Ministers who are to aid and advise the President in the discharge of his executive functions.

B. Ministries and Divisions

The business of the government is conducted through a number of ministries each in the charge of a Minister. Schedule I of the Rules of Business enumerates the detailed functions of the ministries. Each Ministry consists of one or more Divisions. A Division is the principal unit of a Ministry responsible for the administration of a general area of government business. The Ministries and Divisions are divided into wings, branches and sections in order to ensure the efficient disposal of their business.

The official head of a Ministry is the Secretary, a senior civil servant who acts as the principal advisor to the Minister on all matters of policy and administration. The Secretary is responsible for the proper conduct of business according to the Rules of Business and the Secretariat Instructions and also acts as the Principal Accounting Officer of the Ministry, Attached Departments and other Agencies under the control of the Ministry. In this capacity Secretary is responsible for making sure that funds are spent by the Ministry in accordance with the rules laid down by the Ministry of Finance.

C. Attached Departments and Subordinate Offices

The execution of government policies of a Ministry or Division is normally carried out by an Attached Department. These Departments are responsible for implementing the policies laid down by the Ministry or Division to which they are attached. They also serve as advisers to their Ministries or Divisions on the technical aspects of the business transacted by the latter organisations.

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The Subordinate offices generally function as the field establishments under the direction of the Attached Departments. Some Subordinate Offices are placed directly under the concerned Ministry or Division.

D. The Legal Base

The Rules of Business provide that the President shall approve all important policy decisions. All executive actions of the Government are taken in the name of the President. Only the Ministers and their aides, the Secretaries, Additional Secretaries, Joint Secretaries, Deputy Secretaries and Assistant Secretaries in the Ministries and Divisions or specially designated officers can authenticate orders made in the name of the President. The Secretariat Instructions provide guidelines as to how the Ministries and Divisions should relate to their Attached Departments and Sub-ordinate Offices.

E. Ministry-Department Relations

Ministries are responsible for planning and policy formulation, for budgeting and resource allocation, for control of administrative systems, for the evaluation and monitoring of policy execution, and in most cases, for the personnel management of Class I officers in their Attached Departments and Subordinate Offices.

As specified in the Secretariat Instructions, there should be no interference by the Ministry in the day-to-day operation of a Department. The Department Heads may have direct access to the concerned Minister to discuss official matters. They are instructed to inform the Secretary subsequently of such contacts. Department Heads are to make their proposals to their Ministry or Division which state the facts of the case, points needing decision and specific recommendations. They are responsible for the technical soundness of the proposal. The only cases submitted to the Ministry or Division are those which the Department Head is not competent to decide.

The Ministry or Division plays an important role in the preparation of budget estimates for itself and for its Departments. The Departments prepare their requests which are reviewed and decided upon by the Ministries or Divisions before passing the requests on to the Ministry of Finance. After legislative and presidential approval, the Ministry of Finance releases the approved funds to each Ministry. The delegation of financial powers to the Departments are governed by general guidelines, as issued from time to time by the Ministry of Finance.

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The Ministry of Establishment has overall responsibility for personnel policy. It directly controls initial recruitment of Class I officers belonging to cadre services except for those cadres which have been departmentalised. The responsibility of routine career management of professional, technical and specialist civil servants belongs to the Ministries, Divisions and Departments where they are employed. Department Heads possess control over all employees belonging to Class II, III and IV. They propose, subject to approval by their Ministry or Division, the posting, transfer, salary increment, leave and pension of the Class I officers in their Departments. The Ministries and Divisions have control over all senior appointments, foreign training, and promotions.

F. Earlier Government-Sponsored Studies

The search for ways to improve Ministry-Department relationships began soon after independence. The Administrative and Services Reorganisation Committee (ASRC) in 1973 recommended the delegation of greater financial powers to the Departments. They further recommended that many technical agencies be merged with their respective Ministries and Divisions. They suggested improvements in the operations and work methods of the Secretariat, reducing, for example, the levels of officers involved in deciding cases.

The Committee on Administrative Reorganisation/Reforms (CARR) in 1982 recommended decentralisation of major governmental functions to elected local governments. These recommendations have been largely implemented. A parallel Committee for Examining Organisational Set-up of Ministries/Divisions, Departments and other Organisations was formed in 1982. This Martial Law Committee (MLC) examined in detail the organisational arrangements of the Secretariat, Departments and Offices. It suggested reductions in staff, reorganisations of various units of government and delegation of administrative and financial powers to Departments and Offices. On this latter point, the Committee recommended that: "Delegation of administrative and financial power to the Departments/ Directorates should be more liberal for ensuring quick disposal of business."

The government subsequently took measures to implement this recommendation. The current study urges that steps be taken to further this process of delegation of power to the Departments.

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II. KEY CONSTRAINTS IN MINISTRY - DEPARTMENT RELATIONSHIPS

As a result of its examination of the relationships between Ministries and Departments, the Working Group has identified the following constraints to a more efficient and dynamic public administration in Bangladesh. Attention to reducing these constraints will help produce an accountable and more functional bureaucracy which will be in a position to implement policies and to get the work of the government done more rapidly and more effectively.

The Working Group has concluded that a more dynamic approach to administration is needed in Bangladesh. The Departments and their field staff must have the power to do the jobs which are given to them. They must have more freedom to carry out their responsibilities and at the same time, must be more accountable for using public resources effectively to achieve public purposes.

A. Lack of Adequate Delegation of Authority to the Departments and Within the Departments.

In its interviews with Departmental staff members, the Working Group was told repeatedly that the key constraint on effective Departmental operations and the major cause of delays in their activities was a lack of adequate delegation of authority over personnel and financial matters.* In many cases, they pass matters to the Ministries for decision when, in the judgment of the Departments, it deals with a routine, non-policy decision which they should be able to decide.

The work of the Departments has expanded greatly in recent years. Both the development and the traditional functions of government have grown. This has placed demands upon the Departments to perform broader and more important services to local communities. To be successful Departments need the authority to use their human, financial and material resources in a creative innovative manner within the broad policy guidelines laid down by the government.

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* The delegation of administrative and financial powers made by the government to Departments have been enumerated in Establishment Division Regulation Wing Letter No. ED/RI/S-41/76/86(40) dated 19-06-76 and the Ministry of Finance OM NO MF(EC-1) DP-4/85/158 dated 29-07-85, respectively. In recent years these powers have been reviewed by government committees. Their recommendations will be given soon.

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With an increasing participation of government in socio-economic development efforts, the role of Departments as executive agencies is likely to expand further in the future. In this context it is necessary to further strengthen the relationship between the Ministries and Departments through broader delegations of authority.

1. Administrative Delegations

1.1 Personnel administration constitutes a vital factor in the overall administration of the Departments. It is through their officers that Departments implement government policies and programmes. Successful implementation requires a staff which has the necessary technical capacity, is well motivated and disciplined. The government is responsible for personnel policy for all government employees. It exercises this policy making authority through its central personnel agency, the Ministry of Establishment, and through the administrative Ministries.

1.2 This centralised policy control serves a useful purpose in terms of setting standards to be followed by the operating agencies throughout the government in handling their personnel. However, it does not appear useful for the Ministry of Establishment and the other Ministries to maintain control over the routine operation of personnel administration. Of the 659,168 total manpower employed by the Ministries and Departments, Departments employ 651,277 and the Ministries 7,091.* A recent study of cases being handled within the Secretariat showed that 46% of those cases dealt with personnel matters. (Huda and Rahman, 1989 : 63) A major share of these cases should be handled at the Departmental level and not reach the Secretariat at all.

1.3 The officers and staff in a Department are broadly divided into two categories: (i) officers belonging to Class I junior scale and senior scale, and (2) officers and staff belonging to Class II and below. The Head of a Department has extremely limited powers of control over the first category of personnel who provide the leadership for the operational activities of the Department. ** It is this group of officers who get things done, who motivate and

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*Class-wise Manpower, Statistical and Research Cell, Ministry of Establishment,1987

** Under the existing arrangement the head of a Department has no power to appoint any officer of Class I. Under the Bangladesh Civil Service Cadre Composition Rules of 1st September, 1980 the President is the appointing authority of all Cadre Officers and the Government is the appointing authority of Non-Cadre under the Department Recruitment Rules. By "Government" is meant the Secrctary of the Ministry concerned.

provide directions and guidance to the staff in the implementation of the broad range of government programmes. The personnel administration for these officers is controlled principally by the Ministry; the Departmental Head is reduced to the role of being a proposer. The second category of personnel includes the great majority of Departmental employees.

1.4 The administration of personnel matters of Class I Officers in the Departments is seen as a major constraint to better efficiency in the public service. It is considered necessary to increase the delegation of powers of Department Heads in a manner sufficient to make their authority over their personnel commensurate with their responsibilities. It is in this context that the Working Group recommends delegations of authority to Department Heads in the following areas:

a. Disciplinary measures,
b. Transfer and posting,
c. Sanction of pensions,
d. Granting of all types of leave, and
e. Extra ordinary leave for increment.

1.5 As a first phase in the shift of authority over personnel to the Heads of Departments and, where appropriate, to heads of subordinate units, these delegations of authority are recommended. These delegations should be carefully exercised in accordance with government guidelines. As a second and later phase, after the result of these delegations can be evaluated, it may be appropriate to designate Department Heads the appointing authority for all Non-Cadre personnel of their Departments. This would give Department Heads complete authority over their personnel.

a. <u>Disciplinary Measures</u>

1.6 Department Heads lack adequate authority over Class I officers in matters of discipline. Under the existing " Government Servants Discipline and Appeal Rules, 1985" all powers for taking formal disciplinary action against a delinquent Class I officer rests with the appointing authority, which under the present arrangement is either the President or the Secretary. These Rules have thus protected this group of officers against disciplinary control by the Head of the Department although they are posted in the Department and draw their salaries and fringe benefits from the Department's budget.

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1.7 Disciplinary authority over some of the officers in the pay scale of 1350-2750 still rests with the Secretary of the concerned Ministry. Under existing rules, these authorities can be delegated by the appointing authority to the Departments for all categories of officers.*

1.8 In Departments where the number of disciplinary cases are large it may be advisable to create a cell with one or two trained officers to deal exclusively with disciplinary matters. Short course training may be organised to strengthen the capacity to carry out this responsibility in Departments.

Recommendation 1: The power of the appointing authority to exercise disciplinary powers over cadre and non-cadre officers, except that of imposition of major penalty, should be delegated to the Head of the concerned Department or to subordinate officers as appropriate. Appellate authority would remain with the Ministry.**

b. Transfer and Posting

1.9 In the matter of transfer and posting of officers, the Ministry concerned usually exercises this power. In a few Departments, such powers are exercised by the Heads of Departments for Junior Class I officers. This limits the authority of Department Heads to organise their own manpower and to get things done. Lack of control over transfer and posting is a major cause of friction in the working relationship between the Department and its Ministry.

Recommendation 2: The Ministries should delegate powers of transfer and posting to the Department Head in respect of officers in their Department belonging to any Cadre or Non-Cadre Service, except that of their immediate deputies. Other exceptions would include officers of

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* Rule 2(b) of the "Government Servants Discipline and Appeal Rules, 1985" provides that the appointing authority may designate an officer to exercise the powers of the authority in regard to actions such as discipline.

** Major penalties include reduction to a lower post or time scale, compulsory retirement, removal from service, and dismissal.

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the rank of Superintendent of Police and above in Police Department and Divisional Commissioners and Deputy Commissioners under the Ministry of Estaulishment.

c. <u>Sanction of Pension</u>

1.10 Ministries have the power to sanction pension of all officers in the pay scale of Tk.1650-3020/- and above posted in the Departments. The Department Heads have no power in this regard which dilutes their authority over these officers. A pension is not a matter of right; it is a benefit granted by the government to a retired government servant on the basis of a report by the Controller General of Accounts. Heads of Departments should enjoy this power to sanction pensions to their officers.

1.11 The Heads of Departments are also deprived of the power to sanction condonation of interruption of service for grant of pension, condonation of deficiency in qualifying service for sanctioning pension, and power to grant compassionate pension. All of these powers can be exercised only by the Ministry. This delegation of powers can give to the Department Heads an additional means to motivate their officers.

<u>Recommendation</u> 3: Consideration should be given to the delegation of following powers to the Heads of Departments:

a. Sanction pension of all kinds
b. Condone interruption of service, except in cases of temporary government servant.
c. Condone deficiency of qualifying service for pension,

1. upto 6 months provided that:
   a. the official would not earn ordinary pension but for condonation.
   b. the official served meritoriously.

2. upto 12 months provided that:
   a. the official has other non-qualifying service to his credit or
   b. the official has retired prematurely due to medical reasons or abolition of the post.

d. Sanction compassionate pension to a government servant removed from service.

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1.12 These delegations are subject to guidelines or instructions as may be issued by the government from time to time.

1.13 In the first phase Government may consider delegating these powers regarding pension only to those Heads of Departments who are enjoying scales of pay the maximum of which is not less than Taka 5500/-. At a later stage when results of such delegation of power have been evaluated consideration could be made for extending these delegation of powers to other Heads of Departments.

d. Granting of Leave

1.14 Similarly the power to grant certain types of leave like special disability leave cannot be granted to officers by the Head of the Department. If earned leave or extra-ordinary leave can be granted by them, there appears to be no reason why they cannot also grant special disability leave.

Recommendation 4: Full powers to grant all kinds of leave should be delegated to Heads of Departments.

e. Counting Extra-ordinary Leave taken due to illness for Increment

1.15 Under extra-ordinary leave, a government employee does not earn any increment unless he/she is specifically allowed to do so by their appointing authority. Since in Attached Departments and Subordinate Offices, the Department Head is not the appointing authority of most of the officers working in the Department it becomes a difficult and time-consuming process for them to earn any increment during periods of extra-ordinary leave. To boost the morale of Department officers, the power to count extra-ordinary leave due to illness for increment should be delegated to Heads of Departments.

Recommendation 5: Heads of Departments should be delegated the power to allow a government employee under their administrative control to count extra-ordinary leave towards increment, provided that the extra-ordinary leave has been taken due to illness.

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2. Financial Delegations

2.1 Delegation of financial authorities to the Departments is the next most important area for facilitating the flow of work. The same study of cases being handled at the Secretariat level, mentioned above, found that 30% of the cases concerned financial matters. (Huda and Rahman, 1989 : 63) Many of these cases can and should be handled at the Departmental level. The Working Group recommends that specific delegations take place in these areas:

a) Purchase of replacement vehicles
b) Repair of vehicles
c) Purchase of office equipment
d) Printing
e) Stationery purchase

a. Purchase of Vehicles

2.2 Departments are not permitted to purchase new or replacement cars and vehicles for official use although budget provision has been made for them. For new purchases, the Department is required to send a summary request to the Ministry and after their scrutiny, the Ministry will forward the request to the Ministry of Finance. If the Ministry of Finance approves the proposal for the purchase of the new car it will be sent for Presidential consent. The process of approving the purchase of a new car or vehicle often takes a year.

2.3 A similar procedure is followed for the replacement of old cars or vehicles. The procedure involved in such replacements is extremely time consuming. It includes the following steps:

a. Examination of the old car or vehicle by the Government's Inspector of Transport,
b. Obtain a condemnation certificate from the Condemnation Board,
c. Sale of the old vehicle,
d. Deposit of the sale proceeds with the Government, and
e. Grant of permission for replacement by the Minister concerned.

2.4 The purchase of new vehicles is a sensitive matter on grounds of economy. Powers in regard to purchase of new vehicles outside the entitlement worked out by the 1982 Martial Law Committee should remain as it is at present.

2.5 The government has recently made changes in regard to purchase of replacement vehicles. Purchase of such vehicles up to 80% can now be made with approval of the Minister.

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Recommendation 6: **The purchase of replacement vehicles has recently been delegated to the Minister. Consideration should be given to further delegation of this power to the Heads of Department.***

b. Repair of Vehicles

2.6 Approval of the repair of government vehicles also involves an unnecessarily lengthy process. Moreover, the power of departments to authorise such repairs is limited to Tk.10,000/- at any one time or Tk.30,000 in one year. This amount is extremely small and places a difficult burden on Departments which maintain a fleet of vehicles.

2.7 The timely repair of vehicles is essential for good and durable service from them. A proper stitch in time saves nine. Vehicles should be properly maintained, serviced on a timely basis and kept neat and clean. Departments owning a large fleet of vehicles should designate an officer to supervise the maintenance of vehicles. Departments having a large number of vehicles should consider setting up their own workshop for vehicle maintenance. A thorough study of the costs and benefits as well as cost effectiveness should be undertaken before establishing such workshops.

Recommendation 7: **Heads of Departments should be delegated full powers for the repair of vehicles, subject to budget provision and the observance of the rules and instructions of the government.**

c. Purchase of Office Equipment**

2.8 The Departments have no independent authority to purchase needed office equipment. If the Department wants to improve its efficiency through the use of such equipment it has to undergo the same lengthy exercise as in case of the purchase of new cars/vehicles. As a general rule, government offices should introduce modern office equipment when it will improve their productivity on a cost-effective basis.

Recommendation 8: **Department Heads should have full authority, for the purchase of office equipment provided that budget allocation has been made for the same and that normal rules for purchase are observed.**

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* This delegation would not apply to purchases under the Development Budget, which has its own rules/instructions on delegation of powers.
** Applies to purchases under the Revenue Budget.

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d. Printing

2.9 The printing of materials for government operations or for public information is an important aspect of the work of the Departments. At times the volume of such printing exceeds the capacity of the government's Department of Printing and Stationery. In these cases the Departments need the authority to undertake printing on their own. At present this authority is very limited: Heads of Departments can authorise printing expenditures up to Tk.2000, officers of category I to Tk.1500, Officers of category II to Tk.1000, and officers of category III to Tk.500.*

Recommendation 9: **Department Heads should have full authority to print materials related to the work of their Departments within their approved budgets, when the government's press is not available to meet their needs. They may further delegate this power to subordinate officers within their Departments.**

e. Purchase of Stationery

2.10 Stationery is an important input in the normal transaction of government business. From time to time, items of stationery are in short supply and can not be replenished through normal government channels. This often causes great difficulty in conducting normal business.

Recommendation 10: **Department Heads should have full authority to purchase stationery locally on an emergency basis. This authority may be further delegated to subordinate officers in the field on a prudent basis.**

3. Sub-Delegation Within the Departments and Subordinate Offices

3.1 Delegation of powers to Heads of Departments alone is not sufficient to make Departments effective in executing government policies and projects. Such delegation of power will mean simple Transfer of power from one Head to another. Power will still remain concentrated in one hand. To derive full benefit of delegation of powers there should be simultaneously sufficient sub-delegation of powers at different levels who are responsible to get things done in the field. Only then will supervisors have adequate control to properly organise their staff to achieve the objectives of the organisation. Heads of Departments should therefore

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* Ministry of Finance OM No.MF(EC-1)/DP-4/85/158 dated 27/7/85.

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sub-delegate their administrative and financial powers to ensure that powers be located at the points where their exercise is essential for proper policy and programme implementation. Such sub-delegations should be, as far as practicable, uniform on the basis of levels of officers to whom such powers are delegated.

3.2 While sub-delegating powers, steps should be taken to ensure that such powers are not misused. Power should be carefully delegated to subordinate levels in the organisation which are competent to use it conscientiously and its proper use should be a continuous subject of monitoring by higher authority. These authorities will be kept informed of the exercise of such powers through periodical reports and returns. Any misuse of these powers will be strictly dealt with.

B. Policy Making

For many years there has been a controversy over whether policy making can be separated from policy implementation, whether deciding can be separated from doing. This question is important to the present study because it is generally agreed that the primary responsibility of the Ministries is policy making and the primary responsibility of the Departments is to implement that policy. But the real world is never as simple as these kinds of analytical distinctions would lead one to believe.

Policy making at the Ministerial level needs the technical input and judgment of Departmental officers who are handling the problems in the field. Policies are made not only by the "deciders" at the Ministerial level but are heavily influenced by the "doers" at the Departmental level, who formally and informally give life and meaning to the policies. A policy, it can be said, is only as good as the capacity of its implementers to carry it out. Policy making and policy implementation can thus be seen to be inseparably intertwined.

In exercising their policy making responsibilities the staff in the Ministries need the technical inputs of the Departments. They have the best knowledge of the day-to-day operations of government programmes in the field. Their experience and judgment is essential for sound policy making. The problem is how to ensure this flow of information to the Ministries for its use in the policy making process. The Secretariat Instructions prescribe that the "Head of a Department will be responsible for the technical soundness of his proposals."* But this is not enough to ensure the continuous involvement of Departmental

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*Secretariat Instructions #179

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staff and utilisation of their expertise in Ministerial decision making. The practice of passing files with notes being added at each level of the hierarchy is often a laborious and time consuming way of deciding policies.

The Working Group considers that properly managed meetings are an effective way to involve Departmental staff members in decision making and reduce the unnecessary flow of paperwork back and forth between Departments and their Ministries. The Working Group is not calling for more meetings. It is, however, calling for better managed meetings which will build a sense of team work between Ministries and Departments. The problem with too many meetings currently is that they are attended by staff members who do not have the authority to decide the question at issue or the meeting itself is not managed in a decisive manner. Used effectively, meetings will result not only in better policy decisions, but also in policies which are better understood and more effectively implemented by the Departments.

When a Department seeks a policy decision on any particular matter, it should as a first step prepare a thorough, analytical working paper on the issue. The paper should state clearly the problem being addressed, the effect of any law or earlier order on it, and the proposed solution which the Department feels would be appropriate in the situation. The views of affected agencies and necessary clearances should be obtained in advance and incorporated in the working paper.

Instead of entering into a lengthy correspondence on the matter, a well-managed meeting between Department and Ministry can then be organised on the basis of the working paper. The working paper should be circulated at least seven days in advance to all officers who are to be invited to the meeting. This meeting should be chaired by a responsible officer of the Ministry and attended by Ministry and Department officers with authority to take decision on the matter. This will not only expedite decision making, but also will reduce paperwork and the flow of files from one office to another. The decision of the meeting should be final and binding on all participating organisations.

<u>Recommendation</u> 11: The principal mechanism for making policy decisions should be well prepared, joint Ministry-Department meetings chaired by the responsible senior Ministry officer and attended by concerned Departmental officers.

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C. Accountability

During its study, the Working Group repeatedly encountered the observation that accountability was lacking in the government today. Too often officials do not know who is responsible for doing what. There is a lack of supervision and follow up to ensure that those who are responsible for specific actions take that responsibility, as set forth in the Secretariat Instructions, seriously and act in a timely fashion. This is a serious problem at the very heart of the low level of efficiency in the government.

1. Assignment of Responsibility

1.1 To achieve accountability, the first essential requirement is a clear and comprehensive job description. The officers should clearly understand the responsibilities which have been assigned or delegated to them and what are the different tasks they have to perform. It is only against such responsibility that one can be made accountable.

1.2 For ensuring accountability there should also be a clear assignment of responsibility or distribution of work to each organisational unit in the Departments. The 1982 MLC study prepared detailed organisation charts for all units of the government. This was a monumental undertaking, but government organisation does not stand still. The Working Group found few up-to-date organisation charts in the Departments they visited. The impression gained is that the government is constantly reorganising its offices and the clear documentation of those changes lags far behind. An important step in achieving better accountability in the government is to increase attention to having current organisation charts and up to date work distribution descriptions for all units of government.

Recommendation 12: Clear assignments of responsibility to organisational units and to individuals, as a first step towards increasing accountability in government, needs continuous attention through maintaining up-to-date:

a) Job descriptions for all positions, and

b) Work distribution descriptions for each organisational unit.

2. Monitoring Performance

2.1 Accountability in government also depends fundamentally on good supervision. All officers of the government need to know to whom they report and who will supervise their

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activities. The modern notion of supervision is that the supervisor is, above all, a coach helping the subordinates to achieve their potential and to contribute their maximum to the objectives of the organisation. Supervisors are responsible for motivating their subordinates in such a way as to get the job done well and in a timely fashion.

2.2 Senior officers in each Department also need effective progress reporting systems to monitor the work in their organisations. At the Ministry level monitoring officers need to know when difficulties arise or when performance targets will not be met. This type of reporting on an exception basis helps to avoid over loading the flow of information to officers in the higher levels of the hierarchy.

2.3 All agree that the Departments are primarily responsible for policy implementation. The Secretariat Instructions state that "there will be no interference in the day to day operation of a Department by the Secretariat."* The Working Group, however, has observed the high degree of involvement of the Ministries in many aspects of the work of the Departments. The need for further delegations of authority results from this trend toward centralisation in the government's administrative system.

2.4 The delegation of authority to the Departments is the first and most important step in assuring that implementation is indeed performed by the Departments. But it is not sufficient. There must be a continuing effort to send back cases to Departments which they can themselves decide. The study team was told of the frequency with which cases were unnecessarily passed up. "When in doubt, pass the files to a higher level", has become a problem which needs strong counteraction.

2.5 The Ministries are responsible for monitoring policy implementation, reviewing progress towards targets and changing policies when appropriate. But this monitoring authority should be carried out by periodic visits to the field to observe programmes in action, not by intervening in the details of implementation. Progress reports should be received on a monthly or quarterly basis and should focus on deviations from planned targets. This "management by exception" should reduce the flow of routine information upward in the hierarchy.

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* Secretariat Instruction # 183

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2.6 Delegation of implementation authorities to the Departments should be the rule. Ministerial monitoring is to be limited to periodical progress reporting (with emphasis on where performance targets have not been achieved) and periodic field visits to observe the functioning and impact of programmes.

Recommendation 13: Effective supervision is essential for monitoring work and for achieving improved accountability in government. Greater emphasis needs to be placed on supervisory training and the use of supervisory capability as a key criterion in making promotions.

14. Department and Ministry officers also need to monitor progress, but on an exception basis, when performance falls significantly short of expectations or special problems arise which need corrective action at higher levels in the organisation. This type of "management by exception" should complement the kind of review meetings now held for development projects.

3. Auditing

3.1 Ultimately, accountability in government depends upon an independent and effective audit system. Someone from outside the hierarchy needs to check on progress to see how well work has come along. Traditionally this was a check on the proper use of public monies. Increasingly the modern auditor is also looking at performance: how well was the money used, were the purposes of the government achieved? There is no substitute for this type of outside view to ensure that government officers are accountable to a broader sense of public purpose. The professional integrity and competence of the audit staff are crucial to this process.

3.2 Traditional audits are undertaken of all financial operations (receipt and expenditure) starting with the accounts of Drawing Disbursing officers at the Upazila level. Such audit takes into account funds received and funds spent. It examines if funds are spent for the purpose for which they are sanctioned, if they are spent in accordance with the rules, and if no irregularity has taken place in such spending. This gives a picture of the regularity of spending.

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3.3 Equally important, however, is management audit of operations. Such audit shows if performance targets assigned to a unit have been achieved as planned and that assigned tasks have been completed with the funds allocated for the activity. To undertake such audits in Bangladesh properly trained manpower will need to be built up.

3.4 In spite of the work of the Public Accounts Committee and high level political interest, the Working Group was given many examples of how auditing today within the government is not taken seriously. Audits are often carried out five or more years after operations are performed, when the concerned officers have left the organisation. Frequently audit reports give equal or greater weight to trivial matters rather than focusing on the more important expenditures and programme issues. Worst of all, audit findings are often ignored; no attempt is made by the audited organisation to respond to the audit report and no follow-up action is taken by the auditors. The Public Accounts Committee and the high level Committee headed by the Vice President have addressed these issues with useful results. These efforts need to serve as the basis for a long term approach to this problem.

Recommendation 15: To increase accountability an improved audit system is essential including four elements:

a) Audits are to be carried out on a timely basis,
b) Audits are to be reviewed promptly by the Public Accounts Committee,
c) Audit objections are to the settled promptly, and
d) Priority should be given to develop a management audit capability to check on the achievement of performance objectives.

D. Technical and Administrative Capacity of the Departments

1. Training

1.1 For the delegation and decentralisation of authority to the Departments to be effective, there must be a strong and sustained effort to improve their capacity to assume those responsibilities. The Departments and their staff are the key elements in the execution of the government's programmes. Without well-trained and well-motivated Departmental personnel, projects and programmes will continually fall short of expectations.

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1.2 The goal of Departmental capacity building is thus to prepare staff to assume and exercise broader responsibilities. Both technical and administrative skills must be continuously upgraded to enable Departmental staff to better perform their functions. Too often, in the past, training has been focused on the individual rather than the work group, on academic knowledge rather than on finding practical solutions to everyday problems, on the "why" of things rather than on the "how to."

1.3 The need is to train a critical mass of people in each Department to undertake improved work methods. This calls for an extensive effort to reach personnel across an agency and up and down the hierarchy to find better ways to carry on the work of the organisation. This type of practical, problem-solving, participatory training has been used from time to time by various organisations in the government. It needs to become the norm in Departmental capacity building, focusing on the key technical and administrative problem areas of each Department.

1.4 Many of the Departments have their own training institutes. It is the view of the Working Group that some of these institutes are not providing the appropriate capacity building to enable their staff to undertake needed work reforms. As a result, the development of professionalism and technical expertise has lagged behind expectations

1.5 One shortcoming in the existing system is that there is no provision for a training reserve in sanctioned posts. As a result, supervisors cannot always spare their officers for training, especially for longer courses. A recommended solution to this problem is to create training reserve posts in the important job categories in each Department.

1.6 Another weakness lies in the inadequate preparation of training officers. To organise practical, problem-solving types of training requires a high degree of skill. It is necessary, therefore, that the reform of the Departmental training institutes should begin with improving the capability of the trainers. These trainers should receive priority consideration for foreign training as well as for promotion.

1.7 One important objective of improved training and capacity building is to reduce dependence on foreign technical advisors. When these advisors are necessary, one of their first priorities should always be to train local staff to take their places. The success of development schemes should be measured, in large part, by their capacity to be self-sustained at the end of the project period. Staff training is a vital aspect of achieving this objective.

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Recommendations 16: To expand the technical and administrative capacity of Departmental staff, more emphasis must be given to practical, problem-solving types of training. Sufficient numbers of staff from each organisation should be trained in new work methods. Then they can carry out the kinds of re- forms required to make Departments more effective agencies for policy implementation.

17. Once trained, staff need to be utilised in the fields for which they are trained so that the agency concerned will get full benefit from their investment in staff development.

18. Trainers should have priority in receiving foreign training as a means of developing their professional competence. They should receive special consideration for promotion when they contribute effectively to improving the quality of training programs.

19. Training reserve posts should be created in important job categories.

2. Rotation of Staff

2.1 The Working Group has received many complaints that the three year rule for assignments is being ignored. One officer reported that he had served in nine different posts during the past twelve years. The impact on both Ministry and Departmental effectiveness of this discontinuity is often disastrous. In many cases, three years is too brief a time for a technical officer to learn about and then perform adequately in a position. Assignment should be made for a longer period.

2.2 There is a critical need for capacity building among personnel within the Departments, and then for stability of assignment in order to permit those officers to do a professional job in their field. Good administration depends upon staff development and staff continuity. An officer who has received training in a particular discipline should be posted in the job for which training was received and should be kept in it for a sufficiently long period so that the expertise gained in the training can be fully utilised. Rotation, when it is made, should be within the general area of the skills of an officer and should be part of a pattern of career development.

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Recommendation 20: The three year rule on rotation should be extended to five years. Exceptions should be granted only for over-riding personal or organisational necessity. Rotation should be made within an area of specialisation, within a group of Ministries with similar objectives.

E. Paperwork Simplification *

1. Unnecessary Passing of Files.

1.1 The Working Group is concerned about the continuing flow of paper work which comes from the Departments to the Ministries. Through broader delegations of authority to the Departments this flow of files should be reduced.

1.2 Of equal importance is the problem of note writing and the laborious process by which files are passed from level to level within the Secretariat. Departmental staff are often dismayed at the intervention of junior officers in the Secretariat in matters which they know must go to senior officers for decision.

1.3 Secretariat officers particularly at the lower level often avoid accountability and cause unnecessary delay in deciding a case by passing of files and papers to other agencies like Ministry of Law, Ministry of Finance, Ministry of Establishment, etc. for seeking clarification or opinion which causes untold suffering to clients. In many cases files are not put up to deciding officers on time for disposal which results in delay. This is a gross violation of relevant instructions of the government. Instructions No. 184-187 of the Secretariat Instructions which provide the basic guidelines for transaction of government business have given a time-frame for disposal of cases at each level of officer as:

Assistant Secretary	72 hours
Deputy Secretary	48 hours
Other officers	24 hours

1.4 Whenever officers are unable to complete examination of a case within the time frame due to some over-riding reasons they have to explain to their immediate superior and obtain permission for time.

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* The Working Group considers that its recommendations in this area are generally applicable throughout the government at all levels.

1.5 Secondly, unnecessary passing of cases/files is completely forbidden. If any reference to other Ministries is unavoidably required this can be done only by quoting provisions of rules, orders, regulations, instructions, etc.. Without appropriate quotation of rules, etc. a reference will be untenable under Instruction 190 of Secretariat Instructions.

1.6 To ensure that these instruction are strictly observed Instructions Nos. 194 to 197 have provided for submission of monthly statements of cases pending in each section with reasons thereof to the Secretary, holding of monthly meeting of all officers of the Ministry by the Secretary, conducting of monthly and half yearly inspections by senior officers. Instruction 198 has provided for an internal work study unit to look into complaints of delay. Inspite of these instructions disposal of cases are being delayed unnecessarily and papers are passing from one official to another, hugely inflating the paper work in Ministries/Divisions.

1.7 Existing instruction and written guide-lines on the handling of cases are adequate, but they are not properly observed.

Recommendations 21: As a general rule, files are to go directly to the officer responsible for deciding the matter involved either within the Department or the Ministry. If the paper must go to a higher level for decision, it is to be accompanied by the relevant background information, the clearances from other responsible officers and a draft reply ready to be signed by the senior officer. Lengthy, repetitive notes and the unnecessary passing of files up and down the hierarchy or to other agencies are to be avoided.

22. Senior officers in the Secretariat should observe the instructions in regard to the passing of files, holding of monthly meeting, and conducting regular inspections to expedite the disposal of business.

23. The annual confidential report (ACR) process should be used to focus attention on and seek improvement in individual performance in the disposal of business and the unnecessary passing of files.

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2. Use of Forms

2.1 The Working Group believes that the government could significantly increase its efficiency through the wider use of standardised forms. Forms enable an office to handle its routine business without the unnecessary copying of instructions or information. Forms could be more widely used in soliciting information and for conveying information. Simple routing slips can be used to pass information or files along without making hand written notes. Form letters can be more widely used in responding to routine inquiries. An imaginative, continuing search needs to be undertaken to find ways in which standardized forms can simplify the paperwork tasks of the government.

Recommendation 24: **Wider use of standardised forms will facilitate routine work and speed up the flow of paperwork. The O & M Wing should organise an expanded effort to carry out its responsibility to promote the design and use of simplified, standardised forms.**

3. File Management

3.1 Other government and private organisations have achieved significant economies through the standardised use of letter sized paper, file folders and file cabinets rather than legal sized paper. The economies flow not only from reducing the cost of paper, but also the cost of the file cabinets in which the documents are placed. Other organisations have found significant economies and efficiencies through better files management. Each folder is limited to 100 pages. A new folder is created when this limit is reached or at the end of each year. Old files are then separated and according to a regular schedule are moved to storage areas or are destroyed.

Recommendation 25: **The O & M wing should undertake an action programme to improve the government's filing operations; setting standards for using letter-sized paper, file folders and cabinets, for opening new files on an annual basis, with scheduled disposal * of old files.**

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* Disposal includes either storage in the record room or destruction, as appropriate.

4. Use of Modern Office Equipment

4.1 The Working Group was told of the frustrations of senior government officers who complained that it "takes ten days to get a letter typed". The embargo on the purchase of office equipment made by the MLC in 1982 is partly to blame for this situation.

4.2 Investment in office equipment which will improve the efficiency of the government can be highly cost effective. As a result of the recommendation of the Matin Committee, telexes are being introduced to facilitate communication with field offices. This is a step in the right direction.

4.3 Telephones are potentially a vital part of office modernization. They need to be used to get information, to obtain clearances on individual cases, to expedite decision making and to cut down on notes and the flow of paperwork. Digital telephones with PABX can greatly facilitate communications. Copy machines are equally important for the operation of a modern office. All offices should have access to these work savers.

4.4 Electronic word processing machines are also vital for economical office operations today. They need not be the most sophisticated models, but a careful cost analysis will show where they can be more widely introduced in the government. Modern office equipment should be introduced to simplify the great burden of routine typing and letter writing in the government. A parallel emphasis must be placed on training the clerical staff to use these machines to ensure their optimal usage.

Recommendation 26: Office mechanisation is a priority government need which deserves serious analysis and remedial action to expedite paperwork and office efficiency. Office systems can be modernised on a cost-effective basis through broader but careful use of telephones, word processors, computers and copy machines. This will need an upgrading of skills and rationalisation of manpower. Adequate staff training on the use of equipment is an essential first step before acquiring new equipment.

III. NEXT STEPS: IMPLEMENTING CHANGE

A. Delegation of Administrative Powers to Heads of Departments/ Directorates and Sub-ordinate Offices

To make Departments more effective in executing government policies and projects and at the same time to strengthen the relationship between Ministries and Departments, the Working Group has made a number of recommendations for the increased delegation of powers to Departments. To implement the proposals for delegation of powers an action plan will now have to be initiated. The delegations to Departments, are as follows:

1. Disciplinary action

2. Other administrative powers
   a. Transfer and posting of officers,
   b. Grant of all kinds of leave, and
   c. Power to count extraordinary leave for increment.

3. For consideration for delegation:
   a. Sanction of all kinds of pension including
      1. Condonation of interruption of service for pension,
      2. Condonation of deficiency of qualifying service for pension,
      3. Power to grant compassionate pension.

1. Delegation of Disciplinary Powers

1.1 Of the proposals for the delegation of powers to Departments, the most important are the powers to take disciplinary action. The applicable rule is called the Government Servants (Discipline & Appeal) Rules, 1985. All powers for disciplinary measures vest in the appointing authority. The Clause (a) of Rule 2, provides for the delegation of powers by the appointing authority to a designated officer, subject to such general or specific guidelines as may be issued by the Government from time to time.

1.2 Since the President of the Republic is the appointing authority for all cadre officers and the Government appoints non-cadre officers, it is appropriate that the President or the Government, as the case may be, may issue a general delegation order applicable to all Departments/ Directorates and Sub-ordinate Offices.

1.3 Alternatively, the President or the Government may issue separate delegation orders applicable to each department. In this case, there will be as many specific delegation orders as there are Departments, Directorates and Subordinate offices. A general delegation order applicable to all Departments and Sub-ordinate offices will,thus, be more convenient in the implementation process.

1.4 The Working Group recommends the general method of delegation. A model of such delegation is given in Model A and Model B. If however, the delegation of powers to specific Departments is preferred, the powers will be delegated to the Head of each Department mentioning the name of the Department concerned.

1.5 The first step for implementing the change is to arrange for the general delegation by the President of this power to all Departments/Directorates/Sub-ordinate offices in respect of all cadre officers and by the Government in respect of all non-cadre officers. The President or the Government, as the case may be, should:

a. Designate an officer to whom these powers may be delegated,

b. Specify members of service/holders of posts in respect of whom the designated officer will exercise the powers of disciplinary action under the rules,

c. Mention clearly the extent of such powers which will be exercised by the designated officer, and

d. Give orders to be notified in the gazette.

1.6 Copy of such orders are then to be issued to all concerned for taking necessary action or for information.

Model A

Model for Cadre Officers

In exercise of powers conferred by clause (a) of rule 2, the Government Servants (Discipline and Appeal) Rules, 1985, the President is pleased to designate, in respect of the members of the services and holders of the posts specified in column No. 1 of the schedule below, the officer specified in column No. 3 of the said schedule to exercise the power of the authority under said rule to the extent specified in column No. 4 of the schedule, for purpose of taking disciplinary action under the said rules:

Services and posts	Appointing authority	Officer designated	Extent of powers
1	2	3	4
In respect of officers in the pay scales of Tk.4200-5250/- and Tk.3700-4825/- who are placed under their administrative control.	President	Heads of the Department concerned	Full powers of 1) Punishment under clause (a) to (e) of sub-rule 2 of rule 4 2) Inquiry under rule 6, 9 & 10. 3) Suspension under sub-rule (11) 4) Full powers of Borrowing Authority under rule 14.
In respect of officers in the pay scales of Tk. 2800-4425/- and Tk. 2400-3600/- who are placed under their administrative control.	President	Directors or equivalents	Full powers of 1) Punishment under clause (a) to (e) of sub-rule 2 of rule 4 2) Inquiry under rule 6, 9 & 10. 3) Suspension under sub-rule (11)
In respect of officers in the pay scales of Tk.1850-3220/- and Tk.1650-3020/- who are placed under their administrative control.	President	Deputy Directors or equivalents	Full powers of 1) Punishment under clause (a) to (e) of sub-rule 2 of rule 4 2) Inquiry under rule 6, 9 & 10. 3) Suspension under sub-rule (11)

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Model B

Model for Non-Cadre Officers

In exercise of powers conferred by clause (a) of Rule 2, the Government Servants (Discipline and Appeal) Rules,1985, the Government is pleased to designate,in respect of holders of posts specified in column No. 1 of the schedule below, the officer specified in column No. 3 of the schedule to exercise the power of the authority under the said rules to the extent specified in column No. 4 of the schedule for purpose of taking disciplinary action.

Holders of posts	Appointing authority	Officer designated	Extent of powers
1	2	3	4
In respect of officers in the pay scales of Tk.4200-5250/-, Tk.3700-4825/- and Tk.2800-4425/- who are placed under their administrative control.	Government	1. Full powers of punishment Heads of Department concerned	under clause (a) to (e) of sub-rule 2 rule 4 Inquiry under rule 6, 9 and 10 suspension under rule 11. 2. Full power of Borrowing Authority under rule 14.
Services/posts in the pay scales of Tk.2400-3600/-, Tk.1850-3220/- and Tk. 1650-3020/- who are placed under their administrative control.	Government	Directors or equivalents concerned	Full powers of punishment under clause (a) to (e) of sub-rule 2 rule 4 Inquiry under rule 6, 9 and 10 suspension under rule 11.

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The delegation of powers shown in the models will serve as a model of how disciplinary powers in a Department can be delegated and sub-delegated. Powers mentioned in column 4 may not be exhaustive, or the officer designated for the delegation may not be applicable. In the same manner, the entries in column 1 may not cover all appropriate officers. Appropriate entries in the respective column should be made by the Department. The Head of the Department or any other officer who is the appointing authority of officers of class II and below in the Department, may in the above manner delegate disciplinary powers in respect of officers of class II, class III, and class IV.

Entries in different columns should be made in consideration of the requirements for the purpose of the delegation. An officer exercising such power should be at least one step above the officers in respect of whom the powers are being exercised. It should also be remembered that major penalties can only be imposed by the appointing authority.

Instructions for Completing the Models:

1. In column 1 of Model A and B mention is to be made of the designation of officers in respect of whom the designated authority as in column 3 will exercise the powers mentioned in column 4.

2. Powers delegated to subordinate authorities under this order may also be exercised by the higher authority.

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2. Delegation of Other Administrative Powers

2.1 Delegation of other administrative powers are:

i) a. Transfer and posting of all officers from one place or post to another,
   b. Granting of all kinds of leave, and
   c. Power to count extraordinary leave for increment.

ii) For consideration for delegation:
   a. Sanction of all kinds of pension;
      1. Condonation of interruption of service for pension,
      2. Condonation of deficiency of qualifying service for pension, and
      3. Power to grant compassionate pension.

2.2 Delegation of these administrative powers can be made through rules for delegation by the President or by specific delegation orders from concerned Ministries. In the former case, the President may make rules in exercise of powers conferred upon him by Article 133 of the Constitution delegating administrative powers to Departments, Directorates and Sub-ordinate Offices of the Government. In the alternative, Heads of Ministries/Divisions can modify the existing delegation of administrative powers as enumerated in Establishment Division Regulation Wing No. ED/R9/S-41/76/86(40) dated 19-6-76. In the latter case, each Ministry/Division will have to issue separate delegation orders for each Department/Directorate and Sub-ordinate Offices under their administrative control. It means that there should be many such delegation orders (one for each Department, Directorate and Sub-ordinate Office). In consideration of the fact that a general delegation to all Departments, Directorates and Sub-ordinate Offices through making of rules by the President will be more convenient and easier to implement, the Working Group prefers the delegation of administrative powers through the rule-making process.

a. Delegation Through Making of Rules

1) The existing administrative delegation of powers as enumerated in the Establishment Division Regulation Wing letter dated 19-6-76 should be thoroughly revised in order to include in it the additional powers required to be delegated to Departments, Directorates and Subordinate offices. A complete list of delegation of powers should then be prepared.

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2) These powers should then be categorised into four groups indicating those which should be delegated to:

a. Heads of Departments.
b. Heads of Regions/Directors or Deputy Directors.
c. Heads of Districts or Upazilas/Deputy Directors or Assistant Directors.
d. Powers to other officers.

Powers so categorised should be shown in form of appendices namely, Appendix "A", Appendix "B", Appendix "C" and Appendix "D" for delegation to Heads of Departments, Heads of Regions, Heads of Districts/Upazilas and to other persons, respectively.

3) The Rules may now be framed by the President in exercise of the powers conferred upon him by Article 133 of the Constitution. These rules may be called the Bangladesh (Delegation of Powers) Rules, 1989. It should come into force with effect from the date it is notified in the official gazette. The Rules will define certain terms and phrases needed for the purpose of these rules like the Government, Heads of Department, etc.

4) Each category of powers will then be delegated to the authorities mentioned in 2) above clearly showing the powers of Heads of Department as Appendix "A" of Regional Heads as Appendix "B", of District Heads Appendix "C" and of other officers, if any, as Appendix "D". It should be clearly specified as to which officers should exercise specific delegated powers as shown below.

a) Powers of Heads of Departments: All Heads of Departments shall have powers indicated in Appendix "A" over government servants whom they are competent to appoint or who are placed under their administrative control.

b) Powers of Heads of Regions: All Heads of Regions/ Directors (Deputy Directors or their equivalents) shall have powers indicated in Appendix "B" over government servants whom they are competent to appoint or who are placed under their administrative control.

c) Powers of Heads of Districts or Upazilas (Deputy Directors or Assistant Directors as the case may be or their equivalents) All Heads of Districts/Upazilas (Deputy Directors or Assistant Directors or their equivalents) shall have powers indicated in Appendix "C" over government servants whom they are competent to appoint or who are placed under their administrative control.

d) Powers of other officers, if any: Other officers shall have powers indicated in Appendix "D".

5) It should also be clearly mentioned in the rules that powers delegated to subordinate authorities may also be exercised by the higher authority.

6) Provision should also be made in the rules to the effect that the powers delegated to the Heads of Departments under these rules, may, in the interest of more effective functioning of the Departments, be sub-delegated by them to authorities subordinate to them.

7) Powers to be delegated under these rules will be subject to such general or specific instructions as may be issued from time to time by the Government.

8) Provision should also be made in regard to relaxation or interpretation of these rules by the Ministry of Establishment Regulation Wing.

A model of delegation of powers to Heads of Departments under Appendix "A" is provided below:

MODEL FOR DELEGATION OF POWERS TO HEADS OF DEPARTMENTS

Sl. No.	Nature of Power	Extent of Power	Authority
1.	Power of Appointing Authority.	Full In respect of Services/ posts in the pay scales of Tk.1350-2750/- and below under their jurisdiction.	Estd Div. O.M No. ED/RI/5-41/76/86(40) dated 19-6-76
2.	Promotion	Full To services/posts in the pay scales of Tk.1350- 2750/- and below on the basis of selection to be made by the PSC or the Departmental Promotion Committee set up with the approval of government.	Estd Div. O.M No. ED/RI/5-41/76/86(40) dated 19-6-76
3.	Requisite power of gazette notification for the purpose to Heads of Departments or officers nominated by them.	Full	Estd Div. O.M No. ED/RI/5-41/76/86(40) dated 19-6-76
4.	To declare a government servant to be a Ministerial servant.	Full In respect of class II and class III only	Estd Div. O.M No. ED/RI/5-41/76/86(40) dated 19-6-76

5.	To accept a certificate of fitness signed by any registered practitioner.	Full	Estd Div. O.M No. ED/RI/5-41/76/86(40) dated 19-6-76
6.	To dispense with a medical certificate of fitness, before appointment to Govt. service in individual cases.	Full powers provided he is authorised to make appointment to the post.	Estd Div. O.M No. ED/RI/5-41/76/86(40) dated 19-6-76
7.	Pay and Allowances. 3. Initial fixation of pay of Government servants in accordance with the rules or the relaxation provided for in the rules- (i) Power to reduce emoluments of officiating Government servants. (ii) Power to fix within certain limit the pay of Government servants officiating in a post, the pay of which is personal.	Full power in respect of government servants of whom they are appointing authorities.	Delegation of powers Rules, 1962
8.	Grant of additional pay to Government servant performing duties of more than one post.	Full powers subject to the conditions stated below- (1) Formal appointment order for the second post exists and the officer is fully qualified to hold the second post. (2) The additional pay does not exceed 20 par cent. of the presumptive pay of the second post or Tk. 200 per month whichever is less.	Delegation of powers Rules, 1962
9.	Exemption from crediting a portion of fee to Government.	Full powers when the fee does not exceed Tk. 500 per annum.	Delegation of powers Rules, 1962

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10.	To transfer a Govt. servant from one post to another	Full power except in the case of their Deputies	Recommendation of the Working Group.
11.	To allow Government servant to count extra-ordinary leave for increment.	Full	Recommendation of the Working Group.
12.	To prescribe a Govt. servant's headquarters.	Full power except for his deputies.	Ministry of Estd Delegation order 1976.
13.	To grant exemptions from rule limiting a halt on tour ten days.	Full	Ministry of Estd Delegation order 1976.
14.	To allow the exchange of daily for mileage allowance for the whole period of absence from headquarters.	Full	Establishment Ministry Delegation order 19/6/76
15.	To permit the recovery of actual cost of hiring conveyance if admissible.	Full	Establishment Ministry Delegation order 19/6/76
16.	To authorise departure from supplementary rule 211 regarding combination of holidays with leave and joining time.	Full	Establishment Ministry Delegation order 19/6/76
17.	Power to grant leave of all kinds	Full	Recommendation of the Working Group.
18.	Power to count military service towards pension	Full power subject to a report from the Accountant-General, East Pakistan of Tk. 1350-2750/- officers in the pay scale.	Delegation of power Rule, 1962.
19.	Transfer of Govt. servants to Foreign Service.	Full powers up to in the pay scales of Tk.1350-2750/- subject to the following conditions:- (1) the foreign employer is a local body or an authority set up by Government or, in	Delegation of power Rule, 1962.

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		case of Co-operative Society, or in case of Education Department an approved aided educational institution. (2) the cases of transfer of Government servants to Foreign Service in which it is proposed to sanction pay and allowances in excess of those which the Govt.servants would draw if he was in Government service, or in which it is proposed to give any other concession of pecuniary value, should be referred to the Foreign Service Committee constituted for concurrence before the terms and condition of transfer to Foreign Service are sanctioned. (3) Compensatory allowances do not substantially differ in nature or amount from what is admissible under Government. (4) Leave and pension contributions are recovered.	
20.	Power to decide the reversion from Foreign Service.	Full power up to Officers in the pay scales of Tk.1350-2750/-.	Delegation of power Rule, 1962.
21.	Power to grant pro-forma promotion to Government servants in Foreign Service.	Full power in respect of Government servants of whom they are appointing authorities.	Delegation of power Rule, 1962.
22.	Relaxation of Age limit. Condonation of over-age.	Full powers.	Delegation of power Rule, 1962.
23.	Consideration for delegation:		
	Power to sanction pension of all kinds including:	Full	Recommendation of the Working Group for consideration.
	a. Condonation of interruption of service for pension	Full	

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	b. Condonation of deficiency of qualifying service for pension.	Full	
	c. Power to grant compassionate pension.	Upto 2/3rd of pension ordinarily admissible.	

If any Department or Sub-ordinate office does not fit in with this model specific delegation orders may be made for them.

b. <u>Delegation of Administrative Powers to Departments Through Specific Delegation Orders by Ministries Concerned</u>

Establishment Division Regulation Wing in its OM No.ED/R9/S-4-41/76/86(40) dated 19-6-76 has provided for a large number of administrative powers for delegation to Heads of Departments. These powers, in the context of the existing role of Departments, are considered to be inadequate. The Working Group recommends further delegation of powers to Departments:

1) Transfer and posting of officers of the Department from one place or post to another,
2) Grant of all kinds of leave,
3) Sanction of all kinds of pension, and
4) Power to allow a government servant to count extraordinary leave for increment.

