

Effective Participation: Community Engagements in Participatory Budgeting in Bangladesh

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Abstract

Participation is a process through which stakeholders influence and share control over priority setting, policymaking and resource allocation. Most policies are taken in countries like Bangladesh without the benefit of citizens' involvement, to the detriment of communities. However, decisions are always better if they can be brought to the decision-making table, as they know better their communities than agencies that are supposedly taking care of them. Citizens mostly turn to themselves and neighbours for help when they are in stress. They also know how to live in a community for generation after generation and make best use of the social capital that may be in abundance in a locality provided they cultivate social networking and solidarity.

Participation is, however, not always effective. It can be passive, co-optive and, in fact, ditched if it is not properly understood and nurtured. One may thus come across many types of participation. The following table indicates typology of participation.

Bangladesh is indeed a social laboratory where all kinds of experimentations, mostly by civil society/non-governmental organisations are going on. As a result, this country has been showing interesting signs of social development on the grounds despite many negative images at the macro level. Besides micro-level community engagements, Bangladesh has also experienced a number of innovations in the field of participatory budgeting. Examples include Sirajgonj Local Government Development Fund Project (SLGDF) where central and local governments have been promoting participatory planning, decision-making and monitoring of local infrastructures, pre- and post-budget participation of stakeholders facilitated by a non-government research institute Shamunnay, public hearing on local budget facilitated by a NGO called Hunger Project, and grassroots-level initiatives Union Parishads (local government) on MDGs monitoring through civic engagements.

The proposed paper will try to document all the above experimentations and distill lessons learned using creative human stories and illustrations. The objective of this exercise is to find out replicable models of participatory budgeting for other communities as well.

1. Conceptualising effective participation

Participation is a process through which stakeholders influence and share control over priority setting, policy-making, resource allocations, and access to public goods and services. However, the definition of participation is not unique. Various agencies, practitioners and academics have variously defined it. As an amoeba term, it is open to misuse and misinterpretation by its users. Before proceeding to discuss its types and dimensions, let us present some standard definitions below. The World Bank (1994), the most ardent user of the term, defines participation as:

“a process through which stakeholders influence and share control over development initiatives, and the decisions and resources which affect them.”

Participation has been defined by Bhatnagar and Williams (1992) in the following way:

“Participation is a function of information through which people can come to share a development vision, make choices, and manage activities (p. 6)”.

The World Bank’s Learning Group on Participation stresses the importance of:

“employment which entails sharing power and raising level of political awareness and strength for disadvantaged people” (Eybeen and Ladbury 1997, p. 195).

The Human Development Report (UNDP) differs participation in terms of:

“... ‘access to decision-making and power’, as well as in terms of economic participation” (Mayo and Craig 1995, p. 2).

The above statements illustrate the continuum of definition of people’s participation ranging from a function of information to ‘decision-making’ and ‘powers’. Because of its amorphous nature of the term, Adnan et al. (1992) suggest “to distinguish between the different ways in which the term might be understood (or misunderstood)” (p. 5.1).

Participation is, however, not always effective. It can be passive, co-optive and as well as ditched if it is not properly understood and nurtured. One may thus come across many types of participation. Table 1 indicates the typology of participation.

Table 1. Typology of participation

Typology	Components of each type
<i>Passive participation</i>	People participate by being told what is going to happen or has already happened. It is a unilateral announcement by an administration or project management without listening to people's responses. The information shared belongs only to external professionals.
<i>Participation in information giving</i>	People participate by giving answers to questions posed by extractive researchers and project manager using questionnaire surveys or similar approaches. People do not have the opportunity to influence proceedings, as the findings of the research or project design are neither shared nor checked for accuracy.
<i>Participation by consulting</i>	People participate by being consulted, and external agents listen to views. These external agents define problems and solutions, and may modify these in the light of people's responses. Such a consultative process does not concede any share in decision-making and professional are under no obligation to take on board people's views.
<i>Participation for material incentives</i>	People participate by providing resources; for example, labour, in return for food, cash, or other material incentives. Much <i>in situ</i> research falls into this category: rural people provide land but are not involved in the experimentation or the process of learning. This is commonly called participation, yet people have no stake in prolonging activities when incentives end.
<i>Functional participation</i>	People participate by forming groups to meet pre-determined objectives related to the project, which can involve the development or promotion of externally-initiated social organization. Such involvement does not tend to occur at the early stages of project cycles or planning, rather, only after major discussions have been made. These institutions tend to be dependent on external structures, but may become independent in time.

<i>Interactive participation</i>	People participate in joint analysis, which leads to action plans and the formation of new local groups or the strengthening of existing ones. It tends to involve interdisciplinary methods that seek multiple perspectives and make use of systematic and structured learning processes. These groups take control over local decisions, so that people have a stake in maintaining structures or practices.
<i>Self mobilisation/ active participation</i>	People participate by taking initiatives independent of external institutions to change systems. Such self initiated mobilisation and collective action may or may not challenge existing distributions or wealth and power.

Source: Twyman (1998)

However, ten important issues should be taken into consideration while thinking about effective community participation (Wilcox 2003):

1. **Level of participation.** He proposes a five-rung ladder of participation which relates to the stance an organisation promoting participation may take:
 - (i) Information — merely telling people what is planned
 - (ii) Consultation — offering some options, listening to feedback, but not allowing new ideas
 - (iii) Deciding together — encouraging additional options and ideas, and providing opportunities for joint decision making
 - (iv) Acting together — not only do different interests decide together on what is best, they form a partnership to carry it out
 - (v) Supporting independent community interests — local groups or organisations are offered funds, advice or other support to develop their own agendas within guidelines.

However, information-giving and consultation are often wrongly presented as participation. This can lead to disillusionment among community interests, or pressure for more involvement with the potential for conflict and delay.

2. **Initiation and process.** Participation does not just 'happen', it is 'initiated'. Someone manages a process over time, and allows others involved more or less control over what happens. Many problems in participation processes develop because of inadequate preparation within the promoting organisation.

