

# Water Financing Integrity Under the Lens of Social Accountability: A Case Study from Bangladesh

## Executive Summary

Flood is a natural phenomenon in the wetlands (*Haor*) area of Bangladesh. Sunamganj is a wetland district in the North-Eastern part of the country which is flooded every year due to monsoon rain and transboundary water from the upstream of the Brahmaputra river, which flows down through north-eastern India and into Bangladesh from the Himalayas. The government implements crop protection embankment projects in the wetlands area through the Bangladesh Water Development Board (BWDB). However, the water sector in Bangladesh generally is blamed for corruption and lack of public accountability. The crop protection embankments in the wetland district were washed away during the flood in 2017. According to Haor Advocacy Platform (HAP) Position Report Flash Flood 2017; damages estimated by the government include crop loss of 371,401 hectares of the area, and 1281,000 Metric Tons of rice estimated at USD<sup>1</sup> 623,875,000; fishery worth USD 2,872,500 and livestock: 584,535 Metric Tons of fodder loss estimated at USD 182,875,000.

During the flood of 2017, media played the vital role of whistleblowing from the local level along with the NGOs/ Networks to create nationwide attention about the loss of crops due to poor maintenance of the flood protection embankments in the wetland areas. Partly as a result of this pressure, the government reviewed the “*Kabita Nitimala*,” the policy under which community people adjacent to the embankments constitute the water project implementation committee with the leadership of the local administration and technical support from the BWDB. The “*Kabita Nitimala 2017*” has allowed the local administration to play a leadership role in the water project implementation along with BWDB as technical support. However, there were many places where the height of the embankments was increased beyond necessity, which may cause an obstacle to natural water flow essential for the wetland ecosystems. Due to this policy’s negative externality, it is vital to scrutinize the efficiency of local-level spending for the massive public works that were implemented during the financial year 2017-2018 in the wetland areas for crop protection water projects. It would allow us to revisit and safeguard the water-related climate finance projects implemented in the wetlands and other regions of the country. The study identified the role of NGOs, media, and local population in holding water management authority accountable (and contribute to policy shifts) for ensuring integrity in water financing for flood protection in the Sunamganj district of Bangladesh.

## Context and Importance of the Problem

The *haor* is a wetland ecosystem in the north-eastern part of Bangladesh, which physically is a bowl or saucer-shaped shallow depression, also known as a back swamp. In a country where one-third of the total surface area can be termed as wetlands, the *haor* basin is an internationally important wetland ecosystem, which is situated in Sunamganj, Habiganj, Moulvibazar, Sylhet, Netrokona, Kishoreganj

<sup>1</sup> Currency Unit=United States Dollar (USD) USD 1= Bangladesh Taka (BDT) 80.

and Brahmanbaria districts. The *haor* area of Sylhet and Moulvibazar districts is located near hills or at foothills. The *haor* area of Brahmanbaria, Netrokona, and Kishoreganj are floodplain *haors*. However, those of Sunamganj and Habiganj are deeply flooded *haors*. According to the Master Plan of Haor Area (2012) out of the seven *haor* districts, Sunamganj can be termed as the “core” of the *haor* region (Bangladesh Haor and Wetland Development Board 2012: 63). The total population of Sunamganj is 2.65 million. The district is divided into 11 administrative Sub-districts. The total area of Sunamganj is 367,000 hectares, of which the *haor* area covers 268,531 hectares, *i.e.*, 72% of the total area, and there are 95 *haors* (see Appendix 1) in this district (Bangladesh Bureau of Statistics 2012).

The water sector in Bangladesh is severely affected by corruption and failures of integrity, like other sectors. The Global Corruption Report (GCR) 2008 (Transparency International 2008:185) of which the central theme was water, indicated that water resource management (WRM) officials in Bangladesh had flouted financial rules in tender processes and many cases, they have been inefficient or negligent of the public interest. According to the GCR 2008, in Bangladesh during the period January to December 2006 an analysis from “*the data shows that public service officials were key actors in corruption in 84.8 percent of revealed cases, while powerful individuals, including contractors and politicians, were key actors in the remainder*” (Transparency International 2008:185).

