

CHAPTER 5: MANAGING THE URBAN TRANSITION

INTRODUCTION

It is widely acknowledged that Bangladesh is a rapidly urbanizing country where urban base has expanded rapidly from 7.6% to nearly 25% between 1970 and 2005. A combination of socio-economic, political and demographic factors is responsible for this. It reflects for instance the redistribution of the rural and urban population. Also the growth in the magnitude of urban economy, change in the scale and nature of economic activity and distribution of income between regions and among classes, demographic transition and change in the scale and nature of governance are likely to be influenced by rapid urbanization and urban settlements patterns in Bangladesh”

With a population of about 14.3 million, Dhaka mega city currently ranks as the world’s 9th largest city (World Urbanization Prospects: The 2009 Revision, UN). At the same time, it is consistently ranked as one of the world’s least livable city. Although income growth is higher and the poverty incidence is lower than the rest of Bangladesh, Dhaka still is a low income city with large numbers of poor when compared with most mega cities of the world. Holding the prospects for better income opportunities than most parts of Bangladesh, rapid migration is causing Dhaka’s population to grow much faster than the rest of the country. This fast urbanization is putting pressure on the city’s limited land, an already fragile environment, and weak urban services. The population density is now believed to have reached around 34000 people per square kilometer, making Dhaka amongst the most densely populated cities in the world.

Poor city management, low efficiency and massive corruption are exacerbating the problems. Urban traffic has reached nightmare proportions, often causing huge delays in covering small distances with associated productivity losses. Water and air pollution from poor waste and traffic management poses serious health risks. The already acute slum population is growing further, contributing to serious human and law and order problems.

Similar problems are emerging in other major urban centers, especially Chittagong. The urbanization challenge unless managed well could pose a serious problem to the future growth prospects for Bangladesh. But urbanization is also an opportunity and an integral part of the development process. As income grows and the economy relies more and more on manufacturing and organized services, urbanization will grow. The challenge for public policy is to manage this natural transition of Bangladesh from an agrarian economy to a modern economy well through appropriate institutions, programs and policies. The Government is cognizant of this challenge. It also understands that this is a long-term challenge. The backlog of unmet demand and new demand for basic urban services like housing, sanitation, water supply and urban transport requires huge resources, sound planning, and strong

implementation capacity. These require strategic planning and implementation over a long period. An ambitious urban development program during the Sixth Plan will be adopted. This will lay the basis for consolidation in the Seventh Plan.

THE URBANIZATION CHALLENGE IN BANGLADESH

With an area of 147,750 square km, the agrarian economy of Bangladesh is experiencing a very high rate of urbanization. In 1974 people living in urban areas accounted for only 8.8% of the population (Table 5.1). By 2001, urban population was 23.10% of total population. UN data estimates that currently 25% people of Bangladesh live in urban areas. This is indicative of the fact that growth of urban population and labor force is increasing relative to rural population and labor force.

Table 5.1: Growth of Urban Population in Bangladesh

	1974		1981		1991		2001	
	Number	%	Number	%	Number	%	Number	%
Urban	6273603	8.78	13535963	15.05	20872204	18.73	28605200	23.1
Rural	70124397	91.79	76376037	84.95	90582981	81.27	101424549	76.9
Total	76398000	100	89912000	100	111455185	100	130029749	100

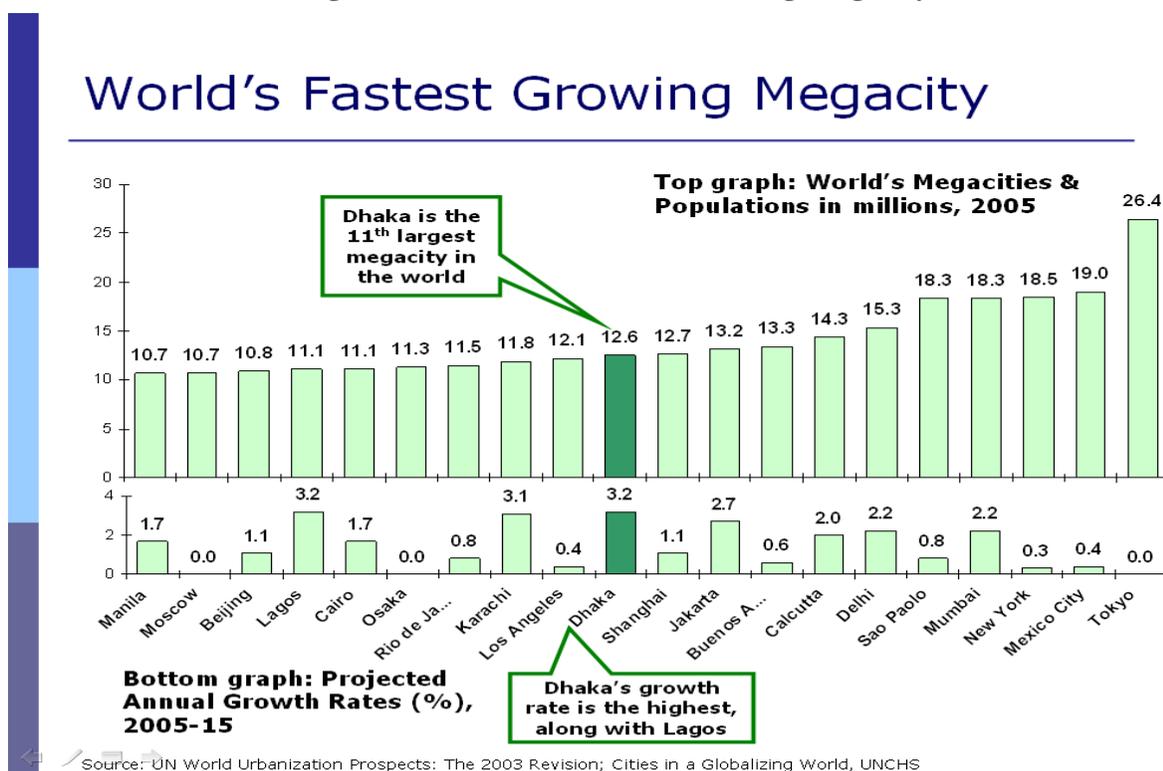
Source: Bangladesh Bureau of Statistics

A study on the level of urbanization and share of national urban population along with total urban population for each of the six divisions reveals that Dhaka Division overwhelmingly holds the highest rank in all the census years both for level of urbanization and share of national urban population⁴. On the other hand, the rank of Sylhet Division was the lowest for both of the above-mentioned cases.

Dhaka is the largest city in Bangladesh and its capital. It is also the financial, cultural, and business center of the country. The total urban area of Dhaka spans about 1530 square kilometers. About 80% of the garments industry in Bangladesh, accounting for the overwhelming majority of the country's exports, is located in Dhaka city. Dhaka city contributes about 13% to the country's GDP. Per capita income and literacy rate are higher in Dhaka than in the rest of the country, and the poverty incidence is also lower. From 1906 to 1991, Dhaka city's area grew by 58 fold and its population grew by over 35 fold (Asian Development Bank 2000). More recently, Dhaka's population grew from 3.43 million in 1981 to a staggering 10.712 million in 2001. In 2005, its population was estimated to have swollen to 12.56 million (Figure 5.1).

⁴ Urbanization in Bangladesh: Patterns, Issues and Approaches to Planning, Rouf and Jahan (2009)

Figure 5.1: World's Fastest Growing Megacity



Dhaka is also the fastest growing mega city⁵ in the world along with Lagos, Nigeria. Due to this high growth rate, Dhaka's share of the country's total population has been steadily growing, currently at over 10% (Figure 5. 2). By 2015, almost 13% of Bangladesh's total population, a staggering 22 million people, will call Dhaka their home.

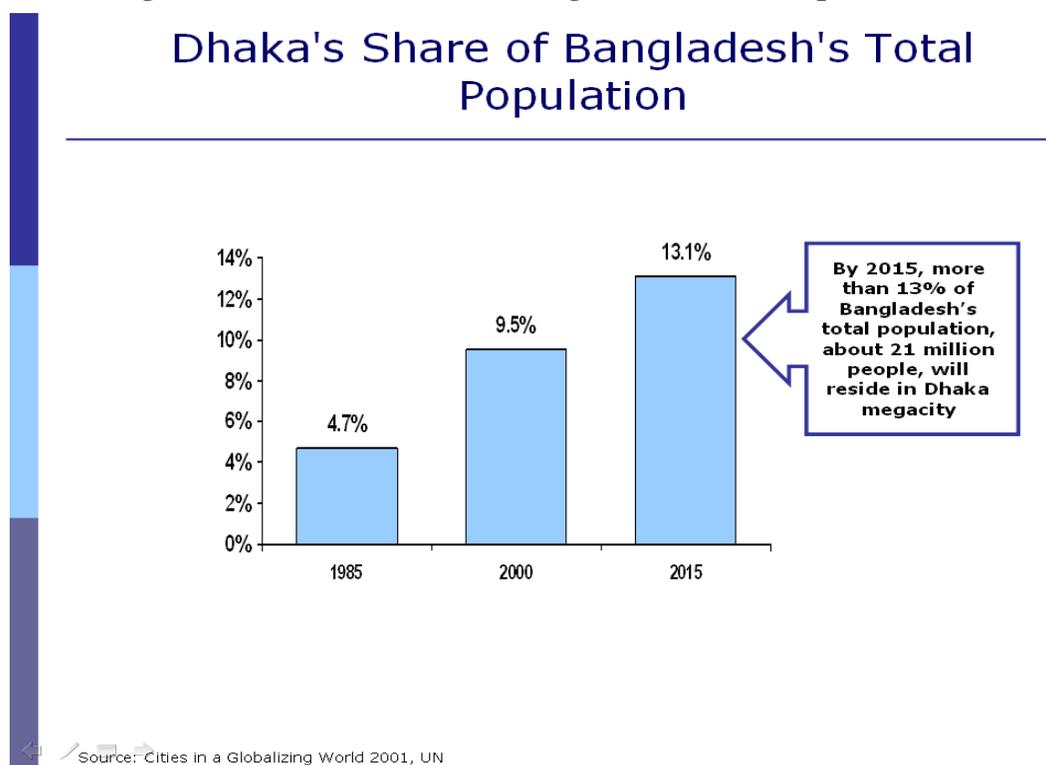
Estimates by UN, World Urbanization Prospects, 2009 projected Dhaka to move up to the 5th position with 20.9 million people in 2025, just behind Tokyo, Delhi, Mumbai, and Sao Paolo. The projected populations for 2010 and 2016 have been estimated at 9 million and 10 million for Dhaka City Corporation (DCC) area and 14.88 million and 18.00 million for the Dhaka metropolitan Development Plan (DMDP) area.⁶

During the decade from 1985 to 1995, the city's population growth rate averaged more than 7% a year, much higher than any other South Asian mega cities and substantially higher than Bangladesh's average growth rate. Most of Dhaka's growth was due to migration from rural areas. Although the city's population growth rate is expected to slow down, it is still projected to grow at around 3.2% per annum, as compared with 1.7% for the country as a whole. If this projection materializes, then Dhaka will become the third largest city in Asia and the sixth largest in the world by 2015.