3. **Control.** The initiator is in a strong position to decide how much or how little control to allow to others. This decision is equivalent to taking a stand on the ladder — or adopting a stance about the level of participation.

4. **Power and purpose.** Understanding participation involves understanding power. Power depends on who has information and money, and people's confidence and skills. Many organisations are unwilling to allow people to participate because they fear loss of control.

5. **Role of the practitioner.** Since the practitioners (or managers of participation) control much of what happens it is important they constantly think about the part they are playing.

6. **Stakeholders and community.** The term community often masks a complex range of interests, many of whom will have different priorities. Some may wish to be closely involved in an initiative, others less so. It is more useful to think of stakeholders.

7. **Partnership.** It is useful when a number of different interests willingly come together formally or informally to achieve some common purpose. The partners do not have to be equal in skills, funds or even confidence, but they do have to trust each other and share some commitment, which takes time.

8. **Commitment.** People are committed when they want to achieve something, indifferent when they do not want. If people are apathetic about proposals, it may simply be that they don't share the interests or concerns of those putting forward the plans.

9. **Ownership of ideas.** People are most likely to be committed to carry something through if they have a stake in the idea. The antidote is to allow people to say "we thought of that". In practice that means running brainstorming workshops, helping people think through the practicality of ideas, and negotiating with others a result which is acceptable to as many people as possible.

10. **Confidence and capacity.** Ideas and wish lists are little useful if they cannot be put into practice. The ability to do that depends as much on people's confidence and skills as it does on resources. Many participation processes involve breaking new ground. It is unrealistic to expect individuals or small groups suddenly to develop the capability to make complex decisions and become involved in major projects. They need training — or better still the opportunity to learn formally and informally, to develop confidence and trust in each other.

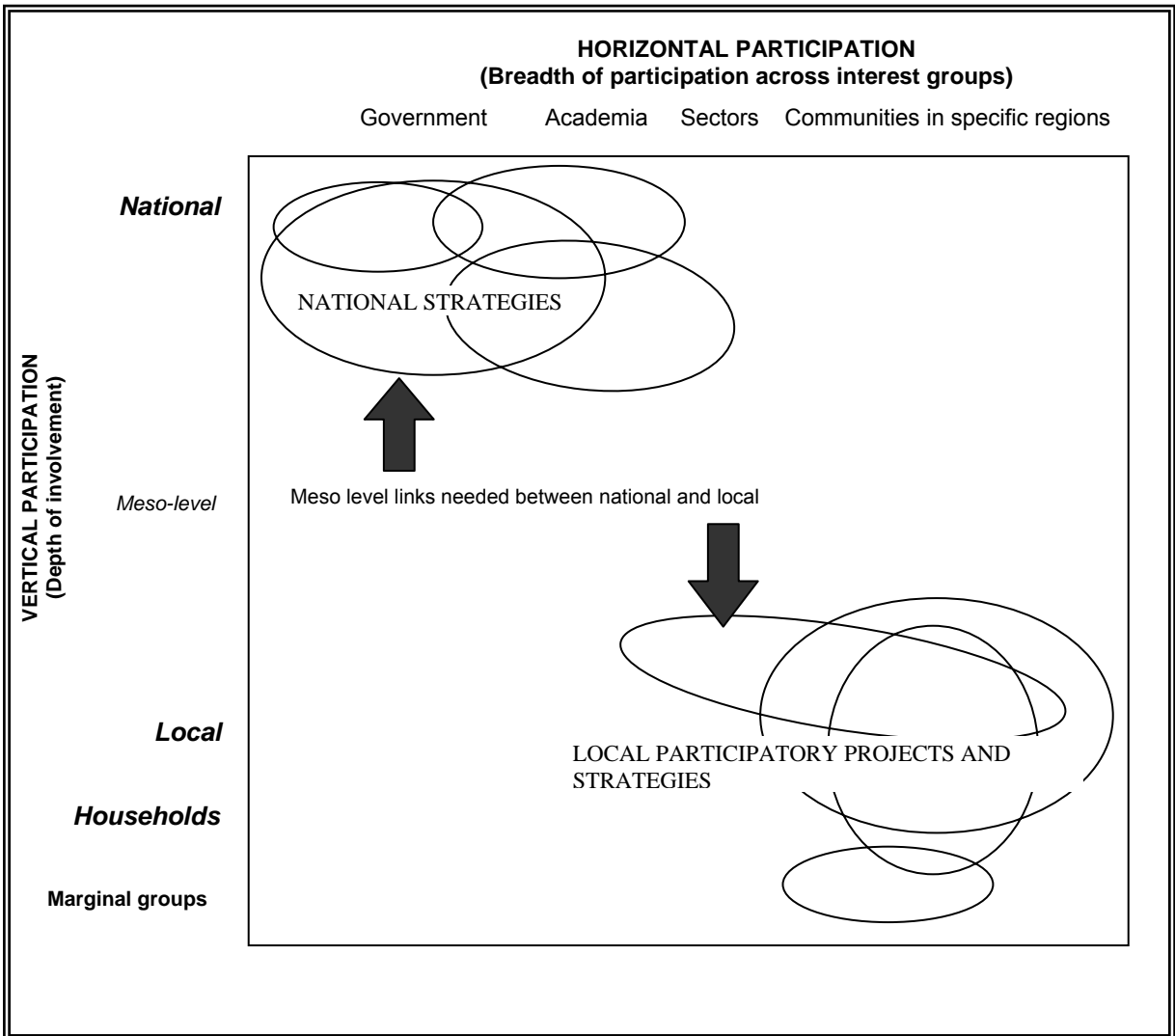


Figure 1. An illustration of national and local level participation (Bass 1995, p. 56)

Requirements for effective participation in strategies depend on the precise strategy scope, goals and likely participants. They also depend upon political and cultural circumstances. In general, the needs are (Bass 1995):

- participatory methods — for appraisal of needs and possibilities, dialogue, ranking solutions, forming partnerships, resolving conflicts and reaching consensus
- policies, laws and institutions — that encourage, support, manage and reward participation in planning/development process (including specially formulated groups where appropriate institutions do not exist)
- catalysts for participation — e.g. NGOs and local authorities, to start participation and to link top-down and bottom-up processes
- learning environments — for participants and professionals to test approaches
- specific activities and events — around which to focus participation
- a phased approach — i.e. start modestly, building on existing participation systems, and build up; deepen and focus participation with each iteration of the strategy ‘cycle’
- adequate resources, skills and time — effective participation tends to start slowly and requires early investment; it becomes more cost-effective with time.