Transparency International Bangladesh (TIB) conducted a study between 2012 and 2014, which identified various integrity challenges. During visits to the coastal areas, they identified failures in the consultation processes with local stakeholders. They have also found that a cyclone-resistant housing construction project was unfinished and that this was because local contractors had siphoned off the money and materials. In the case of the coastal area, TIB findings have led to some positive developments. Water-related climate finance projects valued at about USD 3.4 million were reassessed for quality performance. Moreover, the deputy commissioner (administrative chief of the district) has included civil society organization (*i.e.*, NGO) representation on a committee to oversee project works (Water Integrity Network 2016:101).

In the wetland context, the total budget allocated under the Annual Development Programme (ADP) during the fiscal year 2016-17 for the “Pre-monsoon Flood Protection and Drainage Improvement in *Haor* Areas” project under Sunamganj Operation & Maintenance (O&M) Division of BWDB was initially USD 1 million which was later increased to USD 1.25 million (KII with Sub-divisional Engineer, BWDB). Due to a flash flood, the project target had been reduced because the work could not be implemented in inundated *Haor* areas, and the budget was revised to USD 0.5 million. During the fiscal year 2016-2017, money was spent on water projects from both the ADP budget and the BWDB revenue budget under the *Kabita* projects.

The contractors who were awarded the contracts to implement these projects repeatedly failed to ensure the quality of work, something which has further damaged the reputation of the BWDB (KII with BWDB Official). Local people had informed the officials about the contractors' failure, but when the 2017 flood happened, the contractors could not be found in the locality. The local administration repeatedly tried to communicate with them (UNO Tahirpur), but they were not reachable. Most of the complaints from the local population were against the contractors since, in many places, they started the maintenance work late.

The role of NGOs has been significant in terms of popular mobilization and informing policymakers about the wrongdoing in public works in the wetland area of Sunamganj district (Haor Advocacy Platform, n.d.). Also, the media reports show that not only contractors, but also engineers and other officials are involved in corruption in major development projects, such as irrigation, river-dredging, and flood prevention. During the flood in 2017, three engineers of the Bangladesh Water Development Board (BWDB) were suspended pending an investigation into their work on the construction and repair of dams in the wetland regions of Sunamganj (bdnews24.com on May 2, 2017). The chronic failure to maintain the crop protection embankments by BWDB in the wetland areas is thus strongly linked to integrity deficits in public works for local development. Moreover, the implementation of “*Kabita Nitimala*” (Work for Money Policy) for the public works around water projects poses a critical challenge to safeguarding the rights of the local population (Ministry of Water Resources, Government of Bangladesh 2017).

### **The *Kabita Nitimala***

All the development projects at the sub-district level are implemented through the local government institutions and local administration. The total value of the project determines whether the sub-district administration will implement it through the tender evaluation committee convened by the Chief Administrator of the sub-district (Upazila Nirbahi Officer-UNO) and Sub-Assistant Engineer (SO) as the member-secretary. If the project exceeds USD 2,400 (BDT 200,000), the committee must be formed for the invitation of the tender. The Sub-Assistant Engineer (SO) is responsible for the implementation of the project and accountable to the Sub-district Council, the local government institution (Upazila Parishad-UZP); Government of Bangladesh 2013).

If the total value of the project is up to USD 2,400 (BDT 200,000), then the project implementation committee (PIC) implements the project. A total of 5-7 members comprises the committee. However, one person cannot be the chairperson of two PICs at the same time. According to the rules (Government of Bangladesh 2013), all project implementation committees are accountable to the UZP (concerning the implementation of the projects and financially), and the local government institution must act according to the local government rules to ensure accountability.