To give effect to these recommendations the following action are to be taken:

1) The existing list of administrative powers as enumerated in the OM mentioned above or in other rules or orders should be revised and the administrative powers recommended by the Working Group should be included as new items or by replacement of old ones.

2) An Office Memorandum (OM) will then be drafted. A revised list of administrative powers consisting of the existing as well as the additional ones will be drawn up. This will then constitute an "Annexure" to the OM. The OM along with the Annexure will then be circulated to all Ministries/ Divisions requesting them to delegate the powers mentioned in the annexure to Departments under them.

3) The OM will also be circulated to all Department Heads for information and for seeing that the powers are delegated to them.

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4) It will be necessary that some of these powers, in addition to Heads of Departments, should also be delegated to other levels of officers of the Department. Through joint meetings between the Ministry and the Department concerned these should be arranged and appropriate powers should be sub-delegated to different levels of officers of the Department. Normally sub-delegation of administrative powers will not be uniform; its nature and contents will differ from Department to Department.

5) The OM may also authorise the Heads of Departments to sub-delegate their powers to other levels of officers under them.

6) The officers delegated with these powers will continue to exercise powers under the codal rules or other instructions, if any.

B. Delegation of Financial Powers

Ministry of Finance in its OM No. MF(EC-1)DF-4/85/158 dated 29-6-85 has issued a "Model" for the delegation of financial powers to Attached Departments and Sub-ordinate Offices. This "Model" consists of 48 basic items for which provision has been made for delegation of financial powers either in full or in part. This is a very well drawn up "Model". But in the opinion of Working Group, the delegation of powers falls short of requirements of the Attached Departments and Sub-ordinate Offices to facilitate the effective execution of government policies and projects. In the expanding role of Departments as executive agencies of the government, the Group is of the view that additional financial powers should be delegated to them. These are:

a. Purchase of new cars and vehicles in replacement of old ones.
b. Purchase of office equipment.
c. Purchase of stationery.
d. Printing of office materials.
e. Repair of vehicles.

To give effect to this increased delegation of financial powers the following steps are suggested:

1) The existing delegation of financial powers as provided in the "Model" should be revised to include in it the additional powers recommended by the Working Group either as a new item or as an old item properly modified.

2) A revised "Model" of delegation of financial powers can then be drawn up consisting of existing and additional powers for delegation.

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3) The delegation of powers in the "Model" should clearly specify the powers to be exercised by Heads of Departments as well as by Heads of Subordinate offices.

4) The revised "Model" should then be circulated in the form of an Office Memorandum to all Ministries/Divisions with a request to delegate the financial powers to Departments and Sub-ordinate Offices under them in accordance with the "Model". In case a Ministry wants a departure from the "Model", it can be done only with the consent of Ministry of Finance.

5) It should be the responsibility of the Ministry of Finance to see that delegation of powers actually take place in accordance with the "Model".

6) A copy of the OM forwarding the Model should be sent to each Department and Sub-ordinate Office. The Departments can then take initiative in matters of delegation of powers to them.

7) Clear mention should be made in the OM that Departmental Heads can and should sub-delegate their financial powers to various Sub-ordinate officers in the interest of better performance of duties.

8) It should also be mentioned in the delegation order that:

   a. Exercise of the financial powers mentioned in the delegation order will always be subject to allocation of funds in the budget.

   b. While exercising these powers, officers concerned will observe existing rules, procedures, standing orders and instructions made by government.

   c. In the sub-delegation order, care should be taken to ensure that concerned officers are fully competent to exercise the powers delegated to them.

   d. The officers delegated with these powers will continue to exercise powers under the codal rules or other instructions, if any.

C. Policy Making

The process of making decisions is crucial in any public administration system. The Working Group is of the view that effective participation by Departments in policy decision is essential. The present practice of obtaining this participation through writing of letters and passing of files with voluminous notes is a laborious and time consuming process. The Group recommends that effective participation

can be better ensured through holding properly managed meetings between the responsible officers of the Departments and Ministries concerned.

To implement this recommendation it is suggested that:

1) Chapter IV on "Disposal of Business" in the Secretariat Instructions, 1976 be renamed as Disposal of Business and Policy Decision.

2) After Instruction No.199 in the Secretariat Instructions the following instruction may be added:

   199A "In exercising their policy-making responsibilities the Ministries will ensure effective participation of their Departments concerned, by holding well-managed meetings between Ministries and Departments instead of entering into lengthy correspondence on the policy in question. The meeting should be chaired by a responsible officer of the Ministry and attended by Ministry and Department officers with authority to decide the question."

D. Assignment of Responsibility

Clear assignment of responsibility and job descriptions are essential to ensure accountability. It is against such assignment that one can be held accountable. Secretariat Instructions 1976 in its Instruction Nos. 7,8,9 and 10 mention delegation of powers and distribution of work. Some of the Ministries/Divisions have prepared work distributions. All should do so. In addition, it is most important that individual job descriptions be prepared and maintained on a current basis.

To give effect to this recommendation, the following actions are suggested:

1) Along with clear distribution of work amongst various units, there should also be clear job description for all individual positions so that individuals may clearly understand the different tasks which are to be performed in the discharge of their responsibilities. To this effect an instruction may be inserted in Chapter 2 of the Secretariat Instructions, 1976 after Instruction No. 10.

2) Ministry of Establishment should initiate follow-up action to ensure preparation of job descriptions and operation procedures for work assigned in all Ministries Departments and Sub-ordinate Offices.

E. Monitoring of Work

Effective monitoring is an integral part of achieving accountability. Departments are responsible to execute government policies and projects. The progress of execution can be ascertained only through appropriate reports and periodical visits by the supervisors to all work stations. To ensure successful implementation of government policies a well planned reporting system is necessary which will measure progress against targets. Each Ministry should evolve a proper reporting system for its Departments, in consultation with them. Such systems should include:

1) Assignment of responsibility to organisational units.

2) Target of performance for each period.

3) Reporting of deviations from the planned targets.

4) Suggestion of corrective action when performance falls short of target or confronted with any problem.

F. Auditing

Auditing is one of the most important mechanisms to ensure accountability. At present traditional audits are conducted of financial transactions. For implementing such traditional audits in a timely fashion and settlement of audit objections on time the following measures are suggested:

1. Such audits should be conducted as soon as feasible after the fiscal year and Comptroller and Auditor General shall arrange for continuous follow-up in this direction.

2. For settling audit objections a time-limit should be given by the auditing authority in consultation with the head of the organisation where such audit has been undertaken;

3. Any failure to maintain the time sehedule shall be properly investigated and where needed departmental action shall be taken.

In addition to such audits, the Working Group recommends undertaking management audits on a selective basis. This is an important programme which should be initiated by the Ministry of Finance in close cooperation with the Comptroller and Auditor General. The following steps should be taken as a measure of preparation for such audit.

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1) Creation of a government-wide awareness of the need for management audits, explaining to all Ministries and Departments the contents, purpose and usefulness of such an audit. Seminars or discussion meetings should be organised for this purpose.

2) Selection of a few Departments of the government for conducting management audit on a pilot basis. These departments should be of medium size and be of social or economic importance.

3) Constitution of audit teams composed of competent audit officers, supporting staff and one or two experts relating to the area where the audit is proposed. The inclusion of experts as temporary attachments with the teams will provide technical skills needed for this type of audit.

4) Organisation of appropriate training for all members of the audit teams. The training should be action oriented: teach them what to do and how to do it, build their ability and confidence.

5) Preparation of an audit check-list for each Department or Organisation selected for management audit. This check-list should include the audit tasks to be performed, specific areas to be surveyed, and investigations to be made. This will guide the audit activities.

6) Creation of an understanding between the auditors and auditees. Efforts are to be made by the auditors to explain their purpose to their clients in a manner to promote understanding. The audit officers should seek to obtain the full support of the top management of the organisation.

The management audit, it should be noted, will not replace traditional audits. Results of the pilot audits should be evaluated and in the light of that experience a long-term management audit programme should be developed. The programme will include:

1) Continuance of measures for a government-wide understanding of the need for a management audit system as a means to help organisations achieve their objectives. It should be made clear to Ministries and Departments that an independent survey of government activities will give them a clearer picture of financial performance and the achievement of their objectives.

2) Qualified audit officers will need to be properly trained. These officers should know accounting and auditing, plus economics, public administration and management. They should also have an idea of economic planning, the annual development programme (ADP) and the Five Year Development Plan. Initially they should be selected from the cadre of B.C.S. (Finance) who may have some background in subjects related to management audit. They will then be required to undergo thorough theoretical and practical training. Participatory in-service on-the-job training will be most suitable for the practical preparation of such officers. These officers will constitute the permanent base for management audit.

   Equally important will be the need to build-up the necessary supporting staff. The people will have to be trained on how a management audit is conducted and how information needed for such audit is to be gathered.

3) People drawn up for a new venture like this will need adequate motivation in the form of special pay, special facilities and prospect of out of turn promotion to those who show excellent performance and dedication. Unless this undertaking is made adequately attractive, able auditors will be extremely difficult to find and more difficult to retain.

4) The accounting system of the government should be reformed in the future to make it more management oriented. Financial data should be made readily available to management. Government accounts should be computerised on a time phased basis.

G. Training

Capacity building is of highest importance in getting things done properly and achieving desired organisational objectives. This can be done through practical training courses which are oriented toward problem solving. There are at present more than 200 public sector training institutes within the country. Many of them are ill-equipped and ill-organised. For the appropriate capacity building of officers and staff of the Ministries and Departments, the following actions are suggested:

1) A thorough survey * of the existing training institutes to be undertaken by the Ministry of Establishment with the sponsorship of the National Training Council.

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* Such a survey should form part of the USAID-funded Development Management Training project.

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2) The survey team will include members from different disciplines, technical fields, and training experts.

3) The survey team will examine the capability of existing training institutes to :

   a) Strengthen their own training staff in the discipline for which it has responsibility.

   b) Improve knowledge and develop true professionalism in the participants through effective training programmes.

   c) Ensure a positive impact on the quality of public sector management and the technical soundness of government programmes.

4) The team will take stock of training facilities in each institute.

5) Make recommendation for upgrading those which should continue as separate institutes.

6) Consider the consolidation of institutes, where appropriate.

7) Recommend appropriate course content which will be practical and problem solving in nature.

8) Develop training strategies which will serve to both strengthen the human resources available to the government and develop viable solutions to the constraints facing public sector organisations in carrying out government policies and projects.

9) Create training reserve posts to assure that personnel are available for training as needed.

H. Rotation of Staff

Rotation of government officers is a useful practice. The basic idea behind it is to expose government officers to different trades or different sectors of administration. Frequent rotation, however, from one area to another is often harmful to administration as it causes instability and discontinuity. The Working Group, therefore recommends that:

Three year rule on rotation should be modified to provide that officers serve five years in a position.

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To give effect to this recommendation, the Ministry of Establishment should frame a firm policy regarding rotation reminding all Heads of Ministries and Departments of the harmful effect of the frequent rotation of government officers. The policy so framed should include:

1) Ban on rotating government officers from one position to another within a period of five years.

2) Exception should be granted only for over-riding personal or organisational requirements.

3) Rotation should normally be within the area of particular skills or specialisation. This may consist of a series of Ministries or Departments with similar purposes or functions.

4) Officers trained in a particular skill should serve in the job for which they have been trained for a sufficiently long period so that the expertise gained by them can be fully utilised.

I. Paperwork Simplification

To reduce paperwork and to expedite disposal of business the Working Group has made the following recommendations:

- Reducing unnecessary passing of files
- Use of standard forms
- Improved filing system and
- Use of modern office equipment

1. Unnecessary Passing of Files

1.1 In regard to unnecessary passing of files the Secretariat Instructions in its Instruction No. 7(e) have provided that "the tiers through which a case has to pass are ordinarily not more than two excluding the Secretary". This valuable instruction is followed more in its breach than in its observance. If this instruction is literally followed, unnecessary passing of files in most cases will stop.

1.2 Clear instructions have also been issued in Instruction No. 9 of Secretariat Instructions as to how a case will be dealt with for disposal. Here also the basic concept is that a case should be disposed of by Assistant Secretaries if they are competent to do so. Otherwise they will submit it to the officer who is empowered to decide it. The Ministry of Establishment may once again bring these instructions to the notice of all concerned with clear directions against unnecessary passing of papers.

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2. Use of Standardised Forms

2.1 The use of standardised forms is an effective way to reduce paperwork and speed up the decision making process.

2.2 To implement this both short-term and mid-term programmes should be undertaken. The short-term programme should include:

a. Appropriate forms should be designed for passing standard information or soliciting such information;

b. Short letter forms may be designed for issuing reminders or making routine enquiries. The O and M Wing in the Ministry of Establishment can undertake this task in consultation with the Department of Printing and Stationery;

c. A Form Management cell may be organised in the O and M Wing of the Ministry of Establishment with staff who are specialised in designing forms and in rendering assistance for forms design to other Ministries and Departments;

d. The Ministry of Establishment can issue standing instruction to all Heads of Ministries and Departments to make wider use of forms in transaction of Government business;

e. An instruction for the use of forms wherever possible can be added in the Secretariat Instructions in Chapter IV under the "Disposal of Business;"

The mid-term programme should include:

2.3 A forms management study to be undertaken under the Ministry of Establishment with the help of a local consultant group to:

a. Review the existing system of forms management of the government to clearly identify its mechanism for forms management and forms control

b. Undertake a thorough survey of the areas where opportunities exist for wider use of forms for better efficiency, facilitating paper work and more economy

c. Examine the contents and design of existing forms to explore the possibilities of their standardisation and improvement of their design to make them more acceptable for wider use, and

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d. Develop a forms management programme at the Departmental level under the guidance of the O & M Wing of the Ministry of Establishment, which will include:

(i) Training of appropriate level of officers and staff of different Departments in forms design and forms management techniques.

(ii) Designing of new standardised forms which can eliminate unnecessary paper work, reduce repetitive jobs and convey clear information which will be easy to understand and simple to operate.

(iii) Develop a continuing capacity in the O & M Wing of the Ministry of Establishment to organise decentralised efforts to carry out its responsibility to promote simplification of forms, improvement of forms design and an improved system of forms management on continuing basis.

5. Periodical follow-up action by the contract group should be programmed to assist the Ministry of Establishment in the institutionalisation of the improved system which should be facilitative, not regulatory, in nature.

3. Improved Filing System

3.1 The management of files plays an important role in proper transaction of government business. The Working Group has recommended the modernisation of file systems and made specific proposal for:

a. Use of letter sized paper, file folders and cabinets.

b. Opening of new files on an annual basis and scheduled disposal of old files.

3.2 The Secretariat Instructions for files management are quite detailed. Due to non-observance of these instructions in many Ministries and Departments, file management falls into disarray resulting in delay in disposal of government business. As a short-term measure, the Ministry of Establishment may draw the attention of the Ministries and Departments to the proper observance of these instructions and from time to time can take follow-up action in the matter.

3.3 The existing instructions on file management, however, have become out of date. Similarly, existing paper sizes, sizes of folders, and cabinets in use in the government are out of date. To modernise the file management system and to adopt

international standards of paper and files, it is proposed to undertake a file management study with the help of a local consultant group. The study will include:

a. Review of the existing file management system.

b. Examination of the existing system of allocating numbers to files, classification of files, storage, recording and indexing of files.

c. Examination of disposal of files either by their retirement in the record room or by destruction of those which are due for the same under the rules.

d. A survey of the applicability in Bangladesh of modern file practices in the use of standardised paper, folders and file cabinets. The consultant group after a thorough study of the existing system and procedures will make recommendations for improvements and renovation of the government's file management system.

4. Use of Modern Office Equipment

4.1 The lack of modern office equipment is one of the important factors causing delay in transaction of government business. The Working Group has, therefore, recommended its use in appropriate areas. The Group has considered the need for the introduction and improved use of some of the basic equipment, including telephones and PABX, telex, word processors, computer and copy machines. To enable greater use of office equipments the following suggestions are made:

a. A through survey should be conducted by the O & M Wing to identify the areas where office equipments can be fruitfully utilised.

b. The use of office equipment should be suggested on a cost-effective basis

c. Short course training programme should be introduced to train sufficient number of officers and staff in the use of equipments selected for use.

4.2 The survey proposed in (a) above may preferably be undertaken with the help of a local consultant group which has the necessary expertise in office equipment and sound knowledge about their operation and applicability in the transaction of office business. The survey should:

a. Examine in depth the existing office procedure in transacting government business of varied nature and contents.

b. Make a thorough search of areas where use of office equipment can substantially replace manual operation and unnecessary paper work on a cost effective basis. It should clearly pin-point resultant efficiencies, saving in terms of human labour, and speed in disposal of assigned tasks.

c. Critically examine the performance of alternative equipments and provide a chart of comparative advantages and disadvantages of different types of equipments for office use.

d. Indicate the nature of care and attention needed for storage of such equipments and cost involved in their maintenance and availability of spare parts and repair facilities within the country.

e. Make detail proposal for the needs of training, the nature and content of such training courses and possibility of training within the country.

f. Develop a time-phased plan for implementing the programme, including standards to be used in managing office equipment efficiently.

IV. ANNEXES

A. The Working Group and its Methodology

B. Documents Reviewed

C. Individuals Interviewed

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Annex: A The Working Group and its Methodology

The Public Administration Efficiency Study has been undertaken to identify key constraints affecting the efficiency of public administration in Bangladesh and to prepare an action plan to address those constraints.

Four working groups were formed to conduct the study. The Working Group on Relationships between Ministries and Departments had the following members:

Mr. Ayubar Rahman Chowdhury
Secretary, Ministry of Works, Chairman.

Dr. A. T. M. Shamsul Huda
Joint Secretary, Ministry of Irrigation,
Water Resources and Flood Control.

Mr. M. Idris Ali
Deputy Secretary (Dev),
Ministry of Establishment.

The Working Group was assisted by the following staff members:

Mr. M. A. Majid
Mrs. Farah Kabir
Dr. Syed Giasuddin Ahmed
Mr. Md. Rafiqul Awal Tomizee
Dr. David L. Jickling

The staff reviewed relevant documents which are listed in Annex B and interviewed Ministry and Departmental officers listed in Annex C. We wish to express our appreciation for the cooperation of these officers, without whose help this study would not have been possible.

The Working Group has held ten meetings to consider the work of the staff members and to approve this report. The report forms part of the overall Public Administration Efficiency Study. The central question of the study is <u>what needs to be done to improve the efficiency of the public service?</u> The Working Group on Relationships between Ministries and Departments has addressed that question as it relates to Ministry-Department relationships.

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ANNEX: C Individuals Interviewed

The People's Republic of Bangladesh

Moudud Ahmed, Vice President

Ministry of Agriculture

Major Gen. M.A. Munim, Minister
M.A. Sayed, Secretary
Akmal Hossain, Joint Secretary (Planning and Coordination)

Agriculture Extension Department

Md. Shahidul Islam, Director General

Agriculture Marketing Department

A. K. M Bazlur Rahman, Director
Md. Atiqur Rahman, Deputy Director

Soil Resources Development Institute

S. N. Shaheed, Director
M. Anwar Hossain, Principal Scientific Officer

Agriculture Information Service

A. M. K. Giasuddin Milki, Director

Ministry of Commerce

Mohammad Abdus Sattar, Minister

Department of Supply and Inspection

Group Captain (Ret) Khairul Anam, Director

Office of the Chief Controller of Imports and Exports

M. L. Majid, Chief Controller

Directorate of Prices and Market Intelligence

S. W. Wali, Director
Mirza Hamidul Haque, Director of Policy

Ministry of Establishment

Khondakar Mahbub Rabbani, Secretary
B. R. Chowdury, Joint Secretary (O&M)
Nazrul Islam , Joint Secretary,(Regulations)
Noor Mohammed, Joint Secretary (Administration)
Dr. Shah M. Farid, Joint Secretary (APD)
Khan Hamid Ali, Deputy Secretary (Foreign Training and Employment)

Office of the Commissioner, Dhaka Division

Amin Mia Chowdury, Commissioner

Department of Printing, Stationery, and Forms

Abdul Hye, Controller

Public Administration Training Center

A. M. Anisuzaman, Rector
Dr. Md Ekramul Ahsan, MDS Research and Consultancy
Dr. S. A. Samad, MDS Economics and Development
M. Safiur Rahman, MDS Management and Public Administration
Dr. M. K. Alamgir, MDS Programming and Studies

B. C. S (Administration) Academy

A. Z. M. Shamsul Alam, Director General

Public Service Commission

S. M. Al-Hussainy, Chairman

Ministry of Finance

M. K. Anwar, Secretary

Office of the Comptroller and Auditor General

Gulam Kibria, Comptroller and Auditor General

Office of the Director of Audit, Civil

Syed Sajedul Karim, Director

Office of the Director of Audit, Works, Water and Power

R. Mondol, Director of Audit
M. G. Mustafa, Additional Director

Office of the Director of Audit, Post, Telegraph and Telephone

Gulam Rasul, Director of Audit

Office of Chief Accountant, Post, Telegraph and Telephone

Golam Kibria, Chief Accountant

Ministry of Industries

Mosharraf Hossain, Secretary

Board of Investment

Mahmudel Huq, Member

Central Testing Laboratory

Dr. Azizur Rahman, Director

Ministry of Planning

A. M. Shamsul Haque, Division Chief, General Economic Section
A. F. M. Alamgir, Joint Secretary, PAMSTECH
Md. Munirul Huq, Deputy Chief, PAMSTECH

CARE

Arthur Hussey, Director

CIDA

Tony Breuer, Counselor (Development)

UNDP

Flavia Pansieri, Assistant Resident Representative
Fredric C. Thomas, Consultant on Management Development

USAID

Priscilla Boughton, Director
Malcolm Purvis, Deputy Director
Colette Chabbott, Assistant Programme Officer
S. A. Al-Muti, Project Manager

The World Bank

Francis van Gigch, Resident Representative
Syed Nizamuddin, Programme Officer
Richard B. Westin, Senior Consultant,
Asia Country Department

Washington Contacts

Embassy of the People's Republic of Bangladesh.

Akbar Ali Khan, Economic Minister

Agency for International Development

Kenneth Kornher, Science and Technology Bureau
Alexander Shapleigh, Bangladesh Desk Officer

Institute of Public Administration

Dr. Ann Marie Walsh, Project Manager

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REPORT
OF THE

PUBLIC ADMINISTRATION EFFICIENCY STUDY

Volume - 4

Relationship between Ministries and Corporations

Ministry of Establishment
Government of the People's Republic of Bangladesh

Dhaka
November 1989

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LIST OF ABBREVIATIONS USED

ABL	- Atlas (Bangladesh) Limited
ABW	- Autonomus Bodies Wing (Ministry of Finance)
ADP	- Annual Development Programme
ASEAN	- Association of South East Asian Nations
BADC	- Bangladesh Agricultural Development Corporation
BCIC	- Bangladesh Chemical Industries Corporation
BDP	- Bangladesh Diesel Plant
BESC	- Bangladesh Engineering and Shipbuilding Corporation
BFIDC	- Bangladesh Forest Industries Development Corporation
BIDC	- Bangladesh Industrial Development Corporation
BITAC	- Bangladesh Industrial and Technical Assistance Centre
BIWTC	- Bangladesh Inland Water Transport Corporation
BJMC	- Bangladesh Jute Mills Corporation
BMTF	- Bangladesh Machine Tools Factory
BRDB	- Bangladesh Rural Development Board
BSEC	- Bangladesh Steel and Engineering Corporation
BSFIC	- Bangladesh Sugar and Food Industries Corporation
BTMC	- Bangladesh Textile Mills Corporation
BWDB	- Bangladesh Water Development Board
CCPE	- Council Committee on Public Enterprises
CO	- Company
COMECON	- Council For Mutual Economic Assistance
CONCOPE	- Consultative Committee of Public Enterprises
CGI	- Corrugated Galvanised Iron
CPC	- Council for Public Corporations
CPM	- Critical Path Method
ECNEC	- Executive Committee of National Economic Council
EEC	- European Economic Community
EPB	- Export Promotion Bureau
EPIDC	- East Pakistan Industrial Development Corporation
GDP	- Gross Domestic Product
GEMCO	- General Electric Manufacturing Company
HSC	- Higher Secondary Certificate
ICDT	- Islamic Centre for Development of Trade
LC	- Letter of Credit
MIS	- Management Information System
MOA	- Ministry of Agriculture
MOC	- Ministry of Commerce
MOE	- Ministry of Establishment
MOF	- Ministry of Finance
MOI	- Ministry of Industry
MOIFC	- Ministry of Irrigation, Water Development & Flood Control

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MOL	- Ministry of Law
PAES	- Public Administration Efficiency Study
PDB	- Power Development Board
PE	- Public Enterprise
PERT	- Programme Evaluation and Review Technique
PI	- Public Institution
PIDC	- Pakistan Industrial Development Corporation
PO	- Presidential Order
PS	- Public Sector
Rly	- Railway
R&D	- Research and Development
SAARC	- South Asian Association for Regional Cooperation
SABRE	- System of Autonomus Bodies Report and Evaluation
SAIL	- Steel Authority of India Limited
SSC	- Secondary School Certificate
STC	- State Trading Corporation
TAPP	- Technical Assistance Project Proforma
TCB	- Trading Corporation of Bangladesh
Tk.	- Taka (Bangladesh Currency)
TOR	- Terms of Reference
UNCTAD	- United Nations Conference on Trade and Development
UNIDO	- United Nations Industrial Development Organisation
WPIDC	- West Pakistan Industrial Development Corporation

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HIGHLIGHTS OF THE REPORT

Recommended Corrective Actions Against Identified Problems in order to Create a Mutually Supportive Ministry-Corporation Relationship Leading to an Optimum Utilisation of Scarce Resoures Placed at the Disposal of Corporations

Problems	Recommended Actions
A. Lack of corporate autonomy	1. Implement as per President's Order No. RAS/MAPA/(OBI) - 2/87-17 dt. 16.3.87, the 1976 Guidelines and 1983 Resolution on Ministry-Corporation relationships. 2. Delegate full operational authority to corporations within the approved budget.
B. Weak accountability	3. Form audit sub-committee of each corporation's board. 4. Encourage top corporate officials to evaluate project and enterprise performance, to identify implementation and operational problems and prescribe solutions. 5. Enforce corrective measures directed by CPC on review of enterprise performance. 6. Introduce an appropriate motivational mix.
C. Weak management system	7. Convert BCIC, BSEC and BSFIC into holding corporations/ companies in accordance with government directives. 8. Expand the use of enterprise performance contract. Incorporate a reward and punishment clause. 9. Encourage the participatory decision making process. 10. Simplify contranting procedures and where appropriate utilise the model forms of contracts developed by UNIDO for industrial projects. 11. Apply computer based scheduling and rescheduling of project implementation techniques.
D. Inadequate human resources	12. Introduce career planning. 13. Strengthen merit systems for appointment and promotion. 14. Provide appropriate compensation structure. 15. Maintain continuity in similar functional areas. 16. Programme training to meet individual and organisational needs. 17. Modernise training methods and facilities. 18. Refer 1983 Resolution: Liberally offer contracts with attractive terms to competent persons.
E. Lagging technology	19. Establish research and development center for metal processing in order to achieve a break-through in engineering industries.
F. Outmoded legislation	20. Make appropriate use of the Companies Act of 1913 to facilitate enforcement of the liquidation of sick industries. 21. Amend Industrial Relations Ordinance to check undesirable labour practices. 22. Revise service regulations to introduce hire and fire system. 23. Amend charters of BADC, BWDB, TCB and EPB to facilitate delegation of power by the boards to the chief executives and by the chief executives to the directors and officers of the corporations.

EXECUTIVE SUMMARY

The Working Group on the Relationship between Ministries and Corporations studied seven public corporations, BCIC, BSEC and BSFIC in the manufacturing, TCB and EPB in the trading, BADC in the agricultural and BWDB in water development sectors. The Group held nine meetings and adopted the following recommendations arranged in relation to the objectives as mentioned in the TOR.

A. Higher Standards in Administrative Performance

(1) Implementation of the following government policy directives, vide President's Order No. RAS/MAPA/(OBI) - 2/87-17 issued on March 16, 1987:

(a) Guidelines, 1976, issued from the Cabinet Division defining the Relationship between Government and Corporations and between Corporations and their Enterprises.

(b) Resolution, 1983, vide Cabinet Division Notifications no. 4.5.82/285 -Committee dt. July 24, 1983, concerning, inter alia, operational autonomy of the corporations and transfer of shares of the enterprises to the respective corporations.

(2) Organisational reforms:

(a) Conversion of BCIC, BSEC and BSFIC into holding corporations/ companies in the light of the Resolution, 1983 and Ministry of Industry's Notification dt. 9.7.88.

(b) The ministries should assist the public corporations to strengthen the corporate planning functions, setting objectives, selecting strategies and planning implementation.

(3) Enforcement of accountability:

(a) Formation of an audit sub-committee of each board headed by the Finance Director to study the key areas of observations made by the commercial and statutory audits and for taking appropriate and quick corrective actions.

(b) Visits to and evaluation of performance of the enterprises and projects by top corporations' officials such as the Chairmen and Directors/Members of the boards. The key areas to be examined are plant capacity utilisation, productivity, down-time analysis, usage ratio etc. of the enterprises and progress of implementation of various activities of the projects. In addition, they may also examine selected financial ratios in order to check the productivity of labour and capital, ability of the enterprise to meet financial commitments, current sales performance and return on capital etc. The objectives are to identify the problem areas and forewarnings about a corporate sickness and to prescribe corrective measures.

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(c) Effective follow-up by the CPC of corrective measures directed on review of the performance submitted by the corporations in the SABRE format through the concerned ministries.

(d) Introduction of regular interactions between the heads of enterprises/projects and the chairmen and directors of the boards in order to countercheck the validity of structured information flow through MIS.

(e) An appropriate motivational mix of recognition and appreciation, power and authority, promotion prospects, operational authority and security for the executives should also be introduced in connection with the enforcement of accountability.

B. Policy Analysis

(1) Current Policy Issues:

(a) Effective participation of the chief executives of the corporations and the enterprises in the process of policy making at the corporation and ministry-level.

(b) Phasing out of the chronically sick and potentially uneconomic units.

(c) The potentially economic industries in the engineering, paper and chemical sectors incurring loss may be isolated, problems and constraints examined and a policy decision about their future be worked out jointly by the ministries and the corporations.

(d) The Ministry of Agriculture may issue directives to BADC for intensifying its activities in the current priority areas and in accordance with the latest governmental policy directives.

(e) Sugar cane policy may be included in the Agricultural Policy of the Government. R&D work may be intensified for increasing the per acre yield, the sucrose content, and recovery of sugar from sugar canes in the BSFIC mills.

(f) A policy decision has to be taken by the government for R&D activities in order to achieve a break-through in the Engineering Industries.

(g) The Ministry of Irrigation, Water Development and Flood Control may examine the issue of handing over of the completed projects of BWDB to the cooperatives and local self governments.

(h) A policy decision may be taken for incorporation of a reward and penalty clause and a provision for maximum possible autonomy for the enterprises in the performance contracts with a view to improving their operational results.

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(2) Needed legislative actions for amendments:

(a) Effectiveness of enforcement of liquidation of both private and public sector sick industries as provided for in the Companies Act 1913 now under revision should be examined.

(b) The Industrial Relations Ordinances and other relevant laws need to check undesirable labour union practices.

(c) The relevant service regulations of corporate bodies may prov. e for introducing a system of hire and fire for encouraging good performance.

(d) Ordinances of BADC, BWDB, TCB and EPB may be amended for inclusion of provisions for delegation of power by the boards to the respective chief executives and by the chief executives to any director or officer of the corporations.

C. Implementation of Policy

(1) Administrative and financial management:

(a) Transfer of government share-holdings in the enterprises to the corporations as per directives issued by the government.

(b) The holding corporations or companies are to ensure payment of dividends to the government on its equity as per appropriation of surplus earned.

(c) Corporations should not operate the bank accounts of the subsidiaries.

(d) Ministries or CPC as the case may be should give their decision on price fixation of sensitive items within one and two weeks respectively.

(e) Corporations should thoroughly examine several forms of contracts, such as (i) cost reimbursible, (ii) turnkey, (iii) semi-turnkey, (iv) engineering and know-how, (v) duplicate, as adopted by UNDIO after holding several expert group and inter-governmental meetings, and adopt anyone of these forms or a combination that is considered to be the most suitable for a particular project.

(2) Implementation of policy issues concerning improvement of public sector operations through performance contract: Number of enterprises covered by the performance contract system now under process of experimentation should be gradually increased.

(3) Research and development:

(i) Technology Development

(a) The government may establish a metal processing R&D centre with well defined objectives in order to achieve the much-

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needed break-through in the engineering industry sector. If so desired, the centre may be located at BMTF for the purpose of utilisation of some of its facilities on payment.

(b) All-out support of the Ministry of Agriculture may be rendered to the existing sugar cane research centre for intensifying its efforts for achieving the objectives.

(ii) Research on market development

Support of the Ministry of Commerce is called for establishing stronger contacts and connections with international and regional R&D organisations through computer-based trade communication networks.

D. Delegation of authority

(1) Full operational authority to corporations: Once the budget is approved and the target is fixed, the corporations should have full operational authority subject to adequate cash flow position.

(2) Decision making process: The decision making process should be decentralised, simplified, improved and continuously reviewed. Participatory decision making practice should be fostered to the extent possible.

E. Procedure for staffing

(1) Appointments and promotions should be made in accordance with human resources development plans of the corporations and on the basis of merit, performance, training and results of written tests. The principle of hire and fire should be incorporated in the service rules after a thorough legal examination

(2) Staff training:

(a) Training, an important precondition for promotion of the officers of all levels, whether in-house, in-country or overseas, should be imparted consciously and in accordance with a well thought-out programme keeping in view the career advancement of the officers. Short refresher courses/workshops/ seminars on advanced corporate management should be conducted for the chairmen and members of the boards.

(b) Modern methodology of need-based curriculum design and implementation inclusive of preparation of lesson plans with defined objectives, feed-back and evaluation should be introduced in every training institution. An appropriate theoretical and practical training mix should be worked out. Every trainee must appear in written, practical and problem solving tests.

(c) Personnel of project implementation and monitoring teams at projects, corporations and concerned ministries must undergo rigorous theoretical and practical training in contracting

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procedures, legal aspects of international technological contracts, scheduling and rescheduling of project implementation activities.

(3) Continuity and professionalism:

(a) The continuity of personnel in the same or similar functional areas should be maintained, subject to the consideration of administrative discipline and requirement, in order to utilise their skill gained through expensive training and to build up their expertise leading to reduction in dependence on expatriate experts.

(b) Planning, evaluation and monitoring cells of the corporations and ministries should be manned by personnel having experience in project and enterprise management and proven ability.

(4) Pay structure, performance incentives:

(a) Previous system of separate pay scales with higher compensation and service rules for the corporation officials may be examined for reintroduction.

(b) Performance criteria must be fixed and a policy of reward and punishment for excellent performers and non-performers respectively should be introduced and strictly adhered to.

F. **Development and Improvement of Training Facilities:** Modern methodology of need based curriculum design and implementation inclusive of preparation of lesson plans with defined objectives, feed-back and evaluation should be introduced in every training institution equipped with audio-visual aids; corporations-training institutions collaborative efforts be intensified; appropriate motivational mix worked out to attract, for training assignment, the administrators, managers and executives known and respected for their competence and integrity. Training policy package should include training of the trainers at home and abroad.

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CHAPTER 1

INTRODUCTION

1.1 Background and Objective of the Study

The Government of the People's Republic of Bangladesh undertook a study to identify key constraints affecting the efficiency of public administration particularly in relation to key economic ministries, namely, the Ministries of Agriculture, Commerce, Establishment, Finance, Industry, Irrigation, Water Development and Flood Control, and Planning, and develop recommendations relating to:

(1) Higher standard in administrative performance;
(2) Sound policy analysis;
(3) Implementation of policy and its strategic implication;
(4) Delegation of authority for non-policy making decision;
(5) Procedure for staffing the selected ministries/divisions; and,
(6) Development and improvement of training facilities for development administration.

A Steering Committee was assigned the responsibility of producing the report with the understanding that the Committee will limit its recommendations to the changes in the existing Bangladesh Government administrative structure within the present rules of business and deal with Class I officers only. The Steering Committee, in consideration of the time constraint, chose to focus its study on the following four priority areas of inquiry, the recommendations being related to each of them:

(1) Secretariat System and Work Procedure;
(2) Relationship between Ministries and Departments;
(3) Relationship between Ministries and Public Corporations;
(4) Project Preparation, Approval and Implementation with Particular Emphasis on the Planning and Budgeting Process.

Four Working Groups, one for each area of inquiry, consisting of senior civil servants, formulated the draft recommendations with the assistance of consultants who were requested to address the following seven issues:

(1) Bureaucratic behaviour, (2) Accountability, (3) Continuity, (4) Decision making, (5) Personnel management, (6) Training, (7) Utilisation of expert services.

This report concerns the Relationship between Ministries and Public Corporations. The composition of the Working Group on the Relationship between Ministries and Public Corporations appears at annexure I.

The TOR does not require extensive original research. The task assigned was to focus on the operational constraints and make implementable recommendations for reform measures.

1.2 Methodology

Consistent with the terms of reference, the following methodology was adopted for carrying out the assigned task:

1) Desk study of:
   (a) Published literature on public enterprises and public administration

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in Bangladesh and other developing and developed countries ;

(b) Earlier studies on the subject as available;

(c) Official documents including government committee reports; and

(d) Presidential Orders, Ordinances, Acts of the Parliament and Gazette Notifications.

A selected list of publications, reports and documents reviewed is attached at Annexure-II.

2) Field Research and Surveys (interviews and questionnaire): In this phase of the study, an opinion survey was made through personal interviews with important functionaries of the government such as Cabinet Ministers, Members of the Planning Commission, Secretaries and Joint Secretaries to the Government; Chairmen and Chief Executives, Members of the Boards of Directors and Divisional Chiefs of corporations; Managing Directors of selected enterprises, ex-chairmen of corporations and Chairman and Secretary General of CONCOPE. A List of those interviewed appears at Annexure-III. Two questionnaires were furnished and written replies were collected as far as practicable.

3) Working Group and Steering Committee: Draft findings, constraints and recommendations were deliberated on in the meetings of the Working Group. In all nine meetings of the Working Group were held. The findings and recommendations of the Working Group were presented to the Review Committee and finally to the Steering Committee for its approval.

1.3 The Public Corporations

The government departments with their traditional bureaucratic methods with emphasis on regulatory functions have not been found suitable for the purpose of carrying out developmental and operational activities expeditiously, effectively and efficiently. It has, therefore, been expedient to create public corporations and enterprises under the Acts of Parliament with the objectives of production and marketing of goods and services, development of infrastructure, exploitation of natural resources, accelerated industrialsation, investment of national surpluses, supply of basic industrial and agricultural inputs and consumer goods with a view to achieve price stabilisation, export growth and playing the role a model employer. The other reason for the rise of the corporate device in the public sector is to invest in areas where private sector, for limitations of capital and skilled manpower, is shy to operate. The rise of the corporate device in public sector started in the late fifties and continued since then although during recent years the emphasis has been more on privatization than on public undertakings.

1.4 The Public Corporations Selected for the Study

In accordance with the decision of the working group, the number of corporations studied was limited to seven. They included key manufacturing, trading, agricultural and water development corporations: Bangladesh Chemical Corporations (BCIC), Bangladesh Steel and Engineering Corporation (BSEC), Bangladesh Sugar and Food Industries Corporation(BSFIC), Trading Corporation of Bangladesh (TCB), Export Promotion Bureau (EPB), Bangladesh Water Development Board (BWDB) and the Bangladesh Agricultural Development Corporation (BADC).

CHAPTER 2

PUBLIC CORPORATIONS IN BANGLADESH

2.1 Historical Background:

The concept and practice of the public corporation in the sub-continent date back to the British colonial period when public undertakings such as Roads and Railways, Post and Telecommunications, Broadcasting etc. were carried out by specific departments. In the late fifties, the corporate device started taking roots during Pakistan period.

The role and objective of public corporations in the Pakistan period (1947-1971) were directed more towards social and economic development. This is reflected in the creation of public corporations covering almost all the areas of national development: industrialisation, power, water, agriculture and infra-structure development, commercial and specialised banking, insurance etc. Some of these, initially established as central government undertakings, had been bi-furcated on regional basis.

After liberation, the Government of the Peoples' Republic of Bangladesh established thirty eight new public corporations in 1972 in addition to retaining twenty other corporations which had been established at the provincial levels during the Pakistan period. The public corporations now operating in Bangladesh as catalogued by the CONCOPE appear at Annexure-IV.

The Pakistan Industrial Development Corporation (PIDC) was established in 1952 with the objective of developing industries in sectors where private investment was shy and also to play the supportive role to private sector. In order to expand these activities, PIDC was divided into EPIDC and WPIDC in 1962. The emphasis of the Pakistan Government was the development of private enterpreneurship; but the policy did not work well in the then East Pakistan because of socio-economic reasons. The non-Bengalis had the ownership of 72% of private industrial assets and 70% of the bank deposits.[1] Almost all the banks and financing institutions in the public sector had their head offices in Karachi and were staffed almost hundred percent by West Pakistanis. Even private banks and insurance companies were wholly owned by West Pakistanis.

In the post-liberation period of 1971, private sector industries faced major setbacks due to the mass exodus of non-Bengali owners and managers. In order to fill this vacuum, President's Order No.1 of 1972, The Bangladesh (Taking over of control and Management of Industrial and Commercial Concerns) Order, 1972, dated January 3, 1972 was promulgated. All abandoned properties including 725 industrial units were brought under the government control and management.[2] To manage the abandoned industries, a Management Board for each enterprise as provided in the 1972 ordinance was subsequently created. But this arrangement did not prove successful due to the dearth of suitable management personnel. Besides, plundering of resources by some members of the Management

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1. M.H. Rashid, "Public Enterprise in Bangladesh: A Survey", Bangladesh Journal of Public Administration, Vol.-I. No.1, January,1988, P.40.
2. Md. Shamsul Huque Chisty, "The Experience of Bangladesh" - Privatization Policies, Methods and Procedures, Manila: Asian Development Bank, 1985, P.262.

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Boards were found to be rampant. As a result, the government dissolved the Management Boards and appointed Administrators selected mostly on political consideration with little management expertise. This arrangement was also not effective and in many cases led to mismanagement and waste of resources.

After the failure of these two measures, the government promulgated on March 26, 1972 President's Order No. 27 of 1972, The Bangladesh Industrial Enterprises (Nationalisation) Order, 1972. Under this ordinance, the government nationalised all abandoned enterprises with assets valued at Tk. 1.5 million and above along with the entire jute, textile and sugar industries. Eleven industrial sector corporations which appear at Annexure-V, were established in pursuance of this order and all the nationalised units as well as the enterprises and projects of Bangladesh Industrial Development Corporation (erstwhile EPIDC) were placed under the control of the respective sector corporations. These measures led to the increase in public ownership of industrial fixed assets from 34% to 92%.[3] The number of public enterprises in the industrial sector increased from 53 to 392.[4] These eleven sector corporations were later merged through an amendment of P.O.27 in 1976 to form six corporations in the manufacturing sector namely BCIC, BSEC, BSFIC, BJMC, BTMC and BFIDC, with 386 enterprises under them. The remaining enterprises were returned to the absentee Bangladeshi owners. Banking, insurance and the export of raw jute were also nationalised.

In the post-1975 period, with the change in the government, there had been a major policy shift in the industries sector with increasing emphasis on promoting private enterpreneurship. The process was given further impetus through introduction of New Industrial Policy in 1982 and the Revised Industrial Policy of 1986 by the present government. An accelerated privatization programme was carried out through denationalisation of Bangladeshi owned industries and the disinvestment of abandoned units to the private sector during the period 1982-86. According to the World Bank report, the six manufacturing public corporations were left with 165 enterprises after 1986 with 38 units in BJMC, 43 units in BTMC, 24 units in BCIC, 21 units in BSEC, 25 units in BSFIC and 14 units in BFIDC.

It is important to look at the overall scenario of the nationalised enterprises in Bangladesh. Three hundred thirty nine enterprises out of the 392 were abandoned units, many of which were left with huge liabilities. Most of these liabilities were in the form of mortgages on the assets of the industries. Besides, the abandoned commercial and residential buildings and other immovable properties built out of the surpluses and against hypothecation of the assets of such industries were vested with Ministries of Commerce and Works. Despite the liquidity crisis resulting from the liabilities and the subsequent misappropriations mentioned earlier, these abandoned industries were brought into operation primarily through the untiring efforts of management personnel in an environment when overseas suppliers were reluctant to supply raw-materials and spares against LCs opened through local banks.

During the post liberation period, the public corporations made a significant contribution towards the rehabilitation of various sectors of the economy such as agriculture, industry, energy, communications, trade and commerce through the supply of seeds, fertilizer and irrigation pumps; pipes,

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3. Rashid, Op. Cit., P.40.
4. Chisty, Op. Cit., P.262.

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cables and wires; gas, water and electricity; trucks, buses and inland water vessels; sugar, food items, jute and cotton textiles. The services rendered in trade, commerce, export marketing of non-traditional items, banking, insurance and service sectors were also important to national development.

2.2 The Public Sector and its Importance in the National Economy:

The Public Sector (PS) consists of the Government, Public Institutions (PI) and Public Corporations and their Enterprises (PE). Public corporations and their enterprises produce goods and services and their current costs are expected to be financed from their own resources. Public Institutions produce services but may depend on government funds to meet their current costs.

The importance of public sector in the national economy of a developing country like Bangladesh is significant. The contribution of public sector and public enterprises in GDP of Bangladesh was 16-18% and 8.5-11% respectively during the period 1972/73 to 78/79.[5]

Public enterprises in Bangladesh often face criticism for its dominance in the utilization of national resources and in retarding the growth of the private sector. In this connection, a comparison of Bangladesh and the neighboring countries of India and Pakistan may be useful. A recent study has shown that the size of Public Enterprises and Public Sector in relation to GDP is almost identical in Bangladesh, India and Pakistan.[6] The average contribution of public enterprises (PE) and public sector (PS) in the GDP of Bangladesh, India and Pakistan was 9.9% and 16.4%; 9.99% and 19.97%; 7.02% and 16.92% respectively, during the period 1972-78. This is an indicator that PS/PE remains prominent in the economy of a developing country in-spite of a policy and incentives provided for developing the private sector.

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5. Muzaffer Ahmad, State and Development, Dhaka: The University Press Ltd., 1987, P.82 : Figures are from Bangladesh Bureau of Statistics.
6. Ibid, P.167.

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CHAPTER 3

RELATIONSHIP BETWEEN MINISTRIES AND PUBLIC CORPORATIONS: LEGAL AND ADMINISTRATIVE FRAMEWORK

3.1 Introduction

The desired and existing relationship between the ministries and the corporations have been discussed in chapter 4. In this chapter the legal and the administrative framework of the relationship has been reviewed and analysed.

The administrative and legal framework of the relationship have to satisfy the relevant provisions set forth in the Presidential Orders and Ordinances creating the corporations. These Orders and Ordinances, which require to be enacted, must also satisfy the fundamental principles of state policy as laid down in the Constitution of the People's Republic of Bangladesh.

3.2 The Relevant Principles of State Policy

The principles of state policy with respect to ownership as per Article 13 of the constitution are as follows:

Principles of ownership.

"13. The people shall own or control the instruments and means of production and distribution, and with this end in view ownership shall assume the following forms -

(a) state ownership, that is ownership by the State on behalf of the people through the creation of an efficient and dynamic nationalised public sector embracing the key sectors of the economy;

(b) co-operative ownership, that is ownership by co-operatives on behalf of their members within such limits as may be prescribed by law; and

(c) private ownership, that is ownership by individuals within such limits as may be prescribed by law."

During the earlier years of post liberation period, the government policy orientation was in favour of state ownership as per the provision in Article 13(a) above. But as mentioned earlier, there had been a policy shift in the post 1975 period with increasing emphasis on promoting private enterpreneurship. The process gained further momentum through introduction of New Industrial Policy in 1982 and revised industrial policy of 1986 by the present government. An accelerated privatization programme was carried out through denationalisation of Bangladeshi owned industries and the disinvestment of abandoned units to the private sector during the period 1982-86.

The other relevant principles of state policy are as follows:

Emancipation of peasants and workers.

"14. It shall be a fundamental responsibility of the State to emancipate the toiling masses-the peasants and workers-and backward sections of the

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people from all forms of exploitation."

"15. It shall be a fundamental responsibility of the State to attain, through planned economic growth, a constant increase of productive forces and a steady improvement in the material and cultural standard of living of the People, with a view to securing to its citizens-

(a) the provision of the basic necessities of life, including food, clothing, shelter, education and medical care;
(b) the right to work, that is the right to guaranteed employment at a reasonable wage having regard to the quantity and quality of work;
(c) ...
(d) ... "

Provision of basic necessities.

"16. The State shall adopt effective measures to bring about a radical transformation in the rural areas through the promotion of an agricultural revolution, the provision of rural electrification, the development of cottage and other industries, and the improvement of education, communications and public health, in those areas, so as progressively to remove the disparity in the standards of living between the urban and the rural areas."

Rural development and agricultural revolution.

To fulfil the above constitutional obligations, the governmental development functions are carried out both by traditional government departments as well as by corporations and the enterprises under them. The corporate bodies having greater autonomy and flexibility in decision making are set up by specific statutes which define their objectives, functions and authority. The structures and types of corporations thus set up under various laws, each distinct and separate from the other, vary depending on their objectives, roles and functions that they are expected to perform.

3.3 Functions and Structures of the Corporations

Out of the seven corporations, three are in the manufacturing sector. Of these, BCIC produces chemicals, pulp, papers and newsprints; rayon filaments and staple fibres; glass and ceramics; fertilizer; cement etc. BSEC is engaged in production of steel ingots and CGI sheets; electrical cables, conductors and super enamel copper wires; electrical transformers and lightning arrestors; machine tools, hand tools and cutting tools; diesel engines and pumps; GI pipes; electrical fans; inland water vessels; bi-cycles; assembly of motor cycles, cars, trucks and buses, etc. BSFIC produces sugar, edible oils and vegetable fats; food items etc. It also exports shrimps. It may be mentioned here that the number of enterprises and manufactured goods gradually declined to what they are to-day as a consequence of governmental policy shift in favour of privatisation.

Out of two corporations in the trading sector, TCB is engaged in import of consumers goods, industrial raw materials and construction materials. It also exports Bangladeshi manufactured goods. EPB is rendering services to both the private and public sectors for promotion of exports from Bangladesh. The

remaining two corporations are engaged in developmental activities, viz., BWDB in water development, irrigation and flood control and BADC for supply of agricultural inputs, such as irrigation pumps, seeds and fertilizers etc. It is also rendering agricultural promotional services.

Organisationally, BCIC, BSEC and BSFIC are controlling type of corporations having manufacturing enterprises under them, most of which are limited companies wholly owned by the government. They also plan and implement new industrial projects. All these three corporations were established by the amended Nationalisation Order, popularly known as P.O.27 which also created Bangladesh Jute Mills Corporations, Bangladesh Textile Mills Corporations, Bangladesh Forest Industries Development Corporation and Bangladesh Oil, Gas and Mineral Corporation. TCB, EPB, BWDB and BADC are unitary form of corporations, each having their respective Ordinances as discussed in section 3.4 of this chapter.

The structures of the boards of directors of the corporations are not similar. BCIC, BSFIC, TCB and BWDB have full-time functional directors (in the case of BWDB, full-time members) headed by full-time chairmen who are the chief executives of the respective corporations. The board of BADC has full-time functional directors as well as two ex-officio part-time directors. It is headed by a full-time chairman who is the chief executive. The management board of EPB is headed by the Minister of the concerned administrative ministry i.e., the Ministry of Commerce. The chief executive is the full time vice-chairman of the bureau. It has a full time member and part time members from both the government and the private sectors.