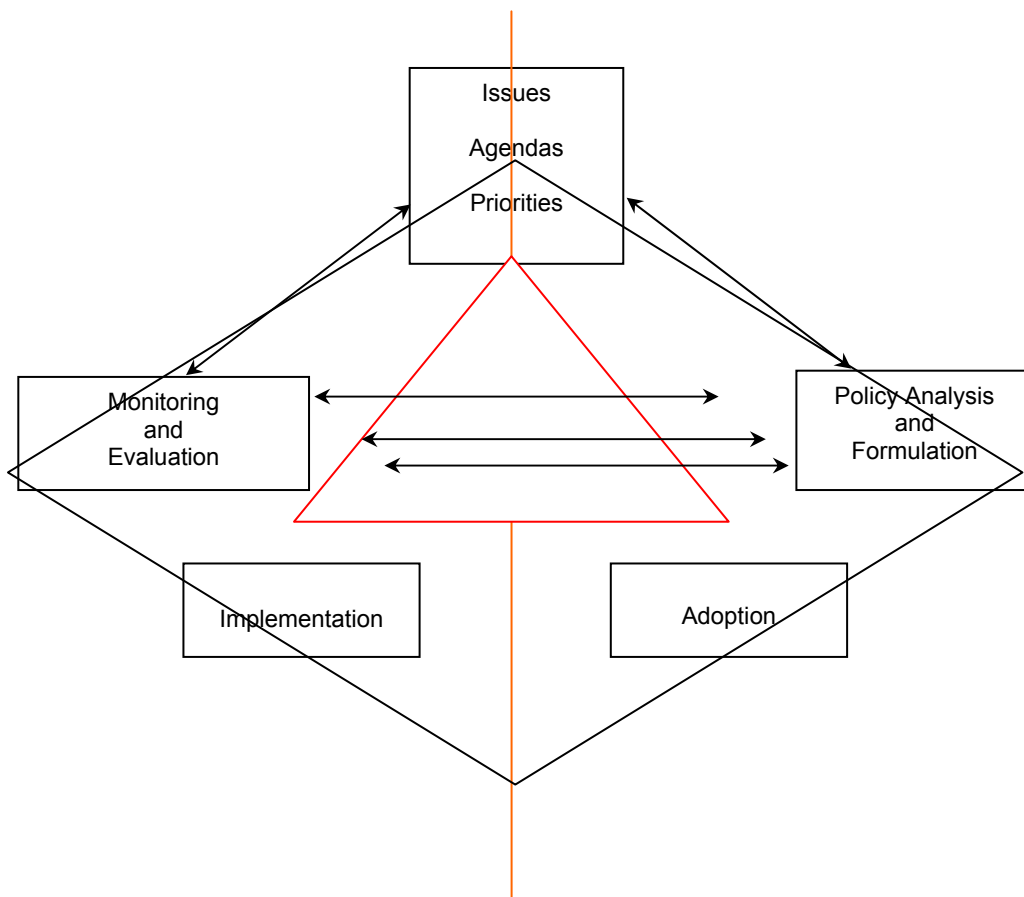


Figure 2. The policy process cycle and participation

The issue of minimum acceptable standards for quality in participation is not easy. One approach would be to ensure that the weakest and most powerless group is enabled to participate in the policy formulation. This will ensure that the voices not normally heard are included.

2. Conceptualising participatory budgeting

Participatory budgeting is a process where all the people have opportunity to affect the allocation of public resources from local government perspective taking into account of sectoral priorities. Broadly speaking, the local and national government bodies arrange participatory budgeting to use information by the public in order to affect revenue and expenditure decision-making (Vergara 2002).

Participatory budgeting is such an innovative policy-making process, where citizens are directly involved in making policy decisions. In this process forums are held throughout the year so that citizens may have the opportunity to prioritise broad social policies and monitor public spending. Social and political exclusion is challenged by this budgeting since the low income and traditionally excluded political actors are given the opportunity to make policy decisions. These initiatives are taken in order to (i) promote public learning and active citizenship, (ii) achieve social justice through improved policies and resource allocation, and (iii) reform the administrative mechanism (Wampler 2000).

That is, participatory budgeting describes the process in which citizens engage in debate and consultation to contribute to defining the balance of expenditures, investments, priorities and uses for public resources. So far, apart from a few well-known examples it has been a relatively little explored area of participatory policy influencing, due in part to dominant attitude among policymakers that ordinary people 'should not meddle in these matters' and to ordinary people's perceptions that such topics are too technical for them. But the fact remains that it is important that people do understand how the budgetary process actually works, how money is allocated, and where it finally goes. Before citizens or civil society organisations (CSOs) can participate in budgetary processes, they need to understand them and have sufficient and appropriate information on the same. There is, however, exciting exploratory work going on in a number of countries on analysing the budget process, its transparency and the openings for participation which it affords.¹

¹ Rahman A & Kabir M 2004, 'Introduction to Participatory Budgeting (draft)', under Module 6 titled *Performance Oriented Budgeting, the Poor and Gender* in the FEEM project jointly organised by the International Development Department, University of Birmingham, UK and Ministry of Finance, Government of Bangladesh, January 2004.

World Bank mentioned that participatory budgeting can occur in three different stages of public expenditure management:²

1. *Budget formation and analysis.* Citizens participate in allocating resources as per priorities they have identified in participatory poverty diagnostics; formulate alternative budgets; or assess proposed allocations in relation to the government's policy commitments and stated concerns and objectives.
2. *Expenditure monitoring and tracking.* Citizens track whether public spending is consistent with allocations made in the budget and track the flow of funds to the agencies responsible for the delivery of goods and services.
3. *Monitoring of public service delivery.* Citizens monitor the quality of goods and services provided by government in relation to expenditures made for these goods and services, which is similar to citizens' report cards or scorecards.