⁵ Mega cities are defined as those urban centers with 10 million populations or more.

⁶ Dhaka: Improving Living Conditions for the Urban Poor, World Bank (2007)

Figure 5.2: Dhaka's Share of Bangladesh's Total Population



Although the proportion of people living in urban areas in Bangladesh is low in a global comparison, but the changes in the rates of growth of urban population since 1970 show that relatively rapid urbanization is taking place in Bangladesh. One significant feature of urbanization in Bangladesh is that urban population is increasing at different rates in different urban centers. A considerable proportion of urban population lives in district towns and Pourashava areas in Bangladesh. According to population census report of 2001, Dhaka Metropolitan Area had a total population of 10.712 million comprising 37.45% of total urban population. Next in the hierarchy, Chittagong SMA had 3.386 million or 11.84% of the total, followed by Khulna SMA with a total population of 1.341 million or 4.69% of total, Rajshahi SMA with a total population of a 0.70 million or 2.45% of total and Sylhet City Corporation with 0.32 million or 1.12% of the total. All other had below 1% of the total population. Thus, four Metropolitan Areas together with Sylhet City Corporation population comprised 57.55% of the total urban population. There were 33 towns with population above one lac of which 7 had population of above 5 lac, 26 with population between 1 to 4 lac, 50 with population between 50 thousand and one lac, and 116 with population between 25,000 and 50,000 (Table 5.2). There were 332 urban centers with population below 25,000. Populations of many towns were more or less stable and there were depopulation in 15 districts during the decade 1991 and 2001. These suggest that there is ample scope for the development of new small satellite towns and expansion of small existing intermediate towns or urban centers around the big cities or in prospective regions to reduce excessive urbanization pressure on large cities. In

order to succeed, this policy must be carried out through comprehensive study, planning and effective urban management systems.

Table 5.2: Number of Urban Centers by Census Year and Size Classes

Size Classes	Number of Urban Centers					
	Census Year					
	1951	1961	1974	1981	1991	2001
5,00,000 and over	--	1	2	3	4	7
1,00,000 –4,99,999	2	3	4	10	14	26
50,000 –99,999	2	5	14	23	26	50
25,000 –49,999	14	16	23	45	76	116
Under 25,000	45	53	65	411	402	332
Total	63	78	108	492	522	531
Level of Urbanization	4.33	5.19	8.78	15.54	20.15	23.1

Source: Bangladesh Bureau of Statistics

Driving Forces behind Rapid Urbanization in Bangladesh

A major cause of urbanization in Bangladesh is that the agriculture sector is no longer able to absorb the surplus labor force entering the economy every year. Inability of the agriculture sector to provide sufficient employment or sufficiently high household incomes to cope with a growing number of dependents can encourage people to seek employment outside agriculture. In the case of Bangladesh the rural to urban migration has contributed to more than 40 percent of the change in urban population. The lure of employment opportunities existing in these cities is another reason for urban migration.

Most of the industrial establishments and businesses as well as business services are concentrated in the largest cities. Dhaka alone accounts for 80 percent of the garments industry-the mainstay of manufacturing in Bangladesh.⁷ The domination of business services, particularly finance and real estate services is considerably higher in the four major cities relative to the rest of the country.⁸

Despite the fact that majority of the country's population live in rural areas, the importance of the traditional rural sector has been declining over the years. The share of the agricultural sector in GDP has come down from about 60 percent in 1972-73 to only 17 percent in 2009. The urban sector led by non-agricultural activities (commerce, trade, industry service etc.) accounts for a relatively larger share of GDP compared to its rural counterpart. Its contribution to GDP has increased from a low of 25 percent in 1972/73 to over 50 percent in 2009.

Household income in urban areas is also found to be much higher than in rural areas. Report of the household income and expenditure survey 2005 (BBS, 2007) indicated that monthly income per household in urban areas was Tk.10463 compared to Tk. 6095 in rural areas. The

⁷ *Dhaka Urban Poverty: Land and Housing Issues*. Draft Paper, World Bank (2005).

⁸ *Bangladesh: Strategy for Sustained Growth*, World Bank (2007).

distribution of income in urban areas is however, more skewed than in rural areas. Thus Gini coefficient of income in 2005 was 0.497 in urban areas compared to 0.393 in rural areas. This is not unusual due to large scale migration of poor people into urban areas from economically depressed areas of the country.

Although rising levels of urbanization and rapid population growth in urban areas have often been considered problematic, it is a fact that these areas generally have a significantly higher concentration of nation's economic output than their population. Urban areas also account for a disproportionate higher share of national economic production and are the main sources of economic growth in most countries. This is also no exception for a developing country like Bangladesh where urban dwellers constitute about 25 percent of the total population of the country, but their contribution to GDP is more than 50 percent. National economic growth is thus closely correlated with urbanization.

Urban Sector and the Emerging Challenges

Drastic changes in the physical, economic and social structure in the urban areas resulting from rapid urbanization has been posing serious challenges for sustainable urban development. Urban areas are now afflicted with innumerable problems ranging from law and order situation to deteriorating environmental conditions. Although majority of the urban centers face such challenges, severity of the problems vary depending on the size of the centers.

The environmental problems of urban areas have direct and immediate implications for human health and safety, especially for the poor, and for business productivity. Urban environmental problems are of central concern for policy makers since adverse environmental conditions resulting from inadequate waste management, poor drainage, air pollution, lack of access to safe water and sanitation, exposure to excessive noise level, traffic congestion as well as inadequate health services exact a heavy toll on the quality of life.

The impact of urbanization is felt more intensely in major cities of the country. In Dhaka, for example, the quantity of solid waste generated at present varies between 3000 to 3500 tons per day. DCC is capable of collecting only 50% of this waste, leaving the remaining half unattended. A part of this waste either remains in the streets or on nearly open ground. Some of the waste flows to the open drains and blocks the normal drainage flow. As a result, water logging sometimes disrupts the normal city life for days during monsoon. The serious health hazard posed by this situation is of major concern.

The situation with respect to water supply is also quite unsatisfactory. The Dhaka Water and Sewerage Authority (DWASA) was capable of supplying only 1500 million liters of water in 2004 (75% of demand) per day for the population of about 13 million while the demand of the consumers was 2000 million liters per day. Only a limited segment of the population is enjoying adequate supply of water while for the rest of the population the water supply is quite inadequate. The situation in low income communities is much worse. The supply of piped water at the Pourashava level is also extremely unsatisfactory. Only about 35% of the

Pourashavas have some facility for supply of piped water and that is also in a very limited area in each of these Pourashavas. In 2005 only 28.8% of the households in urban areas had connection to piped water supply.

Extreme traffic congestion on urban roads is a major challenge for big as well as intermediate urban centers in Bangladesh. Rapid urbanization in Bangladesh during the last few decades increased transport demand quite significantly leading to manifold increase in the number of motorized and non-motorized vehicles on the streets. The increase in the number of vehicles without concomitant expansion of road facilities has led to severe congestion on roads and deterioration in urban environment.

The situation further deteriorated due to insufficient public transport facilities and weak management of traffic. Non-existence of transport planning and inefficient traffic engineering result in low quality traffic management. Mass transit facilities are poorly organized and dominated by slower forms of vehicles such as rickshaws. Buses are in short supply and there is inadequate metro or rail system to handle day-to-day commuter traffic in big cities.

One of the major problems that the urban residents are facing is the lack of access to serviced land which is posing as an obstacle to their meaningful participation in the urban economy. The urban land market which directly affects the urban environment and quality of urban life suffers from many distortions due to lack of proper land development and management policies including lack of planning and slow provision of infrastructure and services, thus leading to unplanned or ribbon development of land in the urban periphery. Inadequate supply of serviced land in the market leads to land speculation which often prices the poor out of the formal land markets into the informal land markets which are characterized by slums and squatter settlements. During the last four decades the price of land in urban areas increased by as much as 80 times. The level of price rise, however, varies with the area and depends on a number of local factors including the level of services available. Of particular importance are the width of the main road, width of the access road, distance of the area from the main road and duration of water logging. Other factors influencing land value to a lesser extent include the type of neighborhood (planned or unplanned), distance of the nearest market and distance of the nearest school.

Ever increasing land price has also contributed to the deterioration of housing situation in urban areas. Housing deficit in urban areas was estimated to be about 0.95 million units in 1991 which increased to about 1.13 million units estimated in 2001. The dismal housing scenario has also been a major factor contributing to significant homelessness in urban areas.