3.4 The Legal and Administrative Framework - The Relevant Provisions in the Charters

A. The Public Corporations in the Manufacturing Sector - President's Order No.27 of 1972: The Bangladesh Industrial Enterprises (Nationalisation) Order, 1972:

The public corporations in the manufacturing sector under study are BCIC, BSEC and BSFIC. The legal framework of these corporations is governed by the Bangladesh Industrial Enterprises (Nationalisation) Order, 1972 popularly known as P.O.27 of 1972. It is not distinctly and specifically applicable to the above three corporations only but includes within its fold other corporations in such sectors as textiles, jute, forest, and minerals, oil and gas. It is thus a general legal framework established by the government specifically for the nationalised industrial sector. The powers, functions and other related matters are, therefore, applicable to all corporations covered by the same order.

The objectives of BCIC, BSEC and BSFIC according to the Presidential Order 27 of 1972 are control, co-ordination and supervision of the enterprises placed under them and establishment and development of new industrial enterprises. These corporate management functions need no further elaboration. However, the objectives of the enterprises have not been defined.

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The Ownership of enterprises, placed under the sector corporations, are deemed to be vested in the Government[7]. However, there is a provision in P.O.27[8] for transfer of government property, assets and liabilities to a corporation. This has been given effect to subsequently by Ordinance no. VII of 1987.

The general direction and administration of the affairs and business of the corporations is vested in their Boards of Directors which may exercise all powers and do all acts and things which may be exercised or done by the corporation[9]. The Board may delegate its power to the chairman who is the chief executive for the purpose of efficient operation of corporation. The chairman may delegate his power to the officers of the corporation.

The ordinance authorized corporation to appoint officers and employees, consultants for efficient performance of the corporation on such terms and conditions as it may determine.[10]

The corporations shall "also exercise such of the powers of the Government as the Government may by notification in the official Gazette delegate to the corporation"[11]

There are also provisions in the nationalisation order restricting the authority of the corporations which may be noticed in articles 11(1) and 16. Although there are broad powers of the corporation in respect of its function of governance, insertion of phrases like, "as may be prescribed", "subject to regulation that may be made on this behalf", "may be prescribed," ... in articles 13(2), 17(1) and 17(2) respectively, make exercise of such authority conditional on rules and regulations to be framed by the government. However, the division bench of the High Court ruled in 1974[12] that the nonfulfilment of the conditionality is not a bar against the exercise of the substantive power by the corporation. The ministry can not, therefore, issue restrictive orders inconsistent with the charter on the plea of absence of rules and regulations.

Provisions concerning the accountability of the corporations: The most significant provision in the nationalisation order in this respect reads as follows: "The Board shall be subject to the superintendence and control of the Government and shall be guided , in the discharge of its functions, by such general or special instructions as may, from time to time, be given to it by the Government."[13]

An annual budget statement for the corporation is to be prepared by the corporation and to be duly approved by the government according to

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7. Article 10.1(A), P.O.27, 1972.
8. Article 26(2), P.O.27, 1972.
9. Article 11(1), P.O.27, 1972.
10. Article 16, P.O.27, 1972.
11. Article 17(3), P.O.27, 1972.
12. Judgement of the High Court Division of the Supreme Court of Bangladesh on petition no. 1007 of 1974 under Article 102 of the Constitution.
13. Article 11(2), P.O. 27, 1972.

the ordinance[14]. It further provides that the corporation may spend such sums as it thinks fit on the basis of the annual budget approved by the government.

There are other provisions related to borrowings by Corporations "with prior approval of the Government", maintaining of proper accounts, preparation of annual statement of accounts and auditing of the accounts of Corporation by not less than two accountants appointed by the Government.

There are quite elaborate provisions in P.O. 27, 1972 on auditing and on the functions of the auditors. The auditors in their report are required to furnish their opinion on the correctness and completeness of the balance sheet as well as to provide any information, called for from the Board. The Presidential Order also requires that the "audited accounts and annual report shall be published in the official Gazette and shall be laid before the Legislature."[15]

There are, therefore, adequate provisions in the Nationalisation Order concerning accountability; the question is whether it is being enforced effectively.

It is evident that the distinct entities of the industrial enterprises placed under the corporations in the manufacturing sector have been maintained in the Nationalisation Order and that the corporations have not obviously been made responsible for executive management of the enterprises. The functions of the corporation as defined in the Nationalisation Order with respect to the enterprises placed under them are "control, co-ordination and supervision". It may be mentioned that when the corporations came into being, seventeen years ago, the corporate boards had to engage themselves in the management and consolidation of the takenover industries, because of a generation gap in managerial and skilled manpower resources. The executive management by the corporate board is, perhaps, no more tenable in the present-day context. Management by the corporate board perhaps needs a review in terms of greater functional autonomy of the enterprises than they are enjoying at present. The development of a harmonious relationship between the ministries and the corporations, perhaps, requires an appreciation of corporate functions of governance such as supervision of executive management and enforcement of accountability.

B. The Public Corporation in the Trading Sector - TCB:

The President's Order (P.O) No. 68 of 1972 established the TCB for the import and export of all kinds of goods and materials from and to all countries in accordance with the government policy. Its sales and distribution responsibilities have provisions for authority and accountability similar to those of the corporations in the manufacturing sector. Since it is an executive board the need for delegation of power was not perhaps felt.

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14. Article 19, P.O.27, 1972.
15. Article 22(5).

The functions of TCB are well defined. It has been directed to act on commercial considerations with due regard to the interest of the nation and the members of the public [article 6(2)]. The corporation, after making usual provisions for bad debts, depreciation and reserve shall pay to the government the remaining surplus earned during the year.

The authorised capital of the corporation is Taka 5 crores to be subscribed and may be increased by the government from time to time (Article 5). Like BCIC, BSEC, BSFIC, TCB is also supposed to be a self-financing institution. It must, however,be mentioned that the funds for new industrial projects are provided by the government against annual development programme (ADP) as loans recoverable on completion of projects.

C. The Public Corporation for Export Promotion - EPB:

The Export Promotion Bureau was established by Ordinance no. 47 of 1977, "for promotion of export from Bangladesh and for development of plans and policy in support of promotion of export from both private and public sectors of the country ..." It is vested with management authorities subject to rules and regulations to be framed by the government. The board may delegate to the vice-chairman (chief executive), any member or officer of the bureau any of its powers; but there is no provision for sub-delegation. The functions and accountability of the bureau are well defined.

The fund of the bureau consists of grants from the government, local authorities and other corporate bodies, aids and grants from foreign countries, loans raised in Bangladesh and the contribution from chambers of commerce and trade organisations and associations, and other receipts of the bureau.

The boards of BCIC, BSEC, BSFIC, TCB, BADC and BWDB consist of full time functional directors/members and are headed by full-time chairmen who are also the chief executives of the corporations. The board of EPB, however, consists of the Minister of Commerce as chairman, a full-time vice-chairman as chief executive, one full-time functional members, six part-time members from relevant ministries of the government and two part-time members from private sectors.

D. The Public Corporation in Water Development and Management Sector - BWDB:

The erstwhile East Pakistan Water and Power Development Authority was replaced on 31 May, 1972 by a Water Development Board and a Power Development Board constituted under President's Order No. 59. The Bangladesh Water Development Board (BWDB) is entrusted with preparation and implementation of a comprehensive plan for control of floods and the development of water resources of Bangladesh. It may frame and execute schemes with approval of the governmen for construction of dams, barrages and reservoirs; irrigation, embankment and drainage; bulk water supply, recreational use of water resources; flood control and watershed management; prevention of salinity and water logging; reclamation of land; improvement, extension and regulation of channel. [Article 9(3)].

The board has the power to amend or modify a scheme within a limit of 15 percent cost increase or 15 % benefit reduction provided that the cost component of benefit cost ratio does not exceed the benefit. The board may arrange to transfer a completed project to a local authority with its assent; if the board fails to do so, the government can intervene; the government may also direct the board to hand over any scheme to any of its agencies or to a local authority. Similarly, the board may also take over or be directed to take over schemes undertaken by other agencies. The authority of the board and its accountability, are similar to those of the other corporations. Unlike the case with the manufacturing and trading sector corporations, there is a provision for commercial audit by the Comptroller and Auditor General.

The Fund of the board shall consist of grants made by and loans obtained from the government, grants made by local authorities, sales proceeds of bonds, foreign loans and grants, levy, water rate and tolls.

It may be noted that the financing character of the board is that of an infrastructure development corporation. There is no provision of delegation of power by the board to the chairman.

E. The Public Corporation in Agricultural Development Sector - BADC:

The Agricultural Development Corporation Ordinance, 1961 (EP Ordinance 37 of 1961) creating East Pakistan Agricultural Development Corporation was amended through promulgation of Ordinance no.40 of 1975 on 8 August 1975 and Bangladesh Agricultural Inputs (Supply and services) Corporation was established. With the change of government, this Ordinance was again amended in 1976 by Ordinance no.11 dt. 13 February 1976 and Bangladesh Agricultural Development Corporation was established substituting "Inputs (Supply and services)" by the word "Development".

BADC has a number of objectives to be achieved in a wide field of operations. Distribution of agricultural inputs and adaptation of advanced technology constitute its major areas of activities. But these are not the only functions of BADC as are commonly believed. Its functions pervade the entire sphere of integrated rural development efforts of the government. The functions of BADC include building and developing new settlements with the required infrastructure, helping to promote the means of livelihood for the beneficiaries covering agriculture, pisciculture, poultry, dairy farms, agro-industries. BADC also has programmes to advance cash credits for processing and marketing of agricultural produce and the promotion of co-operative societies. Through these activities, it is expected to influence the quality of life in rural areas.

As in the case with other corporations, the management of the corporation is vested with a board of directors. The board shall be guided by policy directions given by the government [Article 4(2)]. If the board fails to comply with any direction, the government may remove the directors and the chairman [Article 5(3)].

The board consisting of not more than six full time functional directors (including the chairman) and two ex-officio directors, namely

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the Registrar of Co-operatives and the Director General of Integrated Rural Development Programme (now BRDB) may delegate any of its powers to the chairman (Chief Executive) or any director or officer. However, the chairman can not delegate to other officers of the corporation, unlike the case with the corporations in the manufacturing sector, the power of the board delegated to him.

BADC may also appoint officers, staff or advisers as it considers necessary and has the statutory power to hand over the completed projects to the local authority.

The financing of the corporation is like those of EPB and BWDB.

Once a scheme is approved and the budget is adopted, the board can exercise its independent operational authority. There is a provision for both commercial and statutory audits. The mixed type of BADC board consists of both ex-officio and full- time functional executive directors. The corporation may also set up subsidiaries and delegate its power to their managements.

3.5 The Environmental Factors Leading to Government Interventions

Immediately after being established, the corporations of the manufacturing sector had to be engaged in resource mobilisation for the purpose of putting the factories into productive gear. Moreover, some of the abandoned manufacturing units did not have accounting, stores or purchasing systems which had to be designed and introduced. Excise duty, sales and income taxes were in arrears. Pass books for import of raw materials were under seizure on charges of selling the imported industrial raw materials in the black market.

Under these circumstances, accountability was not, perhaps, the prime consideration for the corporations; the priority was to introduce appropriate management systems. THe corporations did not, perhaps, realise that they had to be much more serious in making themselves accountable, especially in giving returns on investments. The public corporations in the past had not been set up with the objective of profit earning. Moreover, most of the abandoned enterprises in the manufacturing sector had inherited huge liabilities. There was no equity capital and the corporations relied heavily on commercial bank borrowings to meet the working capital requirements and current liabilities. The officials of the Ministry of Industry, its corporations and the enterprises, who were keeping the wheels of production running through hard work and dedication were accused of mismanagement. It was a difficult time for the corporation officials. The escalation of product prices was attributed to nationalisation and not to the devaluation of taka and international price hikes. The Ministries of Commerce, Finance and Industry, under such circumstances and from a feeling of the need for the enforcement of the accountability, started issuing restrictive orders denying the operational authority and flexibility of the corporations. These orders ignored the spirit of the corporations' charters and the fact that the substantive powers of the boards inherent in the charters could not be interfered with.

In the circumstances, the government had to intervene and come forward with corrective measures in the form of directives to the ministries and corporations

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to remove the constraints against the effective performance of the corporations. These are:

(a) Guidelines on the Relationship between the Government and the Autonomous Bodies/Corporations and Autonomous Bodies/ Corporations and Enterprises under Them, May 15, 1976,
(b) Resolution no. 4.5.82/285-Committee dated Dhaka, the 24th July 1983, published in the Bangladesh Gazette, on the Recommendations of the Committee for Reorganisation of the Public Statutory Corporation,
(c) The Public Corporation (Management Co-ordination) Ordinance No. 48 July 5, 1986,
(d) Government Order dt. 16-3-87 directing strict observance of the Guidelines 1976 and Resolutions 1983 etc.,
(e) Ordinance No. VII of 1987, The Bangladesh Industrial Enterprises (Nationalisation) (Amendment) Ordinance relating to the transfer of Government shares in the nationalised enterprises to the public corporations and divestment,
(f) Notification No. She/Bi: Ha: 5/Sha; Bi:- 3/87/138 dated July 7, 1988 of the Ministry of Industry directing issue of government's 51% share holdings to BSEC, BCIC, BSFIC of the respective divested enterprises.

The summary of these directives and Ordinances is presented under the caption of governmental intervention as follows:

3.6 The Governmental Intervention

A. Guidelines, 1976

Guidelines 1976, issued from the Cabinet Division defining the Relationship between Government and Corporations and between the Corporations and their Enterprises, covered all the corporations: commercial, promotional and regulatory. The Guidelines, 1976 provided that:

"The responsibilities of the Government in a Ministry shall be to ensure that the Corporations function in such a manner as to enable them to achieve the objectives stated in the relevant laws or any rules and regulations framed thereunder or any policy directives issued by the Government from time to time."

"The relationship between the Ministry and a Corporation shall be regulated by the provisions of the respective laws so that-

(a) the functions of the Ministry are confined to policy-making, appointment of Chairman/Director/ Members, approval of budget, appointment of Auditors and review of audit reports, evaluation of performances and such other matters as may be prescribed in the relevant laws, rules and regulations,
(b) the functions of a Corporation are confined to its smooth and efficient operations, within the limits of respective laws, rules and regulations, and
(c) the Corporation shall submit performance report periodically in such form as may be prescribed by the Government."

Some of the other salient points of Guideline 1976 having bearing on the relationship between ministries and corporations are that :

- the organogram of each corporation is to be approved by the

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administrative ministry,

- financial control will be exercised by the ministry through the annual budget.
- once the budget is approved, the corporations will be free to manage their finance in their best interest.
- each organisation has to submit to the government an annual performance report.
- the respective ministries have to make rules and the corporations have to make regulations with the previous approval of the government in pursuance of relevant Acts/Laws.
- such corporations as are set up to operate on commercial considerations, should have the authority to fix prices/rates of goods and services produced by them except when such fixation relates to public utilities or essential commodities and services as may be specified by the government. In fixation of prices/rates of such public utilities and essential commodities and services, prior approval of government will be obtained.

B. Resolution, 1983

After the issue of the Guidelines 1976, the most important policy directives concerning public statutory corporations and financial institutions came through the Resolution 1983 from Cabinet Division (Bangladesh Gazette, No. 4.5.82/285 - Committee, dated July 24, 1983).

These are based on the recommendations of the Committee for Reorganisation of the Public Statutory Corporations. There are 17 directives, all of which may be termed as progressive, framed for flexibility and operational freedom aimed at efficient operation and management of corporations. On ministry-corporation relationship the following clear-cut directives of the government were included in the Resolution :

- the ministry/division shall exercise only such supervision and control over the autonomous and semi-autonomous bodies under it as are assigned to it under the relevant law and are necessary for ensuring financial discipline and accountability in the management of such bodies. The ministry/division shall refrain from interfering in the day-to-day management of these bodies and shall limit its control within ambit of the law.
- the administrative ministry shall scrupulously respect the operational freedom of the corporations/autonomous/ semi-autonomous bodies by abstaining from directly dealing with any functional matters.
- the administrative ministry shall be guided in dealing with the autonomous bodies/corporations by the Guidelines, 1976, which spells out the relationship of the government with the autonomous organisations and that of the autonomous organisations with the enterprises under them.

Other important directives in Resolution 1983 are -

- when particular interest of public policy is involved in the operation of any project by an autoromous or semi-autonomous body and consequently financial loss is suffered, the government shall pay a subsidy to the extent necessary.

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- the corporations shall liberally offer contracts with appropriate salary and attractive terms and conditions of service to qualified and able persons so that persons having requisite expertise, experience and qualification are encouraged to join the public sector.
- in order that the public corporation may exercise adequate control over the activities of the enterprises under them and be made accountable for their performance, the share-holdings in enterprises incorporated as companies shall be transferred to and vested in the concerned corporation. The ministry/division concerned shall immediately take appropriate legal measures for this purpose.
- the concerned ministries/divisions and corporations shall ensure that the organisations under them operate on a "hire and fire" basis and, to the extent necessary, the relevant charters shall be suitably amended.
- A system should be developed for ensuring accountability in the management of the public corporations and enterprises, without, at the same time, putting undue constraint upon their operational freedom.
- a permanent commission to be called Public Enterprises and Financial Institutions Commission shall be set up to monitor the performance of the public sector agencies on a continuing basis.

C. Ordinance 48, 1986

The Public Corporations (Management Co-ordination) Ordinance 48 was issued on July 5, 1986, forming the Council for Public Corporation (CPC). The CPC is the highest inter-ministerial authority on matters concerning the management of Public Corporations. The council consists of five Ministers dealing with finance, planning, industries, energy and mineral resources and commerce as ex-officio members. Other Ministers are co-opted if matters concerning corporations under them are discussed. The Vice President who is also the Minister in charge of the Ministry of Industry is the current Chairman of the CPC. The functions of the CPC as stated under the Management Co-ordination Ordinance are to -

i) formulate general policy guidelines for public corporations.
ii) formulate guidelines for the preparation of management objectives and budgets of corporations.
iii) approve production targets, profit and performance criteria, declaration of dividends or contribution of profits to government.
iv) evaluate periodically and monitor performance of corporations, and such things as it considers necessary for ensuring co-ordination and better management of the corporations.

For carrying out the functions of CPC, all the papers/reports will be routed to and from the corporations through the concerned ministry.

The ordinance 48 also states that

- the ministry shall determine the pricing policy of goods and services and the corporations shall fix the price according to such policy.

- the government shall re-imburse to a public corporation the financial loss, if any, incurred by it or any of its enterprises consequent upon the following by it or by such enterprises any specific instructions given by the government on matters relating to the business or administration of such corporations or enterprises.

Findings of a study conducted in the recent past are that "The CPC has provided an inter-ministerial forum for deliberating on PE sector-wide issues, and its collective decisions have to limit the intervention of individual ministries in the affairs of the corporations. Since its inception, the CPC has made decisions on important PE management issues, including liberalizing output pricing; approving the second phase of the performance contract project for developing a performance evaluation system; and framing rules on the terms of service for high level management."

"Despite having major responsibilities, the CPC has no permanent secretariat. This has caused delays in the performance of important tasks. For example, the CPC is often unable to provide budget guidelines to the PEs six months before the start of the fiscal year as legislated. Government has enacted regulations for the Autonomous Bodies Wing (ABW) of MOF to provide secretarial assistance to the CPC. In this capacity, the ABW has been active in committee work and preparing policy papers for the CPC. But the ABW is not adequately staffed to perform these tasks in addition to on-going projects and its normal budget review functions. There is general recognition in Bangladesh about establishing a technical secretariat for the CPC although the role and authority of such an entity is a subject of debate, especially given proposals to form holding corporations and the need to avoid creating new bureaucratic layers over the MPEs.[16]"

D. The President's Secretariat Order no. Rasha/Ma Pa (AB) - 2/87-17 dt. 16.3.87 with the directives to ministries and corporations to follow without excuse the Guidelines, 1976 and the Resolution 1983. Any failure to follow or violations of the Guidelines, 1976 and Resolutions, 1983, was to be brought to the notice of the President.

E. Ordinance No. VII of 1987:

The Bangladesh Industrial Enterprises (Nationalisation) (Amendment) Ordinance, 1987, was promulgated in order to enable the government to sell or transfer its shares of the nationalised enterprises to corporations or to any other person. Transfer of government shares to the corporations was necessary to give effect to Resolution of 1983.

F. Notification No. Shi/Bi: HA:-5/Sha: Bi:-3/87/138 dt. 9.7.88 of Ministry of Industry:

This notification was issued in pursuance of Ordinance no. VII of 1987 and contains the directive that the companies which were formerly enterprises of the respective corporations and which have divested or are divesting or will divest 49% shares to the workers, employees and officers of the enterprises and the members of the public shall issue the remaining 51% shares to BCIC, BSEC, BSFIC consequent upon the decision for converting these corporations into holding companies.

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16. World Bank - Draft report No. 7654-BD, "Bangladesh Manufacturing Public Enterprises Reform", April 18, 1989, Paragraphs 21-22 of executive summary.

3.7 The Administrative Framework:

While the legal framework providing for the structure and functions of the corporations leads to the administrative framework for each of the corporations under study, an attempt was made first in October, 1980 to form a forum under the name and style of "Consultative Committee of Chairmen and Managing Directors of Autonomous and Semi-Autonomous Bodies" later renamed in 1982 as "Consultative Committee of Public Enterprises" which popularly came to be known as CONCOPE. The object was to continuously interact with the government in order to secure co-ordinated decision making in administrative and financial managements across the public sector corporations and the enterprises under them. This committee was later registered under Societies Registration Act on March 22, 1984 as a Registered Body/Forum of Public Enterprises. As a body, it regularly holds sittings with the honourable President in order to obtain quick decisions in regard to administrative, financial and other related matters. In practice, therefore, its stated objective of co-ordinated action has been extended to the above spheres and has led to decisions relating to delegation of authority.

CHAPTER 4

FUNCTIONAL CONSTRAINTS FACED BY PUBLIC CORPORATIONS

4.1 Efficiency Factors and their Correlation with the Objectives and Issues of PAES

The relationship between ministries and corporations is being studied with a view to increasing the corporations' operational efficiency and enforcement of their accountability to the government, the owner of the corporations and custodian of regulatory, control and welfare functions of the state. It is, therefore, necessary to analyse the factors which affect the efficiency of the corporations, after establishing their correlation with the objectives and issues of the PAES, and to see how intervention in these factors may boost up or constrain the achievement of a higher efficiency.

The factors affecting the corporations' efficiency have been identified through a framework of project and enterprise management, and it may be stated that the efficiency of corporations is dependent on the following four prime factors and their respective sub-factors[17]:

A. Policy Factors

(1) Participation in Decision Making Process
(2) Definition of Problems to be Solved or Opportunity to be Exploited
(3) Appropriate Feasible Strategies of Interventions

B. Design Factors

(1) Goal and Purpose
(2) Feasibility and Engineering Study
(3) Contracting Procedure
(4) Scheduling and Re-scheduling of Project Implementation Activities
(5) Government Support for Supply of Inputs
(6) Support for the Completed Project

C. Management Factors

(1) Organisational Structure
(2) Administrative and Financial Procedures
(3) Management of Human Resources
(4) Finance and Material Input Management
(5) Technology Management and Development
(6) Productivity Management
(7) Output Management
(8) Co-ordination

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17. Dennis A. Rondinelli, "**Development Management in Africa: Experiences Implementing, Agricultural Development Projects**", USAID Evaluation Special Study No. 44, July 1980. The author's framework of project management has been modified to include enterprise management especially in the Bangladesh context.

D. Contextual Factors

(1) Political, Economic, Social and Cultural Factors
(2) Physical and Institutional Infra-structure
(3) Labour Union Behaviour
(4) Response of Beneficiaries to Technology Transfer
(5) Counterpart Support to Donor's Experts

Figure 1 at page 21 shows that all the prime factors with their sub-factors affecting the operational efficiency of corporations affect objective no.I i.e. Higher Standards in Administrative Performance. A positive intervention by the ministries for removal of constraints faced by these factors will increase the operational efficiency of the corporations and undue interventions will result in a decrease in their efficiency. A study of these factors is, therefore, relevant to PAES.

Objective I is also affected by the other five objectives of PAES presented in column 3 of figure I. These are rather independent variables in relation to objective I; they also interact with one another as discussed later in this chapter.

As is evident from the figure, the seven issues and the five out of six objectives are not concerned with the contextual factors; since the administration or the corporations or the enterprises cannot function in isolation, the contextual factors deserve examination and analysis.

4.2 The Constraints

A. Policy Factors - Sound Policy Analysis

There is an absence of reciprocal relationship between ministries and corporations consequent upon lack of effective participation by the corporation in policy making involving, inter alia, definition of problems to be solved or opportunities to be pursued as well as interventions to be made at the national, ministry or the corporation level for tackling an unforeseen problem, such as, a shrinkage in the market which calls for a macro-economic adjustment or changes in a predetermined product mix.

B. Design and Implementation Strategy - Implementation of Policy and its Strategic Implication

Development projects are sometimes taken up on ad-hoc basis without clear goals and objectives and having not much relevance to the overall sectorial programmes; BWDB and BADC often find it difficult to get funds for such projects against ADP. Absence of critical analysis of feasibility studies by the corporations and concerned ministries also leads to ill-conceived projects and sick enterprises.

One of the most important impediments in project implementation especially in the case of capital intensive high-tech industrial projects such as a urea fertiliser factory, is poorly defined terms and conditions of contracts resulting from lack of appreciation of contracting procedures and the legal aspect of international technology contracts. Productivity of an

1	2		3	4
PAES OVERALL OBJECTIVE	Factors Affecting Efficiency of Corporations		PAES SPECIFIC OBJECTIVES	PAES Key Issues
HIGHER STANDARDS IN ADMINISTRATIVE PERFORMANCE	A.Policy Factors	Participation, Definition of Problems and Strategies of Intervention.	II.SOUND POLICY ANALYSIS	
	B.Design & Implementation Strategy	Goal and Purpose, Feasibility and Engineering Study, Contracting Procedure, Scheduling & Re-scheduling, Government Support for Inputs and Support for the Project Output.	III.IMPLEMENTATION OF POLICY AND ITS STRATEGIC IMPLICATION	
	C.Management Factors	Organisational Structure, Administrative and Financial Procedures, Human Resources Management, Finance & Material Management, Technology Management, Productivity Management, Output Management and Co-ordination	IV.DELEGATION OF AUTHORITY V.STAFFING VI.TRAINING FACILITIES IMPROVEMENT & DEV.	*(i) Bureaucratic Behaviour* *(ii) Accountability* *(iv) Decision Making* *(iii) Continuity* *(v) Personnel Management* *(vi) Training* *(vii) a. Expert Service* *(vii) b. Expert Service*
	D.Contextual Factors	Political, Economic, Social & Cultural Factors, Physical & Institutional Infra-structure, Labour union behaviour, Response to Technology Transfer and Counter-part support to donor's experts		

Figure 1. Factors Affecting Corporations' Efficiency and their Correlation with PAES Objectives and Issues

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enterprise suffers seriously because of unsatisfactory project specifications, design and implementation[18].

Scheduling and re-scheduling of project activities: Considerable cost over-run resulting from time over-run occurs due to lack of appreciation on the part of the officials of projects, corporations and concerned ministries of the fact that there are thousands of activities forming a project network from the starting event to the finishing event. Hundreds of activities are required to be handled simultaneously by the management team in order to execute a project within the schedule; a delay in any of the activities may cause a delay in project completion if corrective measures are not taken in time by concerned corporations and ministries and other project activities are not rescheduled.

Lack of government's support for supply of inputs such as timely release of funds especially during the fourth quarter of the financial year adversely affects project implementation. Delay may be caused also by the corporation's failure to account for the funds released by the government during the preceding three quarters. Inordinate delay in starting a project may also occur due to inadequate provisions based on unrealistic assumptions; delay in compensating affected people of the project area.

Support for the project output: Of the completed projects under BWDB, the number of small ones is 415. The Water Development Board is over-burdened with operation and maintenance of these completed projects. As per provisions in the ordinance these projects might be transferred to the Upa-zila administration or even Union Parishads. Committee for Reorganisation of Bangladesh Water Development Board opined that "... there are two pre-conditions for the success of such a line of action. The first of these relates to a political commitment at the appropriate level to implement such programme. The second relates to the willingness of BWDB to take appropriate steps to effect such a transfer of responsibility and see that it is implemented. The Committee is convinced that once this transfer takes place backed by adequate administrative and financial interventions, the burden on BWDB in so far as it relates to O&M functions, will be much less than as indicated by the Task Force."[19]

All the above factors have seriously strained the ministry-corporation relationship and their mutual trust and confidence.

C. Management Factors

A wide confidence gap having its roots in the following management factors does exist in the relationship between ministries and corporations:

(1) Organisational structure: Constraint against desired level of performance in the manufacturing public sector is partly due to the weakness in organisational structure of the corporations such as BCIC, BSEC and BSFIC. The three tiers - enterprise, the corporation and the ministry face constraints against taking decisions in their respective spheres of activities. There is a lack of effective enforcement of accountability on the part of the ministries

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18. Rafiquddin Ahmad, "Project Implementation and Productivity", The Journal of Management Business and Economics, Vol.7 No.2, April 1981, Institute of Business Administration, University of Dhaka.
19. A.M.M. Shawkat Ali, "Report of the Committee for Reorganisation of Bangladesh Water Development Board", March, 1984, PP. 16-17.

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and the corporations. Supervision of executive management, corporate planning and joint collaborative actions against enterprise and project sickness are rather poor.

The organisational structure of BWDB has become unwieldy because of non-transfer of 415 completed projects to the local authorities or the cooperatives as mentioned earlier.

It must be difficult for BADC to maintain its dynamism because of shrinkage of input distribution activities. BADC needs policy directives from the government defining the priority areas of its activities according to its mandate.

(2) Administrative and financial procedure:

Bureaucratic behaviour: There are several tiers in the matter of administration, control and decision making; the chain of command being the project/the enterprise, the corporation, the ministry. In policy formulation and in certain types of decision making processes, more than one ministry is involved. It goes without saying that where there are so many tiers and ministries involved for giving decisions on urgent industrial, commercial and project issues, team spirit and trust are a must for the quick disposal of various issues in the national interest. In this connection it would be of interest to note the following relationship patterns that had emerged between the ministries and the public enterprises in India[20]:

"The Big Brother pattern" involving a superior paternal attitudes; "the Pontius Pilate pattern" where the ministries are blissfully ignorant of what is going on in their enterprises; "the post mortem pattern" related to conduct of post mortem under compulsion after the happening of scandals; "the management by crisis pattern", or coming into the picture like a fire brigade only when a crisis is faced by the enterprise; "the Chess Board pattern" which gives rise to a situation of check-mate preceded by confrontations between corporation and the ministry; "the battle field pattern" involving open warfare; and the rare and the most desired, "school of harmony pattern," where the parties respect each other, where the feeling of we versus they is absent and both the parties are working towards a common goal.

There exists scope for streamlining of some of the rigid rules and procedures; but the most effective way to improve the procedural delays and discords that occur in the line administration, lies in removing the inadequacies in the officials themselves. Bureaucratic attitudes of individuals in resolving an issue is found to vary from person to person. The more conversant a bureaucrat is with the efficient discharge of his duties the more positive is his attitude. Bureaucrats who held positions of responsibilities at early stages of their service career and especially those who worked as chief executives of public corporations are generally found to be quick in giving decisions and willing to accept responsibilities. They also believe in informal working relations. In some cases, absence of clear demarcation of activities and lack of co-ordination, control and accountability within the ministries, compound the problems of corporations particularly on matters that need joint action by different wings/sections of the ministries.

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20. P.J. Fernandes, "The Accountability of Public Enterprises," Control Systems for Public Enterprises in Developing Countries, ICPE, 1982, PP.61-62.

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Various circulars which are issued by the government to the corporations from time to time are sometimes found to be confusing and conflicting. It is, therefore, necessary that prior consultations with the representatives of the corporations are made before issuing any such orders, particularly those involving financial benefits, so as to avoid any scope of misinterpretation.

The existing procedure requires approval of purchase cases of enterprises involving more than Tk. 50 million by concerned ministry and above Tk. 150 million by the Council Committee. Decisions are sometimes received after the expiry of the validity of the offers, which, in cases of some processed metals, farm products and minerals used as intermediate industrial raw materials, varies from 24 hours to 78 hours. This situation may be corrected if the corporations are authorised for purchasing inputs within the limits of the approved budget. As per guidelines 1976, the corporations are supposed to be free to manage its finance once the budget is approved by the government. However, in such areas the board must act quickly and accept responsibility of giving its collective directives to the executive officers to go ahead with appropriate actions. Necessary control of the ministries may be exercised in respect of chronically sick enterprises at the time of approving their budgets.

The existing system of processing Technical Assistance Project through the concerned ministry, Planning Commission and External Resources Division is extremely cumbersome. The planning commission may examine whether TAPP can be simplified.

The success of a corporation particularly of commercial nature, is largely linked with the degree of mobility of its personnel to perform commercial and other duties. In a country where public transport system is not of high order, it is imperative that the corporations should have full authority on procurement and use of transports once the table of equipment is approved.

Prior government approval is required for undertaking foreign tours on official business by the corporations' officials in the pay scale of Tk. 4750-5500/- and above. Such restrictions have an adverse effect on dynamism of the corporation and stand in the way of executive development through axposures and interactions in the international forums. There are cases when foreign fellowships could not be availed of due to procedural delay.

The EPB personnel are required to go abroad often for undertaking promotional activities. But for the procedural delay, they are unable to attend important duties aboard. Consequently organisational objectives suffer. The corporations should be fully authorised to approve foreign visits within the approved budget provisions and in emergency cases even beyond the provision under the foreign travel sub-head but not exceeding the total provision under the major head.

Decision making: Delay in decision making and 'buck passing' cause tremendous loss in industrial enterprises and give rise to cost overruns, especially in the case of implementation of large projects like petro-chemical complex requiring utilisation of thousands of millions of taka. And yet every one at the plant, corporation and ministry level involved in the process of decision making is unconcerned because of lack of enforcement of accountability and the absence of a system of reward and punishment.

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All development projects costing above Tk. 50 million are approved by ECNEC after being processed at various line and staff ministries; but during the execution phase, approvals for award of various contracts, have to be given by higher authorities depending on the total amount involved. The procedural delay ultimately results in time and cost over-runs.

Decision making process involves power at the hands of decision makers and a conviction for making fair decisions. There are, of course, executives who are not willing to exercise the power they have been delegated with; but these groups of non-performing executives should be dealt with through a system of reward and punishment. A system of participatory decision making may also remove the constraint greatly.

Delegation of authority: Responsibility, authority and accountability should go hand in hand. According to the provisions in the charters, the management of the affairs of the corporations is vested in the boards of directors. In fact the Government Order no. RAS/MAPA (OBI) - 2/87-17 of 16 March, 1987 reiterated its directives for strict observance of the Guidelines, 1976 and Resolution, 1983, which define that the relationship between ministry and the corporation should be governed through the annual budgetary means. Once the budget is approved, the corporations should be free to manage their finance in their best interest. These provisions are still valid, but the corporations can not exercise their authority accordingly.

As mentioned earlier, expenditure of more than Tk. 50 million at a time can not be undertaken by the corporations. There are also embargoes against recruitment and other limitations as discussed under 'bureaucratic behaviour' and 'decision making'. The directive of the government as per Resolution, 1983, that the ministry should refrain from interfering in the day to day management of the corporations and scrupulously respect their operational freedom by abstaining from directly dealing with any functional matters, is often violated. There are also restrictions against delegation of power by the boards to the chief executives and by the chief executives to other officers of the corporations.

Accountability: The control functions are vested in both the legislative and the executive branches of the government. The corporations are also to be conscious of the presence of the invisible, but powerful audit functions of shareholders, creditors, consumers, suppliers, financiers, the press and the public. In the face of all these forces, enforcement of accountability along with the delegation of authority by the government to the corporations and by the corporations to the enterprises and the officers at various levels along the chain of command should not be a difficult task. The holding back of delegation of authority is not, perhaps, the answer to the control of the enterprise sickness.

Accountability cannot be enforced if the top officials themselves do not identify and prescribe solutions to the enterprise problems through:

(a) Formation of an audit sub-committee of each board headed by the finance director as is now being practiced in many countries, to study the key areas of observations made by the commercial and statutory audits and for taking appropriate and quick corrective actions.

(b) Visits to and evaluation of the performance of the enterprises and projects to be undertaken by top officials such as the chairmen and directors/members of the boards themselves. The key areas to be examined are plant capacity utilisation, productivity, down-time analysis, usage ratio etc. of the enterprises and the progress of implementation of various activities of the projects. In addition, they may also check selected financial ratios such as Surplus Value Added/Capital Employed, Gross Value Added/Pay Roll Costs, Current Assets/Current Liabilities, Liquid Assets/Current Liabilities etc. The objectives are to identify the problem areas and forewarnings of corporate sickness and to prescribe corrective measures.

(c) Introduction of a simplified form of management information system and a system of regular interactions between the heads of the enterprises and projects and the chairmen and directors of the boards for the purpose of strict enforcement of performance targets and the evaluation thereof in each corporation and its enterprises are also a must for establishing a harmonious relationship between ministries and corporations.

Delegation of authority and enforcement of accountability pre-suppose that the officials at the various tiers are trained, capable, dedicated and appreciative of exercising their authority or utilization of their power for giving decisions and for taking effective measures as and when necessary. This entails recruitment of bright young officers and their training at every level of responsibility with the advancement of their career.

(3) Management of human resources/ *Personnel management:*

Career planning: It is unfortunate that public corporations do not have career planning as yet for the purpose of human resources development in a pre-planned rather than on an adhoc manner nurturing the potentialities of newly recruited bright young persons through training and appropriate job assignment so that they can go up the ladder to the top position of the organisation by virtue of competence and proven ability. This requires an appropriate system of constant feed back from places of training and posting, to the chief executive of the corporation, through the personnel department. Comprehensive career planning should take into consideration, in addition to recruitment and training at various levels of their professional career, the development of expertise through continuity and motivation, an appropriate compensation plan, creation of a sense of prestige and dignity of the job one is holding and opening up of participation in policy and decision making processes. The officers and employees have to get the maximum satisfaction out of their work and give their best efforts to the organisation in order to make it effective, dynamic and progressive.

Recruitment: The corporations publish the announcement of recruitment in the national dailies as and when vacancies occur. Preliminary selection is made on the basis of academic achievements of the applicants as reflected in the results of SSC, HSC, bachelor and post graduate degree examinations of the candidates. Final selection of the candidates is made on the basis of total marks obtained in the viva-voce examination conducted by the duly constituted selection committees having participation of ministry's representatives and nominated experts, and the marks received according to the divisions/classes of the above mentioned examinations. Appointment letters are issued on the basis of

the gradation list. The system is expeditious, effective and fair as far as practicable. It may be mentioned that it has not been uncommon for the corporations to resist pressure for selections because of the candidates' contacts and connection and to maintain the integrity in the matter of appointments of officers. However, sometimes in some organisations, job requirements hardly match educational qualifications. There is also resistance to attract bright young people. Pressure is to promote on the basis of length of service criteria irrespective of job requirements.

Training: It is well known that in public corporations in Bangladesh, there is a lack of interest, commitment and resource support for training , an element of career planning, which should be imparted in the following phases:

Foundation training (1 year): All the newly recruited officers should undergo at least 12 months' training in common subjects like history, geography, psychology, applied economics, applied statistics, sociology, international relations and law. Training should be more functional than academic.

Functional training (6-9 months): This training spanning 6-9 months should aim at filling up the voids left over after the university education and for all.

Inservice training (4-6 weeks): Adequate and meaningful interactions with their colleagues in other functional areas during the 4-6 weeks' in-service training will help the young trainee officers develop an appreciation of management functions.

Placement: After completion of 20-23 months of training, an officer may be posted as an assistant officer in a functional area. During three years' period of his placement as an assistant officer, he may undergo job rotation limited to three functional areas at the end of which he should be able to decide his field of specialisation.

Following 20-23 months' training and three years' service in actual field condition having job responsibility and after fixation of his area of specialisation, the officer shall go for a short mid-level intensive training.

Mid-level intensive training (4-6 weeks): This training of 4-6 weeks' duration may include courses on production planning and inventory control; quality control, financial management, marketing and personnel management including team building besides having case studies and individual and collective problem solving exercises.

Following this training, he will serve as a senior branch officer or equivalent in his area of specialisation for a duration of four years after which and on the basis of performance evaluation and result of written test, he may be posted on promotion as deputy chief. For all promotions above the level of branch officer and up to the level of deputy general manager, written tests shall be conducted.

During the rest of his career he will have to undergo special refresher courses of short duration suiting his level of assignments.

Staffing: Frequent transfer of senior management personnel seriously affects project implementation, enterprise management, adoption and adaptation

of technology, product diversification and development, factory loading and productivity.

Continuity: Continuity of personnel in a particular functional area is crucial to development of expertise which is closely linked with the efficiency and effectiveness of an organisation. It would be a futile exercise if an executive or professional, on completion of training, is not assigned a job responsibility in his area of expertise. Continuity of service in the area of expertise acquired through training or exposure to the job shall help develop specialists within the country.

Utilisation of expert services: There are areas both at corporate and plant level where expert services are required for introduction of new technology. Efforts should be made to engage top level local or expatriate experts for the purpose.

Development and improvement of training facilities: The training institutions in the country lack adequate modern physical facilities like well equipped laboratories and audio-visual aids. Furthermore, courses are mostly academic, not related to a participant's work assignments.

Industry-training institution relationship is rather weak. There is a lack of incentive to attract industrial manager and brilliant executives working in the government or industries respected for their competence and integrity for teaching assignments.

(4) Finance and material management: It is well known that an important area of cost control is the management of timely purchase of raw materials and other inputs in optimum volume. Factors like transportation, handling and inventory control are equally important and these influence the production cost. Defective clauses in tender documents for local purchase or imports and in charter parties are sometimes found to be the reasons for the drying up of the supply pipeline causing plant shutdowns for several weeks or even months.

In the case of sugar mills of BSFIC required quantity of sugar canes is not available. Per acre yield, sucrose content of sugar canes and percentage recovery of sugar in the mills are comparatively low. Per acre yield and percentage recovery in Bangladesh are 18.44 M.T. and 8.26% respectively as against India's 23-24 M.T. and 9% respectively.

Frozen receivables or excess of inventories are slowing the circulating process of current assets and are reducing or eating away profits. For example outstanding dues of Tk. 1340 million lying unpaid with BADC[21] on account of fertilizer and its slow lifting are causing loss of considerable amount of revenue to BCIC although commercial banks are reaping the benefit of hard labour of the industries sector.

In the case of development projects, procedure for release of funds are still found to be a bottleneck. Projects are sometimes taken in hand for implementation on administrative orders prior to formal processing. Realisation of funds from the government for such projects becomes extremely difficult. Payment to contractors for jobs done are sometimes held up as a result. Problems

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21. The Bangladesh Observer, October 18, 1989, Column 4, P. 3.

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of release of funds even against approved budgets are quite often faced by corporations like BWDB and BADC.

(5) Technology management: Technology development within the country in engineering industries sector is crucial to industrialisation. But so far no appreciable beginning has been made in this direction. Policy and resource support of the government are needed to develop necessary infrastructural facilities like the creation of a strong R&D centre.

(6) Productivity management: Productivity is the multi-dimensional end result of human endeavours in the field of production. Plant capacity utilisation and usage ratio are the two important factors amongst others which influence productivity of an enterprise [22] Lack of necessary government intervention in an environment of easy availability of capital goods against long term but tied soft loans is hindering the capacity utilisation of mother industries. There is a lack of effective enforcement of corrective measures for raising output to input ratio to that of the international standard and achieving a higher standard of plant maintenance and quality control and wastage reduction giving rise to higher productivity.

(7) Output management: Output pricing is one of the most important factors in output management. During the period 1972-82, pricing of the essential commodities produced by corporations was controlled by Controller General of Prices under the Essential Commodities Act. With the promulgation of the Public Corporations (Management Coordination) Ordinance, 1986, the situation has improved greatly. The ordinance envisages that pricing of goods and services produced by the enterprises shall be fixed by the corporation according to the policy formulated by the controlling ministry and if because of government intervention, prices are lowered, compensation will be paid by the government. However, the corporations have to ensure that an improved product costing system is worked out on the basis of breakeven analysis, data on competitors' price and market share, and, in the case of fixation of product prices by the controlling ministry, preparation of adequate policy proposals.

(8) Coordination: Coordination at national level: For effective national level coordination, the government, in November 1985 set up a Council Committee on Public Enterprises (CCPE) chaired by the Honourable President to consider issues and problems pertaining to the operations of public corporations and to take suitable corrective measures. In July 1986, the government promulgated an ordinance called "The Public Corporations (Management Coordination) Ordinance, 1986 to provide for the coordination of public corporations in setting guidelines and targets and laying down the policies. A high-powered ministerial Council for Public Corporations (CPC) was set up involving key economic ministries namely, Finance, Planning, Industries, Energy and Commerce. The Autonomous Bodies Wing of the Finance Division of MOF is now working as the Secretariat for the CPC. A separate wing under the Vice- President in charge of the Ministry of Industry is going to be set up to support the CPC. The CPC held seven meetings since its inception. It is hoped that CPC will make an effective contribution to the inter-ministerial coordination related to various operational issues of the corporations. However, there is an absence of effective participation of the chief executives of the concerned corporations on invitation in the meetings of the CPC.

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22. Rafiquddin Ahmad, "Project Implementation and Productivity", The Journal of Management of Business and Economics, Vol. 7, No.2, April 1981, PP. 184-188.

Coordination at the corporation level: In the period immediately after liberation, the spontaneous support of BADC for BESC now BSEC through procurement of pumps and engines helped BMTF start commercial production and BDP improve factory loading. Similarly cooperation between BIWTC and BESC, under the guidance of Planning Commission, could press Khulna Shipyard and Dockyard and Engineering Works, Narayanganj into full production. At times, it was also found that the BADC board even as the buyer used to visit the seller i.e. the BESC board to hold coordination meetings on business matters. Unfortunately, such coordination, for example, between BSEC - PDB, BSEC - BSFIC, BSEC - BCIC, BSEC - Rly Board, BSEC - Army - Navy for improving the enterprise capacity utilization is seriously lacking. This must not, however, mean that the public sector will not compete with the private sector producing similar goods.

Efforts of CONCOPE (Consultative Committee of Public Enterprises) are expected to contribute significantly to improve inter-corporation coordination.

D. Contextual Factors

The effects of policy, design and management factors on administrative performance have so far been discussed. Since the environmental conditions greatly influence the style and efficiency of public administration, the study will remain incomplete if the following contextual factors are not briefly touched :

(1) Political, economic, social and cultural factors: Political environment plays an important role in determining the structural and organisational form of the ministries and the corporations and in establishing a harmonious relationship between them. Commercial operations with prudence are possible only when the corporations and the enterprises enjoy the freedom for procurement of their own inputs and selling their outputs without external interference. For the sake of commercial operation, the corporations and their enterprises should be delegated with full authority and responsibility for the execution of government policies within their respective areas. Therefore, they should have the authority to operate within the approved budgetary provisions. This can not be done in the present circumstances.

The prevailing distrust among the officers of various tiers is detrimental to creating harmonious relationship and team spirit for achieving a common goal for the management. The feeling of "we" and "they" must be removed by virtue of dedicated leadership at every level of management and administration.

Managers delay decision making because of the fear of retribution if a mistake is detected while inaction remains unquestioned. This makes the operation wasteful and inefficient. There are also people who realise the importance of rational decisions but these are hampered by the pressure and interference coming from various social groups including union leaders. The decision maker is afraid of the probable reaction of the aggrieved groups. Officers in supervisory and executive positions are often afraid in exercising their supervisory prerogative because of external linkage of their subordinates. An impression has been created that no one loses his job for bad performance and no one gets appreciation and recognition for good work done.

Public enterprises of commercial character are yet to take up corporate planning seriously in order to develop a progressive business culture. Some of the managers and employees look upon themselves as government employees and some

of the policy makers also view that public corporations are government departments.

The general public blames the nationalised sector for poor profit or loss while some others opine that performance of private sector enterprises and nationalised enterprises are not comparable since their objectives are different. One section of economists thinks that performance of nationalised enterprises should be judged by their contribution to national welfare rather than commercial profit. The concerned ministries have a role to play in this respect in coming out with a policy statement.

Accountability in the context of environment means the awareness of the worker/employee that he is accountable to his immediate supervisor for his work. Presently this sense of accountability has greatly disappeared partly due to erosion of value and partly due to ineffective supervision. This affects productivity, work environment and demoralises the good performers.

"Work ethics" meaning doing one's job at the work place during duty hours diligently without any external influence are lacking. There is no realisation that avoidance of work in the last analysis deprives the nation of its potential prosperity. Ethical values have gone so low that non-performance of duty is not viewed as bad conduct. This has generated largely because of ineffective control system as well as lack of leadership and other environmental factors.

Weak bargaining position because of economic reasons make an aid dependent country like Bangladesh accept tied loan and pay high prices for capital equipment, spares and raw materials resulting in over-priced outputs. The capital goods are also to be imported against grant/tied loan which could perhaps be made within the country. This makes some of the engineering industries sick due to low capacity utilisation.

(2) Physical and institutional infra-structure: The lack of an adequate number of competent firms having modern construction equipment is also affecting execution of projects on schedule. Power failure, lack of efficient telecommunication services, road, rail and water transportation facilities also impede the efficiency f project and enterprise management.

(3) Labour union behaviour: Unhindered and smooth flow of productive activities presuppose healthy labour-management relationship. But due to indiscipline of the workers coupled with political orientation of the union leaders, labour-management relationship has became unhealthy in some of the units of corporations. Healthy trade unionism has not developed and the role of the union has not been clearly defined. The union leaders at the plant level lack proper education and leadership quality as well and are not adequately aware of the various provisions of labour laws. Union leaders are guided by political motives and enterprise management must deal with competing labour unions linked with conflicting parties adversely affecting productivity and profitability. Consensus can not be promoted due to rivalry among unions. The situation may be improved if adequacy of the labour laws and Industrial Relations Ordinance are updated periodically.

Unless the Government and the political parties consciously support the managers in their efforts in resisting the illegal demands, the unhappy situation will not improve. The labour unrest of 1970's in the United Kingdom and the subsequent wage freeze followed by a period of stable industrial

relations of 1980's may offer an excellent opportunity for case studies to the researchers of Bangladesh.

(4) Response to technology transfer: Technology shall not flow on its own from abroad. Offers received by BSEC for progressive manufacture of truck and bus chassis indicate that even in the fifth year of progressive manufacture, the enterprises are supposed to manufacture something like nuts, bolts, brackets and housings. BSEC, BCIC, BSFIC and BITAC under the auspices of the Ministry of Industry should be able to achieve a breakthrough in the in-house development of technology. Attention of the highest authority in the existing environment of Bangladesh is, however, a must for such an effort to be successful.

(5) Counterpart support to donor's experts: There is a need for the services of expatriate consultants for the purpose of in-house technology development and for adoption and adaptation of new technology. But where there is a lack of appropriate counter-part support at the enterprise level, efforts of expatriate consultants have not been successful.

4.3 Summary of Key Constraints:

Policy making factors

(1) Ineffective participation by sector corporations, employers' organisations, expert members, chambers of commerce and industries and beneficiaries sometimes leads to unsound policy decisions.
(2) Lack of consideration of environmental and project design factors in policy formulation processes.
(3) Lack of appropriate intervention strategy in policy decision and for taking corrective measures during implementation.
(4) Lack of clearly defined definition of the project goal and objectives which cut across sectors.
(5) Absence of critical examination of feasibility study with reference to the source, reliability and interpretation of data.

(6) Lack of business-like and professional approach in policy formulation.

Policy implementation factors

(7) Non-implementation of government policy directives in time.
(8) Absence of training of the core officials in contracting procedure, implementation scheduling and rescheduling; dearth of strong project implementation team, lack of continuity and incentives for project officials.
(9) Lack of appropriate direction by the ministries in the implementation of the projects.
(10) Inability to order priorities of implementation of different components of the projects.

(11) Lack of political will and unwillingness of the concerned corporation to hand over the completed projects to the beneficiaries' cooperatives/ local self governments in the agricultural sector.

Organisational factors

(12) Absence of effective enforcement of accountability by th administrative ministry.
(13) Lack of functional capacity in the concerned ministries for industria and project management.
(14) Lack of management supervision practices, operational discipline an flexibility, effective enforcement of accountability and sound decisio making at corporate level.
(15) Enterprise Boards are not as effective as they should be.
(16) Enterprises which are not limited companies do not generally hav Management Boards and are therefore deprived of the opportunities fo sound decision making.
(17) In the absence of enforcement of provisions for liquidation provide for in the Companies Act 1913 now under revision, the chronically sic enterprises can manage to continue their operations to the detriment o country's interest.
(18) Non-existence of a metal processing R&D centre manned by best availabl local and expatriate talents and equipped with modern physica facilities is hindering a break-through in the engineering industr which is a must for rapid industrialisation of the country.

