



Union Digital Centers (UDCs) in Delivering Services: Roles, Potentials and Challenges

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Executive Summary*

1. Introduction and rationale

In contemporary world, Information and Communication Technologies (ICTs) are recognized as powerful tool for socio-economic development. They are known to have brought tremendous impact to produce welfare to people in terms of better access to information, job creation and enhanced public services through efficient governance and diversification of economic opportunities. Advent of globalization, rapid development of ICTs, glaring presence of manual services provisions and lack of transparency and accountability in them have created demands for the introduction of digital services. Therefore, governments have been seen to invest considerable amounts for developing ICTs infrastructures and digital applications for service deliveries.

Since early 90s the Government of Bangladesh have started taking many initiatives to create an enabling environment for ICT development. However, these initiatives got momentum during 2007-09, when the Prime Minister's Office started implementation of Access to Information (a2i) with the assistance of United Nations Development Programme (UNDP). Eventually, as part of many digital initiatives the country started implementing Union Information and Service Centers (UISCs) from 2009 for bringing public services to the door-step of grassroots and establishing transparency and accountability in them. The UISCs were renamed as Union Digital Centers (UDCs) in 2014.

The objectives of these UDCs are to make various government, commercial and information services available to the door-step of citizens; reduce time, cost and visits for receiving services through making them easy and affordable; bring transparency, accountability and efficiency in the activities of union parishads.

Through public-private partnership UDCs were expanded in 4554 unions across the country as a 'One Stop Service Center'. The UDCs have experienced advancements in the areas of infrastructure, technological attainment and development of skilled manpower. According to an estimate (2016), UDCs delivered 45 million services to rural people during 2013-15. Despite these developments, there is a dearth of studies that have explored what extent UDCs operations have made public services easy and available; achievements, prospects and operational challenges of UDCs in establishing transparency and accountability in service

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provisions. On the other hand, TIB has been promoting the use of ICT in public services through its research and advocacy campaigns to bring transparency and accountability in public services. Because of TIB's forte and experience in doing research on transparency and accountability matters, A2i programme approached them in 2015 to conduct a research to unearth the impact of digitalization in controlling corruption. Because of above reasons, TIB has undertaken this study.

2. Study objectives

The main objective of the study is to assess prospects and challenges of UDCs in ensuring e-services at the grassroots.

The specific objectives are:

1. To assess roles of UDCs in making government, commercial and information services available to the doorsteps of grass root people
2. To assess achievements and prospects of UDCs in establishing efficiency, transparency and accountability through e-services
3. To identify operational and management challenges UDCs
4. To provide recommendation to enhance effectiveness UDCs

3. Methodology

Both quantitative and qualitative research techniques were applied in this study. The quantitative technique involves surveys with UDC users at household level (3053), UP Secretaries (91) and UDC Entrepreneurs (104). For the user survey, a three stage cluster sampling technique was followed using list of unions in the country. Some users, UP Secretaries and Entrepreneurs could not be surveyed because of their unavailability during the survey date. The user survey asked questions about the extent of UDC services; availability; time, cost and visit for receiving services and possibilities of corruption reduction during receiving services from UDC. The surveys with the UP Secretaries and Entrepreneurs asked questions about infrastructure, technological capabilities and their operational challenges. The reference period of the user survey was January–December 2016.

On the other hand, some key informant interviews as part of qualitative technique were conducted with Additional Deputy Commissioners (8), Deputy Director-Local Government (3), Upazilla Nirbahi Officer (20), Assistant Programmers (5), UP Chairmen (33), a discussion with officials of A2i programme (6). They were asked questions regarding challenges they face in operating, supporting and interacting with UDCs. The indirect sources of information include relevant researches conducted by a2i, government circulars and different documents.

The study was conducted during June 2016 to August 2017. The findings of the study were shared with the officials of A2i Programme and Local Government Division to seek their comments and suggestions.

4. Analysis framework

The research comes up with some findings by analyzing collected information in line with the objectives of UDC and the study objectives. They include extent of UDC services; reduction in time, cost and visit for receiving services from UDCs; satisfaction level of UDC users; infrastructure, equipment and logistics of UDCs; selection processes of entrepreneurs; attendance of entrepreneurs, training received by entrepreneurs; technological capabilities; campaigns and information disclosures; supports given for the administrative works of UPs; income and expenditures of UDCs, oversight mechanisms; achievements and challenges of UDCs and other stakeholders; lessening of corruption for the provisions of services from UDCs etc.