There are certain preconditions that lead to participatory budgeting programs being successful (Wampler 2000):

- Broader political environment of a local government's jurisdiction is an important factor that conditions the level of success of participatory budgeting programs. A stable and conducive political environment helps make programs successful.
- Pre-existing networks of social movements, community-based organisations (CBOs) and other voluntary associations provide important support for the experimental programs, although to define a minimum level of civil society activism that is necessary for the implementation or functioning of a Participatory Budgeting program is quite impossible. Evidences reveal that Participatory Budgeting programs have been most successful in the municipalities in which their civil society has long been organised.
- It depends on the active participation of the citizens not only to select new policies but also to legitimise the government's reform efforts
- Available discretionary funding is important to implement a participatory budgeting program as it increases the probability that citizens can directly select policy outcomes. The more financial flexibility that a government enjoys, the greater the influence that the citizens can exercise on the selection of new public works. The governments must have resources to initiate public works selected by the participants. This calls for effective decentralisation, both at fiscal and administrative levels.

² Bures L, *Tools and Practices 6: Participatory Budgeting*, <<http://www.worldbank.org>>.

3. Global examples of participatory budgeting

The World Bank observes that increased participation in budgeting can lead to formulation and investment in pro-poor policies, greater social consensus, and support for difficult policy reforms. According to its observation, experiences with Participatory Budgeting have shown positive links between participation, sound macroeconomic policies, and more effective government. However, Participatory Budgeting processes outlined above have been exercised in a number of countries including Ireland, Canada, India, Uganda, Brazil and South Africa. Amongst them, Ireland has developed social partnership agreements in which the government and a range of CSOs engage in extensive consultations on economic and social objectives. The idea of social partnership was developed in the mid 1980s aimed at coping with Ireland's recession (1980-87), high inflation, heavy public borrowing and deficit, and loss of manufacturing base (Wampler 2000).

Governments all over the world are now showing growing interest in analysing their own budgets and budgetary processes from the perspective of particular groups of population. Brazil (Porto Alegre) and South Africa (Women Budget Initiative — WBI) are two successful examples where participatory budgeting are led by different sectors of society. The Porto Alegre case (Box 1), led by district (state) government and working at the district level, is able to involve and coordinate a large proportion of the population who, in turn, provide the pressure for accountability from local government. WBI, initially a non-government venture, relied on the cooperative interaction of NGOs with central government to bring about change, and hopes to involve ever-wider sectors of the population including local governments as it proceeds. This strategy of working with government from outside has the advantage of engaging government in gender sensitive work, moving it beyond a rhetorical commitment to implementation.

The Brazilian case reveals the opportunities offered by fiscal decentralisation, since it permits a direct accountability relationship to develop between citizens and local government. The South African case demonstrates the importance of political openness including a commitment on the government's part to clean up corruption and pursues greater transparency and more open communication with civil society. It also proves the value of involving a key group of reformers or 'champions', drawn from key ministries, where they can provide access to information and help channel citizen advocacy to strategic targets within government; and also from parliament, where they can influence political debate and culture, and publicise findings.

Box 1. Case study of Porto Alegre

Participatory Budgeting in Porto Alegre, Brazil

Porto Alegre is the capital of Brazil's southernmost state Rio Grande do Sul. It had an indifferent financial state before 1989 because of de-industrialisation, in-migration, indebtedness and poor revenue base. Major fiscal and other reforms were initiated between 1989 and 1991, which led to yield dramatic achievements in the following years, credit for which has been given to Participatory Budgeting. Since 1989, the Workers Party has won three consecutive municipal elections in Porto Alegre that has been called by a leading journal "the city with the best quality of life" in Brazil. Between 1989 and 1996, the number of households with access to water services rose from 80 to 98 per cent; percentage of population served by the municipal sewerage system rose from 46 to 85; number of children enrolment in public school doubled; 30 kilometres of roads were paved in the poorer neighbourhoods annually since 1989; and revenue increased by about 50 per cent due to transparency affecting motivation to pay taxes. As of June 2000, nearly 100 municipalities and five states have implemented some sort of a Participatory Budgeting program.

Sources: Wagle and Shah (2002); Wampler (2000)

Citizens' monitoring that refers to processes of accountability in the arena of local government and service provision is an integral part of participatory budgeting. In this area too, accountability questions arise, firstly about whose priorities are reflected in the supply of services or performance of local government; and secondly, about the fulfillment of commitments made and performance standards underwritten by the government or provider. In many cases of citizen monitoring of the quality of local governance or service provision the objective is to improve the quality of life of the poor, either indirectly through stamping out corruption, or directly through improving their access to essential goods and services and responsive, effective governance.

An interesting approach to participatory, grassroots citizen monitoring is the Community-based Monitoring Learning and Action in the United States. This method not only offers the opportunity for tracking and monitoring government decision-making but also involves constituencies in research, systematically building power and capacity to bring about significant change and facilitating in-depth learning by large numbers of people on the issues which concern them.

Report Card is a cheaper and quicker method for holding service providers to account, which has spread rapidly in India. Initiated by the Public Affairs Centre in Bangalore, this approach surveys

the quality of public services and gathers citizens' proposals for improvements, using the market research technique of systematic sampling of all sectors of the population in a given area. The resulting 'report card' is presented to the service provider, with the aim of catalysing improvements in line with citizen demands. It is also widely publicised in the press, ostensibly to disseminate the information and educate citizens about civic rights and responsibilities but with the incidental effect of shaming poor performers. The main limitation of report cards is low level of citizen participation in setting the agenda, debating the issues and presenting or acting on findings. This reduces to a minimum the degree of empowerment afforded, and makes the ownership and sustainability of the initiative fragile. However, it provides a means for accountability in contexts where people have little scope for participation due to their time constraint.