The “*Kabita Nitimala 2010*” (Work for Money Policy) has been formulated to implement the development projects at the local level involving beneficiaries, local administration, local elected public

representatives, and other stakeholders. This policy allows the BWDB to implement the water projects involving local people through the project implementation committee (PIC). The government has reformulated the policy as “*Kabita Nitimala 2017*” after the wakeup call from the media and the NGOs/ Networks. The major change is the shift of leadership of the project implementation from the BWDB authority to the local administration. The water development board was made responsible for the technical support of the implementation process. The policy guidelines are as follows (Ministry of Water Resources, Government of Bangladesh 2017):

- i) Local people adjacent to the embankment of the *Haor*, i.e., landowners or their beneficiaries, including people working on that land for their livelihoods, should comprise the PIC for implementation of the water projects;
- ii) In the *Haor* area, the district and sub-district committee should be formed by October 31st of the fiscal year. The sub-district committee should complete the PIC formation process by November 30th. The PICs should start their operation on 15th December and work should be completed by the 28th of February of the corresponding fiscal year;
- iii) The PIC should set up a billboard mentioning the relevant information of the work at the project site;
- iv) To accelerate the work, a joint account will be opened in a scheduled bank (The banks that remain in the list of banks maintained under the Bangladesh Bank Order, 1972), the president and secretary of the sub-district committee would be the joint signatory.

### Configuration and Lines of Accountability of PIC

PIC 2016-2017 based on <i>Kabita Nitimala 2010</i>	PIC 2017-2018 based on <i>Kabita Nitimala 2017</i>
Committee: 5-7 Members Chairman Member Secretary Members (3-5)	Committee: 5-7 Members Chairman Member Secretary Members (3-5)
PIC Chairman nominated from Local Government Elected Chairman / Member (Union Parishad)	Members must be living in the adjacent area of the embankment
Members Secretary nominated from Local Government Elected Member/ Senior member of PIC	
<b>Members nominated by the Member of Parliament (MP) from their respective constituency (3 members)</b>	<b>Sub-district Chief Administrator (UNO)/ Sub-district committee nominates the members</b>
<b>One member of PIC nominated by the Sub-district Council Chairman (Upazila Parishad)</b>	
<b>One member of PIC nominated by the Executive Engineer</b>	
Members must be permanent residents of the Union	Members must be permanent residents of the Union
<b>PIC Accountable to the Executive Engineer (BWDB)</b>	<b>PIC Accountable to the Sub-district Chief Administrator (UNO)</b>
Source: Ministry of Water Resources, Government of Bangladesh 2010	Source: Ministry of Water Resources, Government of Bangladesh 2017

This policy shifting aftermath of the flood 2017 was a wakeup call to the policymakers by NGOs, media, and the local population. It is a significant improvement in terms of the ownership of the public works to the local community and enhancing the accountability mechanism through the direct involvement of the local administration in the lead role instead of the BWDB. However, it created a new dimension of the government institutions role in light of the Bangladesh Parliament's Bangladesh Water Development Board Act, 2000, the crop protection embankment maintenance projects are mandated to be the responsibility of the BWDB authority. The accountability of the water development board for the quality of the work now becomes passive for the change in leadership and direct involvement of the local administration.

## The Role of the Anti-Corruption Commission (ACC)

There has been a joint commission from the government for investigating the integrity issues around the public works in the wetland areas of Sunamganj during the fiscal year 2016-2017. However, the ACC had launched their investigation and acted before the government investigation report was prepared (KII with NGO Activist). When the ACC officials conducted their field visits, there was flood water everywhere, and the embankments were inundated. Therefore, they could not monitor the embankments physically. Consequently, they only could rely on the BWDB reports for investigation. One of the media representatives opined that it was an action from the ACC to calm public sentiment towards the government at that time. It was because of the awareness and pressure created by the media that the accused BWDB officials were taken into custody.