Administrative and financial factors

(19) Decision making processes are cumbersome and time consuming.
(20) Existing financial approval limit of Tk. 50 million for corporation and Tk. 150 million for the ministry is working as an impeding forc against higher operational efficiency of enterprises.
(21) Lack of effective delegation of power to project heads and heads of th divisions at the corporation head office causes delay in the decisio making and consequent time and cost over-runs in project implementation.
(22) Lack of effective delegation of power to all levels of officers at th ministry delay decision making.

Staffing and training factors

(23) Lack of career planning in the corporations and the ministries is acting as a hindrance against human resource development and consequently modern executive management development is being hampered.
(24) Ministries and corporations lack well trained executives and professionals of required number at all levels and functional areas.
(25) Frequent transfer and posting of personnel of ministries and corporations to unrelated functional positions are hindering expertise development, technology transfer, adoption and adaptation.
(26) Low morale of frustrated executives at the ministries, corporations, the enterprises and the projects.
(27) Lack of appropriate use of institutional training facilities and expert services.

Accountability and environmental factors

(28) Lack of appreciation and consciousness on the part of the board and its members of their responsibilities due to ineffective enforcement of accountability by the ministries and corporations.

(29) Existing procedural audits are counter-productive. On the other hand there is a lack of appropriate system of examining the key areas of Statutory Audit Reports (Financial: accounting and propriety of transactions) by the boards of directors of corporations. Lack of economic, management and operations audits reflecting ineffective governance of the corporations' boards in respect of supervision of executive management and accountability.

(30) Undue pressure exerted on the management of the corporations and their enterprises by the labour unions/political party wings and inability of the corporations to withstand such power for lack of political support.

(31) Unfair criticism based on incorrect information has a demoralising effect even on the morale of the dedicated and efficient officers of the public enterprises.

(32) Absence of work ethics and apathy towards accountability as well as ineffective mechanism for enforcement of accountability at different levels of the ministries, corporations and enterprises.

CHAPTER 5

RECOMMENDATIONS

5.1 Introduction:

The Ordinances creating TCB, EPB, BADC and BWDB clearly spelled out the goals and purposes of these corporations. But P.O.27 of 1972 nationalising the abandoned industries as well as jute, textile and sugar industries, and vesting these and erstwhile BIDC projects and enterprises with newly established eleven sector corporations though clearly mentioned top management functions of these corporations in the manufacturing sector, it did not define the objectives of enterprises and projects. The Nationalisation Order also provided for the operational autonomy of the corporations and their accountability as well; but initially they came across some difficulties as mentioned earlier. The government subsequently took some steps to make the public corporations effective and initiated a series of policy measures since 1976.

The Working Group on Relationship between Ministries and Corporations studied the gradual evolution of the functional relationship between the ministries and the corporations, identified forces inhibiting the effectiveness of the public corporations and their enterprises. The recommendations of the group with reference to the objectives, as spelled out in the TOR, appear in the following paragraphs.

5.2 The Recommendations

A. <u>Higher Standards in Administrative Performance</u>

(1) <u>Implementation of the following policy issues and adherence to the government directives:</u>

- "Guidelines on the Relationship between Government and Autonomous Bodies/Corporations and the Autonomous Bodies/ Corporations and Enterprises under Them"-Cabinet Division-1976.

- Resolution, 1983, containing the policy directives vide Cabinet Division Notification no. 4.5.82/285 - Committee published in the Bangladesh Gazette on 24 July of 1983, concerning operational autonomy of the corporations and transfer of shares of the enterprises to the respective corporations.

- Presidents' Order no. Rasha/Ma Pa (AB) - 2/87 - 17 dt. 16.03.87 reiterating the governments' directives to <u>implement the guidelines 1976 and the resolution, 1983</u>.

- Ordinance No. VII of 1987 dt. 7.5.87 enabling the government to transfer its shares in the nationalised enterprise to the corporations.

- Order no. Shi/Bi:Ha-5/Sha: Bi-3/87/138/4 dated 9-7-88 of the Ministry of Industry advising issue of 51% shares directly to the BCIC, BSEC and BSFIC consequent upon the decision for

converting these corporations into holding companies.

(2) Organisational reforms

- Conversion of corporations of manufacturing sector into holding corporations in the light of Resolution, 1983, should create a sound basis for bringing about financial discipline and enforcement of accountability. The structure of ENI of Italy and Coal India Ltd., the two state holding corporations in the industries sector and STC of India Ltd. in the trading sector may be examined and modified to suit the Bangladesh environment. Steel Authority of India Ltd. (SAIL), a hybrid of taken-over subsidiary companies of private sector and enterprises of public sector functioning as the divisions of the corporation may also offer a valuable case study of conflicts amongst the various interest groups.

- The principle of hire and fire should be introduced in public enterprises as mentioned under sections of Policy Analysis and Procedure for Staffing.

(3) Enforcement of accountability

(a) Assuming the responsibility of enforcement of accountability by the boards:

(i) An audit sub-committee of the board headed by the finance director should be formed for the purpose of study and presentation of (a) the salient points of the audited accounts and (b) key observations in the statutory audit reports and also to check as to whether the auditors have performed their duties and functions diligently maintaining their integrity. Detailed discussions must be held at the board before adoption of the audited accounts.

(ii) The chairmen and the directors may undertake visits to the enterprises and projects for the purpose of evaluation of their performances. The key areas to be examined are planned capacity utilisation, productivity, down-time analysis and usage ratios etc. of the enterprises and progress of implementation of various activities of the projects. In addition, they may also check the selected financial ratios. The objectives are to identify the problem areas and forewarning of corporate sickness and to prescribe corrective measures.

(b) Introduction of an effective management information system: The existing Management Information System (MIS) of the corporations should be modified to meet the requirements of SABRE and an effective system of accountability established. Senior staff members, Heads of Divisions and Chief Executives of the enterprises should be periodically invited by the corporate management for making regular presentation of reports concerning

enterprise productivity, achievements, profitability, problem areas etc. in order to see whether there are weaknesses in the structured information flow.

(c) Motivation of executives: In connection with enforcement of accountability leading to higher level of efficiency and effectiveness in enterprise and project management, an appropriate motivational mix of recognition and appreciation, power and authority, promotion prospect, operational autonomy and security[23] for the corporation, enterprise and project executives should be worked out and introduced.

B. Policy Analysis

(1) Current Policy Issues

- Effective participation of the Chief Executives of the corporations and the enterprises in the process of policy making at the corporation and ministry-level.

- Chronically sick and potentially uneconomic units may be gradually disposed of.

- The potentially economic industries in the engineering, paper and chemical sectors incurring loss may be isolated, problems and constraints examined and a policy decision about their future be worked out jointly by the ministries and the corporations.

- The Ministry of Agriculture may issue directives to BADC for intensifying its activities in the current priority areas and in accordance with the latest governmental policy directives.

- Sugar cane policy may be included in the Agricultural Policy of the Government. R&D work may be intensified for increasing per acre yield, sucrose content, and recovery of sugar from sugar canes in the BSFIC mills.

- A policy decision may be taken by the government for R&D activities in metal processing in order to achieve a break-through in the Engineering Industries.

- The Ministry of Irrigation, Water Development and Flood Control may examine the issue of handing over of the completed projects of BWDB to the beneficiaries' cooperatives and local self governments.

- A policy decision may be taken for incorporation of a reward and penalty clause and a provision for maximum autonomy of the enterprises in the performance contracts with a view to improving their operational results.[24]

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23. M. Habibullah, Motivation Mix, Dhaka: Bureau of Economic Research, University of Dhaka, 1974.
24. World Bank: " Aide Memoire (Second Industrial Sector Credit, Preparation Mission)", May 29, 1989, P.11.

(2) Needed legislative actions for amendments:

- Effectiveness of enforcement of liquidation of both private and public sector sick industries as provided for in the Companies Act 1913 now under revision should be examined.

- The Industrial Relations Ordinances and other relevant laws need to check undesirable labour union practices.

- The relevant service regulations of corporate bodies may provide for introducing a system of hire and fire for encouraging good performance.

- Ordinances of BADC, BWDB, TCB and EPB may be amended for inclusion of provisions for delegation of power by the boards to the respective chief executives and by the chief executives to any director or officer of the corporations.

C. Implementation of Policy

(1) Administrative, financial, material and contract management:

- Government shares in the enterprises should be transferred to the respective corporations as per policy decision and subsequent directives issued by the Government.

- The holding corporations or companies should ensure payment of dividends to the government on its equity shares as per appropriation of surpluses generated by the subsidiaries.

- Corporations should not operate the bank accounts of the subsidiaries.

- Pricing policy should be left with the board of directors and if any reductions on sensitive items are needed, the government should compensate. Approval of the ministry will be needed in the case of fixation of price of sensitive items.

- Government may render active support for realisation of the objectives under sugar cane policy in the agricultural sector so that BSFIC does not suffer for want of sugar canes.

- Corporations should thoroughly examine several forms of contracts, such as (a) cost reimbursible, (b) turnkey, (c) semi-turnkey, (d) engineering and know-how, (e) duplicate, as adopted by UNDIO after holding several expert group and inter-governmental meetings, and adopt anyone of these forms or a combination that is considered to be the most suitable for a particular project.

(2) Implementation of policy issues concerning improvement of public sector operation through performance contract:

- Number of enterprises covered by the performance contract containing defined responsibilities of each party and predetermined performance and evaluation criteria, should be

gradually increased. This is being practiced in some developed and developing countries[25] with success. Such a system will not only act as an instrument for improving the performance through the process of management by objectives and participation but also establish a channel of a two-way communication and a harmonious relationship between the ministry and the corporation.

(3) Research and development

(i) Technology Development

- The government may establish a metal processing R&D centre with well defined objectives in order to achieve a much-needed break-through in the engineering industry sector. If so desired, the centre may be located at BMTF for the purpose of utilisation of some of its facilities on payment.

- All-out support of the Ministry of Agriculture may be rendered to the existing sugar cane research centre for intensifying its efforts for achieving the objectives.

- It is necessary to utilize expatriate experts' services for the purpose of adoption and adaptation and in-house development of old and new technology. Care must, however, be taken that before the commencement of utilization of expert services, concerned corporations and their enterprises are properly tuned to guide, assist and support the experts of the donor countries.

(ii) Research on market development

- Commerce Ministry's support is called for establishing stronger contacts and connections of EPB and TCB with ICDT, SAARC, UNCTAD, EEC, ASEAN and other regional organisations in Africa, North and South America, Australia and COMECON countries.

D. Delegation of Authority

(1) Full operational authority of corporations:

- Once the budget is approved and the target is fixed, the corporations should have the full operational authority including the authority for creation of posts, appointment and promotion, in-country and foreign training, determining the motivational mix, mobilisation of resources, pricing, internal marketing and exports, and sending delegations abroad for marketing of products or shopping imports.

- There should not be any financial limit for the corporations in connection with award of purchase or construction contracts as per Guidelines 1976 and Resolutions, 1983.

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25. Victor Powel, Improving Public Enterprise Performance, New Delhi: Oxford & IBH Publishing Co. Pvt. Ltd., 1987, PP. 69-71.

- The decision making process should be simplified, decentralised and continuously reviewed and collective decision making process should be fostered.

E. Procedure for Staffing

(1) Career planning and Recruitment:

- Career planning should be introduced for officers working in the ministries, public sector corporations, projects and enterprises.

- Appointments shall be made on the principle of hire and fire.

- Appointments and promotion should be made on the basis of merit on clear assessment of performance related career advancement principle.

(2) Training:

- A minimum input of training should be considered as an important pre-condition for promotion of an officer at different stages of his career.

- Training of officers of all levels, whether in-house, in-country or overseas, should be carried out in a planned manner keeping in view the career opportunities of officers.

- Personnel of project implementation and monitoring teams at projects, corporations and concerned ministries, should be imparted theoretical as well as practical training in contracting procedures, computer based scheduling of project activities. Efforts should be made to retain the members of a core project implementation team throughout the life of a project by offering appropriate incentives.

- Short refresher courses/workshops and seminars should be conducted for the corporate board members in order to make them appreciate the corporate duties and responsibilities; the necessity of the boards' effectiveness, appropriate agenda items and quality of decisions; enforcement of accountability through conducting the management, economic and operations audits of the enterprises; identification of strengths and weaknesses of the enterprises; corporate planning, etc. Journals and periodicals on the corporate and enterprise managements in public and private sectors and on latest technology may also be subscribed by the ministries and the corporations.

(3) Continuity and professionalism:

- The continuity of personnel in the same or similar functional areas even though in different enterprises, should be maintained in order to utilise their expensive training and to build up expertise leading to reduction in dependence on expatriate experts.

- Concerned ministries should draw on the experiences of competent professionals having field exposures of projects, enterprise and corporate management.

(4) Pay structure, performance incentives and status:

- There should be provisions for lateral entry at senior levels and the corporations should liberally offer contracts with appropriate salary and attractive terms and conditions of service to qualified and able persons so that persons having requisite expertise, experience and qualification are encouraged to join the public sector as per recommendations of Resolution, 1983.

- Performance criteria must be fixed and evaluation procedure must be known to all concerned officers responsible for management of corporations and enterprises.

- A policy of reward for excellent performers and punishment for non-performers should be introduced and strictly adhered to.

F. Development and Improvement of Training Facilities: Modern methodology of need-based curriculum design and implementation inclusive of preparation of lesson plans with defined objectives, feed-back and evaluation should be introduced in every training institution equipped with audio-visual aids; corporations-training institutions collaborative efforts be intensified; appropriate motivational mix worked out, to attract, for training assignment, the administrators, managers, and executives known and respected for their competence and integrity. Training policy package should include training of the trainers at home and abroad. Certificate/Post Graduate Diploma Courses on latest technology, advanced management and export marketing may be offered by training and teaching institutions.

CHAPTER 6

ACTION PLAN FOR IMPLEMENTATION OF RECOMMENDATIONS

6.1 Basic considerations:

a. Implementation plans: The implementation of the key recommendations of the Working Group has been presented in the form of action plans which are as follows:

Short term implementation plan: The short-term action plan spans an implementation period of 1 - 2 years. This phase relates to making of immediate conscious efforts for strict implementation of/adherence to, in letter and spirit, (i) all those policy issues/government directives which do not require any legislative actions and (ii) implementation of all those policy issues/government directives which have to be preceded by initiation of proposals for legislative changes. The initiations and follow-up actions have to be taken obviously by concerned ministries. No major financial expenditure is involved.

Long term implementation plan: This phase involves the implementation of the key recommendations relating to (i) the development of institutional facilities in the field of R&D and (ii) formulation of training programmes which will involve outside financial resources and a time frame of more than 2 years.

b. Authorities and agencies involved in implementation: Administrative ministries such as Ministry of Industry (MOI), Ministry of Agriculture (MOA), Ministry of Commerce (MOC), Ministry of Irrigation, Water Development and Flood Control (MOIFC), Ministry of Establishment (MOE), Ministry of Law (MOL) and Ministry of Finance (MOF) and the concerned corporations such as BCIC, BSEC, BSFIC, BADC, BWDB, TCB.

c. Cost involvement and mode of financing: Preparation of cost estimates for the establishment of a R&D centre needs further detailed study by a group of consultants. But a start must be immediately made to organise the proposed R&D centre with the existing facilities and manpower. There must be provisions for the intake of best available talents from home and abroad to start the work on adoption, adaptation and development of in-house technology, say, for manufacture of automobile components within the country since the effective transfer of know-how in this field is extremely difficult. This is also a very significant step towards achieving a much-needed break-through in engineering industries.

Similarly preparation of an appropriate training plan in line with the recommendations made in this report and a cost estimate will require a thorough study preceded by an assessment of training needs of the seven corporations by a group of experts.

6.2 The implementation plan drawn with reference to the recommendations presented in the executive summary, authorities for initiation and implementation, and source of financing have been presented in the following table:

Implementation Plan

Objective	Reference Executive Summary	Authorities for initiation	Authorities for implementation	Source of financing	Cost involved
Short term					
1. Implementation of existing government policy directives such as Guidelines, 1976 and Resolution, 1983.	A.1.(a) A.1.(b)	MOC MOI	MOE MOI	Self-financed	-
2. Conversion of BCIC, BSEC and BSFIC into holding companies.	A.2.(a)	MOC MOI	MOC MOI	Self-financed	-
3. Adoption of a policy decision on R&D activities for achieving a breakthrough in Engineering Industries.	B.1.(f)	MOI	MOI	Self-financed	-
4. Implementation of Ministry of Industry order no. Shi/Bi: Ha-5/Sha: Bi-3/87/138/4 dt 9-7-88 providing for the transfer of 51% shares of divested enterprises and 100% shares of other enterprises to respective corporations.	C.1.(a)	MOI	MOI	Self-financed	-
5. Phased implementation of performance contract system in the enterprises of corporations.	C.2	MOI	MOI BCIC BSEC BSFIC	Self-financed	-
6. Delegation of full operational authority to corporations within approved budget to facilitate decision making.	D.1	MOI	MOI CPC	Self-financed	-

7. Continuity of personnel in the same or similar functional areas for expertise development within the policy framework of corporate bodies.	E.3.(a)	MOA MOC MOE MOI MOIFC	MOI CPC	Self-financed	-
8. Fixation of performance criteria and introduction of a system of reward and penalty for excellent performers and non-performers respectively in public corporations.	E.4.(b)	MOI	MOI CPC	Self-financed	-
9. Amendment of charters of BADC, BWDB, TCB and EPB for inclusion of provisions for delegation of power by the boards to the respective chairmen and by the chairmen to any director or officer of the corporations.	B.2.(d)	MOC MOIFC	MOC MOIFC MOL	Self-financed	-
<u>Long term</u>					
10. Establishment of a R&D centre for boosting up adoption, adaptation and in-house development of technology.	C.3.(i)(a)	MOI	MOI	Through formulation of TAPP	Project cost to be worked out after detailed study
11. Reform of training programmes: Introduction of need based a. Foundation training b. Functional training c. In-service training d. Mid-level intensive training. e. Short refresher courses	E.2.(a) E.2.(b)	MOA MOC MOI MOIFC	MOA MOC MOI MOIFC & all concerned corporations	-do-	-do-

ANNEXURES

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ANNEXURE—I

THE WORKING GROUP

The Working Group on the Relationship between Ministries and Public Corporations was composed of the following members:

1. Dr. A.M.M. Shawkat Ali, Managing Director, Bangladesh Krishi Bank, Now Joint Secretary, Ministry of Agriculture.	- Chairman
2. Dr. Harun-ar-Rashid, Joint Secretary, External Resource Division, Planning Commission.	- Member
3. Mr. Abdul Jalil Khan, Jt. Secretary, Ministry of Commerce.	- Member
4. Mr. Idris Ali, Deputy Secretary (Dev.), Ministry of Establishment.	- Member

The Working Group was assisted by the following staff members:

Senior Consultant	- Dr. Rafiquddin Ahmad
Local Consultants	- Mr. K.A.M. Kamaluddin Mr. Zahirul Huq
Research Staff	- Dr. M.A. Malek Mr. Golam Mohiuddin Dr. Mahbub-ul-Haque Mr. A.S. Roy
Secretary	- Mr. Golam Kabir

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ANNEXURE-II

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ANNEXURE-III

INDIVIDUALS INTERVIEWED

The People's Republic o Bangladesh

Barrister Moudud Ahmed	- Vice-President, in charge of Ministry of Industry
Maj. Gen. (Retd.) M.A. Munim PSC	- Minister for Agriculture
Mr. Abdus Sattar	- Minister for Commerce

Ministry of Agriculture

Mr. M. A. Sayed	- Secretary

Ministry of Establishment

Mr. Khondokar Mahbub Rabbani	- Secretary
Mr. Mohammad Ali	- Additional Secretary
Dr. Shah Mohammad Farid	- Joint Secretary

Ministry of Finance

Mr. M.K. Anwar	- Secretary

Ministry of Industry

Mr. A.K.M. Mosharraf Hossain	- Secretary

Ministry of Planning

Mr. Kazi Fazlur Rahman	- Member, Planning Commission
Dr. Sheikh Maqsud Ali	- Member, Planning Commission
Dr. Harun-ar-Rashid	- Joint Secretary, External Resources Division

Ministry of Works

Mr. Ayubur Rahman Chowdhury	- Secretary

Bangladesh Agriculture Development Corporation

Mr. M.A. Malik	- Chairman
Mr. Azad Ruhul Amin	- Member Director

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Mr. Abul Hasem	- Member Director (Seed)
Dr. Azharul Hoque	- Member Director (Irrigation)
Mr. M.A. G. Kabir	- Member Director
Mr. M.A. Wadud	- Member Director (Finance)

Bangladesh Chemical Industries Corporation

Mr. Mohammad Toha	- Chairman
Mr. Giasuddin Ahmed	- Director (Technical and Engineering)
Mr. Muzaffar Ahmed	- Director (Finance)
Mr. M.M. Eunus	- Director (Commercial)
Mr. A. Momin	- Director (Planning)
Mr. S.I. Shahjahan	- Director (Production)
Mr. K.M. Hussain	- Secretary
Mr. E. R. Chowdhury	- Executive Director (Fertilizer & Paper Industries Rehabilitation Project)
Mr. M. Badiuzzaman	- Senior General Manager (Research & Productivity Division)
Dr. Syed Yusuf Farooq	- Senior General Manager (Planning)
Mr. A. Gafoor	- Senior General Manager (Maintenance & Technical Service Division)
Mr. Kamal Rabiul Huq	- Senior General Manager (Implementation)
Mr. Zahirul Huq	- Chief Engineer (Planning)
Mr. Rafiquddin Ahmed	- Controller of Accounts
Mr. A. Latif	- General Manager(Purchase)
Mr. K.M. Rahmatul Islam Abu Wahed	- Chief Manager (Production)

Bangladesh Steel and Engineering Corporation

Mr. Md. Nefaur Rahman	- Chairman
Mr. Md. Waseq Al-Azad	- Director (Commercial)
Mr. A. M. Syed Hamed	- Director (Production & Engineering)
Mr. Uttam Ali Mia	- Director (Finance)
Mr. Mahfuzur Rahman	- Director (Planning & Development)
Mr. S. Hyder	- Secretary
Mr. Narun Nabi Chowdhury	- General Manager (Engineering-II)
Mr. Mir Nazrul Islam	- General Manager (Engineering-III)
Mr. K.A.M. Kamaluddin	- General Manager (Engineering-I)
Mr. Sabiq Khan	- General Manager (Steel)
Mr. S.A. Sikder	- General Manager (Research and Development)
Mr. A.F.M. S. Zaman	- Chief Personnel Officer
Mr. Enayet Hussain	- General Manager (Ship Building)
Mr. Hedayet Hussain	- General Manager (Marketing)
Mr. B.A. Khan	- General Manager (Management Information System)
Dr. Khairuzzaman	- General Manager (Planning)
Mr. Meftahur Rahman	- General Manager (Purchase)
Mr. Eric Gonsalves	- Additional Chief Accounts Officer
Mr. N. I. Khan	- Additional Chief Auditor
Mr. Nurun Nabi	- Chief Engineer (Construction)
Mr. S.H. Khondkar	- Managing Director Atlas (Bangladesh) Ltd.

Mr. M.A. Matin	- Managing Director Eastern Tubes Ltd.
Mr. S.M. Mahboob	- Senior General Manager Bangladesh Diesel Plant
Mr. Md. Khalilur Rahman	- Managing Director Bangladesh Machine Tools Factory
Mr. Khan Mominul Islam	- Managing Director Mehar Industries (Bangladesh) Ltd.

Bangladesh Sugar and Food Industry Corporation

Mr. Hedayet Hussain	- Chairman
Mr. Muazzem Hossain	- Director (Finance)
Mr. S. M. Nuruzzaman	- Director (Production)
Mr. M. Syeduzzaman	- Director (Marketing)
Dr. N.M. Sheikh	- Director (Planning and Development)
Mr. M. Shawkat Ali	- Secretary
MR. Taher Ahmed	- Chief (Cane Procurement Support Services)
Mr. A.F.M. Asafzah	- Chief (Oil & Food)
Mr. A. Karim Chowdhury	- Chief (Agricultural Engineering)
Mr. M.A. Jabbar	- Chief (Expansion)
Mr. Moazzem Hossain Khan	- Chief (Purchase)
Mr. M.A. Quddus	- Chief (Inspection)
Mr. Syed Harun-ur-Rashid	- Chief (Management Development)
Mr. Masood Alam Siddiquee	- Chief (Management Information System)
Mr. Mohd. Hossain	- Controller of Accounts

Bangladesh Water Development Board

Mr. Amjad Hossain Khan	- Chairman
Mr. S.M. Zakiul Alam	- Member (Operation & Maintenance)
Mr. M. Nurul Huda	- Member (Implementation)
Mr. Belayet Hussain	- Member (Finance)
Mr. Shamsur Rahman	- Member (Planning)

Export Promotion Bureau

Mr. Mushfiqur Rahman	- Vice-chairman
Mr. Akmal Hossain	- Director General

Trading Corporation of Bangladesh

Brig. (Retd.) Habibur Rahman	- Chairman

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Past Chairmen of Corporations

Mr. Delwar Hossain	- Former Chairman, BSFIC

Office of the Comptroller and Auditor General

Mr. Golam Kibria	- Comptroller & Auditor General

Public Administration Training Centre

Mr. A. M. Anisuzzaman	- Former Rector
Dr. Ekramul Ahsan	- Member Directing Staff

Board of Investment

Mr. Mahmudul Huq	- Member

Consultative Committee of Public Enterprises (CONCOPE)

Mr. Md. Nefaur Rahman	- Chairman
Mr. Enamul Haque Chowdhury	- Secretary General

USAID

Mrs. Priscilla Boughton	- Director
Dr. Malcom Purvis	- Deputy Director
Mrs. Colellete Chabott	- Former Assistant Programme Officer
S.A. Al - Muti	- Project Manager

The World Bank

Francis Van Gigch	- Resident Representative
Syed Nizamuddin	- Programme Officer

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ANNEXURE—IV

LIST OF PUBLIC CORPORATIONS

I. Industrial Sector

1. Bangladesh Chemical Industries Corporation
2. Bangladesh Steel and Engineering Corporation
3. Bangladesh Sugar and Food Industries Corporation
4. Bangladesh Small and Cottage Industries Corporation
5. Bangladesh Textile Mills Corporation
6. Bangladesh Handloom Board
7. Bangladesh Sericulture Board
8. Bangladesh Jute Mills Corporation
9. Bangladesh Export Processing Zones Authority
10. Bangladesh Film Development Corporation
11. Bangladesh Forest Industries Development Corporation
12. Bangladesh Mukti Joddha Kalyan Trust
13. Bangladesh Cables Shilpa Ltd.
14. Sena Kalyan Sangstha
15. Telephone Shilpa Sangstha Ltd.

II. Financial & Insurance Sector

16. Sonali Bank
17. Janata Bank
18. Agrani Bank
19. Rupali Bank
20. Bangladesh Krishi Bank
21. Bangladesh Shilpa Bank
22. Bangladesh Shilpa Rin Sangstha
23. Investment Corporation of Bangladesh
24. Bangladesh House Building Finance Corporation
25. Sadharan Bima Corporation
26. Jiban Bima Corporation
27. Rajshahi Krishi Unnayan Bank

III. Transport & Tourism

28. Bangladesh Inland Water Transport Corporation
29. Bangladesh Inland Water Transport Authority
30. Bangladesh Shipping Corporation
31. Bangladesh Road Transport Corporation
32. Bangladesh Biman Corporation
33. Bangladesh Parjatan Corporation
34. Chittagong Port Authority
35. Port of Chalna Authority
36. Civil Aviation Authority

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IV. Agricultural & Water Resources Sector

37. Bangladesh Water Development Board
38. Bangladesh Agricultural Development Authority
39. Bangladesh Fisheries Development Corporation
40. Bangladesh Tea Board
41. Bangladesh Jute Corporation
42. Dhaka Water Supply and Sewerage Authority
43. Chittagong Water Supply and Sewerage Authority

V. Energy Sector

44. Bangladesh Oil, Gas and Mineral Corporation
45. Bangladesh Petroleum Corporation
46. Bangladesh Power Development Board
47. Rural Electrification Board

VI. Area Development and Spatial Planning

48. Dhaka Improvement Trust
49. Chittagong Development Authority
50. Khulna Development Authority
51. Rajshahi Town Development Authority

VII. Trade and Commerce Sector

52. Trading Corporation of Bangladesh
53. Bangladesh Consumers Supply Co. Ltd.
54. Export Promotion Bureau

VIII. Science & Technology Sector

55. Bangladesh Atomic Energy Commission
56. Bangladesh Council of Scientific and Industrial Research
57. Bangladesh Industrial & Technical Assistance Centre
58. Bangladesh Standard & Testing Institution
59. Islamic Foundation

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ANNEXURE—V

LIST OF SECTOR CORPORATIONS ESTABLISHED UNDER P.O. 27 OF 1972*

1. Bangladesh Jute Industries Corporation**
2. Bangladesh Cotton Mills Corporation**
3. Bangladesh Sugar Mills Corporation
4. Bangladesh Food and Allied Industries Corporation
5. Bangladesh Steel Mills Corporation
6. Bangladesh Engineering and Shipbuilding Corporation
7. Bangladesh Paper and Board Corporation
8. Bangladesh Fertiliser, Chemical and Pharmaceutical Corporation
9. Bangladesh Tanneries Corporation
10. Bangladesh Minerals, Oil and Gas Corporation***
11. Bangladesh Forest Product Corporation**

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* As per amendment of P.O. 27 in 1976, sl.3 and 4 were merged to form BSFIC; sl.5 and 6 were merged to form BSEC and sl.7, 8 and 9 were merged to form BCIC.

** Later, amended as Bangladesh Jute Mills Corporation, Bangladesh Textile Mills Corporation, Bangladesh Forest Industries Development Corporation.

*** Subsequently converted into Bangladesh Oil and Gas Development Corporation and Bangladesh Mineral Exploration and Development Corporation. Later, these two corporations were merged to form Bangladesh Oil, Gas and Mineral Resources Corporation.

REPORT
OF THE

PUBLIC ADMINISTRATION EFFICIENCY STUDY

Volume - 5

Project Cycle : Policies and Procedures

Ministry of Establishment
Government of the People's Republic of Bangladesh

Dhaka
November 1989

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ACRONYMS

ACR	Annual Confidential Report
ADP	Annual Development Programme
APD	Academy for Planning and Development
BARC	Bangladesh Agricultural Research Council
BCS (Econ)	Bangladesh Civil Service (Economic)
BWDB	Bangladesh Water Development Board
CCI&E	Chief Controller of Imports & Exports
CDRB	Center For Development Research Bangladesh
CDST	Customs Duties and Sales Tax
CPM	Critical Path Method
crore	10 million
DAI	Development Alternatives Inc.
DPEC	Departmental Project Evaluation Committee
DSI	Directorate of Supply & Inspection
ECNEC	Executive Committee of National Economic Council
EO	Executive Order
ERD	External Resources Division
FY	Fiscal Year
FYP	Five Year Plan
GDP	Gross Domestic Product
GOB	Government of Bangladesh
IDA	International Development Association
IMED	Implementation Monitoring And Evaluation Division
M&E	Monitoring and Evaluation
NEC	National Economic Council
NGO	Non-government Organisation
OJT	On-Job-Training
O&M	Organisation and Management Wing, Ministry of Establishment
PAES	Public Administration Efficiency Study
PATC	Public Administration Training Centre
PC	Planning Commission
PERT	Program Evaluation Review Technique
PEC	Project Evaluation Committee
PP	Project Proforma
PPP	Preliminary Project Proforma

SETIA	National Development Project Monitoring System of the Government of Malaysia (acronym stands for names of units involved: System Economic Planning Unit, Treasury, Implementation Coordinating Unit, Accountant General's Department
SPEC	Special Project Evaluation Committee
TA	Technical Assistance
TAPP	Technical Assistance Project Proforma
TFYP	Third Five Year Plan
TOR	Terms of Reference
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WB	World Bank

PROJECT CYCLE HIGHLIGHT

Problems	Primary Recommendations
1. Overcentralised decision making	1.1 Raise project approval limits for investment projects. 1.2 Eliminate separate administrative approval for components of approved projects. 1.3 Raise procurement and contract award authority. 1.4 Delegate to project directors full financial and administrative powers. 1.5 Move appropriate authorities to include in Schedule 2 of Rules of Business all Class 1 officers, including Research officers to Chiefs with authority to sign letters and documents on behalf of government, if warranted, regardless of cadre affiliation.
2. Human resource needs	2.1 Conduct needs assessment in planning and development units to determine planning and monitoring staffing needs. 2.2 Use qualified local consultants and make greater use of transfers and lateral entry to place qualified staff where immediate planning and monitoring needs are greatest. 2.3 Rotate non-cadre officers and officers from administrative, economic and technical cadres within allied sectors, and among project, agency and planning cell postings. 2.4 Provide planning cells in ministries and implementing agencies with the number of skilled officers that results in satisfactory planning and monitoring of development project activities. 2.5 Strengthen capability of training institutes, particularly the Academy for Planning and Development to conduct needs

	assessment and to design and deliver training which will result in improved performance at the individual, work unit and organisation levels.
	2.6 Develop a pilot project of monetary reward systems based upon proven cost savings; promote regular procedures of employee recognition for outstanding performance.
3. Weak accountability and information systems.	3.1 Design and implement a management information system for development projects.
	3.2 Strengthen rules and regulations related to standards of conduct, and their enforcement.
	3.3 Ensure that appropriate representation of affected people (i,e., stakeholders) is institutionalized in each phase of the project cycle.
	3.4 Provide more public information concerning development project decisions.
	3.5 Increase delegation of monitoring responsibilities to ministries, implementing agencies and projects.
4. Project implementation bottlenecks	4.1 Rationalise allocation of resources to Revenue Budget and Annual Development Programme so that projects may be implemented on time and not be delayed by revenue shortage; strengthen capability of forward expenditure planning.
	4.2 Allow staffing of key project positions as soon as projects are approved.
	4.3 Allow officers assigned to development projects to remain throughout the life of project without forfeiting rights to promotion and increases.
	4.4 Develop and use standard project management handbook.

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4.5 Use more turn-key projects, when appropriate, keeping in view their impact on technology transfer.

4.6 Streamline procurement process based on study of procurement rules and procedures.

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I. EXECUTIVE SUMMARY

A. Background

The efforts of government to provide economic uplift to the country are channeled, in large measure, through development projects funded through the Annual Development Programme (ADP). Development projects are also a primary vehicle through which Bangladesh receives foreign aid.

A major reason for this study into the project cycle has been concern over the persistent pattern of difficulties in achieving development targets in the mid-term five-year plans and short-term annual plans.[1] For example, the IMED Annual Report for the fiscal year 1987-88 mentions the following as reasons for poor project implementation records: defects in the pre-feasibility study and project design, lack of initiative, delays in resource deployments, shortage of funds, and weaknesses in project management. It is estimated that delays in project completion increase costs by roughly 35 percent and extend time to completion by more than 60 percent (DAI, 1988(a):12).

Another major impetus behind this study is concern with the backlog of unused foreign aid in the "pipeline" , which has more than doubled during the 1980s.

The intent of this study was to identify fundamental reasons why these problems persist, and to recommend actions to overcome them, for the benefit of all who have a stake in the future of Bangladesh.

The study was carried out by a research team, under the guidance of a Working Group, chaired by Dr. Mashiur Rahman, Joint Secretary, Finance Division, Ministry of Finance. (Working Group and research team members are listed in Annex A). The methodology of the study, specified in the Terms of Reference, was to review existing resource materials (listed in Annex B) and interview experienced personnel (listed in Annex C) in public administration in Bangladesh, primarily in seven ministries specified in the TOR. Given the limitations of time and resources, the methodology specified in the TOR precluded extensive, original research. While

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[1] The term "project cycle" is used in this report to refer to the name of the Working Group and the scope of the study's focus. The TOR referred to the "Working Group on Project Preparation, Approval and Implementation". The staff of the Working Group felt that this designation overlooked the vitally important functions of monitoring and evaluation. Rather than add these functions to the title, it was decided to use the term "project cycle", and to define this term to include all key phases of project life cycle.

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data gathering was limited to specific ministries, the intent of the study was to provide recommendations which may apply to development projects generally.

B. Key Constraints to More Efficient Development Projects

This study, as well as all preceding studies regarding development projects, points to several key constraining factors which cause persistent problems, such as those cited by the IMED study, in development projects: overcentralisation of authority, lack of accountability, inadequate resource base, and implementation bottlenecks caused by inconsistent and inflexible adherence to rules, procedures and systems.

There is a relationship among these factors. A statement that was made repeatedly in interviews with government officials was that a fundamental sense of distrust of others is at the heart of the bureaucratic culture. This sense of distrust has resulted in a need for controls throughout government, which in turn has resulted in a diffusion of accountability through overlapping checks and balances. The net effect is a widespread feeling of no effective accountability.

The diffusion of accountability and overcentralisation of decision making produces a climate which inhibits bold and timely management decisions, resulting in delays. Delays also result from a lack of knowledge of rules and procedures among many government officials, resulting from inadequate or inappropriate training, as well as frequent changes in rules and procedures.

C. Recommendations

The objective of this study was to assist the Government in developing recommendations which overcome constraints to efficiency in development projects. As may be determined from reading the report, some of the recommendations are directly implementable. Others indicate that before government can take action to address a causal problem, other actions may need to be taken. For example, decentralisation of increased project approval authority logically requires the development of capability within line ministries to review and approve project proposals. Determining capability requires, among other factors, information about human resources, on a position-by-position, office-by-office basis. Such information does not exist, nor was it within the scope of this study to generate it. The study does not recommend actions which will immediately lead to a specific Planning Cell in a given ministry having the capability to handle newly decentralised authority.

Determining capability also presupposes that there is an answer to the question of how far decentralisation should go. This is essentially a political and institutional question which has not

been clearly answered, and was also a limitation to the development of specific, implementable recommendations. Notwithstanding these limitations, the study has provided recommendations which may lead to more efficient development projects. In the remainder of this section the recommendations of the report are summarised. The numbers in parentheses indicate the number of the recommendation and the page on which it may be found in Section III below. Section IIreviews the beckground of the study and provides a conceptual framework. Section III analyses constraints and recommendations in the phases of the Project Cycle; suggests an implementation/action plan for selected recommendations; and, reviews key recommendations within the context of the TOR's objectives.

Overcentralisation of authority

The primary recommendations regarding this constraint are:

1. Reaffirm responsibility of ministries for integrating project goals with sector goals (#9/p26).

2. Emphasise Planning Commission's responsibility for macro-level planning, for integrating ADP and FYP, and for establishing parameters for ministries and agencies to integrate projects with ADP and FYP (#11/p27).

3. Raise project approval limits for investment projects (#12/p31).

4. Eliminate separate administrative approval for components of approved projects (#17/p35).

5. Raise procurement and contract award authority (#16c/p35; #25/p38).

6. Delegate to project directors full financial and administrative powers (#16a&b/p34).

Other recommendations to overcome overcentralisation are:

7. Move appropriate authorities to include in Schedule 2 of Rules of Business all Class 1 officers, including Research officers to Chiefs with authority to sign letters and documents on behalf of government, if warranted, regardless of cadre affiliation (#13/p31).

8. Reduce details and highlight policy issues and issues critical for policy implementation in review of PPs by PEC and ECNEC (#8/p26).

9. Emphasise joint review sessions at planning cell level before sending PPs for further processing (#14/p31).

10. Delegate authority to approve procurement proposals on one-step basis for approved proposals (#26/p38).

Human Resource Needs

The primary recommendations regarding this constraint include:

11. Conduct needs assessment in planning and development units to determine type and level of specific skills needed at project, agency and ministry levels for planning, implementing and monitoring roles (#3/p22; #41/p41; #43/p46).

12. Use qualified local consultants and make greater use of transfers and lateral entry to place qualified staff where immediate planning and monitoring needs are greatest (#1/p22; #44/p46).

13. Provide planning cells in ministries and implementing agencies with the number of skilled officers that results in satisfactory planning and monitoring of development project activities (#4/p22).

14. Acquire essential information technology, and appropriate staff training, for efficient project planning and monitoring (#6/p23).

15. Upgrade APD and strengthen capability to conduct needs assessment and to design and deliver training which will result in improved performance at the individual, work unit and organisation levels (#41/p41; #20/p35 ;#32/p39).

Other recommendations to improve the human resource base in all phases of the project cycle include:

16. Rotate non-cadre officers and officers from administrative, economic and technical cadres within allied sectors, and among project, agency and planning cell postings (#2/p22).

17. Develop effective incentive system based upon proven efficiency (#21/p35).

Weak Accountability and Information Systems

The primary recommendations to improve accountability regarding development projects are:

18. Increase delegation of monitoring responsibilities to ministries, implementing agencies and projects (#47/p46).

19. Design and implement a management information system for development projects, such as that in Malaysia (#45/p46; #49/p47).

20. Ensure that appropriate representation of affected people (i,e., stakeholders) is institutionalized in each phase of the project cycle (#10/p26; #46/p46).

21. Strengthen rules and regulations related to standards of conduct, and their enforcement (#22/p35).

Other recommendations to strengthen accountability include:

22. Provide more public information concerning development project decisions (#52/p48).

23. Improve utilisation of monitoring and evaluation reports from all sources, including donors (#48/p47).

24. Use wrap-up meetings between appraisal teams and sector divisions to clarify areas of agreement regarding project goals and requirements (#50/p48).

25. Convene meetings involving donors, ministries, agencies and project staff to review project implementation performance (#51/p48).

Bottlenecks

The primary recommendations to reduce bottlenecks are:

26. Rationalise allocation of resources to Revenue Budget and Annual Development Programme so that projects may be implemented on time and not be delayed by revenue shortage; strengthen capability of forward expenditure planning (#24/p36).

27. Allow staffing of key project positions as soon as projects are approved (#39/p41).

28. Allow project personnel to remain with project until its completion without forfeiting rights to promotion and increases (#40/p41).

29. Streamline procurement process based on study of procurement rules and procedures (#33/p39).

Other recommendations include:

30. Use more turn-key projects, when appropriate (#18/p35).

31. Examine probable impact of Executive Orders to insure that high priority development projects will not be impaired in mid-stream (#42/p42).

32. Develop and use standard project management handbook for operational management (#19/p35).

33. Create inventory of information regarding successful projects and give them wide publicity, including use as training materials for project management (#23/p35).

34. Establish new guidelines for tender/purchase committees to expedite processing (#27/p38).

35. Assure access to procurement specialists for every project (#28/p38).

36. Increase donor funding for locally produced resources and improve opportunities for local suppliers to compete (#29/p38).

37. Publish lists of locally produced materials which meet procurement standards (#30/p39).

38. Encourage donors to give local offices more authority to approve bid packaging and to approve contract awards (#31/p39).

39. Consider creating special desks in Customs and CCI&E for processing of development projects' requirements (#34/p39).

40. Update and give wider distribution to 1979 ERD procurement guidelines (#35/p39).

41. Eliminate use of outdated procurement forms and procedures such as Forms #2911 and #2908 (#36/p39).

42. Enforce time limits for procurement decisions; if time limits for large, complex projects are not appropriate, change them (#37/p39).

43. Enforce confidentiality in bid handling procedures (#38/p39).

44. Continue improvement of quality and coverage of database for macro economic planning (#5/p23).

45. Provide adequate logistic support to concerned planning and monitoring offices (#7/p24)

46. Assign responsibility for monitoring project approval to substantive divisions of the Planning Commissions, and report regularly to government regarding approval status of projects (#15/p31)

D. Implementation Plans

The development of an effective, sustainable implementation strategy to improve the efficiency and effectiveness of development projects will require considerable political will, resources and patient coordination of efforts among government offices and between government and donors.

The overall strategy of implementing the recommendations discussed in this report is:

* to initiate actions within a limited scope of ministries, implementing agencies and projects on a pilot basis to determine their effectiveness before undertaking government-wide changes;

* to initiate actions which produce immediate and continuing successes so that a climate of success is developed and maintained;

* to give priority to actions which can be initiated with little or no increase in expenditures, and without delay;

* to give priority to those actions which reduce delays without compromising accountability;

* to initiate prerequisite actions so that subsequent steps can be taken on the basis of adequate preparation, such as developing planning capacity in the ministries and implementing agencies in order to relieve the Planning Commission of its involvement in the details of projects at the planning and approval stage;

* to develop a coordinated plan of actions, with long term donor support, in order to assure achievable outcomes.

The implementation steps should be planned and coordinated through an Implementation Committee established by Government, as a follow-up to the study, though specific actions may be the responsibility of other government entities.

II. BACKGROUND and CONCEPTUAL FRAMEWORK

A. Background of PAES

The successive Governments in Bangladesh have been cognizant of the problems in public administration since 1972 and the macro- level issues in administration have been addressed by various committees from 1972 to the present. Some of the recommendations of the various committees have been implemented and have brought about changes in the civil service structure. However, the micro- level problems in public administration such as internal procedures, work-methods, logistical support, have received limited attention.

In 1987, the Bangladesh Government decided to undertake a study to identify key constraints affecting the efficiency of Public Administration, particularly in relation to important key ministries. This led to the present Public Administration Efficiency Study (PAES), whose structure and scope of work was developed by the GOB officials in consultation with the World Bank and the United States Agency for International Development (USAID), which is the funding agency.

The recommended changes from the study are generally limited to the existing GOB structure and the rules of business. The main focus of the study is on the following four priority areas:

(1) Secretariat System and Work Procedures;
(2) Relationship between Ministries and Departments;
(3) Relationship between Ministries and Public Corporations;
(4) Project Cycle Policies and Procedures.

The studies in the above areas have been undertaken by four Working Groups, under the direction of a Steering Committee headed by the Foreign Minister. This volume of the study has been produced by the Working Group on Project Cycle Policies and Procedures.

B. Objectives and Issues

1. The main objective of the Public Administration Efficiency Study (PAES) Project is to assist the GOB Steering Committee in identifying the key constraints in Administrative Performance and recommending implementable measures for improving administrative efficiency. These are discussed in the Executive Summary.

2. Issues. The Study's Terms of Reference also call for attention to issues which affect efficiency of public administration. These issues include bureaucratic behaviour, accountability, decision making, continuity, expert services, personnel management, and training for development administration. They are discussed throughout the report.

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C. Background of the Project Cycle Report

A major reason for this study has been concern over the persistent pattern of difficulties in achieving development targets in the mid-term five-year plans and short-term annual plans. In Bangladesh the development process is carried out mostly through projects, organised and funded through the mechanism of the Annual Development Programme (ADP).

The IMED Annual Report for the fiscal year 1987-88 mentions the following as reasons for poor project implementation records: defects in the pre-feasibility study and project design, winding up of projects which are still incomplete, lack of initiative, delays in resource deployments, shortage of funds, specially for O&M expenses, and weaknesses in project management. It is estimated that delays in project completion increase costs by roughly 35 percent and extend time to completion by more than 60 percent. (DAI, 1988(a):12).

At the macro level, delays in project implementation frustrate the goals and objectives of development planning in Bangladesh. An immediate impact is on the absorptive capacity for foreign aid, upon which the country's economy is dependent. This is evident in the concern about the project aid "pipeline", which has more than doubled over the course of the 1980s. The pipeline has grown from about $US 2.0 billion at the beginning of the 1980-81 fiscal year (FY) to roughly $US 4.7 billion at the end of FY 1987-88. To put the matter another way, disbursements during FY 1980-81 were some 27.9 percent of the opening pipeline, while in FY 1987-88, they amounted to only 18.9 percent (World Bank, 1989:100).

That Bangladesh is unable to absorb the foreign aid required in order to promote needed socio-economic development was stressed in the mid-term review of the Third Five Year Plan. The Planning Commission (PC) found that at the end of the first three years of the plan, only 43.5 percent of planned development expenditure had in fact taken place, as against the 60 percent that should have occurred.

The main objective of this study is to analyse the constraints of the project cycle in general, and in its various phases in particular, in order to recommend actions which will overcome the constraints and increase project efficiency. Issues relating to delays, centralisation of authority, delegation of power and responsibility, accountability, the overall bureaucratic environment, along with limitations in human and other resources have been brought into focus by looking at projects within the framework of government in Bangladesh, and at project efficiency within a framework of organisational performance.

In a simplified form of the framework of government, projects are at the bottom of the governmental hierarchy, and actions taken to

improve efficiency at this level are controlled and influenced by what happens or does not happen at higher levels.[2]

There are basically two strategies to improve efficiency of projects: improve the efficiency of all levels above the project level, or remove the operational aspects of projects from the influence of all above it through delegation of authority, and make projects operate more efficiently. This study recommends a combination of the two strategies.

In order to establish a base for recommendations on how to accomplish this, it is useful to have an understanding of how and why actions occur at all levels. For an understanding of specific issues concerning the upper levels, other volumes in this study (Volume II: Secretariat System and Work Procedure, Volume III: Relations between Ministries and Department, and Volume IV: Relations between Ministries and Public Corporations) provide important information. This report is concerned with the actions of the upper levels only within the context of project performance. The following section provides general conceptual tools for understanding the dynamics within organisations which determine performance and affect efficiency.

D. Efficiency and Bureaucratic Behaviour

A common response from high government officials interviewed in this study was: "Efficiency is impossible unless you get rid of distrust within government." Those who drafted the Terms of Reference of this study were aware of this sentiment, since "dysfunctional aspects of bureaucratic behavior" heads the list of issues to be assessed in order to improve efficiency. Other studies concerned with project implementation point out the need to understand this relationship, but do not delve into it. (Chadha, 1989:247; DAI, 1988(a):95; World Bank, 1989:65, World Bank, 1989:103). The DAI study, in fact, specifically cites the Public Administration Efficiency Study as having the potential to analyse this matter more thoroughly (DAI, 1988 a:95).

1. Conceptual Framework

It may be helpful to consider a model of the dynamics of actions in organisations prior to analysing problems and recommending actions which change the linkages among distrust, delay and efficiency. Such a model is suggested in Figure 1.

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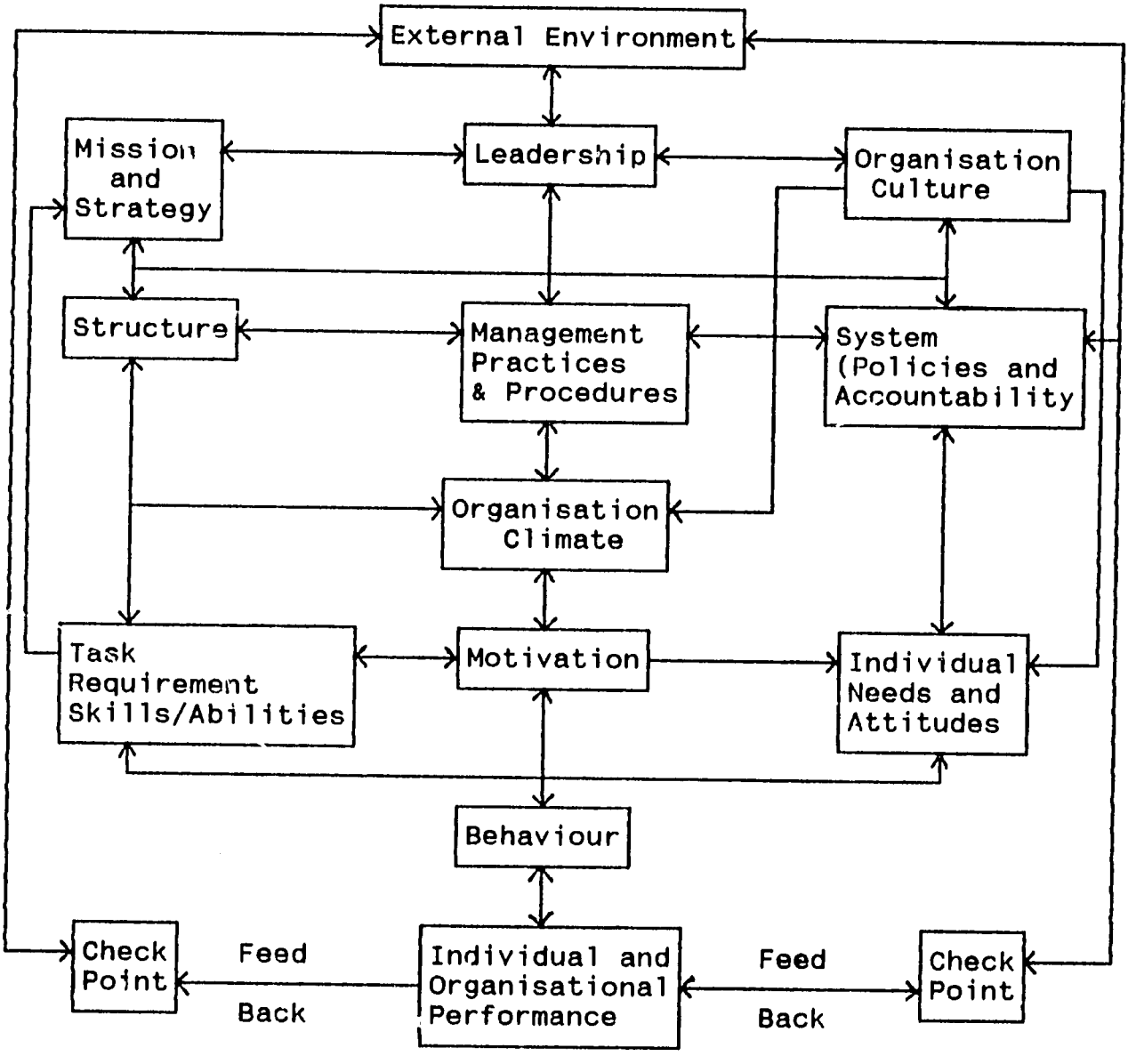
[2]. This study covers investment projects and technical assistance projects, but excludes development projects in the private sector, through NGOs and those allocated through block grants to the upazila levels. Also excluded is development assistance through commodity and food aid.