Apart from the existing huge shortage in housing stock, the majority of the dwelling units is structurally very poor, lack services and utilities, and built without proper planning. According to BBS (2007)⁹ only 24.24 percent of the houses in urban areas in 2005 were pucca (made of brick/cement) compared to 71.68 percent houses made of corrugated iron sheet/wood and 4.08

⁹ Household Income and Expenditure Survey- 2005, BBS (2007)

percent made of straw/hay/bamboo etc. Rapid growth of urban population and consequent demand for land and housing has made the situation even worse, particularly in big cities. Very few households have access to land and credit facilities. The situation is particularly worse for the lower income group and the poor who live on marginal settlements built by small land developers or by the occupants themselves without any security of tenure. Due to lack of tenure, the poor cannot meet the need for guarantees of loan repayment. This puts most conventional sources of credit for housing construction out of the reach of the poor resulting in lower level of housing investment. This led to overcrowding, lower quality of housing units and the proliferation of slums and squatter settlements.

URBAN POVERTY IN BANGLADESH

Poverty in Bangladesh, as in most other developing countries, has long been associated with rural areas. But with rapid urbanization during the last few decades, poverty has increasingly been urbanized by way of transfer of the rural poor to urban areas. But manifestation of urban poverty is often more appalling than that of rural poverty. Urban poverty is invariably associated with poor quality housing.

Using the upper poverty line, BBS¹⁰ estimated the Head Count Rate (HCR) of incidence of poverty as 31.5% at national level, 35.2% in rural areas and 21.3% in urban areas (Table 5.3). There was a reduction of HCR by 8.5% point at national level, 8.6% point in rural areas and 7.1% in urban areas during the period from 2005 to 2010. The estimates of Head Count Rate using the upper poverty line show that in 2010 Barisal division had the highest incidence of poverty, estimated at 39.4% followed by Rajshahi division (35.7%) and Khulna division (32.1%). Chittagong division had the lowest HCR of incidence of poverty (26.2%) followed by Sylhet division (28.1%) and Dhaka division (30.5%). The incidence of urban poverty was also highest in Barisal division (39.9%) followed by Khulna (35.8%) and Rajshahi (30.7%) divisions.

Table 5.3: Poverty Head Count Ratio by Divisions, 2005-2010

Division	2005			2010		
	Total	Urban	Rural	Total	Urban	Rural
National	40.0	28.4	43.8	31.5	21.3	35.2
Barisal	52.0	40.4	54.1	39.4	39.9	39.2
Chittagong	34.0	27.8	36.0	26.2	11.8	31.0
Dhaka	32.0	20.2	39.0	30.5	18.0	38.8
Khulna	45.7	43.2	46.5	32.1	35.8	31.0
Rajshahi	51.2	45.2	52.3	35.7	30.7	36.6
Sylhet	33.8	18.6	36.1	28.1	15.0	30.5

Source: Bangladesh Bureau of Statistics, HIES 2005 and HIES 2010

A comparison of incidence of poverty in 2005 and 2010 indicates some significant differences

¹⁰Household Income and Expenditure Survey- 2010

in the pattern of urban poverty reduction. Chittagong division experienced the most rapid reduction in urban poverty. At 11.8 percent, Chittagong now has the lowest incidence of urban poverty. Rajshahi and Khulna divisions also experienced significant decreases in urban poverty. Thus, the incidence of urban poverty in Rajshahi division came down from 45.2% in 2005 to 30.7% in 2010 while the incidence of urban poverty in Khulna division came down from 43.2% in 2005 to 35.8% in 2010. As compared to these good performers, Sylhet and Dhaka experience modest improvements in urban poverty reduction while in Barisal the urban poverty rate has remained nearly stagnant at an alarming 40% rate.

Most of the urban poor live in slums and squatter settlements characterized by substandard living conditions. According to the UN, 31.6 percent of world's urban population lived in slums in 2001. In the developed regions, the proportion was only 6 percent compared to 43 percent in the developing regions. The percentage of urban population living in slums and squatter settlements may, however, vary across countries depending on local definition of slums. Even within the same country variations may be observed. Slums and squatter settlements are found in all major cities in Bangladesh although their concentrations may vary depending on the size of cities. The largest concentrations are found in Dhaka followed by Chittagong, Khulna and Rajshahi. Secondary cities or district towns also have significant concentrations of slums and squatter settlements. CUS in its survey of 2005 found 4300 slums and squatter settlements and about 2.8 million slum dwellers in Dhaka City Corporation area. The same survey found 1814 slums in Chittagong City Corporation with about 1.8 million slum dwellers followed by Khulna City Corporation having 470 slums with 0.17 million slum dwellers and Rajshahi City Corporation having 539 slums with 0.148 million slum dwellers.

Majority of those living in slums are very poor and nearly 80 percent of the households have income below the upper poverty line. More than 50 percent of the slum dwellers earn less than half of the poverty line income while about 25 percent of them are in extreme poverty and destitution¹¹. More than 90 percent of the income earners are engaged in informal sector activities. They work mainly as rickshaw-pullers, transport workers, hawkers, day laborers, small factory workers, construction workers, etc. Many of the female members of slum households in Dhaka and Chittagong are employed in the formal sector garment factories and in very large numbers in domestic work as maids. What is interesting, however, is that few among the male slum dwellers remain unemployed because of their easy access to informal sector activities. This is perhaps the most important factor stimulating rural to urban migration.

POLICY AND REGULATORY FRAMEWORK IN THE URBAN SECTOR

Policies and regulations for urbanization have evolved in response to problems faced rather than on the basis of a vision and a long-term road map. After partition of India in 1947 Dhaka became the provincial capital and experienced significant population increase. This led to major infrastructure development and building activities. In order to regulate and control urban development activities the government enacted legislations and framed rules which included

¹¹ CUS Bulletin 48, 2005

the building construction act 1952, the Town Improvement Act 1953 and the Building construction rules 1953. The Building Construction Act 1952 provided for the prevention of haphazard construction of buildings and excavation of tanks which are likely to interfere with development in certain areas. The Town Improvement Act 1953 provided for the development, improvement and expansion of the towns of Dhaka and Narayanganj and certain areas in their vicinity and the formation of a board of trustees. The Building Construction Rules 1953 were made to facilitate exercise of powers conferred by the Building Construction Act 1952.

In 1959, Master Plans were prepared for Dhaka, Chittagong, Khulna and Rajshahi cities. This was a major venture for guiding the overall development of the four major cities. But in course of time, especially after independence of Bangladesh in 1971, these plans were found to be inadequate with regard to population growth and land use changes. Despite rapid urbanization in the country there was no initiative to plan or control urban development activities during 1970's and 1980's. It was only after 1990 that some steps were taken for control of development in big cities. These included preparation of development plans for Dhaka, Chittagong, Khulna and Rajshahi cities, and formulation of Building Construction Rules (1996), Private Residential Area Development Rules (2004) and Dhaka Metropolitan Building Construction Rules (2008). The Bangladesh National Building Code (BNBC) which was prepared in 1993 came into force in 2006 after some modification. Other legislations which are relevant for the urban sector include Bangladesh Environment Protection Act 1995 (modified in 2000) and the Wetland Preservation Act 1998.

In intermediate and smaller urban centers, the Pourashavas are responsible for preparing and implementing Master Plans and carrying out development control functions. The Pourashava Ordinance 2008 has given the Pourashava wide responsibilities in town planning and development, public health and sanitation, water supply and sewage disposal, maintenance of public infrastructure and amenities. It is now mandatory for the Pourashava to prepare Master Plans within five years from the date of creation of a new Pourashava or from the date of enforcement of the Ordinance for the old or already created Pourashava.

One of the main reasons for haphazard urban growth in Bangladesh is the lack of proper planning. In the area of urban planning, the Pourashava Ordinance has empowered the Pourashavas to prepare Master Plan for development, expansion and improvement of any area within its jurisdiction and impose restrictions, regulations and prohibitions with regard to the development of sites, and the erection and re-erection of buildings. But due to lack of technical manpower and equipment, no Pourashava has been able to prepare and implement a Master Plan on their own.

INSTITUTIONAL FRAMEWORK FOR URBAN GOVERNANCE AND MANAGEMENT

Central Government Agencies: National level agencies provide services to different urban areas including city corporations, Pourashavas and other urban centers as part of their national responsibilities. Some of the important national agencies are Urban Development Directorate (UDD), National Housing Authority (NHA) and the Public Works Department (PWD) under the Ministry of Works, the Department of public Health Engineering (DPHE) and the Local Government Engineering Department under the Ministry of Local Government, Rural Development and Cooperatives, the Roads and Highways Department under the ministry of Communication, the Directorate of Environment under the Ministry of Environment and Forest and the power Development Board under the Ministry of Energy and Mineral Resources. Other Ministries such as the Ministries of Commerce, Education, Finance, Agriculture, Youth and Sports, and Water Resources Development are also actively involved in the process of urban development mainly through their regional and local level agencies.

Special Purpose Authorities: There are also some special purpose agencies that provide special services to the city dwellers. These are Water Supply and Sewerage Authority, Electricity Supply Authority, Road Transport Authority, etc. There are two water and sewerage authorities i.e. DWASA and CWASA which are working in two metropolitan cities of Dhaka and Chittagong respectively. Two other agencies involved in the development activities of Dhaka Metropolitan Area are Dhaka Transport Coordination Board (DTCB) and Bangladesh Bridge Authority. DTCB is mainly responsible for planning and development of transportation facilities within the metropolitan area while the Bangladesh Bridge Authority is responsible for constructing flyovers, elevated expressways etc.

Urban Local Governments: Two types of local government institutions exist in Bangladesh e.g. urban and rural. The urban local governments are of two types. In the Divisional Level, the City Corporation functions whereas Pourashvas function in other towns. At present there are 6 City Corporations and 309 Pourashvas in the country (Table 5.4). *Pourashvas* or Municipalities again are classified according to financial strength. In addition, there are also some urban centers that are under Cantonment Boards.