The struggle for the right to information³ in India provides a much more effective means of holding officials to account, because it combines the quest for the necessary ingredient — information — with civic associations actually taking on themselves the task of exposing misdeeds and directly challenging the diversion of fund. In Rajasthan, an activist group, Majdoor Kishan Shakti Sangathan (MKSS), have introduced a process of 'participatory auditing' as a way of ordinary people seeking and using their right to information in collective fashion. They hold public hearings where detailed accounts derived from official expenditure records and other supporting documentation are read aloud to assembled villagers. The meetings are organised independently and presided over by a panel of respected people from within and outside the area. Officials are invited to hear local people giving testimonies, which highlight discrepancies between official records and their own experiences (as labourers on public work project, consumers on ration shops, applicants for anti-poverty schemes).

This approach has its limitations. Its highly confrontational style is simply not possible in contexts characterised by political repression or insecurity for civil activists. In many parts of the world where NGOs have assumed the function of service delivery on the state's behalf, they will be unwilling to expose themselves by promoting or participating in such an initiative. The right-to-information movement does, however, illustrate the importance of government provision of information as an enabling factor for participatory accountability mechanisms to develop and operate; and also the potential for even grassroots activist groups to mobilise communities to demand and secure accountability from local government and service providers.

In Bangladesh there exists a huge difference between the opinions of the common people and those of the policymakers on prioritisation of development issues. A participatory exercise shows

³ It is indeed a fundamental human right.

that the common people want increased budget allocation to agriculture, infrastructure and industrial sectors. They are not against the current trends of budget allocation to health and education, but they are certainly unsatisfied with the quality of public expenditure in these sectors. The main reason is that the budget making process has been so complex and antiquated that there is hardly any scope for participatory designing and evaluating of the same (Rahman et al. 2002).

4. Participatory budgeting exercise in Bangladesh⁴

4.1 Initiators and characteristics

Policy-making and budgeting processes are not effectively participatory in the national level in Bangladesh although the national government is elected by popular voting system. However, engagement of civil society organisations with local and central governments particularly on prioritisation of public spending has been gradually emerging as an effective tool of deepening democracy. The scope for raising voices for greater share of the public resources by the poor and vulnerable groups is being enhanced in the process. This also provides a better opportunity for citizens to see for themselves how much policy translates itself into outcomes on the ground. Such a budget work is definitely promised on the perception that citizens have the right to monitor how well the promised public services are delivered by them. Such an engagement also increases the level of transparency and accountability and improves the quality of governance.

Recently, the Government of Bangladesh, United Nations Development Programme (UNDP) and United Nations Capital Development Fund (UNCDF) have jointly initiated a project titled 'Sirajganj Local Government Development Fund Project', or the Sirajganj Project, which has been organising participatory planning and budgeting since its inception in July 2000. Participatory planning and budgeting events take place at the Union Parishad (UP) level of Sirajganj district. Also, The Hunger Project⁵ initiated some public discussion on the proposed budget by organising one-day open budget session at 27 Union Parishads all over Bangladesh in 2004.⁶

A similar type of exercise titled Open Budget Hearing carried out at Ramjan Nagar Union, of Satkhira district⁷ carried out by a local NGO called Agrogati Sangstha in 2003. They also helped

⁴ This section draws on Rahman et al. (2004).

⁵ The Hunger Project is an international NGO, and its Bangladesh Office has been organising open budget sessions at different UPs.

⁶ In 2004, they arranged open budget sessions at 27 UPs all over the country.

⁷ This union is close to Sundarban, the world's largest mangrove forest.

formulate five-year plans for these unions in 2004, which is in fact the best output among the participatory budgeting exercises all over Bangladesh.⁸

The Social Development Foundation (SDF), an organisation funded by the World Bank, has started to exercise participatory planning and budgeting at village level from 2003 for the subsequent three years. It is operational at the selected villages at Dewanganj and Jamalpur Sadar upazilas of Jamalpur district and Sundarganj and Sadullapur upazilas of Gaibandha district. However, at the research level, Shamunnay conducted three pioneering research works on participatory budgeting in 1998, while Action Aid Bangladesh carried out a participatory budget analysis on education. Shamunnay is now carrying out a hands-on exercise of participatory budgeting at one Union and one municipality at Trishal, Mymensingh district.

On the other hand, Capacity BUILD project of CARE-Bangladesh⁹ is designed to introduce democratic principles and a heightened sense of civic duty to support a larger government goal of decentralising public decision-making. This intervention targets 153 UPs throughout the country to instill an awareness of the roles and functions of this locally elected body throughout the union community. The intervention supports capacity building activities both with the elected officials and UP secretaries (administrative officials) to improve their management skills. It also creates stakeholder groups in local communities that meet regularly with UP members in order to increase the transparency and accountability of local government. This program promotes the participation of marginalized and vulnerable groups (mostly poor) in local level planning and puts a specific emphasis on the public role of women in government. It also tried to enhance the institutional capacity of local government, particularly the UP, to plan and coordinate effective development initiatives with community participation for fostering local level transparency and accountability. Altogether, the program seeks to change prevailing attitudes and behavior of the local people that constrain the emergence of representative government. Simultaneously, this intervention helps pave the way for the participation of women and marginalised groups in civil society in local governance. Specifically, Capacity BUILD Project promotes ordinary local people's participation in union level planning by:

1. improving UP capabilities by providing training to the elected local government officials in management skills and community participation methods
2. providing training to the UP members in development needs assessment techniques, resource mobilisation, and interactive community participation in the formulation of development plans

⁸ Currently Agragati Sangstha is developing a training module for capacity building of the UPs in the reality of peripheral Unions like Ramjan Ragar Union.

⁹ This project is one of the major components of their five-year program titled 'Integrated Food Security Programme (IFSP)', commenced in 1999.

3. promoting representation of vulnerable groups in UP development planning process through formulation of stakeholder groups (CARE 2002).

However, Sirajganj Project is the only initiative, which covers most of the aspects of participatory budgeting at local level.