FIGURE 1

MODEL OF INDIVIDUAL AND ORGANISATIONAL PERFORMANCE



(Source: Adapted from Burke and Litwin, 1989: 280)

Briefly, individual and organisational performance is a function of behaviour, which is a function of ability and motivation. If efforts are to be taken to produce efficiency, they must be directed towards improving ability and creating higher levels of motivation. Improving ability can be accomplished by acquiring new competence through training, by changing structures so that work flows more smoothly, and by improving technology.

Motivation is a function of attitude, which results from values held by individuals and supported and influenced by the organisations in which individuals work. In social units (families, organisations, societies, etc.) the sum of attitudes is climate, and the sum of values is culture. Organisational behaviour, including bureaucratic behaviour, is often expressed as the prevailing climate in the organisation, and reflects the dominant values in the organisation.

Current management literature throughout the world points to organisational climate as the key variable in accounting for the most substantial improvements in organisational efficiency. Gains in productivity from technology decline over the years, while gains from improvements in human performance continue to grow over time. In countries such as Bangladesh, gain from both technology and human performance offer considerable potential for productivity improvement. Productivity gains from increases in human performance and technology are directly related to improvements in organisational climate. The primary indicator of a positive climate is the expanding scope of free and frank exchange of views, leading to appropriate and timely decisions as well as innovation and initiative at the employee level.

Other key factors in an organisational setting also effect performance. These include: external environment, leadership, goals, structure, systems, and management practices. While the arrows in Figure 1 suggest equal force in all directions, the reality is that this is a "gravity-fed" model. The determining factors are at the top, and the logical flow is downward and left to right.

Within the context of this study. management practices are concerned with procedures, structure is concerned with issues of centralisation and decision making authority, and systems are concerned with control and accountability.

Accountability is a critical factor in this study, according to those interviewed. Accountability is the "answerability" aspect of actions relating to responsibilities of a position. In the broader context, it is both individual and corporate value of accepting responsibility for actions in terms of propriety, process and public interest. Accountability is achieved by establishing "checkpoints" where the results of actions are compared with goals, against accepted standards. Checkpoints may include monitoring on a routine basis by the organisation, or by an independent external body.

Responsible performances of public officials and organisations are the products of effective systems of accountability, the basic components of which include:

(1) laws and policies which clearly define goals, policies, rules and standards as they relate to the function of accountability, including rules and regulations concerning standards of conduct and professional norms; and independent audit and accounting agencies;

(2) organisations whose cultural values emphasise trust, openness, cooperation, and collaboration;

(3) systematic approaches for public oversight of government programmes through open meetings, uncensored press, and other democratic institutions;

(4) high standards of individual professional behaviour, reinforced regularly through active professional association activities, such as training, publications, etc.

Combining the governmental framework of projects and the model of organisational performance as outlined in Figure 1 creates a context for analysing the project environment management. In effect, each government level is a performance system, complete with culture, mission, structure, systems, climate, motivation, abilities, etc. The performance output of Planning Commission, for example, influences the performance system of the ministries, their output influences the performance system of the executing agencies (department development, corporations, etc.). Their output influences the performance system of projects. Consequently, improving efficiency in government generally, and projects specifically, will be the result of improving interdependent performance systems.

2. Application in the Bangladesh Project Environment

The contents of performance in this study are the decisions and actions taken at each level regarding project cycle activities. In the planning phase there is an interchange among levels regarding the purposes, design, resources, etc. of projects. In the approval phase project proforma (PP) flow upward for approval according to prescribed procedures. In the implementation phase, approval requests for specific implementation actions (procurement, staffing, etc) flow upward according to prescribed procedures, and back to the project level for implementation. During monitoring and evaluation, data regarding the progress of projects is collected and reported to concerned officers in their respective levels.

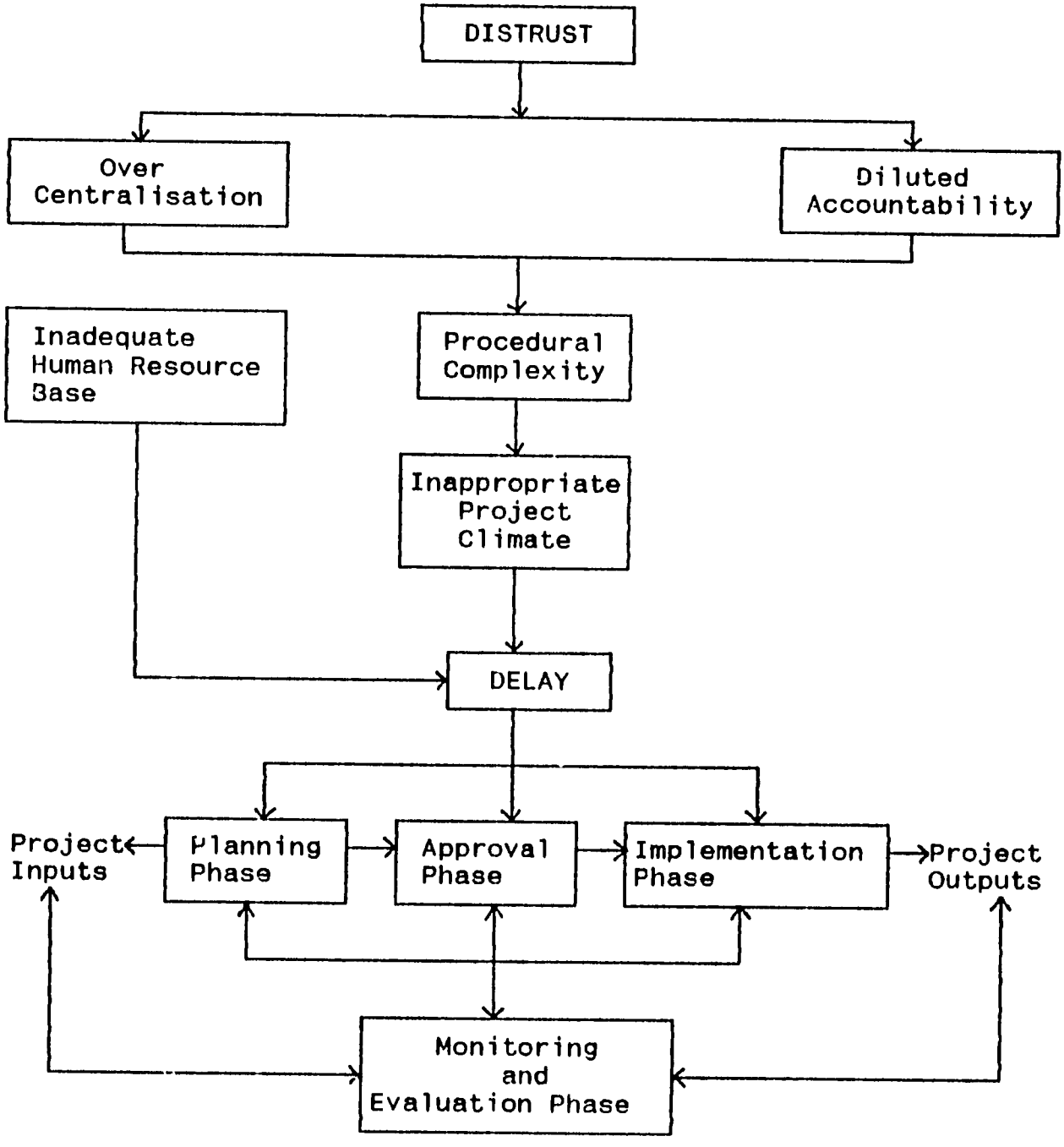
What this and preceding studies of project implementation have found is that the performance output of each government level is frequently delayed, thus actions at the project level are delayed by the sum of delay in all the preceding levels. The magnitude of the cumulative effect is shown in "The Case of the Order for Handling Equipment" (Annex D). Fifty four separate actions, covering a period from August 1981 to November 1982, were taken,

each in prompt response to the preceding action, in order to accomplish critical procurement, originally promised in 15 days (Chadha, 1989:276-279).

The causal constraints which result in delays in the project cycle, are indicated in Figure 2.

FIGURE 2

PRIMARY CONSTRAINTS IN PROJECT CYCLE



These constraints are: a bureaucratic culture based on distrust; leading to overcentralisation of decision making structures and accountability systems which overlap with each other, diluting the intended effect; procedural complexities; a bureaucratic climate which inhibits bold and timely decisions; and a resource base which lacks, human, logistical and financial resources (Chadha, 1989; DAI, 1988(a); World Bank, 1989; World Bank, 1987). Figure 2 may also be used to analyse donor based delays in all aspects of the project cycle. That is, many delays occur because donors distrust host government practices. This leads to centralisation of control in the donor agency, and widespread systems of accountability involving donor field and head offices, both of which lead to procedural complexity. In projects with multiple donors, the complexity is increased since donors tend not to relinquish autonomy.

These factors are the primary constraints to more effective and efficient projects. They affect performance in each phase of the project cycle, primarily by creating delays.

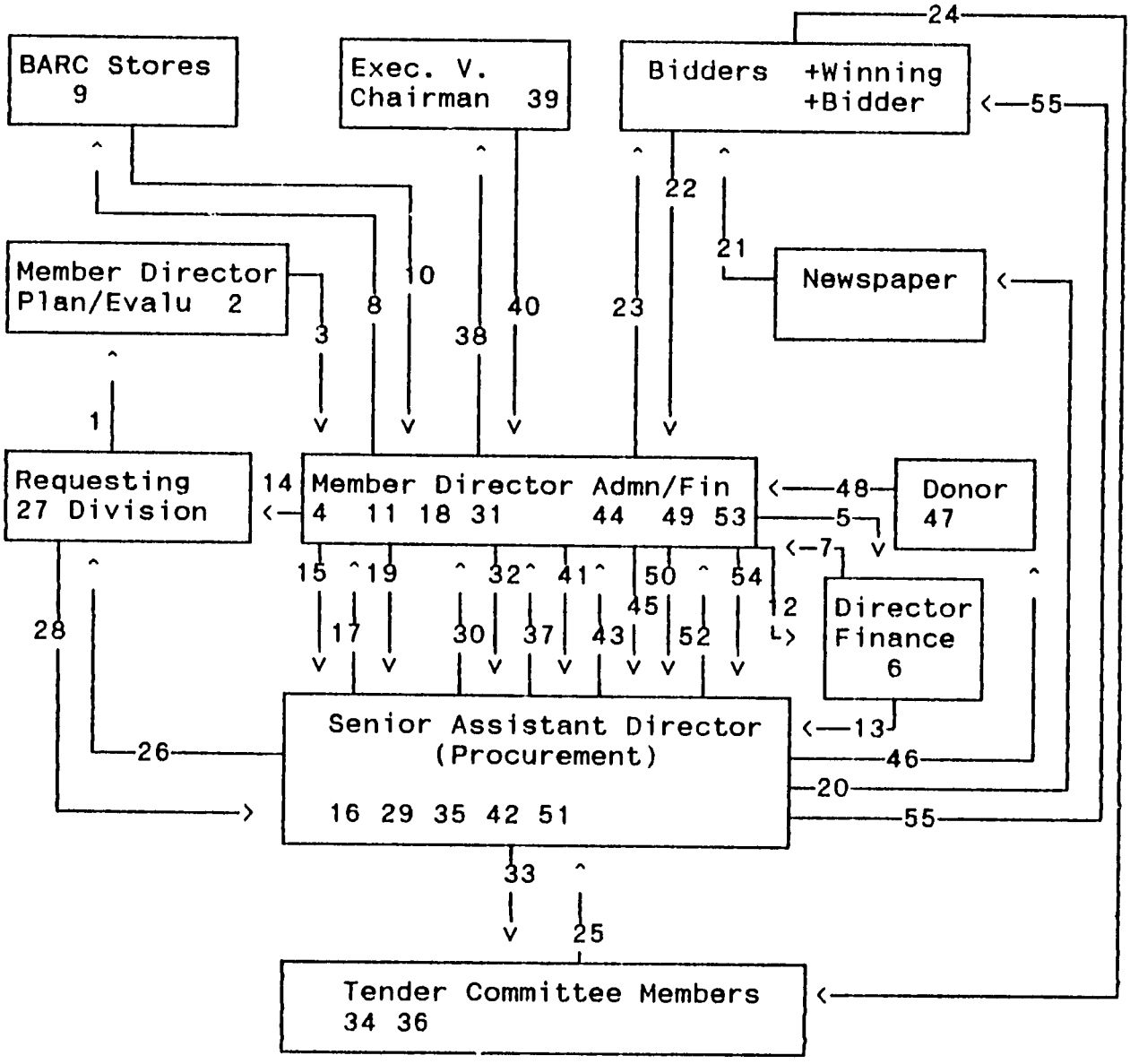
The dominance of delay as a problem throughout the project cycle suggests a search for underlying causes. What is it that officers are waiting for during a delay period? Generally, they are waiting for a chain of individuals, in various organisations, in sequence, to review, comment and finally make a decision which will permit an activity to proceed until it shortly reaches another "review/decision" point.

Figure 3 below demonstrates this pattern. It reveals a system of checks and balances, widely spread throughout government, frequently held together where the decision chains in different agencies or ministries intersect, by committees of government officials whose busy schedules make finding common meeting times very difficult. The decision chain reflects a concern for accountability, making sure that no action is taken that might be inappropriate.

Appropriateness, in the context of many bureaucracies, including that of Bangladesh, means more than simply an administratively logical decision; it means a decision that will not be against the wishes and interests of one's superior. Superiors, aware of the complexity of rules and the possible inadequacies of the education and training of their subordinates, are reluctant to trust them. Junior officers, uncertain of the wishes and interests of their superiors, do not trust their own judgement. The net effect is that in almost all cases, the decision chain has a long, uphill angle, and two primary characteristics: overcentralisation and diffusion of accountability.

FIGURE 3

BARC PROCUREMENT
PROCEDURES FOR PURCHASES OVER TAKA 5000 (US $ 151.)



(Source: Paul Hardin, BARC Consultant. See Annex E for more details)

Why do these characteristics exist? Because they embody a key value at the root of bureaucratic culture - - distrust of others. The sense of distrust has resulted in a need for controls throughout government, whose main effect is to seriously slow

down the functioning of government, without producing the intended effects for which they were created. Chadha describes the impact thus:

> "Looking at the set-up of procedures and the continuous changes that are brought in it, one feels that the systems are built on a general assumption that everyone is dishonest unlike the West, where by and large, systems are built on a general assumption that everyone is honest." (Chadha, 1989:247)

It should be noted that distrust is not unique to the Bangladesh bureaucratic environment. It is a common management problem everywhere in the world. However, what makes it such a primary factor in Bangladesh is the reality that government, which essentially means the civil bureaucracy, is the primary institution in the country...in the economy, in social and educational affairs, and in political affairs. In other countries, other strong institutions offset the effects of distrust as a value in bureaucracy. For example, a strong, private sector based on a free market economy rewards efficiency and promotes trust among all. An easily accessed, impartial legal system protects and enforces the basis of trust.

In addition to producing a dysfunctional pattern of accountability and delays, bureaucratic culture also produces a climate within bureaucracy which inhibits bold, timely action; it provides little incentive to develop "improved" projects which could serve as effective and efficient models for replication elsewhere within the nation. The result is that previously approved projects are frequently replicated simply because they are "safe" and expedient, without adequate evaluation concerning their efficacy.

Independent of these factors, delays also result from an inadequate human resource base. If all the above constraints were removed, project implementation would still be less than desired because it is widely reported that there are not enough appropriately trained officers to carry out the diverse and highly skilled tasks in the project cycle phases. In addition to a shortage of staff, many of the existing staff need additional training to keep up with changing project management technology, as well as frequent changes in rules and procedures.

There is also reported to be a scarcity of logistical resources, i.e. the tools of project planning, management and evaluation, including computers, photocopy machines, vehicles, etc. During the implementation of projects, there is also a shortage of financial resources for the procurement of goods and services, and for meeting the local currency requirements in donor-aided projects.

The outcome of the delays caused by these constraints is a set of specific problems in the project cycle. There have been numerous studies to identify the key problems; Table 1 indicates the ranking of problems in five recent studies. While these are just a few of the studies and reports reviewed in the course of this study, these five are cited because each attempted to analyse problems across major development sectors and all phases of the project cycle.

TABLE 1

RANKED PROJECT IMPLEMENTATION PROBLEMS IN SELECTED STUDIES

WORLD BANK 1987	WORLD BANK 1989	DAI / CORB 1988	CHADA 1989	IMED 1989
1. Primary delay due to insufficient funds.	1. Procurement delays	1. Discontinuty between macro plan & "Project Cycle".	1. Lack of time concept re projects.	1. Insufficient allocation of money.
2. Delay in approval due to staffing constraints in PC & Ministries.	2. Local currency shortage (spread too thin; too many projects).	2. Delays in all phases.	2. Centralisation of authority delays at every decision point.	2. Delay in project approval.
3. Delay in approval due to micro management review (details) at PC.	3. TA Consultants.	3. Local resource shortage (financial and human.)	3. Procedural rigidity.	3. Frequent transfer of project directors.
4. Fund release procedure.	4. Recruitment & staffing of projects.	4. Inadequate data throughout all phases of projects.	4. Project management skills.	4. Delay in tender formalities, work order issue, etc.
5. Land acquisition.	5. Land acquisition.	5. Project management no flexibility or delegation of authority.	5. Technical skills in project implementation phases.	5. Delay in revision of projects.
6. Delay in appointing key officers.	6. Project monitoring.	6. Existing Bureaucratic culture: over centralisation.	6. No accountability system.	6. Delay in land requisition.
7. Procurement.		7. Procurement.		7. Delay in arrangement of project funding.
8. Consultant recruitment.		8. Coordination of implementation.		8. Delay in allocation of building materials, goods & equipments/machinery.
9. Project management delegation/motivation issues.		9. Monitoring & Evaluation.		9. Delay in accomplishing contracts with donor.

The findings are important: first, they indicate that the government has been able to achieve success in responding to some of these problems. Evidence of improvement is offered by recent government orders relating to fund allocation and release for 1989-90 development projects. The administrative ministries and divisions can make a single allocation fund for three installments. But the fourth installment must correspond to the provision of the revised ADP. For revised unapproved projects, allocation and installmentwise break up needs prior concurrence of the Planning Commission and the Ministry of Finance. For unapproved projects, allocation, installmentwise phasing and release can be made only with the approval of Planning Commission and the Ministry of Finance. For CDST of approved projects, fund allocation and release can be made by ministries and divisions in two equal six monthly installments provided a bank A\C current in favour of Customs authorities at ports has been opened and this fact is noted in the list of ministries, divisions and agencies circulated by the Ministry of Finance. For revised approved and unapproved projects, fund allocation for CDST can be made on Customs' verified demands with the concurrence of Planning Commission and Ministry of Finance. (GOB, Ministry of Finance, 1989).

Second, the studies indicate that some of the key problems are not likely to be solved in the short term, nor without considerable commitment, since they are caused by constraints embedded in the prevailing norms and values of the bureaucracy.

In the next section, the consequences of inadequate resource base, inappropriate climate, overcentralisation and diluted accountability will be analysed in each phase of the project cycle. Recommendations to overcome the constraints and reduce the problems follow the analysis. (In order to get a quick overview of the nature of the project environment, and the way the constraints identified above are manifested, the reader may wish to scan the summary of a development project case in its entirety from planning to completion. The Meghna Dhonagoda Irrigation Project is summarised in Annex F for this purpose (Chadha, 1989:225-226)).

III. CONSTRAINTS and RECOMMENDATIONS

A. Planning Phase: [3]

1. Human Resource Needs

1.0 Previous studies regarding development planning point to the need for the Planning Commission to devote more time to the development of macro economic plans, and less time engaged in activities related to the planning and approval of development projects. The reason the Planning Commission allocates as much time to micro-level planning is because there is a need for rigorous scrutiny as most agencies and planning cells have limited capabilities to plan and scrutinise projects due to skilled manpower shortage. It is reported that many of the planning cells in ministries are not staffed at the sanctioned level (in terms of BCS Econ cadre). This information seems to be confirmed by the data shown in Table 2, which indicates that out of 204 sanctioned positions, 68 are vacant. Not all ministries have planning cells, making the task of planning more problematic in those ministries without an office for that purpose.

Table 2

SUMMARY OF SANCTIONED STRENGTH AND ACTUAL POSITION OF BCS ECONOMIC CADRE (EXCEPT MINISTRIES OF PLANNING, CABINET, DEFENCE, FINANCE AND THE ELECTION COMMISSION)

	Adl.C	JC	DC	AC	RO	Total
SANCTION	1	7	31	56	109	204
IN POSITION	0	3	23	47	63	136
*VACANT	1	4	8	9	46	68

* Inclusive of incumbents on training abroad and positions occupied by others.

Source: Mr. Imdadul Huq, Ministry of Irrigation, Water Development and Flood Control.

1.1 It was also reported to the study team that many of the officers in planning cells lack appropriate skills for planning

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[3] Planning Phase in this study includes project identification, aspects of appraisal and preparation activities.

development projects [4]. Frequently, those who are given the task of preparing a PP may have technical skills in the area of the project (e.g. construction, irrigation, education, etc.) but little or no knowledge or experience in PP preparation. This situation produces delays and inaccuracies, which in turn produce more delays. One of the main causes of failure to achieve project objectives, as mentioned in the 87-88 IMED Annual Report, is the number of defects in pre-investment feasibility studies and the subsequent project designs, which are the products of the planning phase.

1.2 Lack of training capacity in relevant training institutes limits the ability to respond to staff shortages, assuming that government had the resources to fill all positions. It is estimated that only a small portion of the new recruits to the planners' cadre --BCS (Economics)-- is able to take the "functional" course in planning at the Academy for Planning and Development (APD). Others must learn their planning skills on the job, usually without adequate supervision. Reasons for the training short-fall are said to be related to the significant increase in demand for foundation training courses at the cadre training academies, resulting from the upazila decentralisation initiative.

1.3 It may be advisable for APD to concentrate on providing specialized courses in project planning, implementation, monitoring and evaluation, and to conduct consultancies for government and others involved in development projects. Upgrading training content in APD courses would contribute to a more professionally prepared human resource base in planning cells. A review of training curricula concerning project planning suggests that specialised topics are not covered in depth, nor is sufficient time provided to develop adequate skills during training. Training methodology and follow-ups may be improved by extensive use of simulation exercises and workshops, and feed back after returning to job situation.

1.4 In general, the government's approach to training should follow certain basic principles: (1) training should be based on needs assessments determined through data gathered from officials in the positions to receive training, and their supervisor; (2) training should be competency-based; (3) training should focus on changing performance in the actual work situation; and, (4) training should involve all whose performance directly contributes to the efficiency of a given work unit. Application of these principles would mean considerable emphasis of on-job-training (OJT) and use of APD and other training institutes to assist in

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[4] These skills include socio-economic impact analysis, cost-benefit analysis, technology impact analysis, budgeting, project management, procurement and other skills specific to development sectors.

determining needs, providing training for basic and advanced competencies, and supporting ministries and implementing agencies in training officers to conduct OJT effectively. Annex K provides a detailed model for determining management needs, which, with appropriate modification, might be used as the basis for needs assessment related to all phases of development projects.

1.5 Another step which government could take to address the skill shortage problem would be to institute a pattern of rotating officers through planning, evaluation and project implementation roles, in ministries, implementing agencies, and projects within allied areas or sectors. At the same time, short term assignments in planning cells of training staff from APD would help ease the shortage of staff in those cells, and provide trainers with valuable experience, as would a general practice of assigning all faculty members from APD to PC, planning cells, implementing agencies and projects for periods of up to six months.

Recommendations:

Short Term:

1. Government should take steps to increase the capacity and capability of project planning skills in ministries and implementing agencies by using qualified local consultants and by making greater use of transfers to place qualified staff where planning needs are greatest, such as bringing more technical cadre officers to the PC, transferring qualified staff from PC to planning cells, and using lateral entry, as necessary.

2. Government should adopt a policy to rotate non-cadre officers and officers in economic, administrative and technical cadres within allied sectors, and among project, agency, and planning cell postings. This policy should be specifically provided in career development programs. Normal rotation should be within the sector up to the rank of Deputy Secretary/Deputy Chief.

Mid Term:

3. Government should direct that training needs in the Planning Commission and the planning cells in ministries and implementing agencies be determined on the basis of needs assessments to specify the type and level of specific planning skills needed at project, agency and ministry levels.

4. Government should provide planning cells in ministries and implementing agencies with the number of skilled officers that results in

satisfactory planning and monitoring of development project activities.

2. Logistical Resource Needs

2.0 In the Planning Commission and the planning cells the following shortages were reported: a shortage of computers and software for planning purposes (from macro level planning to project planning); an inadequate data base; a "desperate" shortage of photocopy equipment (reportedly only one in the entire Planning Commission); and, a shortage of vehicles for planners/evaluators to visit project sites. An example of the increases in efficiency which can be gained with good tools was provided by the head of a planning cell which has limited computer capability. Before being assigned to this position he was in a similar position in another ministry which did not have any computer capability. He estimates that in the new position his cell is able to get twice as much work done with less than half the staff as in the former cell, even though the staff in the new cell are less experienced than the staff in the old cell.

2.1 A UNDP Project to provide computers, software and appropriate training for Planning Division and IMED is regarded as an important step in the right direction. It is advisable for reasons of cost, ease of use, and effectiveness in linking planning, management, and monitoring functions, from Planning Commission to projects, that new computer technology acquired have the following characteristics: "user friendly", networking, open-system (such as Unix), and based on PCs rather mainframe technology. It is also essential that training in the use of computer technology be designed and implemented in such a manner that users... from planning, development, and monitoring offices, from PC to implementing agency levels... train together. Joint training in new systems is an effective way to overcome institutional and structural gaps between PC and the ministries. The National Computer Board may be consulted for system design, hardware and software acquisition, and training.

Recommendations:

Mid-Term:

5. Government should continue to improve the quality and coverage of the database for macro economic planning.

6. Government should continue the acquisition of appropriate computer technology for planning and evaluation activities at ministry and agency levels, and should assure that necessary training is provided for use of this technology. However, continued acquisition should be based on a careful review to

determine which departments/divisions of the ministries and agencies need what types of this technology, and in what numbers depending on their existing and future work load resulting from further delegations of responsibilities.

7. Government should acquire photocopy machines, vehicles and other logistical resources deemed critical for efficient functioning of planning offices in ministry and agency levels. Whenever possible, means should be developed which encourage offices to share resources.

3. Delegation and Accountability in the Planning Phase

3.0 The most significant consequence of centralising project level planning in the Ministry of Planning is the lack of time available for macro level planning of national development, and assuring the linkage of policies, programmes and projects. Five Year Plans are designed to set sectoral priorities and goals, with the intent that the Annual Development Programmes will provide yearly agendas for meeting those goals. But what happens is that the Planning Commission is preoccupied with project micro-planning due to reasons discussed earlier, and does not have the time to develop and monitor sectoral allocations in the ADP.

3.1 Instead, the question of how much investment (both foreign and local) goes into each sector is determined by an essentially uncoordinated amalgam of donors pursuing their own notion of Bangladesh's priorities, more or less independently. The yearly Paris meeting and the local consultative group in Dhaka are supposed to provide some coherence to the overall development effort, but in fact what gets included in the ADP really depends on which donors, in combination with which GOB implementing agencies, are pushing favorite projects. Table 3 shows that annual allocations by sectors do not reflect FYP priorities. What is observed are deviations right from the start of a FYP, which may have been caused by the weak linkage between the FYP and the ADP, among other reasons.

The agricultural sector, for example was slated to receive almost 11 percent of development expenditure, but in the first year's ADP within the Third FYP (i.e. 1985-86), it was allocated less than eight percent, and in the revised ADP it received six percent. The physical planning, water supply and housing (PhP, WS&H) sector, on the other hand, was to receive less than 2.5 percent, but in fact received four percent or more in four of the five ADPs generated in the Third Plan. Similarly, the water resources sector received significantly more than planned in four of the five ADPs.

TABLE 3

SECTOR WISE ADP ALLOCATIONS AND REVISIONS DURING THE THIRD FIVE YEAR PLAN
(figures in percentage)

Sector	TFYP planned	Annual Development Programmes 1985-86 Allocated	1985-86 Revised	1986-87 Allocated	1986-87 Revised	1987-88 Allocated	1987-88 Revised	1988-89 Allocated	1988-89 Revised	1989-90 Allocated
1. Agriculture	10.86	7.64	6.07	7.01	6.80	8.38	8.72	8.28	9.49	10.34
2. Rural develop.	8.88	[illegible]	3.57	3.91	3.88	4.29	3.60	4.41	3.42	5.59
3. Water Res.	12.24	14.30	15.00	13.87	11.93	13.23	14.65	15.27	17.28	15.68
4. Industries	11.78	16.55	18.56	18.92	18.00	13.14	10.99	8.57	7.47	8.56
5. Power	19.41	20.50	22.81	18.36	22.93	20.88	20.92	18.29	17.33	14.77
6. Oil,Gas & MR	6.30	6.87	6.63	6.48	5.16	5.50	5.80	5.69	3.92	4.91
7. Transport	[illegible]	9.59	8.36	9.86	11.75	11.81	12.27	15.24	15.78	12.61
8. Communication	1.76	1.95	1.55	1.78	1.18	1.96	2.51	2.01	3.34	2.67
9. PhP, WS&H	2.49	3.38	3.23	4.17	4.28	5.05	5.18	4.83	4.69	5.70
10. Educ. & Relig.	5.53	5.77	5.71	6.75	5.79	6.78	6.58	6.81	6.73	7.27
11. Sports & Cult.	0.52	0.40	0.36	0.42	0.57	0.52	0.55	0.59	0.41	0.47
12. Health	2.49	2.65	2.28	2.70	2.17	2.45	2.28	2.82	2.69	3.27
13. Pop. control	3.94	4.50	4.02	3.83	3.84	4.15	4.46	5.18	5.58	6.39
14. Mass Media	0.23	[illegible]	0.20	0.32	0.30	0.33	0.32	0.36	0.26	0.30
15. SWHA & YD	0.64	0.52	0.46	0.74	0.59	0.77	0.52	0.99	1.08	0.89
16. Pub. Admin.	0.29	[illegible]	0.55	0.40	0.39	0.42	0.42	0.40	0.37	0.27
17. Sci. tech. res.	0.27	0.32	0.28	0.22	0.20	0.14	0.09	0.12	0.06	0.11
18. Manp. & Labor	0.42	0.40	0.36	0.26	0.24	0.16	0.14	0.15	0.01	0.20
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Third Five Year Plan 1985-90, and Annual Development Programmes, 1985-86 through 1989-90.

Admittedly, national needs may change over a five year period. In fact, one might expect increasing deviations from plan over the quinquennium, but as shown above, the deviations between FYP and ADP do not reflect this type of pattern. This suggests that a lack of accountability may result in a vulnerability of project planning to pressures distorting the planning discipline.

3.2 Another consequence of the Planning Commission's time diversion is the difficulty of the Ministry of Planning, in conjunction with the Ministry of Finance, to link macro level expenditure planning with revenue planning, across the period of the FYP (World Bank, 1989:94). This is a contributing factor to the shortage of local currency, which all studies have indicated is a primary cause of project delays in the implementation phase.

3.3 It is often remarked that in the present project planning environment, the interests of those who are going to be affected by projects are often ignored in planning. Including stakeholders' interests in project planning is a requirement that follows from

the Government's concern about public participation in development process. It is not an easy task to institutionalise stakeholders' interest in project planning at the macro levels, but what the government can do is to publicise the idea of projects (in which public participation is deemed necessary) through newspapers or other information media at the stage of pre-feasibility or feasibility study, invite public reactions through appropriate institutionalised mechanism, and take note of them in processing the project through government's planning and approval network.

3.4 In order to assist the Planning Commission and ECNEC in time management, consideration may be given to summarising the non-policy data that is provided in PPs. It should not be necessary for PC to rescrutinise sections of the PPs which its senior staff has already reviewed carefully. Many of the following items in the new format for PPs (both forms) are concerned with data which is not vital for policy discussion and might best be summarised: serial nos.14 to 20, 25(a), 26, 27, and serial 33 and 36 under Part D which are repetitions of serial nos. 5 and 11 respectively of Part A; serial nos. 41 to 43 and 45 to 47 under Part E. It may be useful for the government to evaluate the new forms after some period of use, in order to improve the choice of information required for review at various levels.

Recommendations:

Short-Term:

8. Government should reduce details and highlight policy issues and issues critical for policy implementation in review of PPs by PEC and ECNEC.

Mid-Term:

9. Planning Commission should reaffirm the roles of the ministries and agencies as regards development project planning, with ministries having the responsibility for integrating project goals with sector goals according to parameters established by the Planning Commission.

10. Government should modify the Instructions and Guidelines on Processing and Implementing Development Projects to ensure that appropriate socio-economic analysis of projects be based on recent field data or on actual field visits, if so warranted by the project proposal. Government should publicise project ideas at the stage of pre-feasibility/ feasibility study and create receptive attitude in government regarding public opinion in planning and approval phase, through training of government officials and representatives of stakeholders regarding techniques of effective public

participation in development projects through appropriate institutions.

Long Term: 11. Government should direct the PC to focus on national development planning...developing the Five Year Plans and modifying them on an annual basis; developing an integrated ADP and Revenue Budget as an annual linkage to the FYP; setting specific development targets for intersectoral and sectoral programmes which are directly linked to FYP through the ADP, and assuring that Core projects, regardless of their source of approval, are designed to contribute directly to national development priorities.

B. Approval Phase

1. Overview

1.0 Delays in approval exhibit a pattern which has apparently remained more or less constant over the last decade and more. A GOB study conducted in 1975 showed that for a sample of 25 projects, the average time to process a PP in the early 1970s was 406 days (GOB, 1975: 6). Thirteen years later, the DAI/CDRB study found that the average length of time required to process its sample of 33 projects was precisely the same: 406 days (DAI, 1988a:47). Other studies from the 1980s show similar or even longer delays in project approval (see Chadha, 1989: 68-70).

1.1 Frequently, the PPs are sent back, even for minor corrections, to the implementing agency to be redone (in some cases more than once) and finally to the Executive Committee of the National Economic Council (ECNEC) for the final approval, in some cases. Each of these steps (and the sub-steps within the steps) is time consuming. The last step (from PEC approval to ECNEC approval), for instance, took an average of 182 days, according to the DAI/CDRB study's (1988: 47) sample data.

2. Human Resource Needs

2.0 A primary cause of delays in the approval phase is reported to be inadequate staffing at the ministry and implementing agency levels, as shown in Table 2 earlier. This results in poorly prepared PPs sent onward. The PPs arrive at the relevant sector division at the PC, and are reviewed and presented to the Project Evaluation Committee (PEC), for analytical discussion. Because of defects in preparation and inadequate attention at the primary review stage, they are scrutinised in detail, sometimes at the cost of proper attention to the relationship of the project's purposes and goals to development policy.

2.1 The reasons for the inadequate human resource base discussed in the planning phase also apply here, since essentially the same offices in the ministries and agencies are involved in planning and pre-approval review. In addition to causing delays, skill inadequacies inhibit delegation of approval from Planning Commission to ministries and implementing agencies.

3. Delegation of Approval Authority

3.0 In order for the Planning Commission to have the necessary time to carry out its macro planning responsibilities, it needs to shift some of the project review and approval responsibilities to other approval levels. This shift may happen in a responsible way if there is adequate capability at other levels. To identify capability, the current workload and performance in the following areas would need to be assessed: (i) project planning at agency/department level; (ii) project scrutiny at ministry level; (iii) project implementation at agency/department level; (iv) project monitoring at agency, department and ministry level; and, (v) project evaluation at ministry level.

Information from IMED reports, ADPs, Planning Commission's mid-term reviews and the Sector Divisions' first hand experience in working with ministries and agencies should provide a sound basis for developing a set of criteria for determining capability. In addition, an intensive analysis of skill needs of these levels of selected ministries, departments and agencies should precede action programmes to augment and upgrade skills through transfers/fresh or short-term contract appointments, or recruitment and training of new and lateral entry officers. Only on a carefully developed and adjudged capability base should pilot delegation begin. Simutaneouslyly, efforts should also be mounted to build up capability in other ministries, agencies and departments.

3.1 There have been recommendations to change the approval limits in many of the previously cited studies. The need for this was also discussed frequently by interviewees in this study. If the approval limits shown in the recommendations below had been put into effect last year, the PP work of the Planning Commission would have been substantially reduced, as shown in the following data (based on the 1988-1989 Annual Development Programme):

	Number of Projects Under	
	Present Approval Limit	Proposed Approval Limit
Category A:	96	186
Category B:	95	237
Category C:	489	257

It is recommended that the change in approval authority limits be phased in, starting immediately with those ministries which have demonstrated a capability for efficient and effective preparation and review of projects. For example, Ministries of Public Works, Energy and Irrigation are frequently cited by government officials and donors as having the capability to make effective use of proposed delegated authority.

3.2 It is recognized that not all ministries and implementing agencies have the capability at present to implement actions as proposed. Careful monitoring by the Planning Commission should be the basis for continuing delegation. At the same time, Planning Commission, in conjunction with other governmental entities should identify necessary steps to strengthen other ministries and implementing agencies which have important development project activities, and support the implementation of those steps.

3.3 With respect to project revisions, consideration should be given to procedures which eliminate the need for full review of PPs in the light of proposed revisions. Revision review should be confined to the proposed revision, except when the proposed revisions clearly impact other aspects of the project.

3.4 Centralisation of the approval phase is also the result of growth in average project size, while maintaining the approval limits constant. This fact is shown in Table 4. Average project size, across all development projects, has grown from Taka 1.37 crore in 1980-81 to Taka 6.85 crore in 1989-90. The result is that fewer projects are approved at the "A" and "B" levels. In the 1988-89 ADP the average size of new projects grew to over Taka 35 crore. Only 16 of 57 new projects fell into the "A" category, accounting for less than one percent of total projected funding, "B" category accounted for 5 new projects, while "C" category accounted for 36 new projects and more than 98 percent of anticipated spending (data from Planning Commission, 1988 c).

3.5 Growth in average project size reflects an attempt to reduce the number of projects, so as to reduce delays caused by congestion in the approval process. Some have reported that the reduction in numbers was achieved by merging several projects, rather than designing fewer projects. This parallels similar efforts within some donor agencies, where , because of staff reductions, projects in the development phase were merged.

3.6 There are some who feel that the number of projects included in the ADP each year is still much too large (World Bank, 1989;69). The large number of both core and non-core projects reflects the difficulties within and across ministries in achieving political and fiscal accountability within the politics of the budgetary process. The weakness in accountability results in over-estimation of the revenue surplus, under budgeting for ongoing projects, and inclusion of too many new projects (World Bank,

TABLE 4

NUMBER AND SIZE OF PROJECTS IN ANNUAL DEVELOPMENT PROGRAMME

Year	Number of Projects	Avg. size in Tk. crores	Increase Over Previous Year	GDP deflator *
1980-81	1525	1.37	--	--
1981-82	1726	1.72	25.5%	12.7%
1982-83	1128	2.26	31.4%	5.0%
1983-84	910	3.37	49.1%	16.4%
1984-85	828	3.85	14.2%	14.9%
1985-86	637	4.49	16.6%	5.8%
1986-87	648	5.79	29.0%	12.2%
1987-88	684	6.18	6.7%	10.0%
1988-89	676	6.56	6.1%	--
1989-90	692	6.85	4.4%	--

Source: GOB Annual Development Programs. GDP deflator data from World Bank Data.

1987:93, World Bank, 1989:69). These outcomes further constrain the approval and implementation of development projects.

3.7 The project approval phase may be vulnerable to pressures which distort the public interest. Mechanisms of accountability need to be strengthened in order to assure that the approval process may continue to serve the public interest. It may be advisable to strengthen the present scope of rules and regulations concerning standards of conduct so as to better regulate conflicts of interest. Rules which open project approval meetings to the public may be considered as a way to provide the public with opportunities to verify the appropriateness of factors being discussed in project approval decisions, or to keep the public informed of approval decisions.

3.8 It is widely reported that a source of delays in the planning and approval phases is the limitation of authority to sign on behalf of government by members of Economics cadre (and others)

who are in positions of responsibility, but who lack authority to discharge their duties because of interpretation of present rules. Clarification of functions and rules, combined with increased scope of signing authority, when appropriate, would reduce delays.

Recommendations:

Short-Term:

12. Government should raise project approval limits for investment projects so that fewer projects require full PEC and ECNEC review, either for initial approval or for revisions to approved projects. Delegate more approval authority to ministry level, subject to clearer development goals (sectoral parameters) and budget allocations established by Planning Commission.

Recommended approval limits for investment projects are as follows:

	Proposed	(Crore)	Present
Category A:	under 5		under 2
Category B:	5 - 20		2 - 5
Category C:	over 20		over 5

An automatic adjustment may be made at the end of each FY to keep this value in real terms.

13. Ministries and Divisions should move appropriate authorities, if so required in the interest of work, to include in Schedule 2 of the Rules of Business all Class 1 officers, including Research Officers to Chiefs or equivalent positions, with authority to discharge their duties (i.e., to sign letters and documents on behalf of government) regardless of cadre affiliation.

14. Government should put greater emphasis on planning cell reviews before sending PPs up for further processing. This can be achieved by requiring sector division and technical staff from agencies to participate in joint review sessions at the planning cell level.

15. It may be useful to assign responsibility for monitoring project approval to the four substantive divisions of the Planning Commission, and have each report regularly to government on the approval status of projects.

C. Implementation Phase

1. Overview

1.0 Problems preventing efficient project implementation constitute a lengthy list. Many of the problems are the consequences of actions or inactions in the planning and approval phases, such as the persistent problem of local currency shortages. Many problems may not exist if greater financial and administrative authority were delegated to project directors (DAI, 1988(a); World Bank, 1989, Chadha, 1989), while some problems may continue because some project directors do not use available authority, or use it ineffectively (World Bank, 1987:99).

1.1 Delay is the most common complaint during this phase, and the cost of delays in project implementation increases project costs by approximately 35 percent, and extends the time of project completion by more than 60 percent beyond the original completion date (DAI, 1988(a):12). Because Bangladesh depends so heavily upon development projects, the impact of the cost of delay is severe. The extent of cost overrun is seen in the following data, from the IMED 1987-88 review of projects (Chadha, 1989:291).

COST OVERRUN	NO. OF PROJECTS
100-200%	57
200-300%	7
300-400%	6
400-500%	1
500-600%	2
600-700%	3
over 700%	6

2. Project Management:

2.0 A key limitation to the efficient implementation of development projects is the lack of authority delegated to project directors. Under present conditions, most project directors do not have adequate control over resources used on a daily basis, and have little discretion or flexibility in their use. that in Ministry of Agriculture, that project directors have "full" authority, but this is an exception. An important step towards efficient project implementation is delegating to project directors full authority to use resources provided by the PP, and the autonomy needed to focus on the tasks of management without undue interference from implementing agency and ministry.

2.1 There is a presumption that opportunities to delegate authority are often rejected, reflecting poorly on the person who does not respond to the opportunity. However, this may be a very rational decision, based on the current situation in Bangladesh.

(Annex G is a case entitled "Delegation of Power: An Insider's View of the Options". The case examines the logic of not accepting delegated authority, given the possibilities of corruption.)

2.2 Turn-key projects represent an approach to improving efficiency of project implementation that has increasing use in Bangladesh. This approach is most useful in certain types of projects, such as construction. There may be limitations to overuse of the approach, since it inhibits the transfer of technology acquired through the process of project implementation. It is also reported to be were costly. However, as an alternative method, used with careful consideration of short term and long term benefits, it may be considered more widely in Bangladesh.

2.3 A practical, successful way to begin changing the climate of projects, and having a significant impact upon efficiency may be through the introduction of "employee involvement" techniques, such as Quality Circles. Through the use of this technique, employees in a work unit learn to use group skills to improve the quality of work output through group analysis and problem solving of specific work procedures. In Singapore, government and private sector have made extensive use of Quality Circles, and this technique is given credit for improving efficiency. On the basis of these gains, government employees have received substantial bonuses. Government should consider ways to encourage the of use such techniques in Bangladesh.

2.4 A common problem in project management worldwide is coordinating the timely use of resources to produce the project's expected results. Even under the best of circumstances it is impossible to forecast all the factors which can affect project efficiency. A standard practice in some countries for controlling uncertainty and providing better use of project resources is the development and use of a project manual or handbook which specifies responsibilities, tasks, resources, schedules, standards, and other vital information. While all projects are different, the processes of managing them are sufficiently similar that numerous standardised project management handbooks exist, ranging from massive construction projects to small training projects. The project handbook is to the project director what the battle plan is to the general...a working document which anyone in the field staff can use to carry on if there is a change in command. Such a tool may be very useful in the project environment of Bangladesh.

2.5 Much of the efforts of project management are concerned with issues of coordination. It is reported that coordination efforts are hampered by the current structure of ministries, in which functions of planning, implementation and monitoring are in different Wings. A study is underway through the Coordination Wing of the Planning Commission to determine ways to improve project coordination. The Study team recommends that issues of coordination

should continue to be explored in order to improve the efficiency of project management.

Recommendations:

Short-Term: 16. Government should delegate to project directors full administrative and financial authority as follows:

a. regarding delegation of administrative powers: 1. Disciplinary Action: delegation to project directors full authority for initiating disciplinary action for all persons placed under their administrative control. 2. All Other Administrative Powers: delegation to project directors full administrative powers concerning transfers and posting (where project has more than one site, or project director has more than one project), and granting of leave.

b. regarding financial powers specified in Delegation of Financial Powers for the Execution of Development Projects of the Annex to GOB, Ministry of Finance No.MFD-1/Et-1/Misc-I(31)/82-83/3 of August 3, 1982, to grant project directors of approved projects full powers for all items therein except Serial No.1, concerning creation and retention of temporary posts. However, it is recommended that Serial No.1 be amended to grant project directors full power to create and fill temporary posts for pay scales up to and including Tk.1650-3020 in an emergency situation, for a period not to exceed one year, and with immediate notification of ministry.

Other powers to be increased relate to: Works (residential and non-residential under approved development schemes; repairs to project vehicles; local purchase of stationery; purchase of instruments and furniture; hire charge of office furniture; purchase of bicycles; charges for printing at press other than government press, subject to no objection certification obtained from Government Press; purchase of consumable stores for operation of the office/offices; rent of non-residential buildings.

c. In addition, project directors should have procurement and contract award authority up to Taka one crore.

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17. Government should modify relevant rules and regulations so that once a project has been approved no further administrative approval is required for project components.

18. Government should provide briefings to agencies on the potential uses and limitations to turn-key approaches to project implementation.

Mid-Term:

19. Implementing agencies, in conjunction with APD, should develop a standard project management handbook and assist project directors and other key project personnel in adapting the handbook for the needs of a given project. (See Annex I for a suggested outline for a handbook.)

20. Government should provide training in employee involvement techniques that have demonstrated value in raising productivity (such as Quality Circles).

21. Government should direct IMED, in consultation with O&M Wing/Establishment, should develop a pilot project of monetary reward systems based upon proven cost savings. In addition, government should promote regular procedures of employee recognition for outstanding performance each FY, especially in project design, target achievement, time and cost savings and other notable contributions.

22. Government should strengthen rules and regulations related to standards of conduct, and their enforcement; and should direct that training courses at all levels build trust and accountability into individual and organisational values.

23. IMED should create an inventory of successful projects in Bangladesh and give them wide publicity within "project community" and training institutions. These may be used as case studies for all concerned.

3. Local currency shortage

3.0 A major cause of delays is "the paucity of domestic resources relative to foreign aid inflows" as the Planning Commission put the matter (GOB, 1989:14). This means that because

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the GOB is unable to put up its counterpart share of development expenditure, donors release of funds is curtailed. For example, during 1986-87, local currency shortages delayed 120 out of 150 projects of the Roads and Highways Department (Chadha, 1989:253).

3.1 Local currency shortages are due, to a degree, to the difficulty of government in forecasting public expenditures. There are a number of reasons for this, including the incompatibility of expenditure categories between revenue and development budgets, and the differing techniques for handling recurrent costs and capital budget needs. In addition to these factors, there are pressures during the budget process to underestimate expenditures. These pressures also cause an overestimation of revenue projections, which, together with the government's need to strengthen revenue generating capabilities, also contribute to shortfalls in local currency.

Recommendation:

Mid-Term: 24. Government should rationalise allocation of resources to Revenue Budget and Annual Development Programme so that projects may be implemented on time and not be delayed by revenue shortage; strengthen capability of forward expenditure planning.

4. Procurement

4.0 Procurement problems are the result of procedural complexities, which are themselves the products of overcentralisation and diluted accountability system. Procedural complexities breed further problems when acted on by officers untrained in these matters. Forty types of procurement problems, covering the entire project cycle, have been identified in this study and confirmed in other studies. These are classified into five areas: (i) inaccurate and improper provisions of PPs regarding procurement, (ii) insufficient skill base requiring procurement, policies and procedures, (iii) insufficient and inappropriate local resources and inefficient project management, and (v) interference to influence procurement decisions.

4.1 Procurement problems are not confined to procurement procedures only, as is generally assumed. Mere simplification of procurement procedures, without addressing causal issues of overcentralisation, more effective accountability and specialized training is inadequate and inappropriate for improving the level of procurement efficiency.

4.2 As noted earlier, delays relating to procurement begin in the planning and approval phases as a result of inaccurate and improper completion of PPs or as a result of revisions to the

PPs. As seen in Figure 3 earlier, the complexities of the procurement procedure, after PP approval, are inappropriate and for effective procurement administration. Even if each officer acts in a timely fashion, the result is excessive delay, as shown in the Case in Annex D.

4.3 Procurement delays are often the result of donor/ agency/project differences in procedure and judgements. For example, in a primary education project, procurement was delayed because the executing agency did not seek IDA approval prior to floating of tenders, even though those tenders contained items that were included in the approved project documentation. (DAI, 1988(a): 2/9). Even if local procurement is followed, procedures are lengthy. For example, a review of the process used for local procurement indicates that 90 to 160 days elapse after receipt of a request by the BWDB Directorate of Purchase before a contract is awarded to a contractor or supplier. (DAI, 1988(a): 33).

4.4 A source of delay in procurement is reported to be the lack of delegation of procurement authority. Professionals in the field suggest that what is needed for better procurement management are two types of delegation: (i) authority to approve procurement proposals (initiation of procurement of certain items including bid packaging) and, (ii) authority to approve proposals for contract awards. Some suggest that delegated authority should be based on functional aspects and considerations rather than present basis of hierarchy or position. In other words, whenever possible procurement decisions should be taken at the project level, keeping agencies and ministries free for effective supervision and monitoring of quality and timeliness of procurement decisions.