At the local Level, Pourashava is the basic planning and development authority. Through the Pourashava Bill 2009, the Pourashava authorities were empowered to prepare Master Plan, implement development schemes and exercise building control. A Pourashava consists of a Mayor, Councilors whose number is fixed by the government and women Councilors of reserved seats. The Chairman and Councilors of a Pourashava are elected by direct election on the basis of adult franchise. The Pourashava (Municipal) Act, 2009 has given the Pourashavas wide

Table 5.4: Hierarchy of Urban Local Governments

Mega City	For example: Dhaka Metropolitan Area
City Corporations at Divisional Level	For example: Dhaka, Chittagong, Khulna, Rajshahi and Barisal
<i>Pourashvas</i> (Municipalities)	Number of <i>Pourashvas</i> – 278 in 2001, 309 at present
Category determined by income level	Annual income level
Class I <i>Pourashvas</i>	Average Population (2001) – 88,907
Class II <i>Pourashvas</i>	Average Population (2001) - 41,275
Class III <i>Pourashvas</i>	Average Population (2001) - 25,466

responsibilities, but the administrative, financial and technical capabilities of the *Pourashava* are not adequate to meet the challenges associated with rapid urbanization in the country.

Development Authorities: *Pourashava* were originally created for planning and management of urban areas. Later on separate planning and development organizations were created for the cities of Dhaka (RAJUK), Chittagong (CDA), Khulna (KDA) and Rajshahi (RDA). The development authorities in these cities are authorized to undertake local urban planning as well as infrastructure and site development activities for housing, commercial and industrial use. The authorities are also empowered to exert development control functions. The effectiveness of these authorities, however, is generally limited by such factors as inadequate management and financial system, multiplicity of institutions with urban development function within their jurisdictions, uncoordinated development, lack of integration with other agencies, inadequate manpower and lack of public participation.

A REVIEW OF PAST POLICIES AND PROGRAMS FOR MANAGEMENT OF URBANIZATION

During the last two decades, Bangladesh has followed broad sector directions while policies on specific themes have been issued periodically. The national Housing Policy 1993 aimed for “housing for all” and recognized the importance of planned development of human settlements. The Urban Management Policy statement 1994 envisioned sustainable and equitable urban development through decentralized development, public awareness and sector participation. Later on, the government updated the statement and issued Urban Management Policy Statement 1999 which provides a basic policy framework to guide and sustain the process of gradual decentralization. The purpose of this policy statement is to improve upon and augment the existing policy statement, with a view toward efficient urban management and increased decentralization in the longer term. The National Urban Sector Policy drafted in 2006 envisioned a decentralized and participatory process of urban development in which the national and local government, private sector and civil society play complementary roles. The policy prescribes far reaching actions on multiple dimensions of urban management and

national level institutional changes and public participation structures at the city and sub-city levels. This draft National Urban Sector Policy initiated by the Local Government Division will go to cabinet for its approval and will be adopted within the SFYP period.

Other developments relevant to the urban sector includes the national Policy for Safe Water Supply and sanitation (1998), Water Supply and Sanitation Sector Development Plan, National Policy for Arsenic Mitigation, The National Sanitation Strategy and the pro-poor water and sanitation and cost sharing strategies. Many of these policies have attempted to give coherent directions to developments in the urban sector including adoption of principles like devolution of powers, resources and responsibilities to local governments and community groups, treating resources as economic goods, using awareness generation and mobilization and motivational tools for sanitation and solid waste management, tempering off subsidies on sanitation hardware and promoting private-public partnerships. The recommendations made by the Committee on Urban Local Governments for long-term municipal development and urban sector programming, property tax system, improved financial system management etc. are now under active consideration of the government.

Past urban sector interventions mostly tried to address the long neglected infrastructure maintenance and rehabilitation needs and to develop the capacity of the Municipalities especially to raise income, improve financial management capacity and design municipal services in a planned way. But not much has been done to establish strong urban institutions that are capable of meeting the future service demand of the projected urbanization pattern.

Lessons Learned from Past Development Initiatives and Key Constraints

Municipalities in Bangladesh have witnessed nearly two decades of urban infrastructure initiatives with STIDP-I and II, MSP and the on-going UGIIP-1 since 2003. The MSP and its successor institution, Bangladesh Municipal Development Fund, presented a model of supporting decentralization especially by opening up access to infrastructure funding based on objective financial and institutional criteria outside the government's inter governmental fiscal transfer frame. UGIIP-1 made a radical departure from earlier initiatives in linking performance of Municipalities in achieving action based governance improvements to access infrastructure funding in phases.

Focusing on governance improvements and a performance based approach urban infrastructure improvements have proved very successful; (i) it addresses a wide range of areas simultaneously from improved participation of various stakeholder groups in service delivery to increased financial accountability and improved administrative procedures; (ii) local governments feel full ownership in improving governance reforms, considering these reforms as an opportunity to improve their financial and administrative shortcomings. They have been able to adapt to the new governance practices within a short period of time. The following lessons learned: (i) The performance of the Municipalities has been particularly good in areas where the identified governance indicators are concise and output oriented; (ii) municipalities

took greater ownership and interests in areas where their legitimacy and performance in the local public eye improved immediately and turned out to be credible; (iii) adopting governance improvements require substantive and timely capacity building inputs.

Based on an extensive review of previous projects focusing on governance improvement and a performance based approach, the following opportunities for improving this approach have been identified; (i) ensure that mechanisms are in place to deepen participatory planning ensuring prioritization of the needs of the poor; (ii) refine the governance improvement action plan to include more qualitative achievements and ensure that the achievements will sustain beyond project implementation; (iii) inculcating the practice of responsible financial decisions and discipline through financing and repayment mechanisms; (iv) strengthening citizen's interface and accountability of the municipalities; (v) greater focus on capacity building of institutions at the municipality level in particular and (vi) improvements in O&M management.

One of the most significant lessons is the criticality of national level support to municipalities in terms of sector wide policy support, legislative and executive actions to enable more effective functioning of municipalities and supportive measures to improve their finance and financial management. In this regard the parliament has recently passed the Pourashava Bill 2009 and City Corporations Bill 2009.

Performance During Previous Plan Periods

Ministry of Housing and Public Works

Of the two Ministries mentioned earlier responsible for urban development and management activities, the Ministry of Housing and Public Works is the main Government body dealing with housing and accommodation. A review of performance of this Ministry and related agencies during past plan periods is given below.

Performance during 1973-90. During the period, land-use master plans for 398 Thana headquarters and master plans for 60 district towns were undertaken. Office accommodations at 44 districts and Thana headquarters were completed and 13,918 service plots were distributed among people belonging to low income group and about 6,860 squatter families were rehabilitated. Besides, 17,480 flats, 252 dormitories at Thana level, 1,065 office buildings, 2,033 union Tahsil offices and 362 thana land offices were constructed. Noteworthy achievements during this period were the construction of 20-storied office buildings at the Bangladesh Secretariat and the international conference centre at old Sangsad Bhaban.

Performance during Fourth Five Year Plan (1990-95). Achievements during this period included:

- a. Providing core houses for 1,000 squatter families at Dattapara, Tongi and developing 5,000 residential plots at Mirpur, Dhaka and 4,100 plots at Kaibalyadham, Chittagong for low income group;
- b. Construction of 3,000 residential flats in 44 newly created districts and 3,000 flats in Dhaka for public sector employees;
- c. Developing of 4,787 plots at Uttara by RAJUK;
- d. Renovation of the Prime Minister's Secretariat at Tejgaon and installation of four-channel conference system;
- e. Significant strides by private enterprises to develop housing in urban areas and low cost housing programs by some NGOs in rural areas.

Performance during 1995-97. During this period 2,020 flats for government employees in Dhaka were constructed and 8,480 sites and service plots were distributed to low income and middle income groups. Achievements during this period and during the Fourth Plan period are shown in Table 5.5

Table 5.5: Housing Sector Performance

Major areas	Unit	Position June, 90	4 th Plan (1990-95) Target	Achievement	Position June, 95	Position June, 97
Housing						
Rehabilitation of squatter families	Nos	6860	3620	3400	10260	10260
Distribution of site and services plots for low and middle income group people	“	13918	8480	8480	22398	22398
Government flats and offices	“		3120	3120	18508	20528
Construction of flats	Nos	17408	225	180	1245	1245
Construction of office buildings	“	1065	950	950	2983	2983
Construction/Reconstruction of Union Tahsil offices	“	2033	110	60	422	423
Construction/Reconstruction of Thana Land offices	“	362				

Source: Ministry of Housing and Public Works

Performance during Fifth Five Year Plan (1997-2002). Developments during this period included:

- a. Construction of 3000 residential flats at Dhaka, 30 quarters at Rangamati, Martyrs Monument at Rayer Bazar and Banga Bandhu Convention Centre at Agargaon. A total of 16 projects were taken up with estimated outlay of Tk. 1609.18 crore. Of these, 3 projects

were fully completed and 11 projects were partially completed. Two projects were not taken up due to shortage of fund.