5. Research findings

5.1 Roles of UDCs in making service available

5.1.1 Operations of UDCs and Service provisions

It is found that UDCs remain open for 6 days in a week and 9 hours on each day. According to the survey findings 93.2% service recipients found UDC entrepreneurs available during operating hours. The UDCs on average provided services to 26 recipients on each day (female: 8 and male: 18) or 785 recipients (female: 230 and male: 555) in December 2016.

5.1.2 Extent of UDCs services

According to the user survey, members of 30.8% households received different public, commercial and information services from UDCs in 2016. An overwhelming majority of service recipients received birth certificate services (71.8%). Conversely, information services found to have received by the lowest percentage of users (0.4%). Other services that were received by a considerable percentages of users include compose and print of different certificates (11.9%) taking of photo and print (7.2%) and photocopy and lamination (4.8%). Only a small percentages of users received e-services of online passport application (0.7%) and land record (0.5%). Extent of services differs among different UDCs based on the capacity of the concerned entrepreneurs and demands of particular services in a locality- especially the commercial services.

5.1.3 Time, cost and visits for services

Among the service recipients, 51.4% obtained services by a single visit. Thus, 48.6% recipients had to go more than 1 times. The reasons for more than one visit include due to the nature of the services (31.3%), crowd of service recipients (22.6%), absence of UP Chairmen (19.9) and UP Secretary (12.9), disruption of power (7.5%) and internet connection (4.6%) etc.

It is found that more service recipients had to come more than once for receiving birth certificate. Among the birth registration service recipients, 63.6% service recipients had to make more than 1 visit. The reasons for which service recipients had to make more than 1 visit

include due to nature of the services (31.2%), crowd of service recipients (23.3%), absence of UP Chairmen (21.3%) and UP Secretary (14.0%), absence of entrepreneurs (10.8%), disruption of power (9.0%) and internet connection (8.5%) etc.

In this study, one public service (online application for land record) and one commercial service (online application for passport) were considered to compare changes in terms of time, cost and visit due to introduction of e-services replacing the traditional and manual ones. In the user survey, it is found that 2.9% (89) users received land record from Record Room located at DC office. Of which 48.3% (43) had to wait on average 4-5 hours. They had to pay on average BDT 449 for traveling, night stay and food costs. And, they had to go there on average three times for the land record. Moreover, 56% service recipients had to pay BDT 373 as bribe. In case of receiving of land record through online application from UDCs, it is found that 2 service recipients out of 5 had to wait 1-2 hours. They did not need to spend any money for traveling, staying and food cost. Only, they had to pay Tk 100 as service charge for this service to UDC. Service recipients did not need to pay bribe for receiving this service because of the snapping of contact between the service recipients and service provider and service recipient. Similar observations were observed in case of online passport application from UDCs or commercial shops and vendors.

5.1.4 Equipment and logistics

During 2009-11, a total of BDT 277.76 crore (40 million USD) was allocated for 4,554 UPs, of which BDT 243.04 crore (35 Million USD) came from Annual Development Programme (ADP) and BDT 34.72 crore (5 million USD) from UNDP funded a2i programme. A total of BDT 155 crore was used to procure new ICT equipment, accessories and furniture. And remaining BDT 122.76 crore was spent for capacity building, orientation for people's representatives and authorities at local level.

In the surveyed UDCs, it is found that 32% to 42% essential equipment like computers/laptops, printers, cameras and photocopy machines are non-functional. Therefore, faster and flawless services cannot be ensured in those UDCs that suffer from this problem severely. Due to shorter tenure agreement, the entrepreneurs are reluctant to invest for the replacement or repair of non-functional equipment. In remote areas, absence of good technical hand is also posing difficulties for their repair. Moreover, as tenure of the agreement with entrepreneurs is quite short, entrepreneurs are reluctant to invest to new and repair idle equipment for the long time.

5.1.5 Selection process of entrepreneurs

The guideline for selection of entrepreneurs in the UDC circular is not elaborate and explicit enough. In the circular, there is no clause that made advertisement for entrepreneur selection mandatory. In the survey, it is found that among the surveyed UDCs, 32% UPs (29 UPs) proactively published advertisement for the selection of entrepreneurs while 68 % (62 Ups) did not do it. In 87% UPs, concerned Management Committee selected entrepreneurs by their own authority without holding any exam. Exams held in 13% surveyed UPs to select entrepreneurs.

Because of the lack of specific guideline in few cases influence and nepotism of local people's representatives in the recruitments of entrepreneurs prevail. On the other hand, in some places female entrepreneurs are found to be family members (sibling/wife) or relatives of the male entrepreneurs as skilled female entrepreneurs are not available enough in the localities.