4.5 Procurement professional in Bangladesh feel that Chief Executive Officers of public statutory Bodies / Departments / Directorates should have full authority to approve procurement proposals on one step basis (including bidpackaging), when the items to be procured are included in the approved PP, instead of present slabwise authority delegated for approved proposals regarding contract awards. However, in case of procurement of items not included in approved PP, approval for procurement should be obtained from the next higher layer, i.e., the ministry. As regards contract awards, professionals interviewed for this study suggested delegation of authority as specified in the recommendations below.

4.6 Finally, development assistance, procurement, and weak accountability systems produce a situation that is vulnerable to interference in order to influence procurement decision for personal gain. The Intensive Rural Works Programme (IRWP) is cited as a project victimized by massive corruption, at the core of which were procurement related activities (Chadha, 1989:221).

Recommendations:

Short-Term:

25. Government may consider revising procurement and contract award authority as follows: Chief Executives of public statutory Bodies/ Departments/ Directorates should be raised to Taka ten crore; Secretary in-charge up to Taka fifteen crore; and Minister in-charge unlimited above 15 crore. The Cabinet Committee on Government Purchase should formulate and coordinate policies as they pertain to procurement, and, upon evidence of deviations, may review specific procurement and contract award decisions. This recommendation may be implemented immediately in those ministries and agencies where government considers necessary conditions already exist. (In Working Group meetings mention was made of Ministry of Irrigation, Water Development and Flood Control; the Roads and Highways Division of the Ministry of Communication; the Bangladesh Water Development Board, Public Works Department, BADC, among others, for consideration.)

26. Chief executives of public statutory Bodies/ Departments / Directorates should have full authority to approve procurement proposals on one step basis (including bid packaging), when the items to be procured are included in the approved PP, and conform to the procurement schedule.

27. Government should establish new guidelines for Tender/purchase committees so that members have professional background in relevant procurement matters and are drawn from among project officers or from the department or Corporation.

Mid-Term:

28. Agencies should assure that every project has access to procurement specialists with current procurement management capabilities, in specialized areas such as drawing up of specifications, preparation of bid and contract documents, bid evaluation, legal aspects and obligations of contracts, familiarity with import licensing, shipping, Customs, inspection and port procedures.

29. Donors should increase financing for locally produced resources, and should assist in promoting means to assure that local suppliers are invited to compete.

30. DSI should be directed to publish regularly a list of locally produced materials which meet procurement standards.

31. Local offices of donors should be given more authority to approve bid packaging and approve contract awards.

32. DSI, APD and donors should conduct more frequent training in procurement, including mandatory courses for project procurement officers without previous training or experience.

33. Government and donors should collaborate in a full scale study of procurement rules and procedures in order to streamline the entire process and eliminate unnecessary steps.

34. Government may consider creation of a special desk in Customs and CCI&E for purpose of timely processing of import licenses and Customs clearance for development projects.

35. ERD procurement guidelines issued in 1979 need to be updated and given wider distribution, since most implementing agencies are not aware of these guidelines, or copies of them are not available.

36. Government should eliminate the use of forms and procedures which are outdated (such as Forms #2911 and #2908).

37. Time limits for procurement decisions, especially in the case of bids, must be enforced. If the time limits are not appropriate, they should be changed.

38. Government should enforce confidentiality in bid handling procedures, and should institute more effective controls and discipline in these matters.

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5. Human Resource Needs

5.0 If all the implementation constraints discussed above were removed, delays would still be a serious problem since human resource (skill base) constraints still remains. The inadequacies of the project implementation human resource base are reported to be: too few officers with appropriate combinations of management and technical skills; and, too few projects offices with specialised project management skills (such as PERT, CPM; project monitoring and evaluation; procurement; accounting; inventory; etc). In addition the Development Wings in ministries and line agencies are said to have similar shortages, and are therefore presumably limited in their capacity to provide management assistance to projects.

5.1 The reasons for shortages were discussed earlier in relation to planning and approval skill inadequacies, and apply here as well. The vacancy rate in project staffing was 27 percent in FY85, as compared with 24 percent in Revenue Budget positions of comparable grade (World Bank, 1989:75), indicating that recruitment problems in projects may be slightly more difficult than the situation faced in government generally. This may be due to the difficulty of converting project positions into permanent, revenue budget positions at the end of project, as well as the fact that many projects are carried out in regions of the country where professionals prefer not to live.

5.2 The policy of rotating government officials has a major impact on project implementation. The life cycle of most development projects is generally much longer than the normal rotation pattern of less than three years. This assures that all key positions in a project are subject to turnover at least once, hindering the development of efficient project management.

5.3 Another type of staffing problem concerns technical assistance (TA), which may constitute part of an investment project, or may be separate, free standing development project. In recent years, approval of technical assistance has became a serious bottleneck (World Bank, 1987:91; World Bank, 1989:76; Chadha, 1989:78; UNDP, 1987:13). The average length of time to approve a TAPP was 300 days, as opposed to the stated standard of one month (UNDP, 1987:13) Chadha states the total time reported by different donors from submittal of Technical Assistance Project Performa (TAPP) to approval from SPEC and negotiation with ERD ranged from 394 days to 682 days (Chadha, 1989:78).

5.4 The reasons for delay are due to more vigorous screening of technical assistance proposals by GOB than in earlier years; limitation of TA funding to donor grant programmes, which limit donor flexibility ; and, the fact that contracting for technical assistance is essentially a procurement mechanism and subject to the complexities of that process as noted above. The government

changed the approval authority levels for TAPP so that line ministries can now approve TA projects up to Taka 2 million. Prior to July 1989 the limit was Taka 1 million. While this may reduce some of the congestion, other serious issue remain. The increased vigor of ERD review reflects a desire by government that more local consultants be used for technical assistance. It is claimed that there exists adequate local capacity and that the use of foreign assistance has not been effective. ERD sponsored a study, done by local consultants, to support these claims, but the effect of the report has been limited. Donors who wish to make better use of local consultants claim to be hindered by a lack of reliable information about local consulting capacity, the lack of guidelines from government about appropriate search procedures, and cultural differences in business development practices.

Recommendations:

Short-Term:

39. Government should modify administrative regulations to allow staffing of key project positions to begin as soon as projects are approved.

40. Government should modify rules regarding transfer of officers to allow officers assigned to development projects to remain throughout the life of project without forfeiting rights to promotion and increases.

Mid-Term:

41. Government should take steps to strengthen project management training programs in APD and other training institutions. Steps should include upgrading the competence of training staff by emphasising successful project management experience. The content of training programs should be based on the outcome of training needs assessment emphasising skill development in all functional areas of project management, including planning, monitoring and evaluation, accounting, procurement and inventory control and other areas.

6. Executive Orders

6.0 The impact of overcentralisation as a cause of delays in the implementation phase is seen in Executive Orders (EO). Executive orders have the impact of interrupting projects in mid-stream. For example, EOs may transfer specific officers from projects, prohibit particular parcels of land from acquisition, or direct that tenders for procurement be reopened. Or, they be much more general, such as an Order prohibiting procurement of a particular type of commodity such as vehicles, which may impact all projects using that commodity.

Recommendation:

Short-Term: 42. Government should examine probable impact of EOs on on-going projects prior to issuance, to insure that high priority development projects will not be impaired.

7. Land acquisition:

7.0 Land acquisition procedures create delays during project implementation. These procedures, which frequently take more then a year, cannot be initiated until after the PP is approved. The severity of delays may be such that project outcomes and impacts are effected. For example, the Karnafuli Irrigation Project experienced serious delays related to land acquisition. The project closing date was extended four years for these reasons, and the flood protection embankment at Halda was not undertaken because it proved impossible to purchase the required land (Bangladesh Agriculture Sector Review, Vol III: 21). Whenever possible, steps should be taken to initiate land acquisition proceedings as soon as projects have been approved.

7.1 It is not unusual for land acquisition to be delayed due to temporary lack of local currency. This situation may be resolved by a more rigorous resource programming.

7.2 Another aspect of this problem is that authority for land acquisition is limited to relatively small parcels; some feel that this level should be raised in order to expedite project implementation. However, in a land scare environment, it may not be possible to raise authority limits without careful review of the situation. In view of the complexity of the issues, and their policy implications, the Working Group felt that analysis of this problem was beyond the resources of the study. Government may consider a special study on the issues of land acquisition in development projects.

D. Monitoring and Evaluation

1. Overview

1.0 The Implementation Monitoring and Evaluation Division (IMED), within the Ministry of Planning has the responsibility for monitoring and evaluating development projects in Bangladesh. Its capability to carry out these functions has improved considerably in recent years, according to many officials interviewed, and as reported in other recent studies. For example, recent donor efforts have resulted in improvements in data gathering and reporting, as well as providing training for selected staff in ex-post evaluation.

1.1 However, it is reported that IMED still lacks the capacity to provide a broad audience with a wide range of monitoring and evaluation information suited to their needs. It is felt that there is a need to clarify the monitoring and evaluating function at projects, agencies, ministry and national levels, determining what data is needed and determining whose role it is to gather, analyse, and act on this information. It is also felt that monitoring should be an ongoing activity at all levels, associated with efforts to improve project management, while evaluation is an activity needing some degree of independence from management.

1.2 In its reports, IMED understandably and correctly tends to reflect the priorities of the Planning Ministry. IMED reports emphasise the current priorities of the Ministry of Planning. Reports provide aggregate data on the progress of projects in terms of approval status, fund utilisation, physical progress and completion. The unit of analysis for monitoring and evaluations is the project, since that is the focus of analysis in the planning and approval activities of the Ministry. Data aggregated on projectwise base, however is not converted into analysis regarding the impact of development policies and programmes in the FYP. If the Planning Commission is able to divest itself of micro-level planning, and carry out macro-level development planning, it is likely that IMED will be able to develop the capability to provide impact analysis suited for macro planning needs. Through UNDP assistance, IMED and the Planning Commission have begun developing capability in this direction.

2. Monitoring

2.0 At intermediate levels of ministries and agencies, progress has been made in recent years to develop and strengthen project monitoring. For example, it is reported that Bangladesh Water Development Board (BWDB) in particular has introduced an effective project monitoring system (WB, 1989:78). (A description of it is provided in Annex J.) However, according to recent studies on monitoring in Bangladesh, capability and capacity at ministry and agency levels continues to need strengthening (Swedish International Service:34; Chadha:1989).

2.1 What is proposed as the basis for the general design of the monitoring system in Bangladesh is a division of labor such that IMED continues to have the overall responsibility for monitoring, establishes the data gathering guidelines and procedures to be used throughout all levels, and trains and coordinates monitoring professional at all levels to assure consistency in methods and approaches. IMED would continue to focus on gathering and analysing information related to development on a nationwide basis. Its data "client" would be the NEC and the Planning Commission. Basically, IMED would be assisting the Planning Commission in determining whether development goals were

being met through development policies, and what progress current development programmes were having. IMED has the capability to carry out this mission.

2.2 Ministries and agencies, perhaps through consolidated Development Wings and Planning/Monitoring Cells, would have the responsibility for monitoring performance of projects, focusing on what some call the technical and factual issues of performance. Technical refers to questions of internal efficiency (determining if project level work is being carried out satisfactorily), while factual refers to questions of external efficiency (determining if project work is consistent with specified development goals) (Swedish International Services, 1988: 48). At the project level, the function of monitoring would focus on day-to-day operational issues of meeting established targets for resource utilisation and accomplishment of project tasks.

2.3 According to reported information, IMED has made excellent progress in developing the reports needed to make such a system work, though full implementation is constrained by lack of computer capability and staff. An example of a fully developed and integrated project monitoring system, which combines information needs of offices of planning, accounting, implementation, treasury and monitoring is in SETIA in Malaysia. The SETIA set-up demonstrates the potential for upgrading the mechanisms of project monitoring and evaluation into a system of accountability, since the database of the SETIA system included detailed expenditure accounts of projects (Annex K).

2.4 In the existing system, IMED sends periodic reports to ministries and agencies summarising findings on project progress, based on reports submitted from projects and on IMED visits to projects. Agencies are supposed to respond to these reports within a specified time period, indicating actions taken or contemplated in light of the issues addressed in the report. Agency response to these reports are frequently delayed, and various explanations for the delays have been given. Given that the intent of the system is to identify problems in implementation and correct them, it appears that this matter needs further attention.

2.5 Project monitoring may be more effective if periodic feedback from stakeholders is included in reports on project implementation, and if project status reports are publicised. This would help achieve the objective of enhancing public participation in the development process as well as maintaining public accountability of development agencies.

3. Evaluation

3.0 Evaluation of development efforts is an important function which may be done independently from project management. IMED has taken steps to improve its capability to conduct ex-post

evaluation, and has been using external consultants to carry out some of project evaluations. Continued use of this approach may be advisable, given the reported staff limitations. Further, it may be advisable to establish priorities regarding evaluation, with nationally important projects receiving most attention, and smaller projects with limited national impact receiving proportionately less evaluation attention, and fewer resources. (Annex L provides review of current issues and approaches to impact analysis.)

4. Human Resources

4.0 Efforts to improve monitoring and evaluation functions and roles at national, ministry, agency and project levels are constrained by a reported lack of human resources. IMED has only fifty four officers to monitor and evaluate the projects being carried out by government in eighteen sectors. Clearly, that is inadequate. Furthermore, the mix of professional backgrounds in monitoring and evaluation activities should reflect the diverse technical nature of projects, programmes and policies. However, despite the large number of engineering projects in Bangladesh, it is reported that IMED has only one engineer (Chadha, 1989:244). At present, there are no data available which accurately reflect either the number nor qualifications of persons with monitoring responsibilities in ministries and agencies.

4.1 The shortage of diverse skills needed for the broad range of monitoring and evaluation functions for which IMED is responsible may be addressed through a variety of approaches. As mentioned, much of the monitoring responsibility may be delegated to ministries, agencies and projects, but, as mentioned earlier, there are reported to be shortages of officers trained in monitoring at these levels in many organisations. Some of the evaluation work may be contracted out to the private sector, under supervision of IMED, as is currently being done. In addition, continuing efforts to upgrade skills should be pursued through various means, such as the training recently completed with UNDP assistance. It is reported that training capacity at institutes such as APD may need to be strengthened if they are to provide new sources of trained personnel. While UNDP has provided some assistance to address skill development much more needs to be done (DAI, 1988(a):124; SIS:49; Chadha, 1989:244).

5. Logistical Resources

5.0 Logistical needs are reported to be a limitation to better monitoring and evaluation of development projects. Donors working closely with IMED confirm the need for improved information technology, and the skills to utilise such technology. If resources are made available to acquire additional information technology, it may be advisable to ensure that the characteristics discussed in para 2.1 page 23 above are observed. The National Computer Board may be consulted for further guidance. In addition, IMED officials

report limitations caused by shortages of photocopy machines and transport, the latter restricting ability to carry out site visits to projects.

Recommendations:

Short-Term:

43. Government should conduct a detailed assessment of monitoring/evaluation staffing needs, on ministry by ministry basis, to determine capability and needs, and should fill vacant positions with suitably qualified officers through transfers and recruitment of new and lateral entry officers.

44. Government should address short term monitoring and evaluation staffing needs through continued and expanded use of contract services, as well as transfer and contracting out evaluation studies..

45. Government should review the adequacy of information technology available for monitoring and evaluation needs, and seek donor assistance to upgrade capabilities which are likely to have a direct impact on monitoring performance of development projects.

46. Agencies responsible for project monitoring should take appropriate steps to assure adequate stakeholder input into the monitoring process, and allow reasonable access to information.

Mid-Term:

47. IMED should increase delegation of monitoring responsibilities to ministries, implementing agencies and projects as follows:

a. IMED would be responsible for providing PC and NEC with evaluation information concerning progress and impact of development policies, as well as providing government with a summary of monitoring information, as required.

b. Ministry/agency should be responsible for monitoring performance of projects within their jurisdiction, according to guidelines specified by IMED, and should provide IMED with timely reports, including recommendations regarding needed improvements.

c. Project directors should be responsible for monitoring operational, day-to-day aspects of projects in order to assure timely completion of project, and project effectiveness.

48. Through IMED, government should take steps to improve the utilization of donor and government monitoring and evaluation reports by all parties; donors and IMED should collaborate in making their reporting requirements more compatible.

Long-Term: 49. Government should direct the Planning Commission and Audit and Accounts agencies to design and implement a management information system for development projects which provides Planning Commission, Audits and Accounts, ministries, implementing agencies, and projects with accurate, timely information on status of projects that is relevant to their respective responsibilities.

E. Coordination and the Project Cycle

Centralisation of decision making processes creates a permanent debate on the effectiveness of central authorities or field offices to coordinate efforts at the project level for better implementation and achievement of targets. Most large projects involve a number of ministries and departments, as well as a diverse group of agencies and organisations outside the government, creating a need for coordination in all phases of projects.

1. Planning Phase. Coordination in the planning phase entails bringing together those with a problem or idea and those with resources. The mechanisms for coordination during steps of planning have been strengthened in recent years, primarily in terms of government-donor coordination. ERD, which has the major responsibility for this task, has improved its capability. The practice of determining a lead agency in the planning phase, in projects that are likely to involve more than one ministry or implementing agency is now more widely used than previously, with some positive results. It is almost always used among donors when there are multiple donors.

2. Approval Phase. There are frequently delays in the approval process due to cost component differences between visiting appraisal reports and subsequent project proposals. These differences may be reduced by better coordination between appraisal missions and concerned divisions of the Planning Commission, as, for example, a final wrap-up meeting with the appraisal team under

the chairmanship of the concerned member of the Planning Commission. Another area where improved donor-government coordination is needed concerns conditionalities of projects. While the concept of conditionalities may be valid in principle, the application to specific projects requires consideration of the relevancies of the specific conditionalities within the context of the requirements of the project. Priority may be given to those conditionalities which help projects achieve their objectives, rather than those which help the donor or help government make changes in an area not directly related to the concerned project.

3. Implementation Phase. Coordination needs are most apparent during project implementation, when resources may have to be brought from halfway around the world, trying to arrive at a particular place at a specific point in time. Effective project monitoring also requires careful coordination in order to assure that the right feedback gets to the right person in time to take the right action. The Asian Development Bank has been using a monitoring process involving all the principal stakeholders in a project. This process is widely regarded as being very effective, and may be used by other donors.

4. Monitoring Phase. Other than Tripartite Review Meetings and Local Consultation Group meetings, interaction among donors and government regarding mutual interests in project monitoring is limited, and felt to be insufficient. IMED should organise joint review meetings on a half yearly basis to review project implementation performance. This may be organised on a sector basis to facilitate coordination and planning.

Recommendations:

Short-Term:

50. Government should encourage the use of final wrap-up meeting between Appraisal Teams and sector divisions of Planning Commission to clarify areas of agreement.

51. IMED should convene half yearly meetings involving donors, ministries and agencies to review project implementation performance.

52. Government should provide more public information concerning development project decisions and activities at each phase, through local meetings, press conferences and other fora, as appropriate.

F. Implementation Plans

The development of an effective, sustainable implementation strategy to improve the efficiency and effectiveness of development projects will require considerable political will and substantial resources. It will require patient coordination of efforts among government offices and between government and donors.

The overall strategy of implementing the recommendations discussed in this report is:

* to initiate actions within a limited scope of ministries, implementing agencies and projects on a pilot basis to determine their effectiveness before undertaking government-wide changes;

* to initiate actions which produce immediate and continuing successes so that a climate of success is developed and maintained;

* to give priority to actions which can be initiated with little or no increase in expenditures, and without delay;

* to give priority to those actions which reduce delays without compromising accountability;

* to initiate prerequisite actions so that subsequent steps can be taken on the basis of adequate preparation, such as developing planning capacity in the ministries and implementing agencies in order to relieve the Planning Commission of its involvement in the details of projects at the planning and approval stage;

* to develop a coordinated plan of actions, with long term donor support, in order to assure achievable outcomes.

Using these guidelines, the following Action Plan is suggested. Reference is made to selected recommendations... only those major actions which are likely to have most impact on the efficient management of projects.

The implementation steps should be planned and coordinated through an Implementation Committee established by Government, as a follow-up to the study, though specific actions may be the responsibility of other government entities.

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ACTION PLAN

1. Concerning decentralisation of planning, approval and monitoring of development projects:

Recommendations:

Involves recommendations #1, #2, #3, #11, #18 and #19 in the Executive Summary.

Implementation:

The Working Group recommends decentralisation of responsibilities and authority of planning, approval and monitoring of development projects, with implementation as follows:

a. Government should raise project approval limits (by amending "Categories of Projects" in Procedures for Processing of Projects) for investment projects so that fewer projects require full PEC and ECNEC review, either for initial approval or for revisions to approved projects.

Recommended approval limits for investment projects are as follows:

	Proposed	(Crore)	Present
Category A:	under 5		under 2
Category B:	5 - 20		2 - 5
Category C:	over 20		over 5

An automatic adjustment may be made at the end of each FY to keep this value in real terms.

b. In the longer term, delegate more approval and revision authority such that PEC and ECNEC review and approve large, intersectoral projects with national development priority, ministries review and approve sectoral projects, subject to clearer development goals (sectoral parametres) and budget allocations established by Planning Commission.

i. To implement this decentralisation in a phased -in manner, the Planning Commission would identify those ministries having the best capability at present for planning and monitoring development projects. Criteria for identifying capability were discussed on page 28, along with indicated ministries. The recommended allocation of monitoring responsibilities were discussed on pages 46 and 47.

ii. In this initial set of ministries, a comprehensive needs assessment should be carried out in planning and development units to identify where human resources may need strengthening, through transfer, use of short term consultants, or short term, on-job training. (A model methodology for management needs assessment is presented in Annex K. This is a general model, which with appropriate adaptation, may be useful in the context of Bangladesh.)

iii. Simultaneously with steps taken to address the staffing needs, decentralisation should begin with an initial set of ministries and proceed in close association through advice and suggestions from appropriate units of Planning Commission.

iv. Government should review the decentralisation process after a reasonable period, and based upon the outcome of that review, take appropriate steps to further decentralise planning, approval and monitoring authority to other ministries.

v. While the initial phasing-in is underway, a comprehensive needs assessment of other ministries should be initiated. Based on the outcome of this effort, steps should be undertaken through training, recruitment (including lateral entry) and transfer to strengthen the planning, approval and monitoring capabilities of this set of ministries. It is assumed that more effort and a longer time period will be required to have this set reach an acceptable level of capability.

2. Concerning delegation of administrative and financial powers to Project Directors.

Recommendation:

Delegate full financial and administrative powers to project directors. (Recommendation # 6 in the Executive Summary)

Implementation

a. Delegation of financial powers

Revise Delegation of Financial Powers for the Execution of Development Projects of the Annex to GOB, Ministry of Finance No.MFD-1/Bt-1/Misc-I(31)/82-83/3 of August 3, 1982, to grant project directors of approved projects full powers for all items therein except Serial No.1, concerning creation and retention of temporary posts. However, it is recommended that Serial No.1 be amended

to grant project directors full power to create and fill temporary posts for pay scales up to and including Tk.1650-3020 in an emergency situation, for a period not to exceed one year, and with immediate notification of ministry.

b. Delegation of administrative powers

i. Disciplinary Action: delegation to project directors full authority for initiating disciplinary action for all persons placed under their administrative control. Such delegation to be conferred through Government Servants (Discipline & Appeal) Rules, 1985, as detailed in Implementation Steps of Vol.3 Relationships Between Ministries and Departments, Public Administration Efficiency Study, pp.27-31.

ii. All Other Administrative Powers: delegation to project directors full administrative powers concerning transfers and posting (where project has more than one site, or project director has more than one project), granting of leave, power to count extraordinary leave for increment and sanctions of all kinds of pensions. Delegation to be implemented through rule making process conferred on the President by Article 133 of the Constitution and as detailed in the Implementation Steps of Vol.3 Relationships Between Ministries and Departments, Public Administration Efficiency Study, pp.32-39.

3. Concerning the elimination of separate administrative approval for components of approved projects.

Recommendation:

Government should modify relevant rules and regulations so that once a project has been approved no further administrative approval is required for project components.(Rec # 17/p35)

Implementation:

A careful analysis of existing Office Memoranda, Rules of Business and other sources of procedures is needed to identify all documents requiring change in order to implement this recommendation. Having done so, however, no other action or resources would be needed to institute new procedures which could save considerable time in implementing projects.

4. **Concerning improvements in procurement procedures.**

Recommendations:

Recommendations in the Executive Summary: #5, 10, 29, 34-43.

Implementation:

a. Short term actions which can be taken through various rule change procedures:

i. Delegate authority to approve procurement proposals on one-step basis for approved proposals (#26/p38).

ii. Establish new guidelines for tender/purchase committees to expedite processing (#27/p38).

iii. Eliminate use of outdated procurement forms and procedures such as Forms #2911 and #2908 (#36/p39).

iv. Enforce time limits for procurement decisions; if time limits for large, complex projects are not appropriate, change them (#37/p39).

v. Enforce confidentiality in bid handling procedures (#38/p39).

vi. Raise procurement and contract award authority (#16c/p35);(#25/p38).

Implementation Considerations:

Authority needed for procurement management are of two types, (i) authority to approve procurement proposals (initiation of procurement of certain items including bid packaging) and, (ii) authority to approve proposals for contract awards.

The principles that may guide the delegation of authority and the structure of delegated slabwise limits are suggested as follows:

a. Principle:

1. Authority to be delegated based on functional aspects and considerations as against present principle of administrative power and hierarchy.

2. Lower layers, particularly where the projects are implemented should take procurement decisions, keeping the higher layers free for effective supervision and monitoring of quality and timeliness of procurement decisions; instead of present principle of taking decisions outside the projects at higher layers.

b. Structure:

1. Procurement proposals: Chief executives of public statutory Bodies/ Departments / Directorates or the Ministry (if the Ministry is implementing a project directly itself) should have full authority to approve procurement proposals on one step basis (including bid packaging), if the items to be procured are included in the approved PP; instead to present slabwise authority delegated to approved proposals for contract awards. However, in case of procurement of items not included in approved PP, approval for procurement should be obtained from the next higher layer i,e the ministry.

2. Contract Awards: Government may consider the following:

2.1 The concerned project Directors should have authority to approve contract awards up to TK 1.00 crore. They do not have any such authority at present.

2.2 The authority of all the heads of Corporations / Boards / Departments / Directorates (irrespective of size) should be enhanced to TK 10.00 crore from present slab of TK 5.00 crores (many heads do not have authority of even TK 5.00 crores).

2.3 The Secretary or Secretary in-charge of the ministry should have authority to approved contract awards up to TK 15.00 crores. They do not exercise any authority and all such proposals go to the Minister in-charge and the Minister approves proposal up to TK 15.00 crores.

2.4 The authority of the Minister in-charge should be unlimited instead of a limited authority of up to TK 15.00 crores. The Cabinet Committee for Government Purchase should formulate policy and co-ordination matters relating to Government procurement, and, upon evidence of deviations, may review specific procurement and contract award decisions.

b. Mid-term actions which require additional resources and actions by other entities:

i. Streamline procurement process based on study of procurement rules and procedures (#33/p39; #36/p39).

This is an important area, requiring focused attention by skilled specialists with a high degree of knowledge in procurement procedures, rules, etc. in Bangladesh. A study, with participation by donors, should establish the base of actions for all the following recommendations.

ii. Assure access to procurement specialists for every project (#28/p38).

iii. Increase donor funding for locally produced resources and improve opportunities for local suppliers to compete (#29/p38).

iv. Publish lists of locally produced materials which meet procurement standards (#30/p39).

v. Encourage donors to give local offices more authority to approve bid packaging and to approve contract awards (#31/p39).

vi. Consider creating special desks in Customs and CCI&E for processing of development projects' requirements (#34/p39).

v. Update and give wider distribution to 1979 ERD procurement guidelines (#35/p39).

5. **Concerning rotation and assignment to development projects.**

Recommendations:

Government should adopt a policy to rotate officers in economic, administrative and technical cadres within allied sectors, and among project, agency, and ministerial postings. This policy should be specifically provided in career development programs. Normal rotation should be within the sector up to the rank of Deputy Secretary/Deputy Chief. (Rec #2/p22)

Government should modify rules regarding transfer of officers to allow officers assigned to development projects to remain throughout the life of project without forfeiting rights to promotion and increases.(Rec #40/p41)

Implementation:

To give effect to this recommendation the Ministry of Establishment should frame a firm policy regarding rotation, reminding all Heads of Ministries and Departments of the harmful effects of too frequent rotation. The policy so framed should include:

a. Ban on rotation officers from one position to another within a period of five years, and in the case of development projects, during the life of the project.

b. Exception should be granted only for over-riding personal or organisational requirements.

c. Rotation should normally be within a series of ministries or departments with similar purposes or functions.

d. Rotation should attempt to follow a pattern which provides officers with successively more complex roles regarding project planning, implementation and monitoring and at project, agency and ministry levels. Combination of rotation and training should provide cadre officers from the economic, adminstrative and technical cadres with supplementary skills in each of the other two cadre areas, if feasible.

G. Relationship of Study Recommendations to Objectives

An objective of this study was to assist the Government in considering recommendations which overcome constraints to efficiency in development projects, especially in regard to the following, as specified in the Terms of Reference:

1. Higher Standards of Administrative Performance
2. Sound Policy Analysis
3. Implementation of Policy and its Strategic Implications
4. Delegation of Authority
5. Procedures for Staffing
6. Training for Development Administration

The objectives and recommendations of each of these points, as they relate to development projects, are summarised below.

1. Higher Standards of Administrative Performance

The primary standard to be pursued in this area is: a significant increase in the number of development projects which are completed on time and within the approved budget.

In order to achieve this standard, three sub-objectives must be set as standards and met:

a. a significant decrease in the amount of time needed to approve projects;

b. a significant decrease in the amount of time needed to procure project resources (commodity and human resources);

c. a significant increase in the predictable availability of local currency.

If these efforts had a higher standard of efficiency and effectiveness, they would have a positive impact on the efforts of government to provide economic uplift to the country, and increase confidence of donors in the efficacy of their support to the people of Bangladesh.

To meet these standards, the following actions are recommended:

Recommendation #1: Raise project approval limits for investment projects so that fewer projects require full PEC and ECNEC review. Delegate more approval and revision authority to ministry level, subject to clearer development goals (sectoral parametres) and budget allocations established by Planning Commission.

Recommendation #2: Modify relevant rules and regulations so that once a project has been approved no further administrative approval is required for project components.

Recommendation #3: Rationalise allocation of resources to Revenue Budget and Annual Development Programme so that projects may be implemented on time and not be delayed by revenue shortage; strengthen capability of forward expenditure planning.

A second standard of administrative performance which may have a significant impact on the efficiency of development projects concerns accountability. The objective in this area ought to be: the efficient and effective functioning of accountability mechanisms which:

a. make individual and organisations answerable for their performance in given projects, within a time period that permits changes to affect future performance in the same projects;

b. create trust in the decisions and actions of others;

c. eliminate corruption as a factor which influences decisions and activities in all phases of the development project cycle.

In order to achieve this standard, the following actions are recommended:

Recommendation #4: Design and implement a management information system for development projects which provides Planning Commission, Audit and Accounts, ministries, implementing agencies, and projects with accurate, timely information on status of projects that is relevant to their respective responsibilities.

Recommendation #5: Strengthen rules and regulations related to standards of conduct, and their enforcement; and should direct that training courses at all levels help build trust and accountability into individual and organisational values.

A third standard which needs to be raised is the expansion of incentive systems in development projects which promote efficiency and effectiveness through rewards to individuals and organisations based on performance. To meet this standard, the following action is recommended:

Recommendation #6: Develop a pilot project of monetary reward systems based upon proven cost savings. In addition, government should promote regular procedures of employee recognition for outstanding performance.

2. Sound Policy Analysis

Essentially, sound policy analysis is the clear definition of policy problems, and the identification and prioritisation of appropriate strategies to address these problems.

Projects are the means to give life and meaning to policy. A prerequisite for effective project implementation is the development of a sound policy framework within which projects are designed and implemented. For this framework, the government should have as a key objective the development of the following:

a. ADPs, and the project portfolios in them, which are consistent with the Five Year Plan and help achieve national and sectoral objectives;

b. Public expenditure program based on reviewing together the Revenue Budget and the Annual Development Programme, and developing standard classification for expenditures, including recurrent costs and capital budget expenditures.

To accomplish this it will be necessary for the Ministry of Planning to work closely with the Ministry of Finance. It will also require that the Planning Commission focus its attention on the development of macroeconomic policy, to include setting the sectoral goals and targets, allocation of sectoral budgets, and fixing the macro level operational parameters for the ministries in development administration. This may be a necessary condition for creating a framework within which development policies and projects may be linked. However, it may not be sufficient to assure policy-project linkages which sustain national development. The sufficient condition is the development of public accountability to judge the appropriateness of policy-project linkages.

The objective of public accountability will be furthered through procedures of openness and public participation in the steps of policy formulation, and in subsequent steps of project design, implementation and evaluation.

To implement these steps, the following actions are recommended:

Recommendation #7: Modify the Instructions and Guidelines on Processing and Implementing Development Projects to ensure that appropriate representation of affected people (i,e., stakeholders) is institutionalised in each phase

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of the project cycle; and direct that training be planned and initiated for government officials and representatives of stakeholders regarding techniques of effective public participation in development projects through appropriate institutions.

Recommendation #8: Provide more public information concerning development project decisions at each key phase, through local meetings, press conferences and other fora, as appropriate.

3. Implementation of Policy and its Strategic Implications

If projects are to be effective in contributing to the achievement of development policies, one primary objective is that the design and outcomes of projects are linked to sectoral development objectives, and that this linkage is reviewed annually.

A second key objective is that the internal management factors (organisation structure, administrative procedures, financial, human, and physical resources) of project implementation are appropriate for the selected strategy.

In order for these objectives to be met, it is essential to strengthen the project planning capabilities at the implementing agency level and project appraisal and review capabilities at the ministry level. It is also essential that strengthening of these capabilities includes more effective mechanisms for coordinating donor and appropriate stakeholder inputs to project identification, design and appraisal. Also, it is necessary to strengthen the capability to measure the impact of a project's design and actions on policy goals at earlier points in time so that there is latitude for corrective action.

To achieve these objectives, the following action is recommended:

Recommendation #9: Provide planning cells in ministries and implementing agencies with the number of skilled officers that results in satisfactory planning and monitoring of development project activities.

Recommendation #10: Government should work closely with donors to improve coordination between government and donors in appraisal steps, and during project implementation.

4. Delegation of Authority for Non-policy Decisions

A key cause of delays in project implementation is waiting for decisions and actions. The goal of increased efficiency in the

implementation of development projects is more likely to be met if delegation of authority is a top priority.

In order to achieve this objective, it is essential that the following supportive objectives be achieved:

> Recommendation # 11: Delegate to project directors full financial and administrative authority.
>
> Recommendation #12: Revise procurement and contract award authority.
>
> Recommendation #13: Ministries and Divisions should move appropriate authorities, if so required in the interest of work, to include in Schedule 2 of the Rules of Business all Class 1 officers, including Research Officers to Chiefs or equivalent positions, with authority to discharge their duties (i.e., to sign letters and documents on behalf of government) regardless of cadre affiliation.

5. Procedures for Staffing

An important objective is to decrease significantly the delays in project implementation caused by staffing problems. In order to achieve this objective, it is necessary to decrease delays in initial staffing of projects, and to maintain key staff throughout the life of a project.

Another important objective is to reduce delays in the functions of planning, approval, monitoring and evaluation caused by staffing problems. Some of these problems could be reduced if a policy was adopted and followed which resulted in opportunities for administrative, economic and technical officers to rotate through planning, implementation and evaluation roles in ministries (including Planning and Finance), implementing agencies and projects.

To achieve these objectives the following actions are recommended:

> Recommendation #14: Modify administrative regulations to allow staffing of key project positions to begin as soon as projects are approved.
>
> Recommendation #15: Modify rules regarding transfer of officers to allow officers assigned to development projects to remain throughout the life of project without forfeiting rights to promotion and increases.

Recommendation #16: Adopt a policy to rotate officers in economic, administrative and technical cadres within allied sectors, and among project, agency, and ministerial postings. This policy should be specifically provided in career development programs.

6. Training for Development Administration

The key objective of training, as it relates to the project cycle, is to improve the efficiency of performance at the individual, work unit and organisation levels. The implication of this objective is to shift the focus of training to the work place and away from training institutes, and to the development of specific skills related to the flow of work in the project cycle, rather than general skills and knowledge. This will require that training institutes must sharpen their capability to deliver skill-specific training. It also demands that the content of training be based on needs assessments conducted directly with officers who are to be trained, and with their work situation.

To achieve these objectives, the following activities are recommended:

Recommendation #17: Strengthen capability of APD to conduct needs assessment and to design and deliver training which will result in improved performance at the individual, work unit or organisation levels. The status of trainers and principal should also be upgraded to an appropriate level.

If these objectives are pursued vigorously by Government, with full support of donors, the goal of more efficient and effective development projects will be met, and the benefits of economic uplift will be felt by all.

PUBLIC ADMINISTRATION EFFICIENCY STUDY

ANNEXES

PROJECT CYCLE: POLICIES AND PROCEDURES

November 1989
Dhaka

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ANNEX A

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ANNEX B

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ANNEX C

PERSONS INTERVIEWED

1. MINISTRY OF AGRICULTURE

Maj. Gen.(Retd.) M. A. Munim, Minister,
Mr. Akmal Hossain, Joint Secretary,
Mr. Golam Sarwar Mollah, Joint Chief,
Mr. Sheikh Shafiqul Islam, Deputy Secretary,
Mr. A.K.M. Shajahan, Chief M&E, BADC.
Mr. M. Mizanur Rahman, General Manager(Pur.Div.), BADC,
Mr. M. Sultan, Deputy Chief Engineer(Pur.), BADC,
Mr. M. A. Satter, Principal Scientific Officer, BARRI,
Mr. A. A. Mazid, Zonal Manager, Bangladesh Krishi Bank,

2. MINISTRY OF COMMERCE

Mr. Mohiuddin Azad, Joint Secretary,
Mr. Margoob Murshed, Joint Secretary,

3. MINISTRY OF COMMUNICATION

Md. Ataur Rahman, Additional Chief Engineer,
Planning & Development, Roads & Highway Department.

4. MINISTRY OF CULTURE

Mr. M. Atiqul Islam, Superintending Engineer,
Department of Archeology,

5. MINISTRY OF ESTABLISHMENT

Mr. S.M. Al-Hussainy, Chairman, Public Service Commission.
Mr. Noor Mohammed, Joint Secretary,
Dr. Shah Md. Farid, Joint Secretary,
Mr. Ekramul Ahsan, Member Directing Staff, BPATC.

6. MINISTRY OF ENERGY & NATURAL RESOURCE

Mr. A. Z. M. Sazzadur Rahman, Deputy Secretary,

7. MINISTRY OF FINANCE

Mr. Gulam Kibria, Comptroller and Auditor General
Mr. Dilip Kr. Biswas, Deputy Secretary,

8. MINISTRY OF FISHERIES AND LIVESTOCK

Mr. M. Moslehuddin, Deputy Project Director, Directorate of Fisheries,

9. MINISTRY OF INDUSTRIES

Mr. Moudud Ahmed, Vice President, (in charge of the Ministry)
Mr. A. K. M. Mosharraf Hossain, Secretary
Mr. Md. Faizur Razzak, Chairman, BSCIC
Mr. Azizur Rahman, Joint Chief,
Mr. Abdul Huq, Deputy Secretary,
Mr. Mollal Shahidul Haque, General Manager, BSCIC
Mr. Nural Alam , Planning Officer, BSCIC

10. MINISTRY OF IRRIGATION

Dr. A. T. M. Shamsul Huda, Joint Secretary,
Mr. Emdadul Huq, Joint Chief,
Mr. Abul Kalam Azad Deputy Secretary,

11. MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT & CORPORATIVES

Mr. Anwarul Huque, Director, BRDB,

12. MINISTRY OF PLANNING

Mr. Shamsul Huq, Division Chief, Planning Commission,

Mr. Samsuzzaman Majumdar, Division Chief, Planning Commission,
Mr. A.F.M. Alamgir, Joint Chief, PAMSTECH, Planning Commission,
Mr. A.B.M. Siddique, Director General, IMED, Planning Commision,
Mr. Abdus Samad, Director General, IMED, Planning Commission,
Mr. Joynal Abedin, Principal, Bangladesh Planning & Development Acadamy.
Mr. Nazmul Ahsan, Joint Secretary, Planning Commission,
Mr. S.M. Shahjahan, Joint Chief, ERD.
Mr. A.B.M. Siddique, Joint Secretary, ERD.
Mr. Ayub Quadri, Joint Secretary, ERD.
Mr. A.B.M. Abdul Fattah, Joint Chief, Planning Commission,
Mr. Munirul Huq, Director, PAMS TECH, Planning Commission,
Mr. A.F.M. Abdur Rashid, Deputy Secretary, Planning

Commission,
Capt.(Retd.) Jamilur Rahman Khan, Deputy Secretary, ERD.

Mr. Sheik Siraj Uddin, Deputy Chief, Planning Commission,
Mr. Munirul Haque, Deputy Chief, Planning Commission,
Mr. Syed Maqbul Hussain, Division Chief, Planning Commission,
Mrs.Momtaz Mannan, Assistant Chief, Planning Commission,
Mrs.Rini Reza, Sr. Assistant Secretary, Planning Commission,
Mr. Enayet Karim, Section Officer,

13. MINISTRY OF SHIPPING

Mr. M. Asadul Huque, Deputy Secretary,

14. MINISTRY OF SOCIAL WELLFARE & WOMEN'S AFFAIRES

Mrs. H. A. Kashem, Deputy Director,
Women's Affairs Department,

15. MINISTRY OF YOUTH AND SPORTS

Mr. T. M. Alamgir, Project Director,
Youth Development Department,

WORLD BANK
Mr. Md. Ali, Procurement Engineer,
Mr. Sayed Nizamuddin, Programme Officer,
Mr. Nurul Alam, Programme Officer,

UNDP
Mr. Terry Jones, Deputy Resident Representative,
Ms. Flavia Pansieri, Assistant Resident Representative,
Mr. Aly-Raza Nazerali, Assistant Resident Representative,
Ms. Nuzhat Ehsan, Programme Officer,
Mr. Fred Thomas, Consultant,

USAID
Mrs. Priscilla Boughton, Director,
Frank Young, Programme Officer,
Colette Chabbot, Assistant Programme Officer,
Dean Alter,
Ray Renfro, OFA,
Tribid Mukerjee, OFA,

CARE
Mr. Arthur Hussey

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CIDA

Mr. Tony Breuer, Counselor.

DANIDA

Mr. Finn Thilsted, Counselor,

OTHERS

Mr. Michael Loft, Research Team Leader, SIFAD Task Force, GOB.

Dr. K. M. Das, Principal, Bangladesh Cooperative College, BARD.

Dr. R. A. Ghani, Consultant,

Skylark Chadha, Consultant, SIDA.

Mr. Azizur Rahman, Director, National Computer Board.

Dr. M. Ali Hossain, Chief Technical Manager(R & D), Urea Fertilizer Factory.

Dr. Mokbul Ahmed Khan, Secretary General, Bangladesh Project Management Institute.

Mr. Waliul Islam, Project Engineer, ADB.

ANNEX D

"THE CASE OF THE ORDER FOR HANDLING EQUIPMENT"

Consultant pre-informed that this particular order would be critical for project and must be processed very fast it was promised to process it in 15 days.	Aug., 1981
Recommendation by Expatriate Consultant Party recommendation was the lowest in order value, lower by TK. 1 million compared to next lowest bidder.	Nov. 19, 1981
Head of Enterprise writes a forwarding note.	Dec. 10, 1981
Forwarded by Executive Director of industrial complex	Dec. 12, 1981
Chief Engineer's approval	Dec. 14, 1981
Chief Finance Officer comments	Dec. 18, 1981
GM(Implementation) comments	Dec. 23, 1981
Director (Planning & Implementation)	Dec. 24, 1981
Meeting arranged in presence of Consultant	Jan., 1982
Note from Enterprise Head with clarifications	Jan. 12, 1982
Approval from Chief Engineer	Jan. 12, 1982
Approval from CFO	Jan. 12, 1982
Approval from GM(Implementation)	Jan. 12, 1982
Approval form Director (P&I)	Jan. 12, 1982
Chairman finds some faults with the order	Jan. 16, 1982
One of the bidder registers a complaint	Jan. 16, 1982
Comments of Executive Director and Enterprise Head (long note with details)	Jan. 20, 1982
Forwarding note by GM (Impl.)	Jan. 21, 1982
Chief Engineer's Approval	Jan. 21, 1982

Approval by Executive Director	Jan. 21, 1982
Director's (P&I) comments	Jan. 21, 1982
Chairman comments	Jan. 22, 1982
Executive Director's note to Enterprise manager	Jan. 22, 1982
Enterprise Manager's reply	Jan. 22, 1982
Executive Director's note	Jan. 23, 1982
Chairman clears the order for placement	Jun. 24, 1982
Director (P&I) gives instructions for making the agreement and issuance of letter of intent	Jun. 25, 1982
By this time draft order was already prepared by the project organization. It was modified at head office of the corporation and new draft prepared Clearance given by legal officers. Proposed a committee for negotiation with the supplier	Feb. 20, 1982
Committee approved by Executive Director	Feb. 20, 1982
Finally approved by Chairman	Feb. 23, 1982
Party invited after finalisation of various new suggestions regarding local input. Meeting with supplier. Consultant invited. Commercial agreement jointly prepared.	April 3, 1982
Director (P&I) Approved	April 3, 1982
Chairman approved	April 3, 1982
Agreement ready for approval of Executive Director. Meanwhile Martial Law holds up Executive Director against some other charges. New Executive Director reports and he wants the file to be formally marked for him. Consultants point out in writing the Cost of Delay	April, 1982
Director (P&I) marks the file for ED	May 14, 1982
Executive Director marks the file to Chief of legal Affairs in Head Office once again to check all is correct	May 19, 1982

Legal officers approves the file	May 21, 1982
New Executive Director again writes to Chief Legal Affairs Officers regarding some of the processing formalities	May 22, 1982
Everybody is upset by remarks. Director (P&I) constitutes a committee to look into the formalities again. Report to be submitted within one week.	June 2, 1982
Chairman sees the file	June 8, 1982
Committee had meetings between various members. Cosultants held with the Consultant	June 18-22, 1982
GM(Impl.) reports on behalf of committee	June 23, 1982
Secretary BCIC notes	June 24, 1982
Chairman instructs that committees finding be placed before the Board of Director of the Corporations	June 24, 1982
Secretary fixes the next Board meeting on July 7, 1984.	
Chief Finance Officer requests, ERD, for extension of funds availability after the financial year.	June 26, 1982
Preparation of copies for Board meeting. Concerned officer called.	June 28, 1982
Board approves	July 7, 1982
Forwarded to GM Purchase for further processing.	July 10, 1982
GM Purchase (Corporation Head Office) says that the order is bigger than TK. 10 million. It has to be approved by Ministry.	July 15, 1982
Minister's approval obtained by Chairman of Corporation. Delay in contacting Minister.	
GM(Impl.) invites the supplier for signing agreement	Aug. 26, 1982
Approval from Director (P&I)	
Approval of CFO, Chief Engineer, Chief of Legal Affairs and GM(Impl.)	Aug. 28, 1982

Agreement between the Managing Director of the party and Secretary of the corporation signed.	Aug. 30, 1982
Letter of Credit opened in favor of supplier	Sep. 23, 1982
Supplier was asked to submit bank guarantee before payment of agreed advance, submission of bank guarantee, modifications of contents etc.	
Approval of bank guarantee. Release of payment from Bangladesh LC opening bank. Payment of advance to the party and the effective date for start of delivery.	Nov. 10, 1982

(Source: Chadha, 1989: 276 - 279)

ANNEX E

PROCUREMENT PROCEDURES ABOVE TK 5000
According to Dr. Hamid Miah, MDP&E,
Dr. M.S.U. Chowdhury, MDA&F, and
Mr. Md. Mosharraf Hussain
Sr. Assistant Director (Procurement)
Administration and Finance

[Original Meeting held September 4-6, 1989]

PRELIMINARY APPROVAL PROCEDURES

1. (Assume that funds are available to BARC from the government.) Requesting division sends a request to MDP&E for supplies.

2. Member Director For Planning and Evaluation (MDP&E) determines propriety of purchase.

3. MDP&E sends purchase proposal to Member Director for Administration and Finance (MDA&F) according to division requirements to request allocation of funds.

4. MDA&F reviews purchase proposal.

5. MDA&F sends request to Director of Finance (DF) for verification of available funds.

6. DF verifies availability of funds.

7. DF notifies MDA&F of availability of funds.

8. MDA&F requests that BARC Stores supply the needed items.

9. BARC Stores Officer notes on the file that such item needs to be purchased, and approximate amount.

10. Stores Officer sends notice to MDA&F.

11. MDA&F determines if items should be tendered or purchased locally. Due to amount of purchase (above taka 5000), the items will be tendered.

12. MDA&F passes decision to DF.

13. DF notifies Senior Assistant Director (Procurement) (SADP) of amount available for purchase and procurement process.

14. MDA&F sends notice of approval to requesting division.

15. MDA&F also sends notice of approval to Sr. Assistant Director (Procurement), along with proposal.

TENDER (BID) NOTIFICATION PROCESS

16. A tender document (bid notice) is prepared by the SADP. (It is written in Bangla if is a local bid, and in English if it is an international bid.)

17. Bid notice is sent to MDA&F for approval.

18. MDA&F approves bid notice.

19. Bid notice is returned to SADP.

20. Bid notice is put in Bangali and English newspapers by the SADP. (The newspapers translate the notice into the appropriate language.)

TENDER (BID) TAKING PROCEDURE

21. Potential bidders receive notice of bid from newspapers.

22. Potential bidders request official tender documents from Administration and Finance, and pay an official non-refundable fee.

23. MDA&F provides official tender documents to bidders.

24. Bids are submitted from the bidders to the Member Director of Administration and Finance (MDA&F) by depositing in a locked tender box.

TENDER (BID) TECHNICAL EVALUATION PROCEDURE

25. The tender box is opened in the presence of the tender committee, and the bids are counted. At this time the SADP takes charge of the tender documents. MDA&F sends bids to SADP.

26. SADP sends bids to requesting division for technical evaluation and comparative analysis.

27. All bids are given a technical evaluation by requesting division, and a technical scrutiny (evaluation) report is generated.

28. Technical report is returned to SADP.

29. A comparative statement of bids is prepared by the SADP.

TENDER (BID) COMMITTEE PROCEDURE

30. Original bids, technical evaluations, and comparative statement are compiled as a single file folder and sent to MDA&F, who is also chairman of the Tender (bids) Committee.

31. MDA&F assigns a date for Tender Committee to meet by noting dates on the file.

32. MDA&F returns the file to the SADP with date indicated.

33. SADP sends letter to all Tender Committee members to notify them of the meeting date.

34. Tender Committee meets on given date to discuss the procurement. A simple majority forms a quorum. The members of the Committee are as follows:

    M.D. Administration and Finance--Chairman
    Sr. Asst. Dir. (Procurement)--Member Secretary[1]
    M.D. Agricultural Engineering
    Director Support Services [2]
    C.S.O. Agricultural Engineering
    Coordinator Farming Systems Research
    C.S.O. Forestry
    C.S.O. Planning and Evaluation
    Executive Engineer[3]
    Deputy Director (Accounts)[4]
    Sr. Asst. Dir. (Personnel)[5]

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[1] Administration and Finance

[2] Administration and Finance

[3] Administration and Finance, Support Services (for repair and maintenance, etc.)

[4] Administration and Finance

[5] Administration and Finance

35. Proceedings are kept on a note sheet by the SADP (Member Secretary).

36. Proceedings, including any procurement decisions, are signed by the Committee members present.

INTERNAL BID APPROVAL PROCEDURE

37. SADP sends proceedings and procurement file to MDA&F.

38. MDA&F (Committee Chairman) delivers procurement file including proceedings to EVC for final approval.

39. EVC initials proceedings.

40. EVC returns file to MDA&F.

41. MDA&F returns file to SADP.

DONOR BID APPROVAL PROCEDURE (General)

42. SADP makes cover letter requesting Donor approval.

43. SADP sends cover letter to MDA&F for signature.

44. MDA&F signs cover letter.

45. MDA&F returns cover letter to SADP.

46 SADP sends cover letter, original bids, technical evaluation, and comparison statement to Donor for clearance.

47. Donor writes letter of acceptance or rejection of proposed procurement.

48. Donor sends letter of acceptance or rejection and original materials to MDA&F.

49. MDA&F initials clearance letter.

50. MDA&F sends letter to SADP.

WORK ORDER PREPARATION PROCEDURE

51. Work order is prepared by SADP.

52. SADP sends work order to MDA&F for signature.

53. MDA&F signs work order.

54. MDA&F returns work order to SADP.

55. SADP sends signed work order to winning bidder.

IF TENDER FAILS

A36. Committee determines that no bids were satisfactory or that less than three bids were submitted.