- b. Activities by RAJUK: Construction of 1265 residential flats at Nikunja, 290 flats under NAM Villa and NAM Village Project, development of 2600 plots at Uttara under Uttara 3rd Phase Project and construction of 2km link road from Dayagonj to Jurain, Dhaka.
- c. Activities of Rajshahi Development Authority (RDA): Preparation of land use Master Plan, construction of 1.5 km roads, distribution of 625 plots for low and middle income groups, construction of a multi-storied office building, a truck terminal accommodating 500 trucks and an inter-district bus terminal accommodating 500 buses.
- d. Activities of Khulna Development Authority (KDA): Completion of 7.05 km road, developing of 637 plots, construction of two-storied mini-community centre, undertaking welfare activities like development of mosque, school and monument, and preparation of DAP (Detailed Area Plan) for Khulna City. Total project cost was Tk. 23.36 crore.
- e. Activities of Chittagong Development Authority (CDA): CDA prepared DAP for Chittagong under guidance of Chittagong Metropolitan Master Plan, Development of Kalpoloke, Karnaphuli, Chandrima, Chandgaon Residential Areas, D.C. Hill Park, widening and improvement of Chaktai Road, O.R. Nizam Road, Chatteshori Road, and M.A. Hannan Airport Road.
- f. Preparation of land use Master Plan for six Pourashvas, namely, Gopalganj, Tungipara, Kotalipara, Godagari, Kaliakoir and Patharghata by UDD.
- g. Undertaking projects like construction of medical colleges and hospitals in different districts, specialized hospitals and medical centers on behalf of Ministry of Health and Family Welfare.

Ministry of Local Government, Rural Development and Cooperatives

The Ministry of LGRD & Co-operatives is closely involved with the various issues related to the urban sector. A committee namely Municipal Performance Review Committee (MPRC) was established under the chairmanship of the Secretary, Local Government Division to monitor the performance the municipalities. A Municipal Support Unit (MSU) established in LGED under the Municipal Services Project provides secretarial support to the committee. MSU developed a municipal data base and regularly monitors the capacity building initiatives undertaken by the municipalities as well as monitors the progress of infrastructure development and maintenance works undertaken by the municipalities.

The government has been trying to remove the deficiency in infrastructure maintenance and rehabilitation of municipalities by raising income, improving financial management capacity as well as better service delivery. The municipalities are implementing different development projects under Physical Planning, Water Supply and Housing (PPWS&H) Sector through

Annual Development Programme (ADP). The allocation and utilization of funds under ADP for the Municipalities are shown in Table 5.6 below.

Table 5.6: Allocation and Expenditure under PPWS&H Sector in Municipalities during 2002-2009 (Crore Taka)

Financial Year	No. of Projects	Total Amount of ADP Allocation	Total Expenditure
2002-03	10	169.93	148.33
2003-04	9	134.81	128.39
2004-05	13	165.13	161.67
2005-06	11	367.92	361.48
2006-07	9	322.34	302.42
2007-08	12	229.65	221.52
2008-09	9	354.68	348.98

Table 5.7: Physical Targets and Achievements of PPWS&H Sector in Municipalities during 2002-09

Item of work	Unit	Target	Achievement
Development of Road and Footpath	Km	1326	1307
Construction of Drains	Km	412	393
Construction of Bridge/Culvert	M	3595	3463
Market Development	Nos.	51	51
Installation of Tube-wells	Nos.	3837	3835
Slum Improvement	Family	18320	18320
Maintenance of Bridge/Culvert	M	1514	1504
Rehabilitation of Road and Footpath	Km	3218	2805

Taking the rapid rate of urban growth as well as different problems and challenges in views, the six city corporations are implementing different development projects under both block allocation from development budget and Annual Development Plan. The allocation and utilization of funds under block allocation and ADP for the six city corporations are shown in table 5.8. The six city corporations of the country have been implementing different development projects to create better living conditions for the people in their respective areas. These development projects include among others construction and improvement of roads, drains and footpath; waste management; creation of recreational facilities etc.

Apart from the physical achievements shown in table 5.9, the introduction of computerized holding tax billing, water billing, and accounting in 4 city corporations and 129 municipalities could be considered as other milestone achievements by LGED. Another landmark initiative by LGED during the past plan period is the preparation/updating of Master Plans of 23 district level and 223 upazila level municipalities. This master planning process is still continuing and will be completed during the SFYP period.

Table 5.8: Allocation and Expenditure of Six City Corporations under ADP Allocation and Block Grants during 2002-2009 (Crore Taka)

City Corporations	Total Amount of ADP Allocation	Total ADP Expenditure	Total Amount of Block Allocation	Total Block Expenditure
Dhaka City Corporation (DCC)	1580.07	1488.90	472.05	472.05
Chittagong City Corporation (CCC)	160.05	160.05	144.75	144.75
Rajshahi City Corporation (RCC)	120.93	117.87	88.65	87.45
Khulna City Corporation (KCC)	80.27	80.27	80.09	80.09
Sylhet City Corporation (SCC)	147.82	147.82	22.96	22.96
Barisal City Corporation (BCC)	65.77	65.77	32.18	32.18

Source: Ministry of LGRD&C

Table 5.9: Achievements of Development Activities of the Six City Corporations under ADP and Block Grants during the Period from 2002 to 2009

Development Activities		Achievement of Development Activities in Six City Corporation Areas under ADP	Achievement of Development Activities in Six City Corporation Areas under Block Grants
Construction of Road	(Km)	1617.00	1260.00
Construction of Drain	(Km)	660.46	536.07
Construction of Footpath	(Km)	142.28	45.54
Construction of Bridge/Culvert	(Nos)	98	10
Construction of Bridge/Culvert	(Meter)	1540.00	-
Construction of Retaining Wall	(Meter)	3674.00	-
Construction of Retaining Wall	(Nos)	-	5
Installation of Street Lighting	(Km)	9.0	7.50
Installation of Street Lighting	(Set)	3750	1150
Installation of Traffic Signal	(Nos)	18	-
Construction of Level Crossing	(Nos)	3	-
Construction of Boundary Wall	(Meter)	2237.00	-
Development of Playground	(Nos)	-	1
Construction of Palisade	(Km)	5.84	1.65
Construction of Building	(Sqm)	2237.00	-
Construction of Building	(Nos)	13	106
Construction of Pipeline	(Km)	15.00	84.00
Re-excavation of Khal	(Km)	40.60	4.00
Construction of Community Facilities	(Nos)	7	211
Construction of Embankment	(Km)	1.04	-
Improvement of Sanitary Landfill	(Nos)	1	-
Installation of Ring Latrines	(Nos)	-	9000
Development of Park	(Acre)	3.77	22
Procurement of Equipment	(Nos)	106	-
Installation of Deep Tubewell	(Nos)	-	446
Plantation	(Km)	-	28.50

Source: Ministry of Local Government

URBANIZATION STRATEGY UNDER THE SIXTH PLAN

A review of past policies, institutions and programs suggest that the urbanization strategy needs to change substantially to meet the challenges of future urbanization in Bangladesh. In the past much of the focus has been on implementing piecemeal programs. Multitudes of local government agencies, weak planning, poor governance, inadequate resources and weak project implementation capacity have limited the progress with meeting the urban challenge. The Sixth Plan will internalize these lessons of experience and shift the emphasis to the development of sound urban institutions, improve city governance and emphasize urban resource mobilization.

Improving City Governance

The key constraints to the effective functioning of the municipalities and city corporations are unclear mandate and service responsibilities; lack of accountability; weak finances and financial autonomy; poor coordination and control among service agencies and weak management. These problems call for a major rethinking and wholesale change in the management of these entities and their enabling environment.

The ability of city managers to coordinate fiscal, regulatory and administrative systems which influence the efficiency of cities is crucial to improving the welfare of urban citizens. In this context, cities need to be managed as standalone economies where project investments are planned in the context of a coherent city strategy and better understanding of how urban markets perform overall. The Government's role in this regard will be to support initiatives to combine local-level skills, resources and ideas to stimulate the local economy towards the goals of job creation, poverty alleviation and redistribution; and take proactive measures to deal effectively with changes in the national and global economies.

Thus, a key institutional reform during the Sixth Plan is that the municipalities and city corporations will be organized to manage their functions on the basis of elected representatives. For the urban centers of Bangladesh to be dynamic growth centers it is essential that they have elected and accountable municipalities and city corporations with clearly defined responsibilities. They must be able to attract private investment and mobilize public resources based on service delivery and the quality of the city environment. In order to implement the strategy the Government will take steps for:

- institutional reforms and decentralization of responsibilities and resources to local authorities;
- participation of civil society including women in the design, implementation and monitoring of local priorities;
- building capacity of all actors (institutions, groups and individuals) to contribute fully to decision-making and urban development processes; and
- facilitating networking at all levels

Promoting Balanced Development of Urban Centers

In view of the severe problem of concentrated migration and economic growth, efforts must be made to select new centers away from the main centers (i.e. Dhaka and Chittagong Metropolitan areas) for location of economic activities. If urban population growth is arranged and distributed over space in cities and towns of different population sizes in a balanced manner, the process of urbanization can be managed in a better way. Special emphasis, therefore, will be given to the development of urban centers of various sizes and policies will be directed towards strengthening of economic base and allied infrastructure and services in these centers. Special Attention will be paid to supporting services – housing, education, health etc. – again with a view to channeling those investments which are made at these centers in the most productive manner. Creating employment opportunities in these urban areas would require integration of local economic development and poverty alleviation initiatives. In order to achieve this, the government will pursue growth paths that encourage labor intensive sectors of the economy, support small, medium and micro-enterprises (SMMEs) and enforce a regulatory framework that creates an environment conducive to investment. In addition, steps will be taken to attract private investment through investments in infrastructure and utilities that reduce production and distribution costs within their economies.

Urban Resource Mobilization

A major constraint on urban services is the lack of adequate funding. Even with best city governance unless new sources of funding are found it will be difficult to meet the demand and development needs of the urban sector. Presently, much of the financing comes from the Government's own budget; property taxes and user charges for urban services are very limited¹². The Sixth Plan will emphasize resource mobilization through much better implementation of the property tax and stronger cost recovery of key urban services. The policies include steps to improve land and property valuation, better tax collection through improvements in property tax administration, and setting prices for urban services with due regards to cost. Additionally efforts will be made to reduce inefficiency and eliminate corruption in the collection of property taxes.