5.1.6 Profile of entrepreneurs

In the survey of 105 unions, both male and female entrepreneurs are found available in 76% UDCs, whereas only male entrepreneurs in 23% UDCs and only female entrepreneurs in 1% UDC. It also found that sometimes female entrepreneurs cannot continue longer when they are married and move to their husbands' places.

5.1.7 Training received by entrepreneurs

In the survey, it is found that 89% entrepreneurs - both male and female- got training on Computer Basics. They were given some income generating training that include Freelancing (41.6%), MIS (69.9%), Graphics Design (15.6%), Web development (10.4%) etc. In some places, UDCs are running with the entrepreneurs of insufficient skill as enough skilled candidates are not available in the localities. As a result it causes less efficiency of the quality service delivery.

5.1.8 Tenure of the agreement between UPs and entrepreneurs

It is to be noted that no fixed tenure of UDC is mentioned in the circular. However, tenure differs from 3 to 5 years among the UDCs. In few cases, changes of UP Chairs, lack of mutual understanding with UP Secretaries may risk renewals agreement. Therefore, entrepreneurs are reluctant to invest because of short tenure of the agreement.

5.1.9 Presence of entrepreneur at UDCs:

In the circular, no specific clauses mentioned regarding the presence of entrepreneurs. The presence is found higher among the male entrepreneurs (24 days) compared to female entrepreneurs (15 days). In some cases, it is found that male entrepreneurs discourage the female counterpart because of UDCs' low income and absence of specific instruction on profit sharing. Some social obstacles like family discouragement for working with unknown male colleagues, negative social outlook toward working outside of house women entrepreneurs sometimes cannot attend UDCs regularly.

5.1.10 Internet access and power supply of UDCs

In the survey, it is found that most of the UDCs (98%) are using SIM modem for internet connectivity. In addition, 13% UDCs are availing of fiber optic connectivity installed by the Bangladesh Telecommunication Company Limited (BTCL). However, it is to be noted that fiber optic connection line is installed to 19% UDCs. As SIM modem is found in most of the UDCs, slow internet speed is experienced in UDCs mostly located in remote and less strong coverage areas thereby causing delays and inefficiency in service deliveries. Regarding alternative supply of power, only 38% UDCs have alternative sources like solar panel, generator, IPS etc. Thus,

remaining 62% UDCs do not have alternative power sources to withstand against load shedding thereby causing disruptions in service deliveries.

5.1.11 Publicity and information disclosure

According to user survey it is found that communities have been reached to lesser extent through traditional campaign mediums like miking (6.6%) and radio/TV/Newspapers/National Web portal (2.6%) to reach communities. Rather majority of people learnt about UDC services from their family members, relatives and neighbor (55.0%) and after going to UP (48.8%). These findings do imply that campaign by the entrepreneurs and UP Management Committee has been less effective and failed to reach majority people. It might happen as campaign could not reach remote areas. People know about UDCs by name but they do not know about the extent of the services UDCs provide due to apparent lack of publicity at local level[†]. In the survey it is found that, 79.6% household heard the name of UDCs but don't know the extent of their services. In the surveyed UDCs, the inclusive information board with name and price of services is found in 45% UDCs. In some places, lack of initiatives has been observed to replace damaged banners and information boards.

5.1.12 Assistance given to administrative works of UPs

In the circular, it is mentioned to involve UDCs in UPs' administrative works with payments. In surveyed UDCs, the notable areas where UDCs provide assistance include preparation and print social safety net programme beneficiary lists, compose and print of different notices, print photograph of beneficiaries of different programs (who are not able financially to print photograph to include in social safety net program), compose verdicts of village courts, e-mails, making photocopies etc. In a few cases, UPs do not pay the service charges to concerned UDCs.

5.1.13 Income and expenditure of UDCs

In December 2016, the average monthly income of UDCs was found Tk 22,221 and average monthly expenditure including investment Tk. 6,418. Thus, average monthly profit was found Tk. 15,803. Around 42% UDCs made profit more than average monthly profit of Tk. 15,803. In those cases, commercial services were found as high as 75% or more. The average monthly income of some UDCs (14.9%) is comparatively very low (less than 5000 Taka). In 2016 around 50% UDC was financially supported from LGSP and UP considering affords of concerned UPs for maintenance purpose. The monthly average amount was found 4,353 BDT per UDC. This support indicates lack of self-dependency and sustainability risk for those UDCs.