4.2 Salient features

4.2.1 Participatory planning

Participatory planning is the first step of participatory budgeting exercise of in Bangladesh. In the Sirajganj Project participatory budgeting is organised in different steps. The Project has developed a kind of participatory planning and budgeting system, which provides a process to prioritise schemes identified by representatives of all the people of the community.

In November to January participatory meetings are held to form different committees, e.g. Ward Development Committee (WDC), Union Development Committee (UDC) and Scheme Supervision Committee (SSC).¹⁰ Then the participatory planning sessions are held at ward level. These sessions are conducted by WDC, which is chaired by the UP member. Union Facilitation Team (UFT)¹¹ facilitates the participatory meetings. The meetings are usually held between April and June each year.

The participatory planning process is based on the activities intended to establish rapport building with the communities which further strengthened by participatory rapid appraisal (PRA) exercises undertaken at ward level. At the outset, a transect walk is often undertaken for problem identification and rapport building. The ward-level participatory process that follows is usually a two- to three-day event generally involving between 200 and 500 people. In most of the unions the participants are divided into three or four groups for identification of problems and possible projects. There are generally separate groups of women to prioritise gender-sensitive schemes. This activity is called 'mass gathering'.

The first step of participatory planning and budgeting process in Sirajganj Project is short listing of development schemes through the participatory processes of infrastructure mapping, problem identification and prioritisation, and scheme identification and prioritisation. This is usually carried

¹⁰ These committees are not, however, part of the local government. Rather, these are formed for the implementational convenience of the participatory development planning and implementation of Sirajganj project.

out through two- to three-day long participatory meeting at Ward level. The UP members invite the local people and representatives of various citizen groups through a public announcement to participate in the mass gathering. The local UP members chair the participatory meetings. The UFT who are trained by UNDP in carrying out PRA exercises facilitate the meeting in the different steps. A whole day meeting usually takes place on the final day of the meeting.

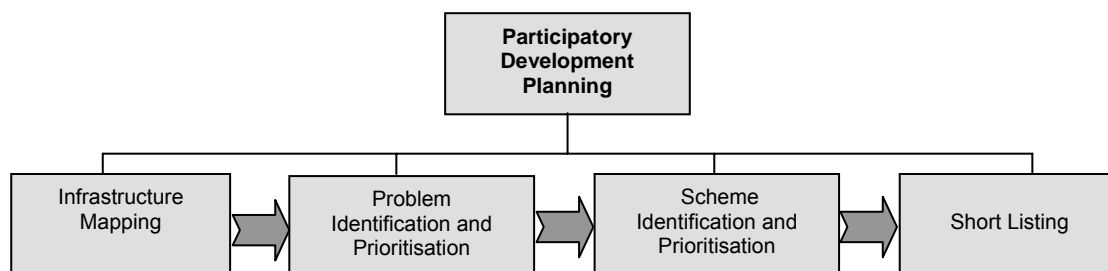


Figure 3. Steps in Participatory Planning in Sirajganj Project (Rahman et al. 2004)

The final scheme selection rests with the Union Development Committee (UDC) for the subsequent implementation. After short-listing, the scheme proposals are brought into the UP level meeting to finally select the schemes with a long discussion among the UDC members. Then the short-listed schemes are sent to Upazila Project Coordinator (UPC) to assess technical feasibility and cost estimates by upazila level engineers. After their estimates the schemes are submitted to National Project Director (NPD) via Assistant Director Local Government (ADLG). Each union is imposed with no more than a US\$6,780¹² block grant for the implementation of the development schemes for each year. Given the resource constraint, the scheme selection finally has to be directed at the union level where local representatives also take part in decision-making based on certain criteria.¹³ However, if some of the priority schemes cannot be accommodated, these are adjusted with the next year's priorities.

The project team has also developed a screening matrix for the use of the UDC in the final selection. This includes criteria such as: contribution to poverty alleviation, environmental impact, impact on women, etc. UDCs consider this matrix as well as the priorities of the WDCs in the final selection exercise. However, the UP chair and members usually make final selection of the

¹¹ This incorporates some local educated unemployed people, ranging from 5 to 7 in each union. They are trained by UNDP on how to apply Participatory Rapid Appraisal (PRA) at the Ward level in order to prioritize local level development needs. They work as volunteers in the event.

¹² As per current exchange rate (1 US dollar = Tk 59).

¹³ However, this money is given by UNDP irrespective of what government allocates through revenue and development budget to a UP.

schemes in a UP after sufficient discussions among themselves. No one can change the schemes once finalised.

Ensuring local citizens' participation in the development planning process is one of the key dimensions of Sirajganj Project. Women and poor people's (especially the hardcore poor) sufficient participation is required in the identification and prioritisation of development schemes. As noted earlier, 200 to 500 participants come in the participatory meeting.¹⁴ They actively participate in the discussion and give their opinions quite forcefully.

There are some indications that participatory planning sessions at the ward level are cannot always ensure enough participation of women. Usually powerful men marginalise women, particularly the poor and vulnerable ones. Men always overwhelm women while making decisions on limited resources. Schemes preferred by men get prioritised while women-related problems are pushed to the background. Women's participation in the UP planning exercises is limited in some cases due to dominance of men, conservative social culture and values and lack of education and articulation (UNDP 2003a). The election of women directly as members of UP has not yet changed the scenario. There are no specific budget allocations for these female members and despite their greater enthusiasm they could not fulfill their promises given to the voters. However, gradually demand for more gender-sensitive budgeting is gaining ground at the grassroots.

The participatory planning process of Agragati Sangstha possesses almost similar characteristics. They organise PRA sessions at the unions of Satkhira districts to identify priority lists of the inhabitants of the unions. Then they prepare multi-year plan to implement development the projects with the active support of the concerned UP leaders. In this way Agragati Sangstha was able to formulate five-year plans at seven unions at Satkhira.