Developing a Sound Real Estate Market

The target of providing decent housing to the rising urban population rests to a large extent upon development of sound real estate or housing market in the near future. The private housing market which was constrained by finance constraints is recently emerging as a major activity. Presently around 80 percent of the housing purchased is from self-finance. As such the housing market serves mostly the upper and middle-income households. Therefore to meet the housing needs of the lower income households the House Building Finance Corporation will be restructured and housing finance in the private sector for lower income households will be encouraged.

¹² Ahmed, Sadiq et. al.2007. *Making Dhaka Livable*. University Press Limited, Dhaka

Facilitating NGO Involvement in Housing

NGO involvement in housing programs in Bangladesh has been limited. However, some programs exist that offer interesting insights into solutions to this issue. A promising approach to providing shelter solutions to the poor is the type of projects run by Nari Uddaog Kendra (NUK) which offers cost-effective rental hostel accommodation for female garment workers. The feasibility of replicating such initiatives will be explored as a housing strategy.

Taking Steps for Better Urban Land Management

The pressure of urban housing in the major cities, particularly Dhaka ultimately puts focus on the government's land management policies and practices. The limited urban supply of land is subject to competitive claims for commercial, industrial, administrative, educational, recreational, and military use as well as for road building besides demand for residential purposes. As such, sound land management policies are crucial in solving urban housing problems. The government, therefore, will take appropriate measures to promote sustainable land-use planning and innovative land management practices, and meet the land requirements for urban development through integrated and environmentally sound physical planning and land use. Special emphasis will be given to improve present land registration system so that it can provide security of ownership and tenure rights, ensure more efficient land transfers, facilitate public control of land markets and lead to improved land use and land management. The government will also use regulatory tools such as zoning, subdivision regulations, transfer of development rights etc. to protect sensitive land resources, public interests, environmental and cultural values etc. Economic incentives and disincentives (such as tax exemption, transfer and development taxes etc.) will also be used to encourage land development in accordance with desired objectives

Better Environmental Management

Strategic options in this area will seek to promote cleaner environment, control pollution and protect public health from environmental hazards. Emphasis will be given on preventive actions, that is, to develop preventive policies that can forestall future environmental degradation; and on holistic and integrated approach, with particular attention to participatory planning and management, public-private partnerships, capacity building and cost-recovery

Developing Sustainable Urban Transportation

Transport interventions in urban areas should aim at improving transport and traffic infrastructure so as to meet existing and potential demands, and developing an integrated and balanced system in which all modes (motorized and non-motorized) can perform efficiently and each mode can fulfill its appropriate role in the system. The main objective of urban transport strategy will be to support sustainable urban development. Urban transportation strategies will focus on developing an integrated and balanced transportation system taking into consideration the needs of the road system, non-motorized transport, public passenger

transport and mass transit issues such as a city's balance in the locations of employment and housing, demand management, and the roles for the public and private sectors. Reducing congestion in city roads, especially in Dhaka Metropolitan Area, would require considerable reduction of dependency on private automobiles, taxi cabs, baby taxies, and non-motorized transport modes such as rickshaws. Steps, therefore, will be taken to increase the number of large-size buses including double-decker buses on truck routes and buses of optimum sizes on other routes. Introduction of Rapid Bus Transit through the use of high capacity dedicated bus lanes will be given due consideration. Elevated expressways and rail-based mass transit systems will also be considered as parts of a long-term integrated transport strategy for Dhaka Metropolitan Area.

Making Provision of Infrastructure and Services

Basic infrastructure and services at the community level include the delivery of safe water, sanitation, waste management, social welfare, transport and communications facilities, energy, health and emergency services, schools, public safety, and the management of open spaces. Strategies will be formulated to provide adequate and affordable basic infrastructure and services focusing on demand, equity and accessibility, economic efficiency and cost recovery, public-private partnerships and capacity buildings of local governments¹³.

Reducing Urban Poverty

Poverty is understood to encompass many different aspects including inadequate consumption, inadequate income and asset base, and inadequate access to basic infrastructure and services. Economic growth and consequent increase in income does not necessarily lead to reduction in urban poverty. 'poverty reducing' measures outside of economic growth is important which, however, depends on local institutions that can address one or more of the inadequacies as mentioned above. The plan strategy to deal with urban poverty will promote equal access to and fair and equitable provision of services in urban areas; and emphasize on urban policies that ensure equal access to and maintenance of basic services, including those related to education, employment and livelihood.

SUB-SECTORAL GOALS, TARGETS, STRATEGIES AND PROGRAMS FOR THE SIXTH PLAN

Physical Planning and Housing

The urbanization situation, particularly the housing situation in Bangladesh is getting more acute with every passing year. Government efforts to mitigate the problem in the past have been far from adequate, and have been confined to areas in and around metropolitan cities. Residential quarters for government employees can hardly meet 10 percent of the requirement. However, private sector participation in housing especially in the metropolitan cities has been

¹³ Urban transport issues are discussed in greater detail in Chapter 4 on Transport.

encouraging. Against this backdrop, goals and objectives for urban development under the Sixth Five Year Plan will be as follows:

Goals

- a. Sustainable urban development that supports increased productivity, employment and investment;
- b. Better quality of life by improving the standard and quality of civic facilities in city corporation areas;
- c. Urban governance and management with greater accountability, transparency and improved public participation;
- d. Institutionally and financially capable City Corporations and Pourashavas;

Objectives

- a. Development of low cost houses/multi-storied buildings for housing/resettlement of slum dwellers, the disadvantaged, the destitute and the shelter less poor and in situ development of the slums and shelters for squatters;
- b. Strengthening and supporting authorities like RAJUK, CDA, KDA and RDA so as to make them play important roles in town planning and regulation of urban development;
- c. Development of sites and services for residential accommodation of low and middle income groups of people;
- d. Construction of condominiums for low and middle income groups of people;
- e. Construction of multi-storied flats for sale to government employees at different places to ease the accommodation problem;
- f. Construction of housing facilities for working women;
- g. Construction of low cost houses in the coastal areas of Bangladesh;
- h. Involvement of the private sector with necessary incentives for its greater participation in the housing sector

City Corporations for respective city areas undertake projects for improving urban environment and services by developing road and road infrastructure, solid waste management facilities, drainage system, primary health care facilities, street lighting infrastructure etc.

SFYP Targets for the Organizations under the Ministry of Housing and Public Works

The present Government with its vision 2021 has planned for housing for all by 2015. In this context the government has undertaken public-private partnership (PPP) concept for contributing to the household sector. To implement the vision, the Ministry of Housing and Public Works (MOHPW) has chalked out the following activities for the organizations under the Ministry:

- a) In recognition of the severe land constraint, especially in the urban areas, and huge inefficiencies in the land market including severe governance problems, the government will undertake a systematic review of land policies and land management with a view to undertaking corrective reforms. This review will encompass functioning of land markets, land pricing, registration, land use regulatory policies, land taxes and other relevant aspects. The recommendations of this review will provide the basis for systematic reform during the Sixth Plan period.
- b) The government recognizes that much of the housing supply in both urban and rural areas will come from the private sector. There is already a very active private sector but there are various problems relating to land availability, pricing taxation, registration etc. The land policy review noted above will provide a long term solution to land related issues in private housing. At the same time, other issues related to housing permits, registration, mortgage issues, housing infrastructure, etc require government attention to create a more favorable environment for housing supply by the private sector
- c) Under the DAP, RAJUK will expand the city area to establish a planned capital city. At the same time, to manage the acute housing problem caused by population pressure and provide civic amenities to city dwellers including modern arrangements for car parking, RAJUK will take up different projects for allocating 45,200 residential plots, 1,14,000 residential flats, 2,547 commercial plots, 506 administrative plots, 41 diplomatic plots, 52,624 apartments for low and middle income group people, 520 car parking spaces, 2,00,000 sft. Commercial space for offices and to connect central Dhaka to Eastern by-pass and increase East-West road network.
- d) PWD has undertaken programs to construct 1,802 residential flats for government officers and staff on vacant land in a planned way to mitigate the acute shortage of accommodation. To mitigate the office space crisis for Govt./semi-Govt./NGO officials 11,01,451 sft. Office space will be constructed.
- e) National Housing Authority (NHA) has been addressing the housing problem through developing residential plots in district towns and constructing high rise flats in Dhaka and Chittagong cities. A pilot project has been undertaken to examine the feasibility of developing housing projects in Upazila towns. Besides, a plan has been chalked out to establish 4 satellite towns around Dhaka city under PPP. NHA is undertaking various projects for allocating 21,248 residential flats and 6,081 residential plots.
- f) CDA is in the process of undertaking various projects for construction of 1,105 residential plots and 3,422 residential flats with its own finance.
- g) KDA will undertake construction of 2,492 residential plots, 2,800 residential flats, 9,831 sqm. Commercial and office space, 19.88 km road, 40 km drainage and a botanical garden at Fultala, Khulna.

- h) To reduce the housing problem 1,706 residential plots and 100 flats will be constructed by RDA, as well as construction of 14.19 km road to reduce traffic jam.
- i) House Building Research Institute (HBRI) will be taking up different projects for using fuel efficient brick and low cost house building technology, updating of National Building Code, development of a process to recycle minimum 1% polymer materials and production of building materials using the recycled polymers.
- j) UDD has formulated Project Proposal for National Comprehensive Development Plan for the whole country. Under this project all sectoral policies of the Government (such as Water Policy, Agriculture Policy, Land use Policy, Housing Policy, Environmental Policy, etc.) would be translated into spatial form which would guide the government in physical development activities.
- k) To implement the vision of the government during SFYP (2011-2015) different organs of the government will take up projects of various magnitudes. The Department of Architecture will play its required role by planning and designing these facilities in line with the aspiration of the people of the country.