A37. The committee decides to put out a second (or third) notice.

A38. An exception to this procedure is if there is only one company which has facility to provide a service, that one bid may be acted on. This usually occurs only in cases less than Tk.20,000. Otherwise, three bids are necessary for a valid bidding competition.

IF RE-TENDER FAILS

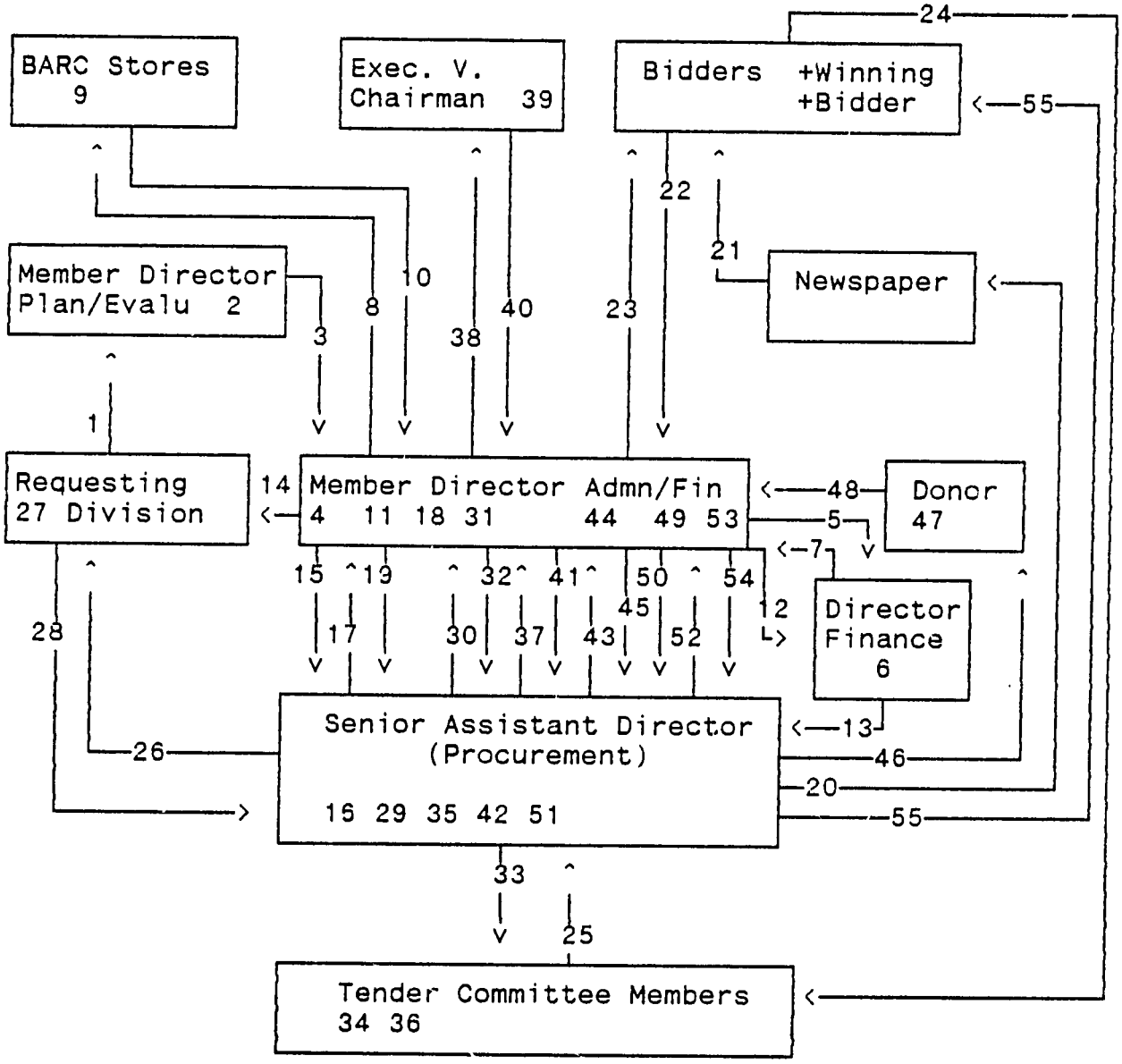
B36. Upon failure of third tender notice, a committee of Senior Officers and a member from the requesting division is formed. (This might be the original tender committee, or a subset thereof.)

B37. The committee checks prices of three or more local shops or industries.

B38. Shops submit prices.

B39. REgular procurement process is followed. This failed tender procedure is done only for items of less than Tk.20,000. Otherwise, normal bid procedures are followed.

BARC PROCUREMENT
PROCEDURES FOR PURCHASES OVER TAKA 5000 (US $ 151.)



10.9 Meghna Dhonagoda Irrigation Project

This irrigation project is located in the Matlab Upazila of Chandpur district in the Chittagong division and belongs to the Bangladesh Water Development Board under the Ministry of Irrigation, Water Development and Flood Control.

The main objectives of this project were to provide flood protection, water extraction and irrigation facilities as follows:

a. Flood protection	17,584 hectares
b. Water extraction	17,584 hectares
c. Irrigation facility	14,367 hectares

The project was supposed to come as boon to the 300,000 inhabitants of 14 out 22 unions of Matlab Upazila.

In order to achieve the above the project had components like acquisition of 1,578 hectares of land, construction of 280 km of irrigation canal, 64 km of flood embankment construction, 126 km of extraction canal, construction of 532 irrigation infrastructures, 48 km. of power line, construction of 72 bridges and 8,700 sq m of building construction apart from other common TA components and installation of a couple of pumping stations.

The focus was to increase the agricultural production to protect the land in Matlab Upazila from floods during the rainy season and to provide irrigation possibility during the dry season. An agreement was signed in 1977 between GoB and ADB and Chu Kaitahasu were appointed as the consultants in 1979 and the implementation started during 79-80. The project PP was originally approved for Tk. 630 lacs for its implementation during 1973-76. The PP was revised a number of times lately in 1983, 1985 and 1987. Completion targets were correspondingly changed at different times. The final version of the PP was approved by PEC in April, 1988 and the project was declared complete in June 1988.

The final project cost, which has achieved almost 100% of physical targets, has been recorded as Tk. 14285 lacs and has been implemented during 1973-88 recording a cost increase by 2,163% and a time overrun of 400%.

An important element in the project has been the formation of local committees who are trained and motivated for modern cultivation. A number of such committees have been joined under Krishak Samabay Samity (KSS) and agricultural extension officers have been appointed recently.

During 1987-88 Rabi season 3216 hectares of land were to be irrigated and 60[illegible]2 hectares were targeted for Ufshi rice cultivation during Kharif-2 season. Further increase of targets have been planned for 1988-89 seasons.

The project has suffered from the following problems:

- Delay in land acquisition. By 1984 only about 60% land was acquired.
- Inadequate allocation. Because of this problem the PP had to be revised a number of times.
- International tenders. It took ADB between 1-2 years for inviting international tenders, their evaluation and approval for the purchase of construction materials and equipment from abroad. Besides, there was a delay in the arrival of shipment and the power generation line could not be installed due to non-availability of line equipments in time. Erection work had also been delayed for want of timely deliveries.

- The construction work of the two main pump houses was delayed due to irregular power supply and load shedding.
- The Kalipur pump house foundation design was under dispute for some time. Because of these delays irrigation and extraction canals and extraction structures could not be started till 85-86.
- The pump house contractor had to be changed due to poor performance.
- The construction sight faced serious technical dewatering problems.
- During implementation 8 km of Meghna river faced erosion. As a result the barrage had to be shifted by 5 km.

As if the above problems were not enough, the nature has not been very kind to this project. The project area has been given a flood protection by a 64 km long polder embankment. 150 ft section of this embankment was washed away on August 28, 1987. After the repair of this breach in 1987 the farmers cultivated both HYV Boro (IRRI) on most of the plots of land and HYV Aman (IRRI) on about 10,000 acres.

On September 3, 1989 floods washed away 200 m of embankment which submerged the crops completely. In April 1989, when the repairs of the damage were yet to be undertaken by the Water Development Board and the rainy season was only two months away, the farmers of the area were planning to go back to their traditional deep water Aman paddy.

Situated at the confluence of the three great rivers - Brahmaputra, Padma and the Meghna the project and its polder embankment face an ever present danger of erosion on both the Dhonagoda and the Meghna sides. There are not many who would like to bet on the 50 years of life span of the project facilities as originally estimated!

ANNEX G

"Delegation of Powers: An Insider's View of the Options"

Anonymous

Delegation of power is an important issue. In many cases delegated powers are inadequate, or not sufficiently exercised and in some cases powers are misused. Much has been written about inadequacy of the delegated power, particularly about procurement, staff recruitment, and financial powers, which are mostly true; but little is written about powers not sufficiently exercised or powers being misused. This write - up narrates a few relevant stories, taken from real world in Bangladesh.

Mr. 'X' needed to repair a motor vessel amounting to TK. 76 lacs, which was beyond his authority. But, he is responsible and answerable for doing the work in time and he needed the repaired vessel urgently. He needed the approval of Mr. 'Y' (the competent authority) who was two ranks higher than Mr. 'X'. But instead of approving it himself. Mr. 'Y' sent it two tiers further up to the highest officer (chairman) of the organisation. What is surprising is that the superior officers of Mr. 'Y', including the Chairman, did not notice that Mr. 'Y' had authority to approve the work.

This is an example where Mr. 'X's dynamism (considering him a dynamic officer) dynamism is restrained by inadequate power, and another officer Mr. 'Y' voluntarily does not exercise his power. This costs time and at the end Mr. 'X' is answerable for the delay caused by other's incompetence.

A contractor supported by "extraneous factor" wanted payment without doing the work in proper quantity and quality but Mr. 'X' refused to pay because he was responsible and answerable for completion of the work, its cost, quality, payment etc. Mr. 'A' who is the boss of Mr. 'X' tried to impress on the latter that he should immediately pay the contractor, otherwise the contractor will complain to "extraneous factor" who will be annoyed and may put Mr. 'X' as well as Mr. 'A' to task. In fact, demand of the situation was that the work order of the said contractor should have been cancelled and been awarded to somebody else for completing it. This was within the delegated power of Mr. 'X'. But Mr. 'X' could not do so, although he wanted to do it, because of the pressure of "extraneous factor". This is an example where project manager con not use his delegated power due to pressure from extraneous factor / influence.

Sometimes a project manager is under tremendous pressure from "extraneous factor" to do something with his (Project Manager) delegated power which he does not like to do. Under such situation he does not exercise his power and sends the issue to a

higher level for decision to avoid responsibility of either doing something wrong or non-compliance of "requests" from "extraneous factor". Instances of misuse of delegated powers are also quite frequent. Previously the project managers enjoyed more power and authority with respect to appointments, posting - transfers, financial authority etc. For example, project managers could appoint muster - roll employees, which was misused in many cases by appointing unnecessary employees or misappropriating power. The government has taken away that power from the project managers. This is true for financial powers also. Previously more authority for financial approval were delegated at the project level. Because some (maybe many) officers misused those powers, authority for financial administration by project manager was also reduced. However, the expressed intention of curtailing power is in most cases, frustrated. Many project officers break those down within their financial power, although splitting up of estimates of one single big work into components is prohibited by financial rules. Some people do it for good reasons but some do it for other reasons also. "Whether it is the right way or not" - is another question, but the fact is that such examples of misuses of power are used to curb the administration. Only the genuine needs suffer and implementation is delayed.

All these stories talked about but are not written, make one conclusion prominent, and that is one may design a very good system of public administration, but no public administration system can be designed which is immune to distortion if put in wrong hands.

ANNEX H

It is suggested that each project have an implementation manual, which will list specific powers, duties and responsibility of each project officer involved in implementation, as well as the specific activity flow chart for the project. This may apparently seem to be a duplication of PP but in effect the PP is a planning document with provision and the proposed manul is an operational guide in project management.

The exact contents of such manual would vary from one implementing project to another, but a considerable range of items would be common to all, at least, if the project are under one implementing agency, or within a particular ministry. The proposed contents that follow are not intended to be exhaustive, but rather indicative of what should go into this manual.

PROJECT IMPLEMENTATION MANUAL -- PROPOSED CONTENTS

(1) Authority and responsibility--

(a) Management setup -- function (job description) and structure (organogram) of all positions in the project.

(b) Responsibilities of each position.

(c) Specific responsibilities of external agencies connected with the project (line ministry, PC, IMED, AG office, etc.).

(2) Activity flowsheet for all phases and sub-phases of the project effort, including schedule for each stage of implementation.

(3) Resource (input) plan, including labour, material, equipment, etc.--

(a) obtaining inputs, i.e. a procurement worksheet, showing who has to do what, when and how for each type of procurement, local and foreign.

(b) using the inputs -- what are the rules and regulations governing their use (labour relations, environmental safeguards, etc.).

(4) The project context and setting--

(a) Procedures for contacting and dealing with relevant local agencies and authorities, for police protection, land acquisition, electricity, road repair, flood control, etc.

(b) Contingency action for bottlenecks, interruptions, non-performance of duty by project staff, failures in procurement, meeting payroll obligations, etc.

(5) Project review methodology--

(a) internal review: self-monitoring of progress.

(b) external review: what data to furnish to implementing agency, development wing at line ministry level, IMED.

(6) Project termination activity and duties.

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EXPERIENCES WITH EVALUATION OF WATER DEVELOPMENT PROJECTS IN BANGLADESH

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Abstract

In a world where funds are scarce, every decision to do something means a corresponding decision not to do something else. This makes it imperative to try to get as much as possible from the investment in a project. Project evaluation at various stages (ex-ante evaluation, ex-post evaluation and monitoring of on-going ones) can play an essentially important role towards that purpose.

Bangladesh Water Development Board (BWDB) is engaged in building infrastructures to protect land from floods as well as create facilities for irrigation and drainage. It has, so far, completed 376 large and small projects encompassing an area of 2.84 million hectare.

Usually the BWDB projects are evaluated at the pre-project stage for project appraisal, but ex-post evaluation of completed projects are very few and do not deal with the "extent to which" the project achieved their goals in terms of quantity, quality, time and cost at the planning stage. Those studies do not deal with the "why" questions as to the causes of their success or failure; also do not formulate the experiences and lessons which may be used in the planning, execution, operation and maintenance of new projects.

This paper deals with the above issues, discusses the limitations with project evaluation in BWDB, makes a number of recommendations for future evaluation studies and ends up with a number of remarks about the experiences on project evaluation obtained from the BWDB projects.

EXPERIENCES SUR PROJECTS
D'EVALUATION DE DEVELOPMENT DES PROJECTS D'EAU BANGLADESH

Executive Engineer
Bangladesh Water Development Board

1.0 INTRODUCTION

Bangladesh Water Development Board (BWDB) under the Ministry of Irrigation, Water Development and Flood Control is engaged in building infrastructures to protect land from floods as well as create facilities for irrigation and drainage. It has, so far, completed 376 large and small projects encompassing an area of 2.84 million hectare.[1]

In a world where funds are scarce, every decision to do something means a corresponding decision not to do something else. This makes it imperative to try to get as much as possible from the investment in a project. Project evaluation at various stages (ex-ante, on-going and ex-post evaluation) can play an essentially important role towards that purpose.

This paper is an attempt to discuss the experiences with evaluation of water development projects in Bangladesh. Section 2 describes the conceptual framework of evaluation where different aspects of evaluation and uses of evaluation for water development projects have been discussed; a brief description of the water development sector has been provided in Section-3; Section-4 discusses the scenario in and around evaluation of water development projects and the limitations as well as conceptual guidelines; Section-5 contains recommendations for the future with concluding remarks in Section-6. In writing this paper, assistance has been taken from available literatures, printed documents and interview with a number of BWDB officials.

2.0 EVALUATION : CONCEPTUAL FRAMEWORK

Evaluation study is useful to judge the worth of completed projects; to improve ongoing projects; to assess the utility of innovative programmes; to increase the effectiveness of program management and administration; to meet various accountability requirements; and for decision making on continuation, expansion, or curtailment of programmes.

Evaluation study is a relatively young field and was born in the USA in the sixties, out of two lessons: firstly, the fact that there is not enough money to do all the things that need doing; and secondly, the realisation that even if there were enough money, it takes more than money to reach the desired outcomes from an intervention. Such studies were primarily devoted to examination of the effects of government social programmes. Rossi & Freeman,[2] Suchman,[3] Patton,[4] Rakodi[5] have dealt with the conceptual framework of different types of evaluation.

Regarding the methodological issues, Donal T. Cambell and his associates have presented approximately twenty different experimental, quasi-experimental, and non-experimental research designs.[6] Rossi and Freeman developed a schematic classification of impact assessment research design considering the control

strategies, intervention features, and data collection strategies simultaneously.[7]

Setting of indicators is a difficult issue. The planned and achieved targets in connection with physical works like embankments, sluices etc., however can be quantitatively described by such indicators as number, time, cost, internal rate of return etc.; but how to measure the changes in economic growth, socio-political fields and relevant institutions as well as the environmental aspects, which have resulted from implementation of the physical works. Such a task requires, to the best of ability, to exclude the extraneous confounding factors influencing the outcome of the interventions.

In the field of technical programmes, evaluation study is still in a nascent stage. The conceptual framework, methodological designs, setting of indicators are still to be established on firm basis. Moreover most of the existing evaluation research discussions have focussed primarily on the Western context. The same is true for the basic methodological orientation and designs. The application of evaluation research techniques to Third World countries have been largely neglected, with a few notable exceptions.[8] Many of their recommendations just cannot be replicated in the Bangladesh environment. That necessitates the adaptation of the evaluation principles developed so far to evaluate the technical projects. Suchman writes about the basic principles of evaluative research, "as research it adheres to the basic logic and rules of scientific method as closely as possible. Its causes of 'proof' and its laws of inference are the same as those of any research project. It utilises all available techniques for the collection and analysis of data and employs a wide variety of research designs".[9]

The conceptual framework for evaluation of the technical projects relevant to their objectives, time of occurrence and the corresponding type may be schematised as follows:

Type of Evaluation	Time of occurrence related to project implementation	Objectives
Project Appraisal	Ex-ante	- To evaluate economic justification.
Monitoring	On-going	- To improve on-going projects. - To increase the effectiveness of programme management and administration.
Impact evaluation	Ex-post	- To assesses utility of innovative programmes. - To meet account-ability requirements.

- For decision making on continuance, expansion or curtailment of programme.
- To judge the success, failure of completed projects, to identify the cause thereof, to formulate corrective measures.

3.0 WATER DEVELOPMENT PROJECTS IN BANGLADESH

Although water development projects imply a wide-range of connotation with respect to their objectives, but for the purpose of this paper, water development projects include only those with the objectives of flood control, irrigation and drainage and are undertaken by the Bangladesh Water Development Board (BWDB)

Since its inception in 1957, the BWDB (erstwhile EPWAPDA) has constructed about 376 big and small projects involving about 6519 km of dykes including 3674 km of sea dykes, 6095 small and big sluices, 1276 big regulators, 6419 km of drainage and irrigation canals, 1044 closures, 3584 bridges, 87 pump houses, two cross-dams to reclaim about 129,000 ha of new land, 1 barrage to protect about 2,844 million ha of land from upland and tidal flood hazards and bring 192,000 ha under irrigation.[10]

The key importance of the water development projects for overall national development may be appreciated from two major aspects. Firstly, agriculture is the mainstay of the economy and the prime source of resource generation. It shared 47 per cent of the GDP in 1986-87,[11] far more than any other sector, but suffers heavily due to floods and droughts. Between May and October, one-third of total cultivated land is deeply flooded (over 3 feet of flooding), and another third is shallow flooded (less than [illegible] feet). Coastal areas are subject to storm surges, annual rainfall is erratic. During the dry season (November-April), there is little rainfall, and some 60 per cent of cultivable land remains fallow.[12] Inspite of significant achievements in reducing dependence on nature through expansion of acreage under flood protection and drainage, only about a quarter of cultivable land is covered by irrigation, and nature continues to play the critical role in determining the output in agriculture.

Secondly, the national goal of achieving self-sufficiency in flood depends very much on the increase in per acre yield which is one of the lowest in the world. Per hectare yield of rice in Bangladesh is 2,350 kg while for Japan, Egypt and North Korea those are 6,322 kg, 5,947 kg and 5,821 kg respectively.[13] Any effort to increase per acre yield will necessitate the adoption of improved technology which demands high input of irrigation water and proper water management system including flood control and drainage.

Due to its importance for generating agricultural growth, the water sector quite legitimately has attracted a substantial allocation of national and external resources. According to a World Bank Report, about US$ 1.2 billion have been spent in this sector during the last decade.[14]

Most of these resources flow from foreign aid, which shares 58.8 percent of the development budget of BWDB for 1987-88.[15] About 13.5 percent of the total annual development budget of the Govt. is allocated for this Sector.[16]

The Water Development Projects evidently have brought enormous improvement in the agricultural practices and production. But all the projects have not brought benefits to the same extent; some more, some less. There is at least one or two which one may consider as bad.

4.0 EVALUATION OF BWDB PROJECTS

4.1 The Evaluation Practice in BWDB[17]

Ex-ante evaluation i.e. appraisal of projects is an usual phenomenon in BWDB. Monitoring as a system of routine periodical reporting (monthly, quarterly, annual) about progress in physical target achievement and utilisation of allocated resources are also in practice. Ex-post evaluation of completed projects , until recently, were practically absent.

Monitoring and Evaluation of Projects are done by three directorates having separate offices under the over-all control of one Chief Engineer (Chief Engineer, Monitoring and Evaluation) and have been presented schematically as follows:

Chief Engineer, Monitoring & Evaluation

Superintending Engineer, Monitoring-I	Superintending Engineer, Monitoring-II	Director, Project Evaluation.
Operational Jurisdiction	Operational Jurisdiction	Operational Jurisdiction
1. Flood Control & Drainage Schemes-II under IDA credit. 2. Flood Damage Rehabilitation (FDR) Projects.	All Projects under Annual Development Plan except those under Monitoring-I.	All projects under the BWDB.

Each of the Superintending Engineer is supported by two senior engineers (Executive Engineers) with at least 12 years experience, two senior technical officers and six Assistant Engineers; the Director of Project Evaluation is assisted by one senior engineer and two senior economists.

The Superintending Engineers are involved in on-going evaluation (i.e. monitoring activities) for the projects taken up for implementation within their operational jurisdiction. After a project is finally selected for construction, certain preparatory works like design of physical infrastructures, tendering, land acquisition, work authorisation etc. (pre-work stage) are to be completed. The Superintending Engineers monitor those activities. When construction works start (on-going stage), monitoring activities include monitoring of the progress of physical works and financial expenditures, fund placement, processing and submission of reimbursement claims,etc.

Ex-post evaluation of completed projects are done by the Directorate of Project Evaluation and is aimed at feeding back the planning directorates. The activities of this directorate however is not pronounced and ex-post evaluations, although very few, are mostly done on the initiative of the funding agencies either with their own personnel or by consultants. Projects have so far been evaluated for physical achievements only, but not for their achieved IRR or overall effectiveness. The performance of technical assistance has not at all been evaluated, nor is there any evaluation of achievements of the sector as a whole.

Ex ante evaluations of only the FDR projects are done through the Superintending Engineer, Monitoring-I. For all other projects the ex-ante evaluations i.e. appraisal of projects are executed through Planning Directorates under the Chief Engineer, Planning and are performed by the consultants (local and/or foreign).IRR is the main criteria used for project appraisal.

The results of ex-ante evaluation are used by the funding agencies and the BWDB in selecting a project for implementation and are presented in the form of report.
The monitoring results are used, to evaluate progress achieved, to identify the problems in the process of implementation and sort those out, and to allocate annual resources to different projects. The results are presented in specified formats on monthly, quarterly and annual basis.

The results of ex-post evaluation are mainly used by the donors, also by the BWDB, to judge the worth of a project, and for making decision on continuation, expansion, or curtailment of a programme. The results are presented in the form of report.

Ex-ante evaluations, i.e. project appraisals are financed by the donor agencies/ countries. On-going evaluation i.e. monitoring is financed by the BWDB. Ex-post evaluation is financed by the donor agencies/countries.

It may not be out of context to mention here that in all cases evaluations are done by evaluators with, may be high degree of

expertise in a particular discipline like engineering, agriculture, economics, sociology etc., but not in evaluation research or "science", if one may dare to call it "science". Lack of expertise in evaluative research of the evaluators is very much noticeable in the evaluation results and reports. Evaluation, here, still is treated as a job which can be done by "anybody" using "intution" and does not require special expertise.

4.2 Limitations with Evaluation

It has been mentioned earlier that , in general, evaluation studies are in a very nascent stage and the limitations originate from that. Those are more so in Bangladesh environment. These limitations relate to conceptual framework, availability of data, institutional arrangements, financing, etc.

At present all evaluations attach most importance to physical achievements alone. Time and cost over-run is a dominant feature for most of the major projects,[18] but are not emphasized in the evaluation reports. The evaluation studies do not investigate into the cost effectiveness of projects. None of the evaluation studies evaluated to what extent the post-project Internal Rate of Return achieved the targets fixed at the planning stage, although IRR is the main criteria at the time of project selection.

The major issue involved here is "clarity about objectives" of the projects to be evaluated. The question is whether construction of physical infrastructures (i.e. output) are ends in themselves and can be regarded as the objective of a water development project, or , they are instrument to reach other socio-economic objectives (i.e. outcome). The relevance of this question lies, on the one hand, in the fact that although the physical targets and the time and cost framework of a project are clearly defined in the project documents in measurable terms, the socio-economic objectives are not so defined; and, on the other hand, the projects are evaluated primarily for physical achievements.

One can immediately argue that the physical infrastructures are only instrument to create conditions to improve the agro-socio-economic situation of the project area. The success of a water development project depends on the utilization of the created facilities by the target population, generation of economic growth, creation of new employment opportunities and alleviation of poverty.

Accordingly, during ex-ante evaluation, projects should be appraised for their socio-economic objectives (i.e. outcomes) also Similarly monitoring should be done for the expected outcomes also which is not done at present. Ex-post evaluation of completed projects should be done for socio-economic objectives (i.e. outcomes), physical achievements (i.e. outputs) and cost

effectiveness. However, the impacts of the project on the ecology of the area or the region should also be examined during any project evaluation.

The other major issues in this respect relates to the objectives of evaluation, primarily to monitoring and ex-post evaluation. At present evaluation studies do not deal with the "extent to which" the projects achieve their goals.
Those studies also do not deal with the "why" questions as to the causes of success or failure to achieve the desired outcomes; also the "how" questions as to the ways and means, if adopted, could have improved the project, are not considered. It may be relevant to mention here that the present evaluation studies do not inventorise the experiences and lessons which may be used in the planning, execution, operation and maintenance of new projects.

So ex-post evaluation should investigate into the "to what extent" questions on the use of the created facilities by target population, creation of new employment and alleviation of poverty as a result of the project, as well as, the physical achievements and cost-effectiveness. The achievements should be evaluated also in terms of time and cost estimated at the planning stage.

The "why" questions related to failures and successes should be investigated and the "how" questions related to improvement of the plan, implementation, operation and maintenance of the project/programme should also be answered. Answers to the "why" and "how" questions may be searched in the context of one or more of the following issues:

- deficiencies in the project plan;
- lapses in implementation of the plan;
- inadequate supply of inputs like fund, land, equipments, personnel etc.
- inadequacies or (and) inefficiency in operation and maintenance of the project;
- inefficiency of the project personnel.

The experiences and lessons which may be used in the planning,execution,operation and maintenance of future projects, should be inventorised.

Non-availability of the required data for ex-post evaluation is a regular phenomenon. Sometimes it is difficult to generate data and many a times access to the available data is also an ardous task.

Non-availability of fund for evaluation studies, particularly for the ex-post ones is a serious constraint to project evaluation. When millions of Taka are being invested to reach certain goals, it would be prudent to spend a little more to ensure the effectiveness and efficiency of those investments.

Non-utilization of the results obtained from evaluation studies is also another regular phenomenon. Generally speaking, there is a reluctance to learn from the past and use those for the future, but efficiency and effectiveness of the water development projects will not improve if conscious efforts are not made in that direction.

Last but not the least evaluation activities are limited by institutional constraints also. The major institutional constraints relate to limited tasks assigned to the monitoring and evaluation units, limitations about conceptual framework, financial support and lack of proper training of the officers involved in monitoring and evaluation.

5.0 RECOMMENDATIONS FOR THE FUTURE

The following recommendations, if implemented, may be useful to facilitate evaluation studies:

a. Plan for monitoring of the on-going activities and ex-post evaluation study should be formulated at the planning stage of the project. Data and information should be collected and inventorised accordingly, at least for the major projects.

b. The physical targets and socio-economic objectives (outputs and outcomes) of a project should be defined in measurable terms at its planning stage, as far as practicable.

c. Base-line survey of the physical as well as agro-socio-economic situation of the project area should be undertaken in line with the requirement for future evaluation studies.

d. Cost of evaluation studies and monitoring activities should be incorporated in the costing of a project as its integral component.

e. Evaluators for evaluation studies should be selected carefully, keeping in view that evaluation is a specialised job and requires people having the expertise and training. The institutional arrangements within the BWDB for monitoring and evaluation activities should also be strengthened with manpower having the relevant expertise and/or training.

f. Results of evaluation studies should be utilised in the planning, implementation, operation and monitoring of new projects, and improvement of the on-going ones.

6.0 CONCLUSION

Finally a number of concluding remarks may be made with respect to the experiences about project evaluation obtained from the water development projects in Bangladesh:

a. Monitoring and evaluation activities are still in embryonic stage. It is beset with a number of conceptual limitations and operational constraints, which need to be removed in order to enable monitoring and evaluation to play their role in the improvement of efficiency and effectiveness of the projects.

b. Monitoring and evaluation activities need to be regarded as an expertise job and not as everybody's job.

c. Monitoring of on-going projects and ex-post evaluation of completed projects should be an integral component of, particularly, the major projects.

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INFORMATION TECHNOLOGY (IT) APPLICATIONS IN DECENTRALISED ENVIRONMENT

(12 - 16 SEPTEMBER 1989)

CASE STUDY 1

SETIA

NATIONAL DEVELOPMENT
PROJECT MONITORING SYSTEM

APPLICATION OF IT IN THE DEVELOPMENT PROCESS
IN MALAYSIA WITH SPECIAL REFERENCE TO
SETIA AS AN INTEGRATED
PROJECT MONITORING SYSTEM

INDEX

1. SETIA CASE STUDY PAPER

2. LIST OF WORKING GROUPS FOR HANDS ON SESSION

3. HANDS ON EXERCISES

4. SETIA USER MANUAL

5. SETIA CODES

Application of Information Technology in the Development Process in Malaysia, With Special Reference to SEHA as an Integrated Project Monitoring System

Hashim Meon, Mohd Yunus Tamin, Abdul Aziz Mohd Yusof

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APPLICATION OF IT IN THE DEVELOPMENT PROCESS IN MALAYSIA, WITH SPECIAL REFERENCE TO SEFIA AS AN INTEGRATED PROJECT MONITORING SYSTEM

1.INTRODUCTION

Socio-economic development in Malaysia has been a planned process that is repeated every five years. Seven development plans have been carried out since 1957, each with objectives consistent with the requirement of the changing nature of the Malaysian socio-political- economic situation. From development goals in the 1950s that emphasised modernisation of the traditional sectors to infrastructural development and agricultural diversification in the 1960s to society restructuring and poverty eradication in the 1970-80s; these plans collectively provide an explicit sense of direction for development.

The purpose of this paper is to describe briefly the use of information technology (IT) in the formulation, implementation and evaluation of Malaysia's Five Year Development plans, with special reference to SEFIA as an integrated Development Project Monitoring System.

2.THE PLANNING MACHINERY AND PROCESS

The government's administrative philosophy with regard to economic development is characterised by the belief that there need to be close coordination between planning and implementation of programmes, and there should be consultation between the political leaders, administrators and the people in the planning and implementation process. Using this philosophy, Malaysia embarks on its first economic development plan in 1957 when it achieved independence, followed by a series of 5 year development plans.

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1957 - 1960	First Malaya Plan
1961 - 1965	Second Malaya Plan
1966 - 1970	First Malaysia Plan
1971 - 1975	Second Malaysia Plan
1976 - 1980	Third Malaysia Plan
1981 - 1985	Fourth Malaysia Plan
1986 - 1990	Fifth Malaysia Plan

Briefly, the development planning machinery of Malaysia and its relationship with the implementation agencies are clearly depicted in **CHART 1.** Planning in Malaysia begin from above as well as below, that is top-down and bottom-up planning. Projects are proposed from below, from the village, district, state and national levels which are then assessed by the Economic Planning Unit (EPU) of the Prime Minister's Department, and then by the National Development Planning Committee (NDPC) before submission to the National Planning Council (NPC) for decision and endorsement and finally by the Cabinet.

3. THE IMPLEMENTATION PROCESS

The Implementation Coordination Unit (ICU) of the Prime Minister's Department has been the main agency undertaking close monitoring of implementation as far back as 1960 with the launching of the Rural Economic Development (RED) Plan. The plan, more commonly called the Red Book, documented all projects planned and programmed for implementation in each of the districts. The heart and nerve centre of the operations is the Operations Room established at every District Office, State Secretariats and the Prime Minister's Office. Projects approved for implementation under the Red Book are monitored closely on maps and charts to show the progress as shown in **CHART 2.** This method has proved to be very successful

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NATIONAL PLANNING AND IMPLEMENTATION MACHINERY

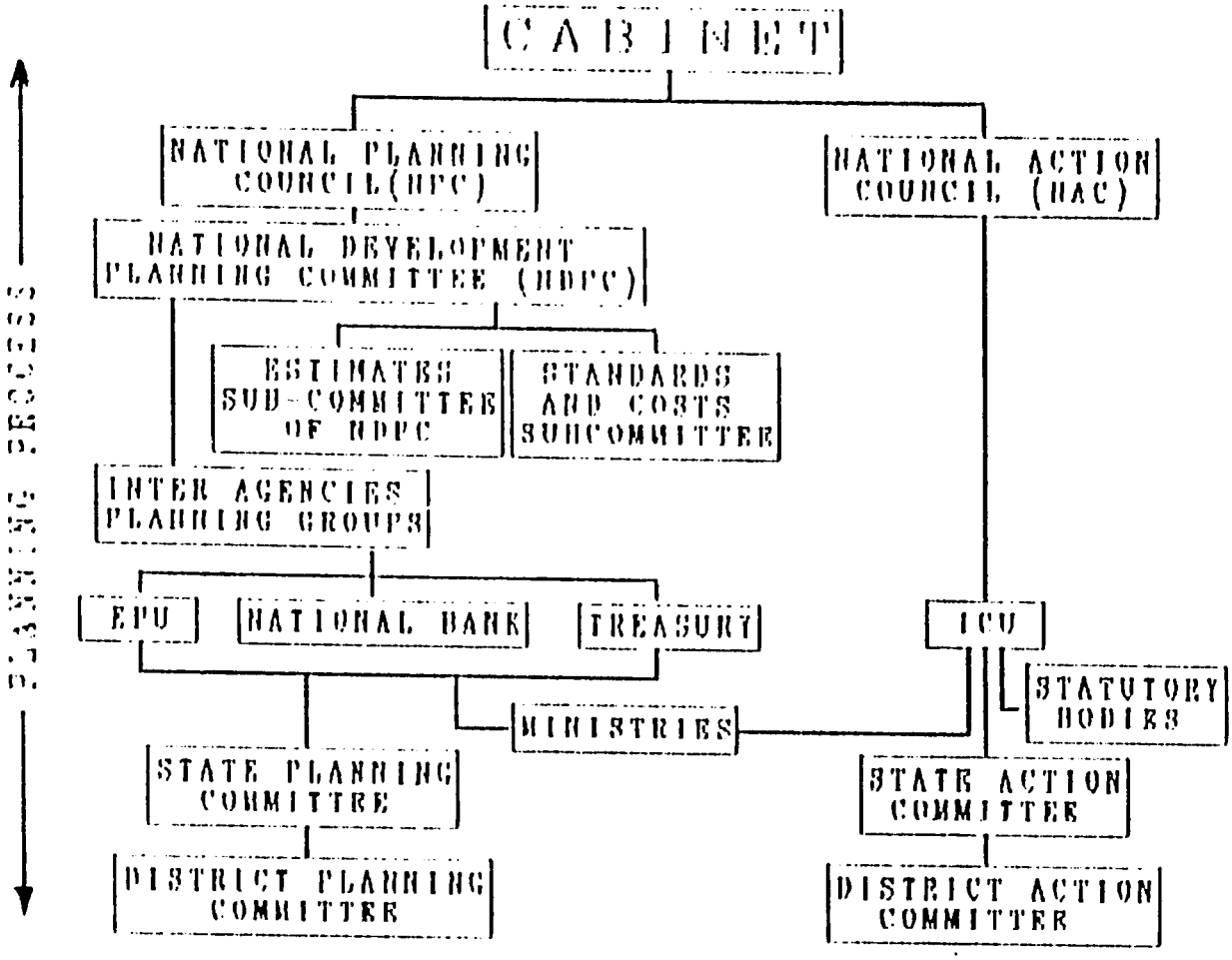

CHART 1: NATIONAL PLANNING AND IMPLEMENTATION MACHINERY

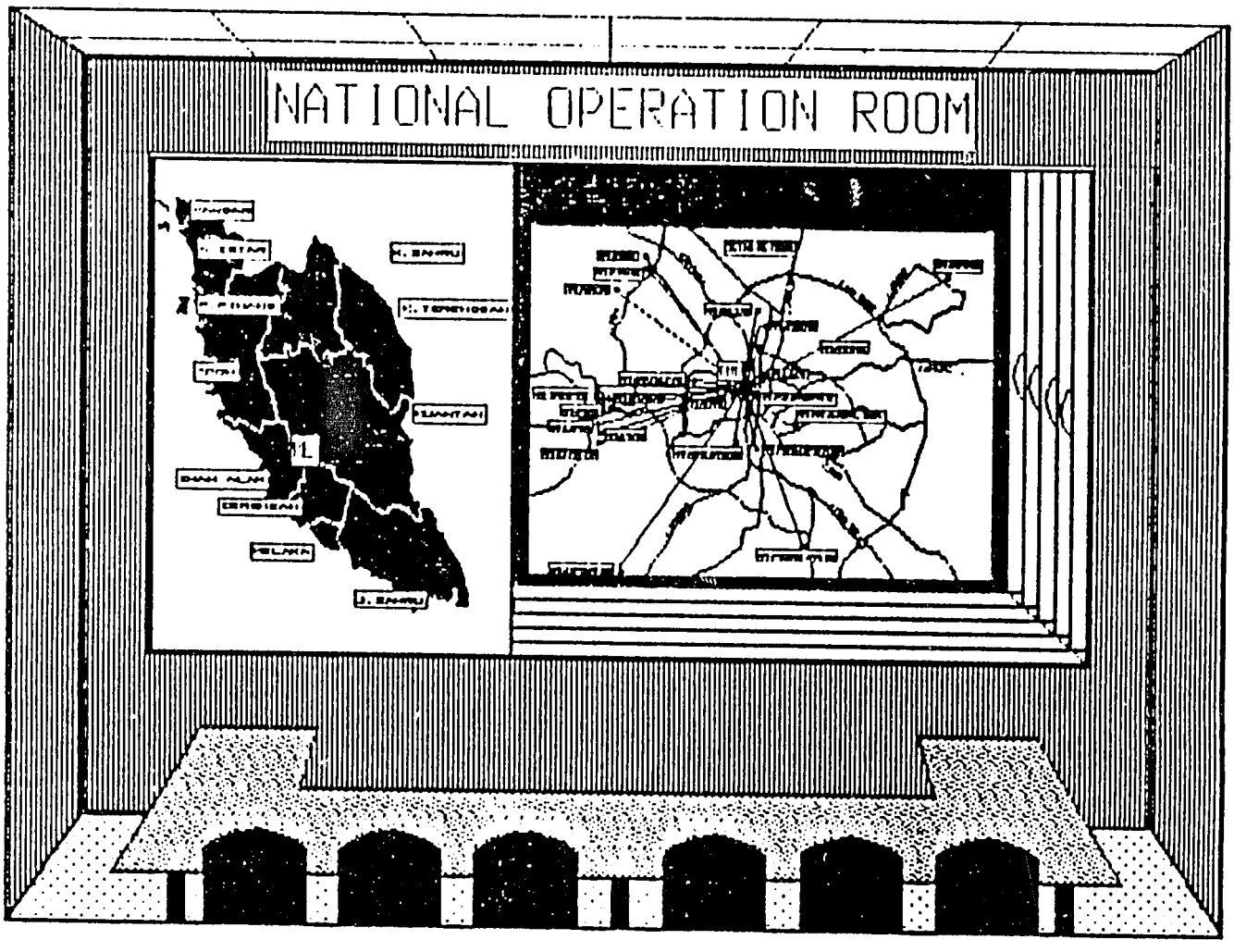

CHART 2: THE OPERATION ROOM

and has become the norm till the present day as shown in the network of National Action Council, State and District Action Committees in CHART 1.

4. COMPUTERISATION OF THE PLANNING AND IMPLEMENTATION PROCESS

Computerisation of the planning and implementation process was started in 1978 when the computerised Project Monitoring System (PMS) was established with the following objectives:-

1. To ensure projects meet implementation schedules
2. To control expenditure within allocation
3. To identify problems of implementation
4. To ensure projects meet their objectives

The computerised PMS was found necessary due to the increase in the number of projects to be implemented in the subsequent plans. It is basically a management tool to assist decision makers in gathering information regarding project implementation, identifying problems, determining the size and gravity of the problems, determining its causes and formulating alternative solutions. The system caters for all levels of users, the National Action Councils and Ministries at the Federal level, the State and District Action Committees at the State and District level.

The PMS was a centralised system whereby quarterly reports were sent by the implementing agencies to ICU for processing. It has its shortcomings in that it was a centralised system where all processing of information was done at ICU. As such, by the time all the forms were processed (numbering around 18,000 - 19,000) the information thereby generated by the system were already out of date and thereby not of much use for the purpose of making decisions. This brought about a review of the PMS giving rise to the introduction of the SETIA System.

5.THE SETIA SYSTEM

The need for SETIA arose from a 1981 study undertaken by the Cabinet Committee On Steps to Speed Up the Implementation of Development Projects which found various limitations in the information system for planning and implementation of development projects in government agencies. More specifically, some of the problems faced were that some projects were not reported by implementing agencies; incomplete, inaccurate and late reporting; and the systems run by central agencies were not being properly coordinated. In order to resolve these problems, the Cabinet Committee made the following recommendations:-

> Ministries/Departments with the assistance of the Implementation Coordination Unit should develop an information system or use existing systems meant for the same purpose specifically to plan and implement development projects and for making necessary decisions.
>
> All information systems of the Central Agencies meant for the control and evaluation of the performance of development projects should be integrated. In this respect, all three systems, SIMKOM of the Treasury, the Project Monitoring System of the Implementation Coordination Unit and data collection activities of the Economic Planning Unit should be integrated so that only one information system will be used. Central Agencies and other agencies are encouraged to exchange information with one another.

It is in this environment that SETIA, an acronym for (S)ystem (E)conomic Planning Unit , (T)reasury, (I)mplementation Coordination Unit, (A)ccountant General's Department, was conceived and then developed to advance the goals of national development.

5.1 OBJECTIVES OF SETIA

To implement the recommendations of the Cabinet Committee, SETIA was developed with the following objectives:-

1. To integrate the information systems of the Central Agencies
2. To develop an information system for the Ministries to plan and implement development projects

With the realisation of these objectives, the Central Agencies, Ministries and other agencies alike can share one common information system for better decisions on project performance.

5.2 SCOPE AND COVERAGE OF SETIA

The scope of SETIA is to provide an integrated information system on development projects for the Central Agencies, Operating Ministries as well as other agencies requiring the same kind of information. This method ensures the consistency of data used by all agencies concerned. The information captured in this system are on federally funded development projects as well as projects funded jointly by the Federal Government/State Government/Statutory Bodies. The information captured include such items as cost and plan allocation ceilings, scope and objectives, location, sources of funding, implementing agency, yearly budget allocations, planned implementation schedules, status of implementation, expenditures as well as problems encountered in implementation.

This is the first attempt at integration of the already existing information systems, namely, The Project Planning System of the Economic Planning Unit (EPU), The Computer-based Information System of the Treasury (SIMKOM), The Project Monitoring System (PMS) of the Implementation Coordination Unit (ICU) and the Federal Accounting System of the Accountant General's Department (AGD).

5.3 ORGANIZATION OF SETIA

SETIA is developed using the existing organizational and manpower resources of the Federal Government, involving the Central Agencies; EPU and ICU of the Prime Minister's Department, The Federal Treasury and, all Federal Ministries and State Development Offices. CHART 3 depicts the organisational structure of the Federal Government machinery for the management of development projects.

5.4 SYSTEM DEVELOPMENT

SETIA is completely developed in-house by the SETIA project team of ICU assisted by a Steering Committee consisting of representatives of EPU, Treasury, ICU and AGD. The system has been designed taking into account most of the critical information needs of the Central Agencies as well as the operating Ministries using the hierarchical distributed processing technique. The processing of information is distributed to the respective agencies to meet their information requirements as shown in CHART 4 . The information generated at the source level is transmitted and integrated at ICU to form the main SETIA database to be shared by all agencies concerned.

Management of the main SETIA database is handled by ICU which also controls all computer operations. EPU, Treasury, AGD as well as Operating Ministries manage the respective data bases at their own remote locations.

5.5 SOURCES OF DATA AND INFORMATION FLOW

The sources of data and inflow of information in the SETIA System is integrated with the activities of the projects namely:-

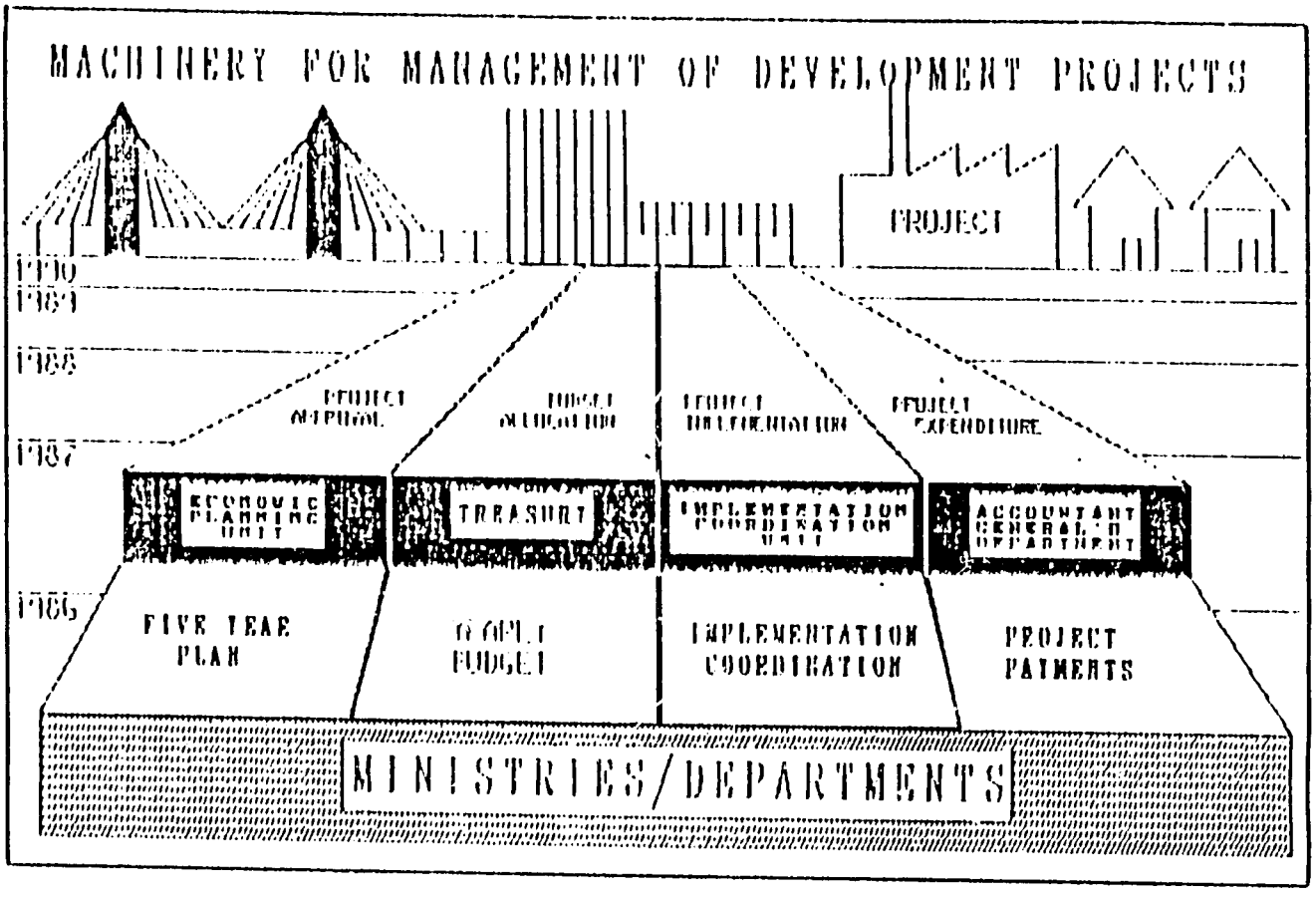

CHART 3: MACHINERY FOR MANAGEMENT OF DEVELOPMENT PROJECTS

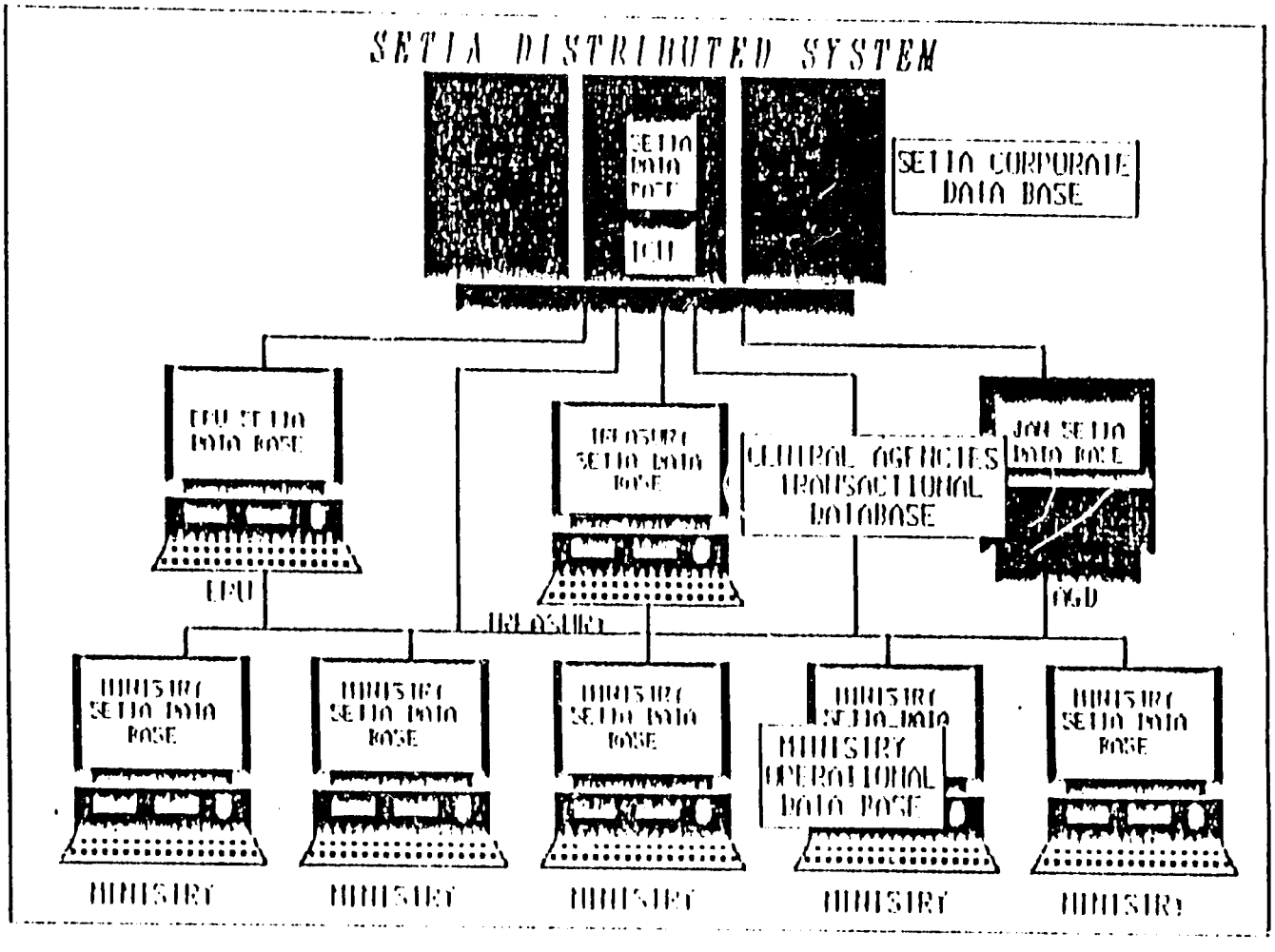

CHART 4: THE SETIA DISTRIBUTED PROCESSING SYSTEM

1. Project planning and approval
2. Project yearly budget approval
3. Monitoring the progress of project implementation
4. Project payment and disbursement of funds

5.5.1 Project Planning and Approval

The purpose of this subsystem is to register development projects which have been approved by EPU for implementation using S1 forms. It also forms the basis for the creation of projects and filled only once in the life time of the project. On receipt of S1, EPU will examine the project proposed and subsequently assign a project identification number and register the approved project using the computer provided for this purpose. Information on the approved project is then transmitted to the host computer at ICU to be kept in the Main SETIA database. ICU will then print the information on project list approved and release it to EPU who will notify the relevant ministries/departments. The same information will also be transmitted by ICU to the respective ministries/departments and State Development Offices to be kept in the personal computers at their respective offices.