As mentioned earlier, SDF has been carrying out participatory planning exercise at village level. At the dry season they conduct PRA sessions at the villages where majority of the inhabitants are the poor with poor infrastructural facilities like rural roads, health centres, etc. PRA sessions incorporate resource mapping, wealth ranking, seasonal and occupation chart for identifying vulnerability of the poor, pie chart, and problem identification and prioritisation. They form help form village development committee (VDC) for implementing development projects as per the prioritisation list. The committee first makes estimation of the project cost. The villagers have to bear 20 per cent of the project cost, in cash and/or kind. SDF bears the rest. Generally the

¹⁴ As mentioned earlier, in the open budget sessions the number of participants has been low, 80-200, compared to planning sessions.

Foundation deposits Tk400,000 to Tk500,000 (about US\$6800 to US\$8500) for the implementation of the projects.

4.2.2 Open budget session

Sirajganj Project has been initiating a one-day open budget session since 2001 in the participating unions. In the first year the focus of the session was to ensure that all the UP representatives and at least the different committee members know about the budget and assert their choices. But from 2002, the session emerged to be as one of the key accountability exercises of the UPs. The UP members informed the community about the budget preparation of the union and shared some of the salient features of the proposed budget and invited a group of citizens to participate in the session.

The open budget session has been organised at the union level in a certain day within May. Between 80 and 200 people have been attending a meeting like this. Earlier, the budget is prepared by the UPs by 15 May. This budget is then displayed in the notice board. There is a fixed date to discuss the draft budget and to finalise the budget to send to Deputy Commissioner (DC) for approval. In that fixed date the participants review the budget with the annual investment plan that comes from participatory planning at ward level. The community representatives ask for the clarification of different revenue and expenditures mentioned in the budget document, review relevant other documents and assert their comments and recommendations to incorporate those in the final budget. After discussion in the open budget session, some changes may be made in the proposed budget and final budget is prepared by the UPs and approved in their full meeting. Then the final budget is made public by hanging it in the notice board. The open budget session creates an opportunity to address their actual needs for their development as well as access to the UP decision-making process. It also creates scope for the UPs to generate more internal revenue by motivating local people to pay their taxes given very limited resources received from outside. It also gives them an opportunity to have support from community in implementing development projects as they can show credible transparency and accountability in their activities through open budget sessions.

The Hunger Project first initiated its open budget session at Nagbari union at Kalihati upazila and Fatehpur union at Mirzapur upazila in Tagnail district in May 2005 with the active help of the concerned UPs. The ordinary people raised questions on tax proposals and development and requested to undertake various development programs that would meet their practical needs. After its wide success they spread it all over Bangladesh in the consequent years.

In that program the UP chairman declared the budget of the UP before some 500 people of that Union. Local citizens, both men and women, asked a number of questions about revenue and development expenditures of the budget. The program created enormous enthusiasm among the local people who are indeed far away from capital city as well as from many development innovations and participation in the decision making level. The program was a component of a project called 'Transparency and Accountability of Union Parishad', financed by CARE Bangladesh. The local people presented in the event opined that this type of innovation can really make transparent and accountable especially those UPs that are located in the peripheral regions in Bangladesh. However, stimulated by success of the programme Agragati Sangstha initiated open budget hearing at seven UPs including Ramjan Nagar Union in the same district in June and July 2004 with the active support of the UPs.

4.2.3 Monitoring of implementation

Usually in implementing schemes at UP level technical designs and final approvals of the schemes are needed to be obtained from the LGED engineer and schemes require approval from the Upazila Development Coordination Committee (UDCC). Government regulations require that contracts amounting more than US\$847 must be tendered to commercial contractors. The management of such contracts is generally undertaken at upazila level by LGED or other line departments. Unions feel that levels of corruption are higher for such works and consequently quality is significantly compromised. Complaints made at upazila level about quality of work are generally ignored (UNDP 2003b).

Apart from that, Infrastructure and Service Delivery (ISD) arrangement of Sirajganj Project utilises committees formed with the explicit purpose of managing and monitoring implementation. While WDC handles the financial management aspects, the Scheme Supervision Committee (SSC) monitors the work. The latter is however consulted prior to making final payment to the contractor.

Participatory planning and budgeting created local ownership and involvement in the implementation of the Project schemes. This includes the provision of additional labor and finance for projects as well as other improvements such as the construction of greater widths and heights of road than originally estimated in the light of people's need.

The major players in the participatory planning and budgeting processes in Sirajganj Project are the local citizens who are involved in different committees of development schemes implementation and monitoring. Among the committees the WDC is the most important player. The committees formed to ensure citizens' participation in order to make them play key roles in the whole process.

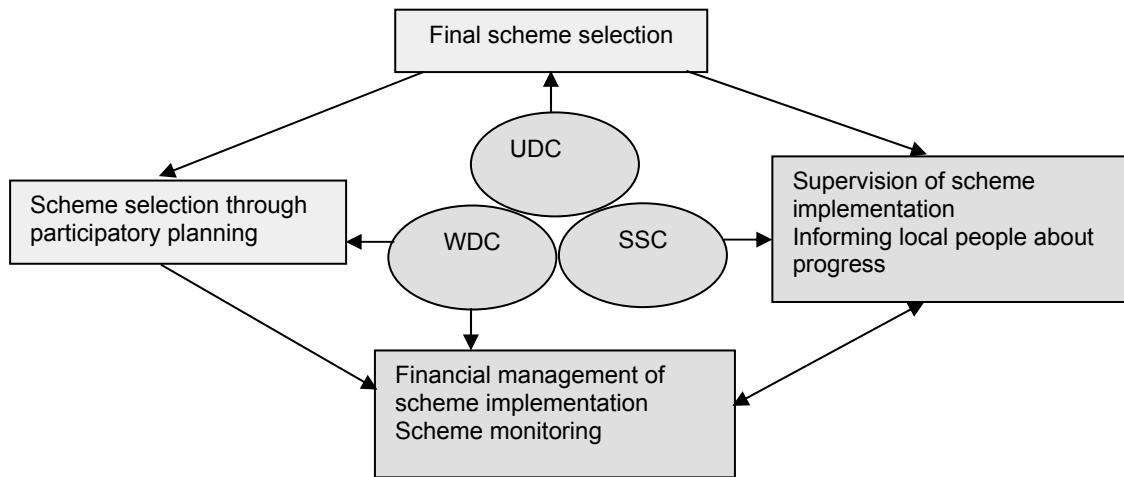


Figure 4. Major players and their roles (Rahman et al. 2004)

After getting the final approval by national project director (NPD) the fund directly goes to UP account, which is handled by the UP chair, one female member and the secretary of the Parishad. The schemes start functioning as soon as money is made available to the UP. WDCs look after financial management of scheme implementation and monitor schemes. SSC members are involved primarily in supervising scheme implementation and informing local people about the progress. WDC directly implements the schemes. The ordinary people have the scope of monitoring the implementation of the project. Even they can complain the UDC about the quality and irregularity associated with the schemes being implemented. Similar arrangement is there in the SDF's implementation of the village development schemes. The village development committees are primarily responsible for implementing the schemes. The villagers have option to monitor the scheme implementation.