SFYP Objectives and Strategies for the Pourashavas and City Corporations

Major objectives and strategies of the SFYP with respect to Pourashavas and City Corporations are the following:

Objectives

- a. Development of effective road network to setup congestion free, safe and sound communication system.
- b. Development of pedestrian facilities in the cities.
- c. Reduction of traffic accident.
- d. Auto traffic signalization for better traffic management.
- e. Sustainable parking management.
- f. Improvement of solid waste management.
- g. Improvement of environment & infrastructure.
- h. Provision of safe water supply for the citizens.
- i. Development of recreational facilities (parks, playgrounds etc.).
- j. Development of modern street lighting.
- k. Development of primary health facilities.
- l. Improvement of drainage system to address the problems of water logging.
- m. Development of Commercial complexes for expanding economic activities.
- n. Infrastructure development of low-income settlements.

Strategies

To achieve plan objectives, the following strategies will be pursued:

- i. Establishing strong elected municipalities and city corporations in all major urban centers. These entities will be given adequate operational and financial autonomy to enable them to provide the services demanded by the residents.
- ii. Revamping the property tax system to make this the major source of financing the expenditures of municipalities and city corporations.
- iii. Strengthening the capacities in the Ministry of local government and the Planning Commission to support the development of municipalities and city corporations as well as monitoring their performance to ensure accountability.
- iv. Planning road infrastructure development and public transportation for all the city corporation areas.
- v. Developing comprehensive layout plans comprising all civic amenities like parks, lakes and other recreation facilities in all city corporation areas.
- vi. Improving urban environment by regulating disposal of solid waste.
- vii. Creating strong mechanism for coordination of infrastructure development and provision of utilities in all city corporation areas.
- viii. Building comprehensive databases in LGD and all city corporations for urban planning.
- ix. Government Khas land will be used to the maximum extent possible for solving the housing problem, especially for poorer households.
- x. Abandoned houses will be turned into multi-storied buildings by the Housing and Settlement Directorate in phases for solving the housing problem.
- xi. Necessary actions will be taken to strictly enforce the building code of 1993.
- xii. Arrangement for soft loans for housing will be made for the poor; to this end, a special fund will be created by the government;
- xiii. Houses for working women will be constructed by the relevant city/town authorities.
- xiv. Constructions of Public physical service structures will respond to specific needs of men and women such as, hospitals, educational institutions.
- xv. Necessary action will be taken to reduce wage discrimination.

Water Supply and Sanitation (WSS)

In order to cope with the present and future demand of safe water supply and sanitation, the Government of Bangladesh has formulated and adopted several policies and strategies, some of which are named below:

- National policy for safe water supply and sanitation 1998 (WSS policy)
- National water policy 1998 (NWP)

- National water management plan 2004 (NWMP)
- National policy for arsenic mitigation & its implementation procedure 2004 (Arsenic policy)
- Sector development framework on water supply and sanitation 2004 (SDF)
- National sanitation strategy 2005
- Pro-poor strategy for water and sanitation sector in Bangladesh 2005

Bangladesh is also committed to achieving the targets of the Millennium Development Goals (MDG). The Government is in a process of preparing a cost sharing strategy for water and sanitation services. Meanwhile some framework and strategies like the SDF 2004, National Sanitation Strategy 2005 and the Pro-Poor Strategy 2005 have been formulated to further define and complement the WSS Policy 1998. The Arsenic Policy 2004 is formulated specifically to address the widespread ground water contamination problem with arsenic. The NWP 1998 and the NWMP 2004 give broad direction for water resources management including a broad outline of water and sanitation sector. PRSP recognizes the importance of water and sanitation as a means of achieving accelerated poverty reduction.

The Local Government Division of the Ministry of LGRD&C is preparing a Sector Development Plan (SDP) for the Water and Sanitation sector for the period 2010-2025 which is now in the process of approval. The objective of the SDP is to provide a framework for planning, implementing, coordinating and monitoring all activities in the sector. The SDP is a strategic planning document to meet emerging and future challenges and includes a road map for development and a corresponding investment plan. It is prepared in line with the objectives of Second Poverty Reduction Strategy Paper (Steps towards Change), the Sixth 5-Year Plan and the upcoming Perspective Plan (2010-2021). SDP covers all urban and rural areas of the country and the activities of all relevant government functionaries like the Ministries and Divisions, government agencies such as DPHE, LGED, WASAs and the Local Government Institutions. It also provides a framework for other players in the sector like NGOs and private sector.

The 15 year period of SDP will have three 5-year terms: short-term, medium-term and long-term – these terms coincide with the Sixth and the forthcoming Seventh and Eighth Five Year Plans respectively. In these three terms gradual development of the sector will be taken up. During the short-term, i.e. in the Sixth Five Year Plan period, the aim is to provide at least minimum levels of service for water and sanitation to all. In parallel, institutional strengthening will be initiated. The sector governance instruments, such as establishing legal and regulatory framework and preparing new or revising existing policies and strategies, will be done. Platforms for cooperation and coordination among the sector stakeholders would also be established and a step by step approach towards Sector wide Approach (SWA) will be initiated.

It is expected that all the further water and sanitation related national and sectoral policies and strategies and international commitments will be aligned with SDP. The line agencies under

the Local Government Division would formulate development projects under the framework of SDP, align the ongoing ones to it to the extent possible and undertake institutional development activities accordingly.

Goals, Objectives and Targets for Water Supply and Hygienic Sanitation under SFYP

Goals and Objectives

The Sixth Plan will try to achieve the long-cherished goal of making safe water and sanitation facilities available to all to improve quality of life. The overall goal is “Improving the health and living standard of the people in rural and urban areas by providing access to safe water supply, hygienic sanitation and adequate drainage system.”

Objectives are identified as the following:

- Achieve 100% coverage of Water Supply & Sanitation services throughout the country including their safe use and effective management.
- Improve overall environment of the country.
- Achieve congenial environmental sanitation for overall development of the country in a sustained manner.
- Ensure quality water for drinking and domestic purposes.

Water Supply and Sanitation Targets

Table 5.10 and 5.11 show the water and sanitation targets for the Sixth Plan. Full coverage by providing minimum basic level of service in water supply sector is expected to be achieved by 2011. However, programs and projects will be undertaken during 6th Five Year Plan to increase and sustain the service level. One hundred percent access to minimum level of service in the sanitation sector is expected to be achieved by 2013 by a combination effort of DPHE, Local Governments, NGOs, CBOs, private sector and individual household owners. The 6th Five Year Plan is aimed to increase the service level in a sustainable manner.

Table 5.10: Water Supply- Target Coverage at the end of SFYP*

Sl. No	Service Area	Target Coverage at the end of SFYP		
		By Piped Water	By Water Points	Total
1	City Corporation	70%	30%	100%
2	District HQs Pourashava	70%	30%	100%
3	Upazila HQs Pourashava	30%	70%	100%
4	Growth Centre & Other Pourashava	20%	80%	100%
5	Rural Areas	1%	99%	100%

*Reflecting National Policy for Safe Water Supply

Table 5.11: Sanitation- Target Coverage at the end of SFYP

Sl No	Service Area	Target Coverage by Sanitation Options at the end of SFYP
1	City Corporation	
	Onsite sanitation	100%
	Sewerage	10%
	Drainage	50%
2	District HQs Pourashava	
	Onsite sanitation	100%
	Sewerage	5%
	Drainage	50%
3	Upazila HQs Pourashava	
	Onsite sanitation	100%
	Drainage	50%
4	Growth Centre & Other Pourashava	
	Onsite sanitation	100%
	Drainage	50%
5	Rural Areas	
	Onsite sanitation	100%
	Drainage	50%
	Solid Waste Management	75%
6	Transport Sanitation (River, Road, Railway)	
	On board	100%

Policies and Strategies for the development of WSS under SFYP

Institutional Responsibilities

At present, DPHE is involved in Water Supply and Sanitation activities in the Urban and the Rural areas under physical planning, water supply & housing sector. These activities will continue to be planned and implemented during the 6th FYP. In addition, it is extremely important that DPHE is involved with the activities relating to environmental sanitation in Pourashava Towns. Urban Environmental Projects to be implemented by DPHE will include the following Components:

- Urban Water Supply
- Urban Sanitation (Waste water collection and transportation, Treatment of Human waste and Wastewater)
- Urban Environmental Sanitation (Solid waste management and Storm water and Sullage draining)

Besides these, DPHE will implement projects related to Capacity building of LGIs and sector professionals, Establishment of national data bank etc.

The Arsenic Mitigation Policy 2004 gives preference to surface water over ground water as a source of drinking water for the arsenic-affected areas. The WSS Policy 1998 talks about

proper use of surface water and rainwater. Government alone shall have the ownership of the water source including its protection, development/ extraction, treatment and transmission up to service area. Shouldering this responsibility on behalf of the government DPHE will carry out these activities. Within its own service area the concerned LGI will manage O&M of the WSS services. If required DPHE will provide necessary assistance to them.

Technological Options

The need for promoting technology options for sustainable water and sanitation services responding to the needs of specific areas and socio-economic groups of people will be recognized. The Arsenic Mitigation Policy 2004 envisages the promotion of rural piped water systems in the long run. It recognizes that appropriate technologies for arsenic mitigation are yet to be developed and thus promotes some options like improved dug wells, pond sand filters, deep hand pump tube wells (following prescribed installation protocol) and rainwater harvesting. Any arsenic removal technology before implementation must be validated from the Bangladesh Council for Scientific and Industrial Research (BCSIR).

Sewerage treatment technologies with greater emphasis on resources recovery and recycling will be given top priority in improving sanitation situation. Emphasis will be given on less energy intensive technologies like constructed wetland, oxidation ditch, extended aeration, stabilization ponds, etc. Appropriate desludging of septic tanks and pit latrines will be enforced and effluent disposed off in a proper manner. Sludge emptying services by city corporations and Pourashavas will be made available.