[†] KII of Deputy Director (DD), LG, Assistant Programmer

5.1.14 Monitoring Mechanisms

Daily reporting

There is a provision to submit income and number of services delivered on the a2i prescribed online system on a daily basis. Regarding report submission, about two-thirds of the entrepreneurs (67%) submit daily report on the system regularly, 25.2% UDCs do not submit regularly. It is found in the survey that 7.8% UDCs do not submit daily online report for a long time.

Monthly reporting

UDCs need to submit monthly report to the Committee. In the survey, it is found that about half of the entrepreneurs (55.3%) submit monthly report to UP Secretaries regularly, 22.3% submit irregularly. On the other hand, 22.3% of surveyed UDCs do not submit the same. In a few cases UP Chairs are not enough responsive, that case their reluctance and lack of ownership for its publicity and sustainability is noteworthy.

Monitoring by UNO office

UNO usually monitor daily reporting format online and discuss monthly report in monthly meeting. Sometimes he visits physically. Besides over phone, in meeting at UNO office and through the UDC Management Committee, UNOs oversee UDC operations. Because of the inadequate manpower at UNO offices sometimes inhibits their physical visits to some UDCs.

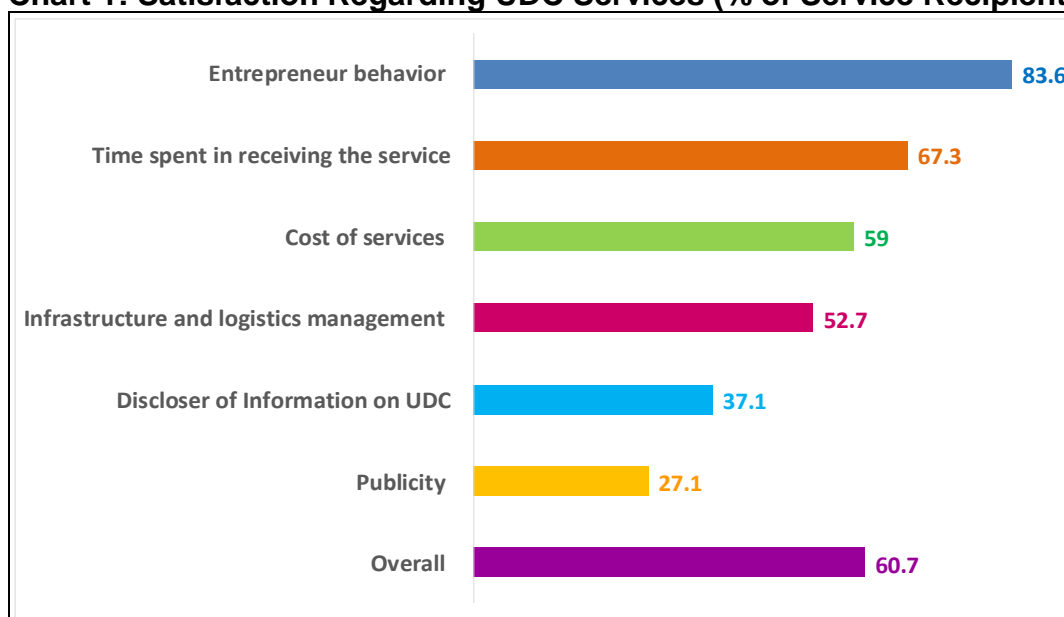
5.1.15 Information archiving

Though there is no instruction regarding of information archiving in the circular, 35% entrepreneurs keep records of services and the recipients (name, address, signature, types of services, prices etc.) in their register books regularly.

5.1.16 Levels of satisfaction on UDC services

The user survey reveals that service recipients' satisfaction on UDC services is fairly high. Overall 60.7% of service recipients were satisfied about UDC services and relevant issues. Most of the service recipients (83.6%) were satisfied about the behaviors of entrepreneurs and least satisfied at the publicities on UDCs.

Chart 1: Satisfaction Regarding UDC Services (% of Service Recipient)



6. Achievements of UDCs

At the grassroots level, UDCs have become a praiseworthy initiative to speed-up the deliveries of public, commercial and information services and accessible to communities. In 2016, one-third households in rural areas took services from UDCs and overall 60.7% service recipients experienced their satisfaction on UDC services. Time, cost and visits for government services (applications for land records, migrant labour registrations, hajj registrations etc.) have reduced considerably because of their deliveries from UDCs instead of their traditional delivery points from districts and central authorities. As interactions between service providers and recipients have reduced because of digital services, risks of becoming victims of corruption or bribery reduced. The UDCs have been providing services to a considerable number of rural population despite a considerable number of equipments remain non-functional, inadequate power supply and slow internet connectivity. About 50% UDCs are making profits of BDT 14,459 and they are not taking any assistance from UPs which is an indication of their sustainability. Some UDCs are playing a catalyst role in developing skilled manpowers in rural areas by imparting trainings on ICTs. The administrative operations of UPs have been strengthened after digital archiving of their operations and activities.