5.5.2 Project Yearly Budget Allocation

Form S2 is a computer printout produced by the Ministries, or ICU depending on the number of projects in order to request for yearly budget allocations from the Budget Division of the Treasury for all the projects that have been approved by EPU under the Plan. On approval of the yearly budget, the Ministries will input into their PC system the yearly budget allocation approved for the projects. This information is also transmitted by the Ministries to ICU to be kept in the Main SETIA database.

5.5.3 Monitoring the Progress of Project Implementation

All agencies implementing the projects are required to report the physical progress of their active projects or project components as and when there is a change in project performance, to the Ministries which will then update the progress in their personal computers. The Ministries will transmit these information to ICU at the beginning of each month, or quarterly depending on the progress of the project, and this information will be kept in the main SETIA database.

5.5.4 Project Payment and Disbursement of Funds

The Ministries, Departments and Agencies send in payment and journal vouchers to AGD for payment on federally- funded projects. From these source documents, data is captured in the computer of the Headquarters of AGD. The SETIA Secretariat will receive this information monthly via magnetic tapes.

Statutory bodies and self-accounting departments that are commercially- oriented or receive their federal development allocations that are channelled through State Government, will submit the information on payments and the progress reports to the Ministries as vouchers produced by these agencies are not sent to AGD. The conceptual structure of the SETIA system is shown in CHART 5.

6. THE SETIA DISTRIBUTED COMPUTERISED SYSTEM

The Fifth Malaysia Plan (1986 - 1990), recognises the importance and increasing roles of Information Technology (IT), particularly in the areas of planning, budgeting, monitoring and evaluation. It is towards this end that the distributed computerised system was implemented. Under this system, the ministries and State

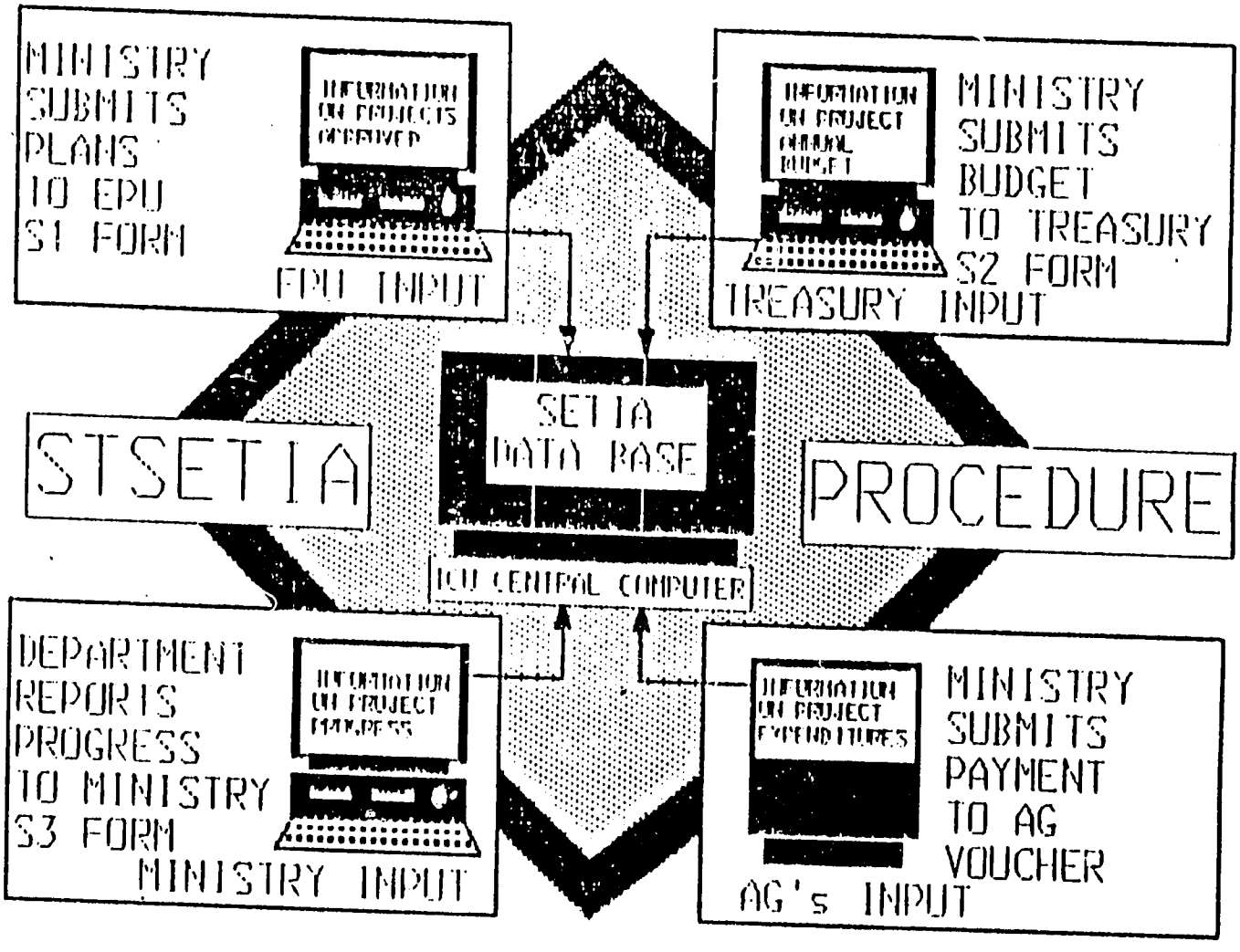

CHART 5: THE CONCEPTUAL STRUCTURE OF SETIA

Development Offices are provided with a Personal Computer (PC) and a printer and they are linked directly to the main computer system at the Implementation Coordination Unit (ICU), Prime Minister's Department in Kuala Lumpur.

The system provides the facility to input, update, process, store, transmit simple output formats for use of the relevant decision makers. Some query programmes are also provided for access to the main data base. This access can be made through 3270/3179/3279 terminals or its compatibles which are linked to IBM CPU 3083 at ICU. The Chief Executive Information System (SMPKE) at the Prime Minister's Office is also linked to the SETIA system through a software called System Network Architecture (SNA). As such SMPKE users at the ministries can also access relevant information from the SETIA system through their terminals. Access to the subsystem can be effected from the stand alone PCs both at the ministries and the SDO offices. An exercise has been prepared for participants to use the SETIA Corporate Database in the workshop and hands on session this evening to get a feel of the system.

7. IMPLEMENTATION ISSUES

As with any computerised system, the issues that had to be addressed in the development and implementation of the SETIA System are:-

1. Budget
2. Manpower and skills
3. Hardware and software
4. User education and acceptance

Fortunately for ICU the first three factors did not present too much of a problem. This is because ICU is not new in the use of IT, as computers were already used by the Unit since 1978. As such it already had most of the hardwares and man-

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power required for the development of the system. The only additional items that has to be acquired for the development and implementation of the system are terminals, PC's and other pheripherals for the distributed system as well as softwares. The cost for these additional items was about US $800,000 for which ICU did not find any difficulty in obtaining the budget as the use of IT is a priority in the allocation of funds in the effort to modernise the Malaysian Government machinery. However, this does not reflect the real cost of the system as it does not take into account the existing hardware and manpower. Had the system started from scratch a reasonable estimate for the budget of the system would be in the region of US $3,000,000.

In terms of manpower skills too, ICU did not face much problems. This is because ICU already has trained DP personnel to develop and maintain the system. The choice of suitable softwares too did not present much problem with the availability in the market today of advanced development tools to simplify and speed up development work.

It is the last factor, user education and acceptance, which presented the most problems in the development and implementation of SETIA. Being layman, most of the users are strangers to computers. This was recognised as the criticals success factor of the SETIA system throughout the whole process of the development of the system from system design to user application. It took the development team in ICU 5 years to come up with a system simple enough for a non DP user.

On the issue of user acceptance, a great deal of effort was concentrated on the functionality and user friendliness in the design of the system. To ensure acceptability to the user, the applications were designed around the working environment of the user, that is by computerising the daily activities of the users such as prepa-

ration of project proposals, budget requests and project reports. To ensure user friendliness, the system is designed by providing menu driven keys whereby the user only needs to select the designated keys to perform the specific tasks thereby eliminating elaborate programming. To ensure usefulness of the system, besides the online help provided in the system, the needs of the users are consistently entertained by providing sub-systems pertaining to the needs of the individual users.

8. BENEFITS AND IMPACT OF SETIA

The reporting system of SETIA on project management and implementation is a fairly comprehensive one. The move towards computerization, integration and distributed system is a step in the right direction. However, monitoring system cannot function on a comprehensive reporting system alone. There have to be other complementary devices or strategies in order to ensure the system that is working now will continue to be growing and working effectively. Some of the expected benefits from SETIA can be summarised as follows:-

1. In the immediate term, by inputting data at the critical stages of project planning, yearly budgetting, project monitoring, and project payment, and consolidating all data into a single database, integration and coordinated project management are achieved through the SETIA system.

2. Data need to be gathered only once, and the information gathered can be used by all the four central agencies concerned as well as any other agencies requiring information on development projects.

3. This will also relieve the reporting workload of agencies.

4. SETIA has built within it several means of control in order to ensure much of the data is captured in the system.

5. Monitoring becomes apparent not only in the formal reporting channels described above, but also in the other three management processes, viz national economic development planning (Five Year Plan and Mid Term Review Plan), annual budget allocation (under or over spending), and fund disbursements (money given out for actual progress of implementation).

6. The placement of the central monitoring function under ICU of the Prime Minister's Department and the roles of the National Action Council, whose Chairman is the Prime Minister, has contribated significantly in the leadership roles of monitoring. The same pattern of influence can be discerned at the State and District levels, where the Chief Minister and District Officer chair State Action and the District Action committee meetings respectively. This is a deliberate arrangement born out from the 30 years experience in project monitoring.

7. It should also be noted that the EPU, the Budget Division, and the Accountant General's Department, whose function also include monitoring, are all attached to powerful organisations, that is the Prime Minister's Department in the case of the EPU, and the Treasury in the case of the other two.

It is still too early to assess whether SETIA has created an impact or not at this juncture. The system still needs adjustments to suit user needs. There are still some flaws which need to be corrected, namely the absence of real time data. Data capture is still periodic in nature. The monthly updating schedule is often not consistently met as some agencies at the state and the district levels find it difficult to submit progress reports on schedule owing to lack of manpower personnel.

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The absence of fail-safe system of verifying the accuracy of progress reports is also a matter of concern. The verification process is largely attributed to site visits by decision makers. As long as such visits are frequent and visitors are men of authority, then the system can work to ensure reliability.

Notwithstanding the above, SEHA is creating some ripples now. An Executive Committee of the National Action Council has just been set up under the Chairmanship of the Chief Secretary to the Government. The Committee would monitor and oversee the overall progress of Fifth Malaysia Plan projects, identify administrative bottlenecks hampering project development, and make decisions to speed up the process of the project implementation.

At the recent sitting of the Committee, fifty recommendations were made to speed up implementation. These decisions have far reaching implications on the strategy of implementation for 1989 and subsequent projects under the Plan. The Treasury has been directed to send approval letters on annual allocation of projects in September and not to wait until January of each year through the issuance of allocation warrant. All these procedures will give ministries and implementing agencies ample time to do preliminary work on the project so that it would be ready for implementation at the beginning of the year.

A seminar was organized jointly between ICU and INTAN for all project managers and those involved in project implementation, from the central agencies, ministries, state governments and district administration. The problem solving seminar formulated 39 new procedures and strategies to speed up the implementation of Fifth Malaysia Plan projects.

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The flow of information from the state to the ministry and central agencies, and the subsequent analysis made has assisted in strengthening the capacities of those agencies in monitoring and evaluating their own performance.

CONCLUSION

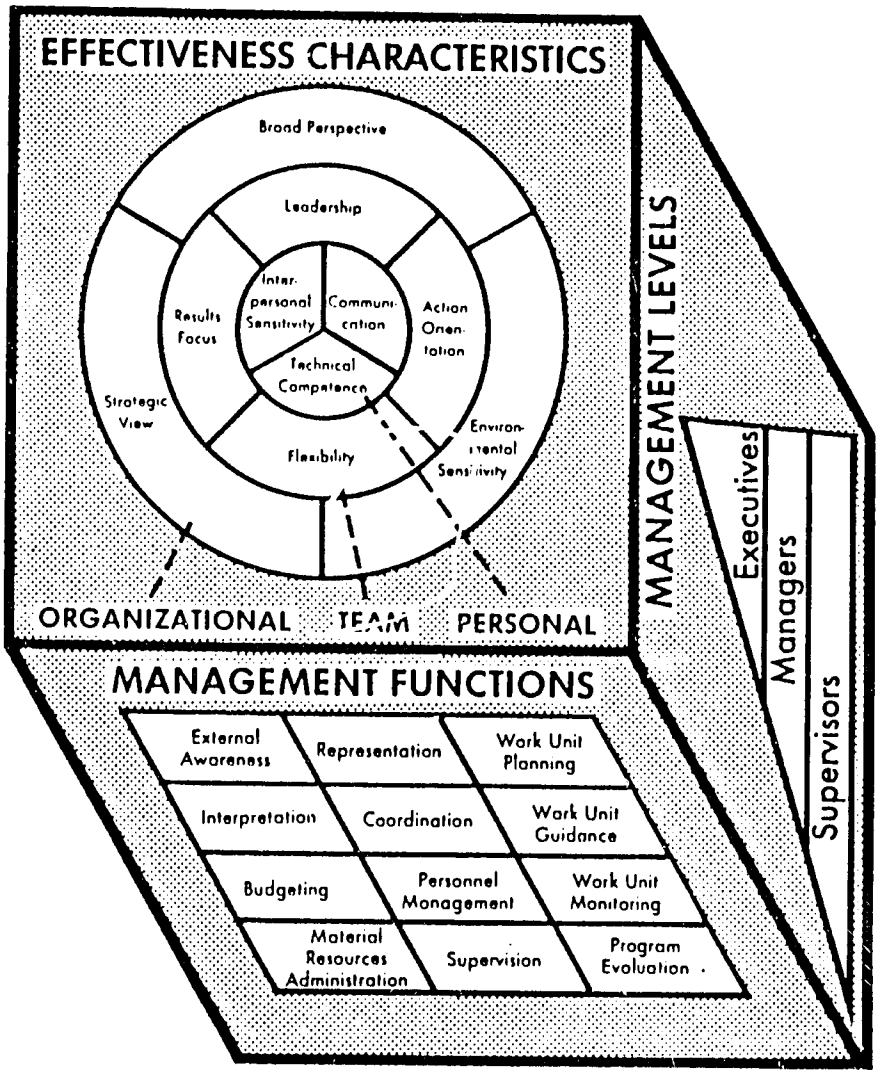
Seen in the context of conventional model of system development, the development of the SETIA system can be considered as a successful exercise. Not only has user participation actively effected in the various phases from strategic design and application development, to testing and implementation, but interagency cooperation and linkages forged amongst the four central agencies and the Ministries have also been more effective. This augurs well for the future of SETIA.

There is no simple way to emulate the SETIA system of Malaysia as the system has been tailor made to suit the Malaysian environment and its administrative structure. It is imperative that these factors must be taken into consideration by any country interested in introducing a similar system.

SETIA SECRETARIAT
IMPLEMENTATION COORDINATION UNIT
PRIME MINISTER'S DEPARTMENT
KUALA LUMPUR
MALAYSIA
SEPTEMBER 1989

The Management Excellence Framework

A Competency-Based Model of Effective Performance for Federal Managers



United States Office of Personnel Management

Office of Training and Development

Policy and Systems Division

CDS-5
Sept. 1985

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Overview of the Framework

A Competency-Based Model. Under its guidelines published in FPM Chapter 412 on Executive, Management, and Supervisory Development, in the U.S. Office of Personnel Management (OPM) is responsible for developing and maintaining a competency-based model of effective performance for Federal executives, managers, and supervisors. The Management Excellence Framework (MEF) is that model.

Focus on Managerial Performance. The most critical information needed for successfully designing, implementing, and evaluating career development programs for executives, managers, and supervisors addresses the question of what managers must be able to do to be effective. The Management Excellence Framework (MEF), a research-based conceptual model of managerial performance developed by OPM, consolidates such information for the Federal government. The MEF describes management jobs and managerial performance in a way that distinguishes those elements that are necessary to achieve management excellence—those managerial actions that result in the successful implementation and administration of Federal policies and programs—by focusing on the *who*, *what*, and *how* of Federal managerial performance.

A Descriptive Model. The MEF, a descriptive model, is based on an OPM program of research designed to identify common tasks and actions required of Federal managers in a wide variety of settings. As the research developed, those common elements were confirmed and grouped into a structure that ultimately became the MEF. To simplify the model, broad categories of tasks and practices were developed.

A Three-Dimensional Model. The MEF organizes its elements along three dimensions:

- —**Management Functions** covering the *"what"* or content of management work—tasks, roles, and responsibilities;
- —**Effectiveness Characteristics** describing the *"how"* or style of effective managers—their skills, attitudes and perspectives; and
- —**Management Levels** indicating the *"who"* of the Federal management team—its executives, managers, and supervisors.

Figure 1 depicts the framework and its component dimensions. The MEF's elements establish a common language that permits meaningful comparisons across the immense variety of Federal management positions. They can also be used to differentiate managers and describe the performance expected of particular individuals or groups in distinctive terms. The framework's elements are always easily translated back into specific competencies.

Agency Use of the Framework

Using the MEF, each agency and field activity can design and implement a career development system for its management team. The MEF was developed to help agencies implement and comply with the guidance in FPM Chapter 412.

Specifically, agencies can:

- —Save staff and managerial time that would be required for analyzing the major competencies of individual management positions to establish a competency base for designing, implementing and evaluating appropriate career development strategies for executives, managers, and supervisors.
- —Solve the problem of how to understand and structure information about what managers do and to use it for measuring or monitoring the progress of career development efforts and assessing organizational impact.
- —Clarify roles and responsibilities within the management team, especially at different levels to identify key career transitions.
- —Assess the distribution of management competencies within the management team.
- —Surface areas of developmental needs for groups and individuals.
- —Identify appropriate developmental approaches to fulfill particular needs.
- —Provide a competency-based structure for designing and evaluating training courses and other developmental activities.
- —Establish a foundation for comparing management jobs, training needs, and developmental activities across agencies and field activities, so organizations can use each other's program resources and share production costs.

The Management Excellence Framework

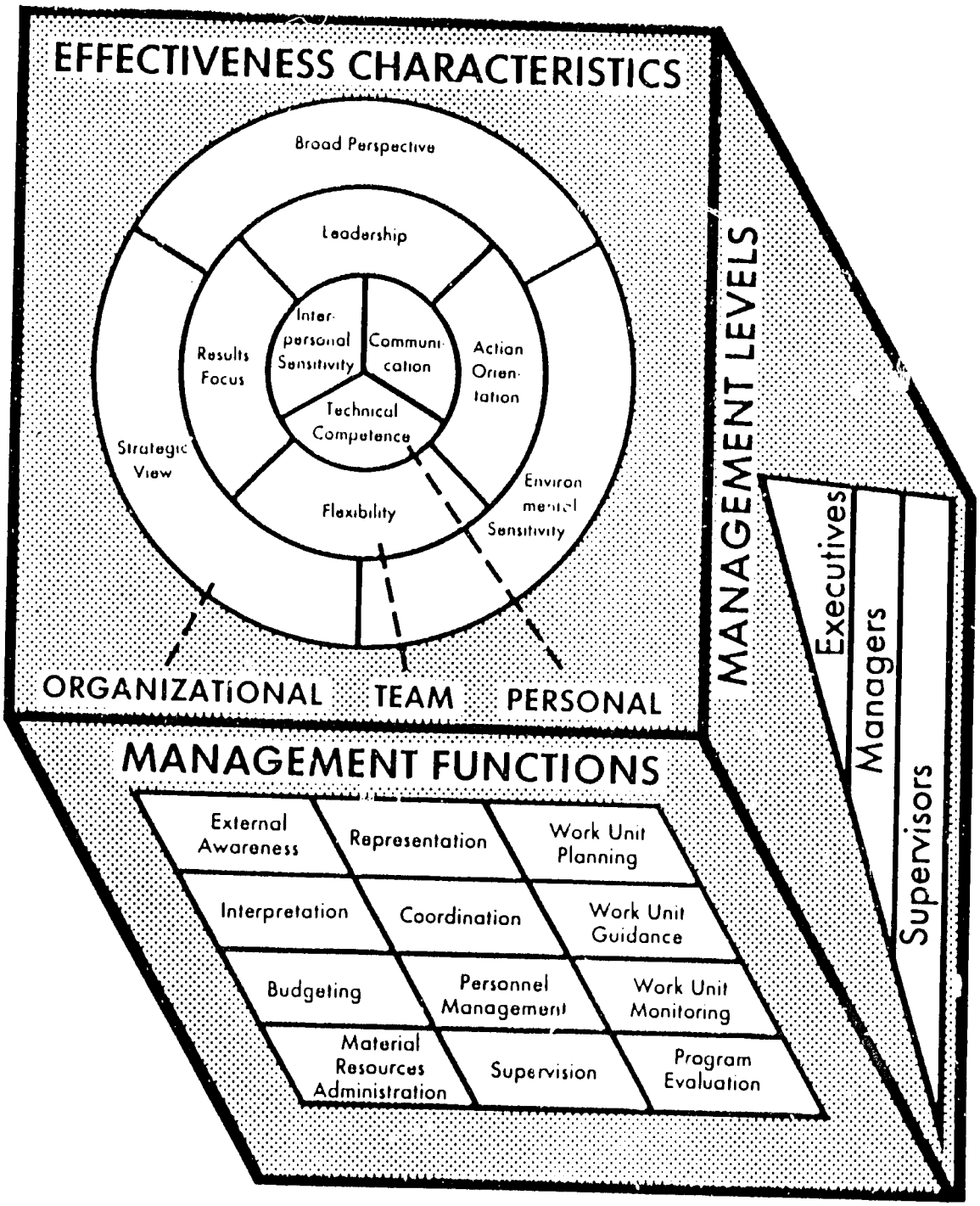

Figure 1

Related OPM Guidance Describing Management Performance

The MEF's description of effective management performance is consistent with OPM policy and guidance published elsewhere with respect to other personnel management functions and purposes. For example, in the general staffing area, materials on both qualification and classification standards reflect the domains of managerial performance the MEF describes. The Qualifications Review Board uses six executive activity or competency areas to certify the qualifications of candidates for initial career appointment to the Senior Executive Service:

I. Integrating Internal and External Issues
II. Representing and Coordinating
III. Planning and Guiding
IV. Administering Money and Material Resources
V. Utilizing Human Resources
VI. Reviewing Implementation and Results

These six competency areas were derived from the same research on which the MEF is based. They correspond directly to pairs of the management functions and also capture the effectiveness characteristics of the MEF.

At the manager and supervisor levels, the *X-118 Qualification Standard Handbook* includes a section on "Supervisory Positions in General Schedule Occupations," which describes managerial and supervisory responsibilities and the abilities and attributes candidates must demonstrate to qualify for supervisory positions in grade GS/GM-15 and below. The position classification standard contained in OPM's *Supervisory Grade-Evaluation Guide* defines and distinguishes the duties and responsibilities of managerial and supervisory positions; the level distinctions made there have been adopted for the MEF. In the performance appraisal area, OPM's publication, *Appraising Managerial Performance . . . Suggested Elements and Standards for Executives, Managers, and Supervisors*, provides generic criteria for common job responsibilities and basic management activities. In each of these issuances, the language used to describe the responsibilities and successful performance of Federal managers is congruent with MEF language and concepts.

Dimensions of the Framework

Management Functions. The first dimension of the MEF describes *what* executives, managers, and supervisors do and comprises twelve general management functions. This dimension covers the content and nature of management work in the Federal sector—executive, managerial, and supervisory (E-M-S) tasks, roles, and responsibilities. Figure 2 defines the twelve management functions.

Effectiveness Characteristics. The second dimension of the MEF describes *how* successful executives, managers, and supervisors perform using skills, attitudes, and perspectives that increase the likelihood of effective performance. Related components of management effectiveness are grouped into ten general effectiveness characteristics. Those ten characteristics are then clustered according to the individual, work unit or organizational performance level for which the management team is responsible and where the characteristics become critical to success. Figure 3 provides the characteristics and their key component skills, attitudes, and perspectives, and shows how they are clustered.

Figure 3's visual representation of these characteristic clusters as concentric circles or rings illustrates an important point about the relationships among the clusters: the need for these characteristics is generally cumulative as a manager becomes responsible for the performance of larger units. In other words, first-line supervisors must apply their communication skills, interpersonal sensitivity, and technical competence to assure excellent personal performance for themselves and by their individual subordinates. In addition, their actions must begin to reflect the characteristics from the next cluster (or ring, in figure 3) to produce effective work unit performance. Managers must display the characteristics from the two central clusters (personal and team effectiveness) and begin to apply the characteristics that affect the performance of the larger organizations they manage. Finally, executive performance, which explicitly is to be judged against organizational performance criteria, must reflect the full range of effectiveness characteristics.

This dimension of the MEF recognizes that management excellence requires more than just *doing* a set of management functions. It requires doing them *well*. The effectiveness characteristics capture the management styles that distinguish high performing executives, managers, and supervisors.

Management Content Dimension of the MEF

Management Functions

External Awareness: Identifying and keeping up-to-date with key agency policies and priorities and/or external issues and trends (e.g., economic, political, social, technological) likely to affect the work unit.

Interpretation: Keeping subordinates informed about key agency and work unit policies, priorities, issues, and trends and how these are to be incorporated in work unit activities and products.

Representation: Presenting, explaining, selling, and defending the work unit's activities to supervisor, others in the agency, and/or persons and groups outside the agency.

Coordination: Performing liaison functions and integrating work unit activities with the activities of other organizations.

Work Unit Planning: Developing and deciding upon longer-term goals, objectives, and priorities; and developing and deciding among alternative courses of action.

Work Unit Guidance: Converting plans to actions by setting short-term objectives and priorities; scheduling/sequencing activities; and establishing effectiveness and efficiency standards/guidelines.

Budgeting: Preparing, justifying, and/or administering the work unit's budget.

Material Resources Administration: Assuring the availability of adequate supplies, equipment, facilities; overseeing procurement/contracting activities; and/or overseeing logistical operations.

Personnel Management: Projecting the number and types of staff needed by the work unit, and using various personnel management system components (e.g., recruitment, selection, promotion, performance appraisal) in managing the work unit.

Supervision: Providing day-to-day guidance and oversight of subordinates (e.g., work assignments, consultation, etc.); and actively working to promote and recognize performance.

Work Unit Monitoring: Keeping up-to-date on the overall status of activities in the work unit, identifying problem areas, and taking corrective actions (e.g., rescheduling, reallocating resources, etc.).

Program Evaluation: Critically assessing the degree to which program/project goals are achieved and overall effectiveness/efficiency of work unit operations, to identify means for improving work unit performance.

Note: Each management level does not necessarily perform *all* the aspects of each function as described here.

External Awareness	Representation	Work Unit Planning
Interpretation	Coordination	Work Unit Guidance
Budgeting	Personnel Management	Work Unit Monitoring
Material Resources Administration	Supervision	Program Evaluation

Figure 2

Management Effectiveness Dimension of the MEF

Effectiveness Characteristics

Broad Perspective:	Broad, long-term view; balancing short- and long-term considerations.
Strategic View:	Collecting/assessing/analyzing information; problem identification/ analysis; anticipation, judgment.
Environmental Sensitivity:	"Tuned into" agency and its environment; awareness of importance of non-technical factors.
Leadership:	Individual, group; willingness to lead, manage, and accept responsibility.
Flexibility:	Openness to new information; behavioral flexibility; tolerance for stress/ambiguity/change; innovativeness.
Action Orientation:	Independence, proactivity; problem solving; calculated risk-taking, decisiveness.
Results Focus:	Concerned with goal achievement; follow through, tenacity.
Communication:	Speaking; writing; listening.
Interpersonal Sensitivity:	Self-knowledge and awareness of impact on others; sensitivity to needs/strengths/weaknesses of others; negotiation, conflict resolution; persuasion, selling.
Technical Competence:	Specialized expertise (e.g., engineering, physical science, law, accounting, social science).

Note: Each management level does not necessarily perform *all* the aspects of each characteristic as described here.

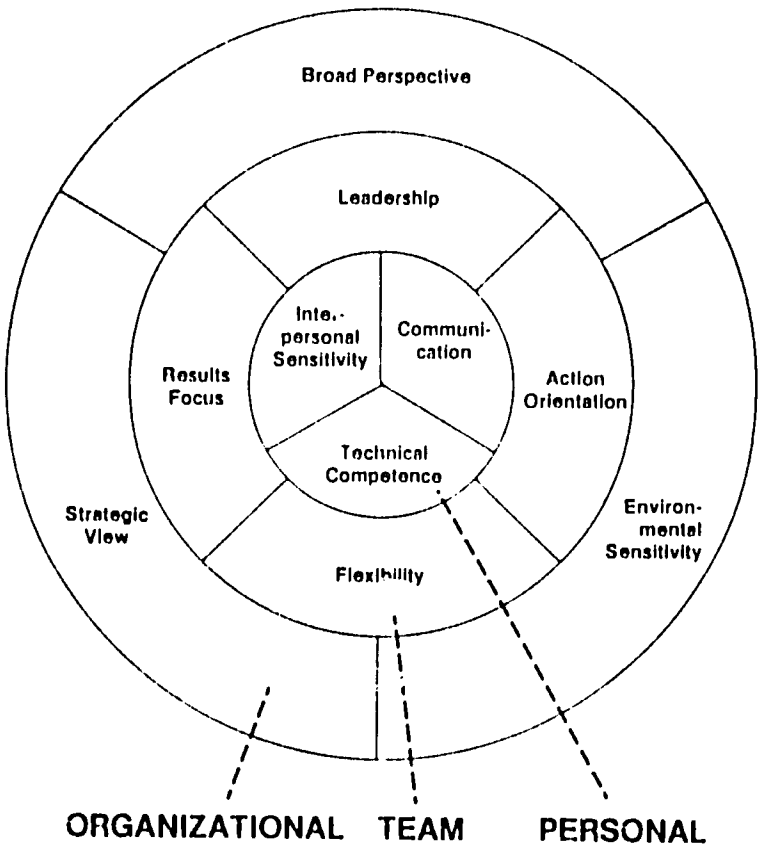

Figure 3

Management Level. The third dimension of the MEF covers *who* the executives, managers, and supervisors are—three groups or levels of managers whose performance the overall framework describes. The distinctions between levels are made most clearly in terms of differences in the substance of jobs at each level. That is, at higher levels, job duties and requirements change in scope and breadth and not just in their intensity or technical subject matter. Thus, if a person moves from supervising three people to supervising thirty, but the job still requires only a narrow focus on immediate work unit production, the person is still considered a supervisor. The traditional hierarchical pyramid depicting these groups in figure 4 conveys their supervisor-subordinate relationships as well as their relative numbers.

Management Level Dimension of the MEF

Management Levels

Executives: Have the most complex jobs and generally are members of the Senior Executive Service.

Managers: Have broader, more complex responsibilities than supervisors; become more involved in coordinating the work of others and dealing with longer-range issues than supervisors; may or may not manage subordinate supervisors.

Supervisors: Have first-level responsibility for managing day-to-day operations and carrying out directives from higher management.

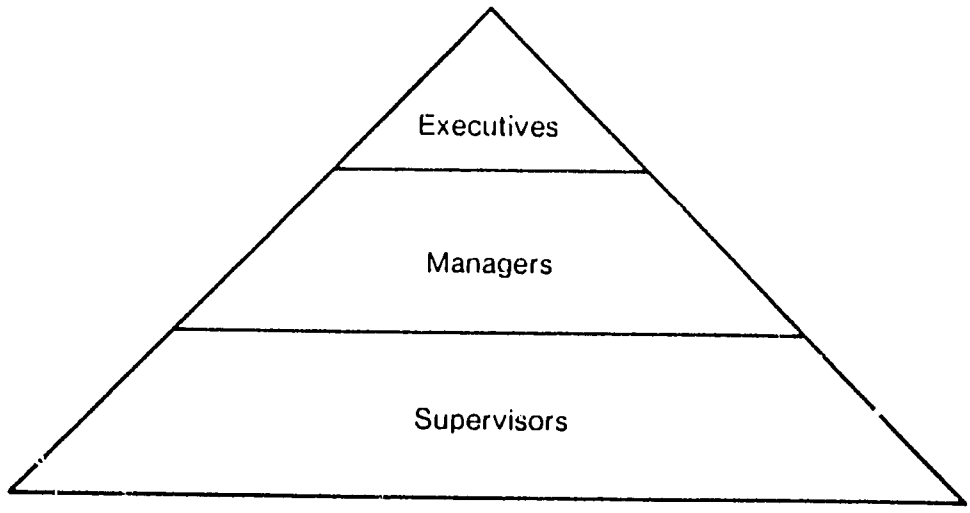

Figure 4

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Source of the Framework: The Research Base

OPM's Systematic Research Program. The MEF is the product of a systematic research effort that began in 1978. Its goal was to address the question described earlier concerning what managers must do to be effective. A variety of research methods and sources have contributed to the development of the MEF. Original research on the jobs and roles of Federal managers used a standardized survey instrument and a Governmentwide sample of managers. In-depth critical incident interview studies focused on the performance of several different groups of executives, managers, and supervisors, including individuals identified as superior performers. The research results of other Federal management studies and private sector studies, as well as current private sector theories of management effectiveness, were reviewed carefully for their cross-validation of the findings and directions that were emerging from OPM's data. Subsequent field studies and applications of these results have provided continual testing and validation for the MEF. As a result, the MEF has a solid empirical basis that both demonstrates its consistency with other emerging theories of management competencies and gives it unique relevance for the Federal government.

Research Results Relevant to E-M-S Career Development. A set of research findings from several studies have been integrated and applied to the MEF in a way particularly germane to E-M-S career development concerns. While many factors can be observed and tracked across the elements of the MEF, assessing the *relative importance* of its component competencies for the different groups in the management team is useful in charting the nature and progression of a management career. Differences in importance *within* a level of management help define its particular qualities and demands. Differences in importance *across* management levels provide sharp focus to career transitions by specifying the competencies in which advancing managers must develop new or added proficiency. Figure 5 summarizes a substantial body of research evidence in its display of the relative importance of the elements of the framework as reported by respondents. Estimates of importance were based on time devoted to an element and the scope and impact of job responsibilities, roles, and functions.

Management Function Importance. As figure 5 indicates, supervisors have the most limited range of management responsibilities. Thus, Management Functions 1, 2, 3, 7, and 8 (see figure 2 for reference) are of relatively little importance; Management Functions 4, 5, and 12 are of moderate importance; and Management Functions 6, 9, 10, and 11 are of great importance. For managers, no management function is of less than moderate importance. This change implies some development of Management Functions 1—5, 7, 8, and 12 upon transition to the manager level. At the executive level, all twelve management functions are judged to be of great importance, given the scope and impact of the responsibilities that these jobs generally have.

Effectiveness Characteristic Importance. The pattern of relative importance of the effectiveness characteristics by level is similar to that of the management functions. As the scope of job responsibilities, roles, and impact increases, a richer variety of skills, attitudes, and perspectives must be displayed for effective performance on the job. The one exception to this pattern occurs with "Technical Competence." For supervisors, technical competence is of great importance since they are usually called upon to make technical judgments daily and often continue to perform a significant amount of technical work. As management responsibility broadens and increases, however, technical details recede in the daily world of managers and executives. They no longer personally perform the technical work and use their other, managerial competencies relatively more as they ensure the effective implementation of policies and programs. Managers and executives use their technical competence and skills in new ways and within the context of a manager's (rather than a technician's) role, principally by directing and evaluating the technical work of others.

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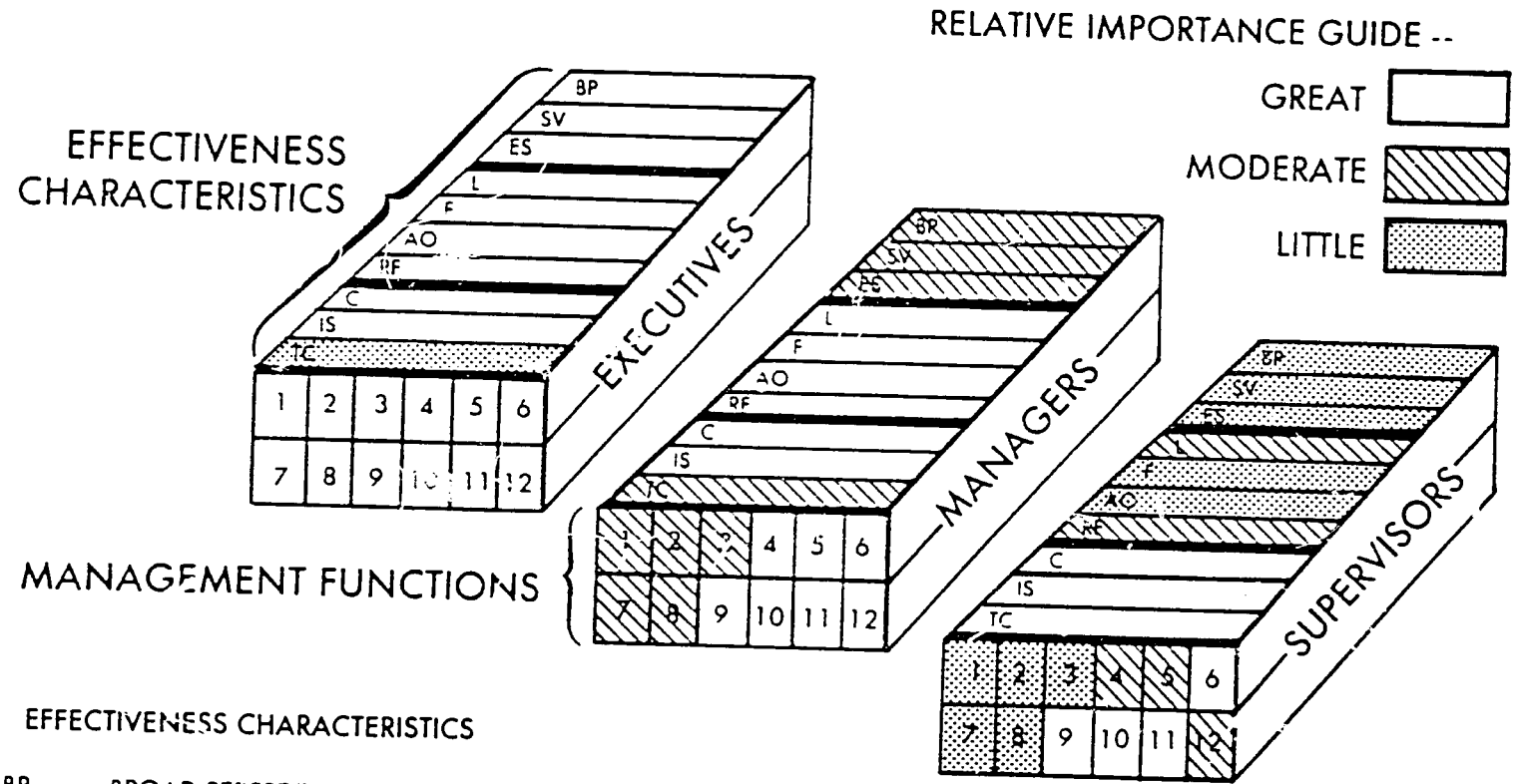
Management Excellence Framework

Comparison by Level



EFFECTIVENESS CHARACTERISTICS

- BP -- BROAD PERSPECTIVE
- SV -- STRATEGIC VIEW
- ES -- ENVIRONMENTAL SENSITIVITY
- L -- LEADERSHIP
- F -- FLEXIBILITY
- AO -- ACTION ORIENTATION
- RF -- RESULTS FOCUS
- C -- COMMUNICATION
- IS -- INTERPERSONAL SENSITIVITY
- TC -- TECHNICAL COMPETENCE

MANAGEMENT FUNCTIONS

1. EXTERNAL AWARENESS
2. INTERPRETATON
3. REPRESENTATION
4. COORDINATION
5. WORK UNIT PLANNING
6. WORK UNIT GUIDANCE
7. BUDGETING
8. MATERIAL RESOURCES ADMINISTRATION
9. PERSONNEL MANAGEMENT
10. SUPERVISION
11. WORK UNIT MONITORING
12. PROGRAM EVALUATION

Figure 5

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Applications of the Framework

Management Excellence Inventory. OPM has developed the Management Excellence Inventory (MEI) questionnaire as a primary tool for translating the general concepts of the MEF to specific management performmance in defined organizational settings. Agencies can use the MEI to focus on and compare the distinctive competency requirements for Federal managers at different levels and career stages and in different organizational situations. Its principal use is to identify organizational (as well as specific individual) development needs and strengths. The MEI measures the components of the MEF by breaking them down into specific task and activity statements, which were identified as part of OPM's larger research program, and uses a system for establishing importance levels that are specific to the organization (or particular jobs). Figure 6 gives an example of how the MEI measures the framework. Because the MEI systematically measures the requirements of the respondents' positions, assessments of development needs are automatically tailored to the unique aspects of each setting. In addition, an agency may add task and action statements as well as demographic questions that are specific to its needs. The MEI is published in two editions, one for executives and managers, and one for supervisors.

How the Management Excellence Inventory Measures Elements of the Management Excellence Framework

An Example:

Management Function	MEI Items
Program Evaluation: *Critically assessing the degree to which program/ project goals are achieved and the overall effectiveness/efficiency of work unit operations, to identify means for improving work unit performance.*	*61. Identify ways to improve the efficiency and effectiveness of work unit operations.* *62. Critically and realistically assess the overall effectiveness of work unit.* *63. Use project or job reviews or other evaluation information to improve work unit operations.* *64. Assess progress toward achieving work unit goals.* *65. Identify ways to improve work unit procedures, processes, or structure.*

Figure 6

National Management Career Curriculum. OPM develops and maintains a Governmentwide curriculum specifying the management competencies that need to be acquired at each level of management. Particular course offerings and other developmental experiences are keyed to those requirements. This approach, used with a needs assessment process grounded in the MEF, provides significant support for more efficient and effective allocation of E-M-S career development resources throughout the Federal government.

For More Information. Information about OPM training courses and other services relating to E-M-S career development can be obtained by contacting:

U.S. Office of Personnel Mgmt.
MEI Services (CEED)
P.O. Box 988/ Room 200
Washington, DC 20044
ATTN: Barry Brown (254-6946)

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ANNEX L

METHODOLOGIES OF IMPACT ANALYSIS

A Summary of Selected Publications regarding Criteria

1. KEY FINDINGS OF METHODOLOGIES FOR MEASURING IMPACT -

Impact is a term indicating whether the project or programme has had an effect on its surroundings in terms of technical, economic, sociocultural, institutional and environmental factors. Impacts can be both positive and negative.

Impact assessments should focus on few, carefully selected impact areas that are of critical importance from the point of view of the main objectives of an intervention. The core impact areas stressed by international donor agencies are:

a. Production and Productivity
b. Income/Standard of living
c. Food consumption
d. Environment

For assessing these core areas three general criteria should be kept in mind: coverage (what proportion of target farmers increased their incomes by raising their production and productivity); sustainability (the benefits produced by an intervention should continue after donor assistance ends); economic efficiency (the project should have a positive rate of return on the investment).

The critical methodological issue in impact assessment is that of establishing the causal relationship between an intervention and the observed changes.

To determine whether changes have occurred in relevant impact areas, data are required on pre and post intervention status and usually on the intervening period.

Evaluators must combine informal, qualitative studies with quantitative measures to infer causal relationships.

Obtaining information quickly through rapid, low-cost methods can prove extremely fruitful. To assess the utility and validity of a wide range of low-cost impact measures, donors must evaluate in-depth at least some of their thousands of projects by establishing rigorous experimental situations.

Problems Identified

The participants of the workshop (sponsored by AID) identified several problems that confront evaluators. First many intervention impacts do not become visible during a project's life of 5 to 7 years. Second many projects impacts are not confined to the boundaries of a particular target area or sector. Third unanticipated effects remain unanalyzed. Fourth several projects are operating in the same area or sector, for this effects of one project cannot be separated from the effects of others for evaluation purposes. Fifth because projects operate within dynamic political and economic settings, many factors external to the project's setting also influence outcome.

2. EVALUATION - HOW EVALUATION FINDINGS ARE USED -

Evaluation as a profession meets two criteria for a useful impact study: a program has been implemented and for a sufficient time for results to have occurred. A third criterion for useful impact studies is also present: someone wants to know. Evaluations can provide data, identify strengths or weaknesses and provide varied comparative information, but they cannot decide. An internal evaluation is intended to have use for organizational improvement - whether they are descriptive, formative or summative in actual design. External evaluators have sometimes designed and conducted evaluation to satisfy criteria in a request for proposals. By virtue of being closer to the programmatic situation, the internal evaluator has greater opportunity to make evaluations useful.

Utilization of evaluation findings presents many challenges and choices to evaluators. It also places many demands on their time and requires the development of skills and abilities.

Rich (1975) has identified the use of evaluation finding as instrumental and conceptual. In the instrumental use of evaluation specific fact inputs are used in documentable ways to answer specific questions. The conceptual use influences policymaker's thinking about an issue but not necessary results in a documentable use of specific information. While instrumental uses of evaluation results may be relatively rare, conceptual uses can have a long - term and significant impact on policy decisions, how problems are defined, and in setting overall policy directions that are compatible with accumulated knowledge. Nagel has indicated that a more common use of an evaluation study is to solidify a direction in which an agency is already heading or to raise questions that might modify an established course.

To maximize the utilization of evaluation findings six steps have been identified --

1. Marketing Evaluation as a worthwhile Service:
   Marketing is that change in executives' conceptual framework (Rich, 1975) such that every time they are involved in an upcoming major decision, they call on an evaluator to gather and present relevant information about the issue.

2. Developing and Focusing Policy Questions:
   When policy questions are not of major concern to policymakers, the potential use of evaluation findings is minimized and the credibility of the results jeopardized. Another issue relevant to the topic of policymaker is the pros and cons of in - house evaluations seeking outside funding for research projects.

3. Planning and Designing the Evaluation:
   This activity involves taking an identified policy question and developing it into an evaluation study. To be successful, evaluators must use their knowledge of the system and of the program being studied. To plan and design the most appropriate evaluation, it is usually necessary to have numerous discussions with field and executive staff to understand the program or service to be studied and the expectation of the study. Once a preliminary plan is developed, discussions are necessary with stakeholders, as well as with those who have requested the evaluation or who may be impacted by its results.

4. Conducting the Evaluation:
   The activity includes implementing the design and analyzing the data. Interpretation of results must be decision oriented. The evaluator should not think that a purely descriptive study will be useful. Evaluator should also be concerned about achieving credibility for the evaluation. Another major issue in conducting evaluation is how to continually involve decision makers so that their interest is not lost and they will be primed to use the study's results at some future time. An evaluation with a seriously flawed methodology will have limited instrumental uses and may even damage conceptual uses by casting doubt on the evaluator's credibility.

5. Translating Findings:
   This activity focuses on knowledge and communication and has both technical and interpersonal aspects. Interpersonal contacts can have an impact on conceptual uses of evaluations by building a positive image of the evaluator, maintaining involvement, marketing the evaluation service, and shaping the decision maker's thinking on this subject. The use of case studies and anecdotal data is helpful in making others understand and utilize evaluation results.

6. Making People Pay Attention to Evaluation Results:
   This activity relates most to instrumental uses of evaluations. An important ingredient in ensuring an evaluation use is knowledge about the legislative, state or agency decision - making processes to be impacted. If an evaluator expects evaluation results to have a systemwide impact, then someone has to be willing and sufficiently interested to act on them.

Failure to use evaluation results, instrumentally or conceptually means a failure of the evaluation itself. Just as we make every effort to secure resources or to make design modifications to ensure that the evaluation is effective , so should we act to maximize its utilization.

3. HOW RAPID LOW COST METHOD IS USED TO INVOLVE STAKE HOLDERS -

Several rapid, low cost data collection method exist that can provide useful information for project monitoring and evaluation. These methods gathers information which can be used to support the impact assessment strategies. Although these methods do not involve rigorous procedure for data collection and analysis, they can deliver relatively accurate information on a wide range of subjects. In many cases such approaches can substitute for more expensive, rigorous methods to save resources and time. They are usually more appropriate for understanding a phenomenon or process than for measuring it precisely.

The five major types of rapid, low cost methods are as follows:

1. Key Informant Interviews:
   This method is the most widely used rapid low - cost data collection method. These interviews involve in - depth discussions on a specific topic with knowledgeable persons in order to obtain data opinions, and perspectives on a topic.

2. Focus Group Interviews:
   In focus group interviews, participants discuss ideas, issues, and information among themselves under the general supervision of a moderator.

3. Community Interviews:
   It takes the form of community/village meetings open to all members. Experience has shown that community interviews can be a valuable source of information and ideas for development projects.

4. Direct Observation:
   This method involves intensive and systematic observation of a phenomenon or process in its natural setting.

5. Informal Surveys:

The common perception of surveys is that of long studies based on probability sampling which focus on a multitude of variables. These are costly and time consuming and require a sophisticated organizational apparatus.

Focus group interviews have long been used by marketing researchers in industrialized nations to gauge the reactions of potential consumer to new products and services to discuss a specific topic. Focus groups can generate a variety of information for development interventions. They are especially useful for understanding the perspective, attitude, behaviours and concerns of different groups - project staff, project beneficiaries, field staff involved, and other stakeholders in a project. During the project implementation, focus group interviews can provide explanations for the behaviour of the group the project is intended to benefit.

6. Publications Reviewed:

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Evaluation Utilization
New Directions for Program Evaluation.
Jossey - Bass Inc. Publishers
San Francisco - London. 1988.

Wye, Christopher G. and Hatry, Harry P. (ed)
Timely, Low-Cost Evaluation in the Public Sector
Jossey-Bass Inc, Publisher. 1988.

Kumar, Krishna.
Rapid, Low-cost Data Collection Methods for A.I.D,
United States Agency for International Development.
December, 1987.

Kumar, Krishna.
Methodologies for Assessing the Impact of Agricultural and Rural Development Project: A Dialogue
United States Agency for International Development.
June, 1989.

Norten, Maureen & Benoliel, Sharron Pines.
Guideline for Data Collection, Monitoring, and Evaluation Plans for A.I.D. - Assisted Projects
United States Agency for International Development
April, 1987.

Romina Dewan Kabir
September 30, 1989.