Water Quality Monitoring

The WSS Policy 1998 sets goals to ensure the supply of quality water through observance of acceptable quality standards. It says that the monitoring of water quality will be the responsibility of DPHE, DOE, BSTI, Atomic Energy Commission and CBOs and they will send their reports to the water quality control committee in the Local Government Division. The Arsenic Mitigation Policy further states that the water quality of all new water supply sources is to be tested prior to commissioning. Laboratory facilities must be developed at Upazila levels through public/private initiatives and linked to a network with the existing DPHE laboratories and DOE laboratories. Government will formulate and enforce effective regulatory instruments for certification and accreditation of these laboratories. Recently World Health Organization (WHO) introduced Water safety Plan (WSP), a preventive mechanism to ensure safe water.

Environmental Integrity

The WSS Policy 1998 desires that all development activities related to water and sanitation are considered within the broader environmental considerations. The Policy emphasizes the prevention of groundwater contamination from sewerage and drainage in urban areas. The

Arsenic Policy 2004 puts up a tentative protocol for safe disposal of waste from arsenic removal technologies.

Major Interventions/Activities to Achieve Targets

The specific major interventions/activities to achieve the vision targets are:

Management Aspects

- Update and strengthen “Organizational Setup” of DPHE so that it can perform its mandated responsibility and can meet desire of the people.
- DPHE will concentrate more on and look after the water quality as well as WSS system monitoring, surveillance and co-ordination of WSS sector on behalf of the government.
- DPHE will carry out the WSS Human Resources Development (HRD) activities for capacity building of personnel (Public/LGIs/ Private/ NGOs/ Unemployed youth etc) involved in the development and O&M of WSS system.
- DPHE will look after information management and R&D activities of the WSS sector to support policy making and strategic planning.
- Gradual shift of DPHE from its exclusive role of “Service provider” to the role of “Service provider and Facilitator”.
- On behalf of the people, government alone shall have the ownership of the water sources including its protection, development/ extraction, treatment and transmission up to service area. DPHE will shoulder this responsibility on behalf of the GoB. DPHE with its own manpower or by engaging professionals/ professional bodies or private operators will carry out these activities. DPHE will also facilitate LGIs in discharging their responsibilities in the development, operation & maintenance of the WSS service delivery in their jurisdiction. Within its own service area the concerned LGI will manage O&M of the WSS services by itself or by engaging private operators for different functional areas of the WSS system.
- DPHE will facilitate overall capacity building of the concerned LGI before withdrawal of its WSS activities from the service area of the LGI.
- Strengthen capacity of DPHE in the identification of appropriate source of water supply and location specific water supply options, supported by detailed investigation, feasibility study, water modeling, design, etc in respect of surface as well as ground water.
- Withdrawal of WSS development activities of DPHE from the service area of the concerned LGI is dependent on its development status and capacity of the LGI in managing WSS services.
- DPHE will extend advisory services to the LGIs as and when required, supported by law/ ordinance, to maintain good order in the WSS service delivery.

- Effective involvement of the people/ community in WSS management.
- More involvement of the private sector in the O&M of WSS services.
- Public-Private partnership in the O&M of WSS services.
- Public-Private partnership in the development of infrastructure for adequate WSS service delivery in limited scale.
- Involve financial institutions in the development and O&M of the WSS services.

Development Aspects

- Ensuring safe water and sanitation facilities for all through the development of different water supply and sanitation options to improve quality of life and to accelerate development of the country in a sustained manner taking into consideration of poverty alleviation, promotion of private sectors, arsenic mitigation, human resources development, protection of environment, gender issues, climate change and global warming.
- Ensuring safe water through the development of different water supply options in areas affected by the presence of arsenic and other micro-pollutants in ground water and presence of micro-organisms, industrial wastes, fertilizers, insecticides, herbicides etc. in surface water.
- Ensuring safe sanitation facilities for all through the development of different sanitation options based on hydro-geology/ weather, socio-economic condition of the people/ community, soil condition etc.
- Ensuring safe water and sanitation facilities in the hydro-geologically difficult and problematic areas through the development of appropriate and affordable technological options.
- Establishment of WSS HRD centre in DPHE to ensure adequate supply of trained and skilled manpower in the WSS sector for its balanced development and effective management.
- Establishment of the NAWASIC (National Water Supply & Sanitation Information Centre) in DPHE to ensure information management of the WSS sector and DPHE as well which is necessary for policy making and strategic planning of the sector.
- Establishment of water quality examination, monitoring and surveillance systems throughout the country by establishing laboratory network and onsite testing facilities using portable water testing kits.
- Establishment of monitoring, surveillance and coordination units in DPHE.
- Ensuring the adequacy of financial resources through proper user charges, public-private partnerships, foreign aid resources and Government's own resources.

- Urban Environmental Sanitation (Solid waste management and Storm water and sullage draining)

The sixth five year plan is deemed to increase the present coverage of safe drinking water both in rural and urban areas and to ensure access to hygienic sanitary latrines for all, WSS facilities in every school, important public places, and religious institutions and in densely populated poor communities. These will be achieved through installation of water supply systems (both piped and non-piped) & sanitation facilities, implementation of water safety plans, water quality surveillance, adoption of appropriate technology to specific regions with different hydro-geological situations and social groups, behavioral development in sanitation & personal hygiene practice, social mobilization for awareness building, institutional capacity building, proper management of solid & liquid waste, increased use of surface water, storage & use of rain water, strengthening Local Government institutions & communities.

Bottom up demand responsive planning, sustainable development through Local bodies, increased involvement of NGOs, CBOs and women groups, gradual increment of community cost-sharing and introduction of economic pricing, assigning priority to under-served & un-served areas, poverty alleviation, promotion of private sectors, arsenic mitigation, human resources development, strengthening & improvement of existing technologies through research & development activities, protection of environment, climate change and global warming etc. have been the key issues addressed during preparation of the plan. Every attempt will be made in future to address these key issues while preparing and implementing any WSS projects/programs.

ALLOCATION OF DEVELOPMENT RESOURCES FOR THE URBAN SECTOR IN THE SIXTH PLAN

Given the large backlog of unmet demand and rapidly growing new demand for urban services in Bangladesh the investment financing needs of the urban sector are large. This is also reflected in the indicative resource requirements provided by line ministries and shown in Annex attachments. Creative means will need to be found to meet the financing requirements based on a combination of sound planning of new investments, proper attention to maintaining and better using existing urban assets, strengthening of property tax system and user charges, partnership with private sector through outsourcing and PPP arrangements, mobilization of donor funding, and assigning funds from the government's own resources. While the government recognizes the urgency of meeting the needs of the urban sector, a holistic approach to resource mobilization as stated above will be essential.

Based on the projected overall resource envelope and a careful assessment of relative expenditure priorities, Tables 5.12 and 5.13 provide allocation of development resources to the urban sector in current and constant prices during the Sixth Plan. These are indicative targets and will be reviewed on an annual cycle in light of actual resource availability, implementation performance and changing priorities.

Attachment in the annex shows the indicative costs of various programs/projects proposed by various agencies of the Ministry of Local Government, Rural Development & Cooperatives and the Ministry of Housing and Public Works for inclusion in the Sixth Five Year Plan. These programs/projects are proposed to fulfill government's manifesto and target to ensure safe water and sanitation facilities for all in a dynamic environment. In view of the large gap between available resources and proposed expenditures the programs/projects will have to be prioritized for funding.

Table 5.12: Development Resource Allocation for the Urban Sector in the Sixth Plan
(Taka Crore; current price)

Ministry	2010-11	2011-12	2012-13	2013-14	2014-15
Local Government Division	8099	9519	10804	12687	14430
Ministry of Housing and Public Works	479	565	641	754	862
Total	8578	10084	11445	13441	15291

Table 5.13: Development Resource Allocation for the Urban Sector in the Sixth Plan
(Taka Crore; FY2011 price)

Ministry	FY2011	FY2012	FY2013	FY2014	FY2015
Local Government Division	8099	8855	9392	10357	11112
Ministry of Housing and Public Works	479	525	557	616	664
Total	8578	9381	9950	10972	11776

ANNEX

Sixth Five Year Plan (2011-2015) Ministry of Local Government, Rural Development and Cooperatives

**Annex Table 5.1: Indicative Costs for Proposed Programs/Projects
(Crore Taka)**

1. Urban Development (Municipalities)	11862
2. Urban Development (City Corporation Areas)	
a. Dhaka City	4960
b. Chittagong City	4836
c. Rajshahi City	1335
d. Khulna City	972
e. Barisal City	507
f. Sylhet City	1000
Sub-total: Urban Development (City Corporation Areas)	13610
3. LGED (urban roads, bridges/culverts, urban drains, community/public toilets, Bus/Truck Terminals, Municipal Kitchen Market, Municipal Infrastructure Development Plan, Master Plan of Upazila and Zila Towns, Urban Poverty Reduction Programs)	11509
4. DPHE (Water Supply and Hygienic Sanitation in Rural and Urban Areas)	10313
5. Water Supply System, Sewerage System, Storm water drainage	
a. DHAKA WASA	16769
b. CHITTAGONG WASA	5685
c. KHULNA WASA	153
Total for Urban (excluding transport)	69901

Source: Ministry of Local Government

(Ministry of Housing and Public Works)

**Annex Table 5.2: Indicative Costs for Proposed Programs/Projects
(Crore Taka)**

1. Public Works Department (PWD)	1205
2. National Housing Authority (NHA)	11748
3. Rajdhani Unnayan Katripakkha (RAJUK)	40309
4. Chittagong Development Authority (CDA)	2930
5. Khulna Development Authority (KDA)	990
6. Rajshahi Development Authority (RDA)	306
7. Housing and Building Research Institute (HBRI)	142
8. Urban Development Directorate (UDD)	163
TOTAL	57793

Source: Ministry of Housing and Public Works