4.2.4 Involving the marginalised groups

Sirajganj Project specifically takes into account participation of women in the planning and budgeting process. Women's participation in decision-making process is ensured in the project implementation strategy. The female UP members chair one-third of the WDCs. At least 30 per cent of the development schemes and corresponding funds are allocated for women. Women's participation in participatory planning processes is ensured.

Participation of the other marginalised groups, e.g. youth, ethnic minorities, the disabled and other disadvantaged groups like elder citizens is not considered as a priority agenda in the participatory planning and budgeting in Sirajganj Project, because all the local citizens are invited

in the committee formation, participatory planning sessions and open budget meetings to assert their opinions. In the case of the Hunger Project's open budget sessions all the people are invited by public announcement. The level of participation in these sessions is also very high.¹⁵ All of the section of the society, e.g. the poor, women, elderly people, were equally vocal in the day-long open budget session. They raised their common problems that could be incorporated in the proposed budget. All of the poor and other marginalised groups participate in monitoring of the scheme implementation.

5. Lessons learnt

The direct and positive impacts of the participatory budgeting exercise undertaken by Sirajganj Project demonstrates that real positive changes can be achieved in Bangladesh using innovative mechanisms which empower local government institutions as well as local citizens. This can serve to inform and influence wider central government policy. Wider replication would require an understanding of the policy context and more effective implementation of the Sirajganj Project approach. Bangladesh has a highly constrained institutional and policy framework, which guides the activity of local government.

The participatory planning exercise is organised at village level to identify the problems of the community, prioritise the problems and determine the potential solutions. The planning sessions are fully participatory and the community takes decisions independently with the effective engagement of the poor and marginalised groups whose voices were not heard by the UP leaders ever before. This is the key to community empowerment. The poor get access to the decision-making process through this exercise. The community is empowered to involve in the decision-making process as well as they come to know about the different socio-economic problems, able to analyse them and can contribute to the socio-economic development of their locality. Participatory planning of Agragati Sangstha to formulate five year plan for the UPs is original one and may really be a replicable model for the other Local Government Institutions both in Bangladesh and other developing countries with similar socio-economic realities.

Sirajganj Project has sought to ensure that women and the poorest are given voice within the planning process and that their priorities are reflected in the selection of the final scheme. In the case of women this has been achieved through ensuring that at least one-third of the schemes selected reflect women's needs. Process-based mechanisms to achieve these gender-sensitive objectives have included the use of separately colored cards to show women's needs, special

¹⁵ Field visits to the some unions where open budget sessions were held including Fatehpur and Nagbari unions in Tangail districts reveal this fact. Also see Rahman (2002).

planning groups for women and screening for women's interests during final selection. Women's empowerment at the grassroots level has been enhanced in this way.

UDC, WDC and SSC are organised at local level involving community. In every participating unions, union workshop are held to disseminate information to community about different services to be delivered by the UP. UDCs are organised to facilitate the community in development activities and to assist the UP to screen, monitor, and supervise the development schemes. These exercises have empowered the community to select their representatives in free and fair manner. Forming village development committees in SDF's participatory budgeting exercise is a major step in institutionalising the ordinary villagers, particularly the poor ones. Engaging local communities proved better implementation of the development schemes at grassroots level due to ensured transparency and accountability as well as improved service delivery by the UPs.

The poor participate in the committees, meetings, planning sessions, scheme planning, implementation, monitoring, maintenance and operation. The direct funding to the UPs makes the UPs accountable to the community and the communities become vigilant for quality work as they are directly involved in implementing and supervising the schemes proposed by them for the annual UP budget. That is, greater ownership of the community members in local level development is increased through participatory policy-making and budgeting in Sirajganj Project. On the other hand, Hunger Project's open budget session has given voice to the women, poor, and the old-age citizens (who did not ever get opportunity) at least on the budget presentation day so that they can ask the people's representatives on the issues that ought to be and ought not to be. By doing so, the participatory budgeting exercises have been making useful contribution towards effective participation of the local people in local development.

6. Conclusion

Bangladesh is a social laboratory where all kinds of developmental experimentation are going on mostly by the civil society and non-governmental organisations. In general, the scope of people's participation in local budgeting is indeed very narrow in Bangladesh. Participatory budgeting exercise in Bangladesh is still emerging mainly centering around a few Union Parishad and village levels. A few experimentations are going on both the government (e.g. Sirajganj Project, SDF's village-level planning), and non-government levels (e.g. the Hunger Project's open budget session, Agragati Sangstha's open budget hearing and multi-year planning for UPs, CARE Bangladesh's Capacity Build project). Effective participation does not just happen, it needs to be initiated. Both government and non-government organisations successfully initiated community participation in the UP budgeting in Bangladesh. From participatory planning to participatory monitoring of implementation this engagement has already demonstrated effectiveness and

promising results in ensuring effective participation through community engagement in the local level budgeting. Quality of public expenditure and service delivery and women's empowerment both have been enhanced by dint of participatory budgeting exercises. These innovative exercises deserve to be studied more in depth to transform it into more matured models for subsequent replication. This is all the more needed if Bangladesh really wants to make a dent in its fight against poverty, particularly in the light of the roadmap set under PRSP.

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