7. Potentials of UDCs

Increased campaign and expansion of services would help to increase UDC earnings and profits which would eventually enhance their sustainability. Still there is ample scope to simplify public services through seamless digitalization and integration of different layers. Such efforts would contribute to reduce time, cost and visits further. Expansion and diversification of public services through UDCs would reduce interactions between service providers and recipients; and thus, harassments, irregularities and corruption might also reduce. Digital archiving and management of

information produced by UDCs would enhance transparency and accountability of UPs and the government. Training imparted by some UDCs would increase employment opportunities for people living at the grassroots. Most but not least, the UDC model in the mode of public and private partnership has shown the potentials for bringing public services to the doorstep of grassroots people.

8. Challenges faced by different stakeholders

UDC Management Committees

The government circular for the operations of UDCs is not comprehensive and elaborate one. Gaps found in the guideline include absence of transparent processes to select entrepreneurs (issuance of advertisement, competitive exams etc.), technical proficiency of entrepreneurs, distribution of UDC profits between the entrepreneurs, tenure of agreement between UPs and entrepreneurs and standardization of service charges. For these reasons, UP Chairs and Secretaries face challenges during selection of entrepreneurs, supporting and guiding UDCs. Moreover, these loopholes create a space to indulge some of them in anomalies.

UNO Offices and District Administrations

Because of the absence of Assistant Programmers at some upazillas, adequate technical support cannot be extended to UDCs located in those places. Besides, inadequate manpower at UNO office sometimes inhibits their physical visits to UDCs. In a few upazillas, the concerned officers sometime create pressure on the entrepreneurs to report more income on the online system rather than the real one to exaggerate their performance.

a2i programme

Still most of the digital services are fragmented ones – not a completely integrated digitalized platform. Such lacking in the digitalization requires integration with other layers. Because of these, complete and seamless digitized services cannot be introduced yet.

9. Challenges of UDC towards sustainability

The research observed some challenges that would pose risks for the sustainability of UDCs. Some specific instructions are absent regarding UDC management like entrepreneur selection process, technical proficiency of entrepreneurs, profit sharing between the entrepreneurs, monitoring mechanism and information archiving. There is a lack of technological efficiency among some entrepreneurs to ensure quality services. All service delivery institutions are not fully digitized, so that integrated service delivery could not be introduced. The lack of campaign on the extent of services at local level is notable. A section of the public representatives at local level are reluctant to own this initiative and playing the catalyst role.

10. Recommendations: Based on the findings of the study TIB put forward below recommendations for the considerations of policy makers and relevant stakeholders

10.1 Regarding policy reform and changes:

1. For the better management of UDCs, below policies should be adopted in the circular issued by Local Government Division and accordingly recirculate it–
 - Transparent and competitive entrepreneur selection process
 - Provision to giving preference to technically proficient candidates
 - Longer term agreement tenure for the entrepreneurs
 - Profit distribution mechanism between the entrepreneurs
 - Conditions under which financial assistance from UPs can be given
 - Monitoring guideline for supervisory authorities
 - Standardization of service charges

10.2 To enhance UDCs' performance:

2. Initiatives should be taken for the long term institutionalization of UDCs by assessing their potentiality and challenges
3. The extent and breadth of public services should be expanded uniformly in all UDCs in line with the main objectives of UDCs
4. Instant Power Supply (IPS) as alternative source of power should be installed for ensuring for uninterrupted power supply.
5. Internet access through optic fiber cable should be ensured as soon as possible for high speed internet connectivity.
6. Non-functional equipment should be replaced with new ones and old, erased and torn down information boards and banners should be replaced as well
7. Receipts against the government services should be given mentioning the government fees and service charge separately
8. Further simplification measures should be taken for complete and integrated digitalization of all public services. In this regard, digital signature might be introduced.
9. Orientation for understanding the essence of public-private partnership should be arranged to encourage the entrepreneur for necessary investment
10. Based on assessment necessary training should be organized for entrepreneurs so that they can deliver information services to service recipients

10.3 To strengthen the involvement of stakeholders:

11. Campaign by miking, leaflet, yard-meeting, advertisement through cable network at local level and broadcast of TVC on BTV at national level should be arranged, especially the issues of cost minimization through taking services from UDCs
12. Orientation on UDCs and importance of e-service should be organized for the newly selected UP representatives.