The Anti-Corruption Commission launched an investigation and filed lawsuits against the duty bearers of the BWDB for negligence and malpractice during the implementation of the water projects, i.e., crop protection embankments for the fiscal year 2016-2017. According to the anti-corruption commission local office, the cases are proceeding under the court of justice as of the date of this publication. Moreover, the suspension of two of the accused had been withdrawn (KII with Sub-divisional Engineer). The accused Chief Engineer, in the meantime, retired from the department. The accused Superintendent Engineer was assigned to the BWDB as an Officer on Special Duty (OSD). The suspension order of the indicted Executive Engineer continues according to the BWDB. The activists from NGOs, the media, and local community people have highlighted the weak role of ACC in curbing corruption around water projects financing, yet another flaw in the existing accountability framework. Moreover, the people of the wetlands community are skeptical about the strength of the current judicial system in the country. They are watchful about the cases filed by the ACC and seek justice against the wrongdoer of the public works.

## Watchdog Role of the Media

Citizens' universal access to information is at the heart of all principal-agent models where the principal is the citizens, and the agent is the politicians/ duty bearers. Theoretically, a free press will serve to improve citizens' access to information, which in turn will make it more difficult for politicians and public servants to cover up or get away with corrupt behavior (Oscarsson 2008: 2). This was evident in the aftermath of the flash flood in 2017. The role of the media was acknowledged by the government officials and NGO activists we interviewed. In the recent past, many integrity issues around *Haor* development were investigated by the media, raising awareness among policymakers and the general population. Local-level journalists were providing real-time reports through social media and reaching out to the local community as well as the national media.

Media representatives thus play an essential role in investigating water integrity issues by engaging with the local community and spreading the news to the citizens. However, they cannot ensure that the corruption racket will be put on trial. Making people aware of the facts about the specific event is their prime goal. There are always new stories, and the media people need to focus on contemporary issues

to survive financially. Most importantly, the literacy rate in the haor area of Sunamganj (35%) is much lower than the national average (52%) (Government of Bangladesh 2011). This low literacy rate severely hampers the efforts of the NGOs in raising awareness.

### **Main findings**

People's active participation in the political and administrative system has always been a challenge in the local development context. The geographical characteristics of the wetland areas make it more challenging to promote people-centered governance. Moreover, the life and livelihoods of the *Haor* community are vulnerable to the natural calamity, i.e., flood disaster. The government implements water projects to protect the *Haor* community and their crops. The “*Kabita Nitimala 2017*” (work for money policy) is one of the policies that created scope for the local people to implement the water projects under the leadership of the local administration. It has created scope for the local people to make their duty bearers more accountable and work together at the same time. During the fiscal year 2017-2018, the government has encouraged the local administration to implement the embankment repair work through the PIC under the “*Kabita Nitimala 2017*”, thereby avoiding having to award contracts to private contractors. However, according to the Bangladesh Water Development Board Act of 2000, the maintenance of the crop protection embankment is mandated to be the responsibility of the BWDB authority. Here, the reviewed “*Kabita Nitimala 2017*” has created a new dimension of the leadership of the water project implementation by the local administration, i.e., Deputy Commissioner at the district level and UNO (Sub-district Chief Administrator) at sub-district level. However, the BWDB officials provide technical support. According to the Act, the water development board is responsible for the implementation of these water projects. Moreover, the local administration has their regular responsibilities, which may suffer due to the newly assigned leadership role of implementing the water projects in the wetlands. This may further deteriorate the capacity of the BWDB officials by reducing the leadership role to technical support and their accountability to the concerned community and the institutions.

### **Policy recommendations**

1. The leadership role of the BWDB in implementing water projects should be specified to make them more accountable in the local governance system. To establish accountability of the BWDB to the accountability forums, i.e., Water Management Organizations constituted of people from the community (WMOs), audit department, media, etc. legal reform should be considered to make the ‘*Kabita Nitimala 2017*’ more functional.
2. To guarantee people's participation, the WMOs need to be functional, and their capacity developed so that they can play their role according to the Guidelines for Participatory Water Management. NGOs and their Networks are essential in establishing integrity around the water project in the wetland areas. There is a strong linkage between community engagement and the local NGOs strengthening local governance, provided their focus is aligned with the social accountability mechanism.

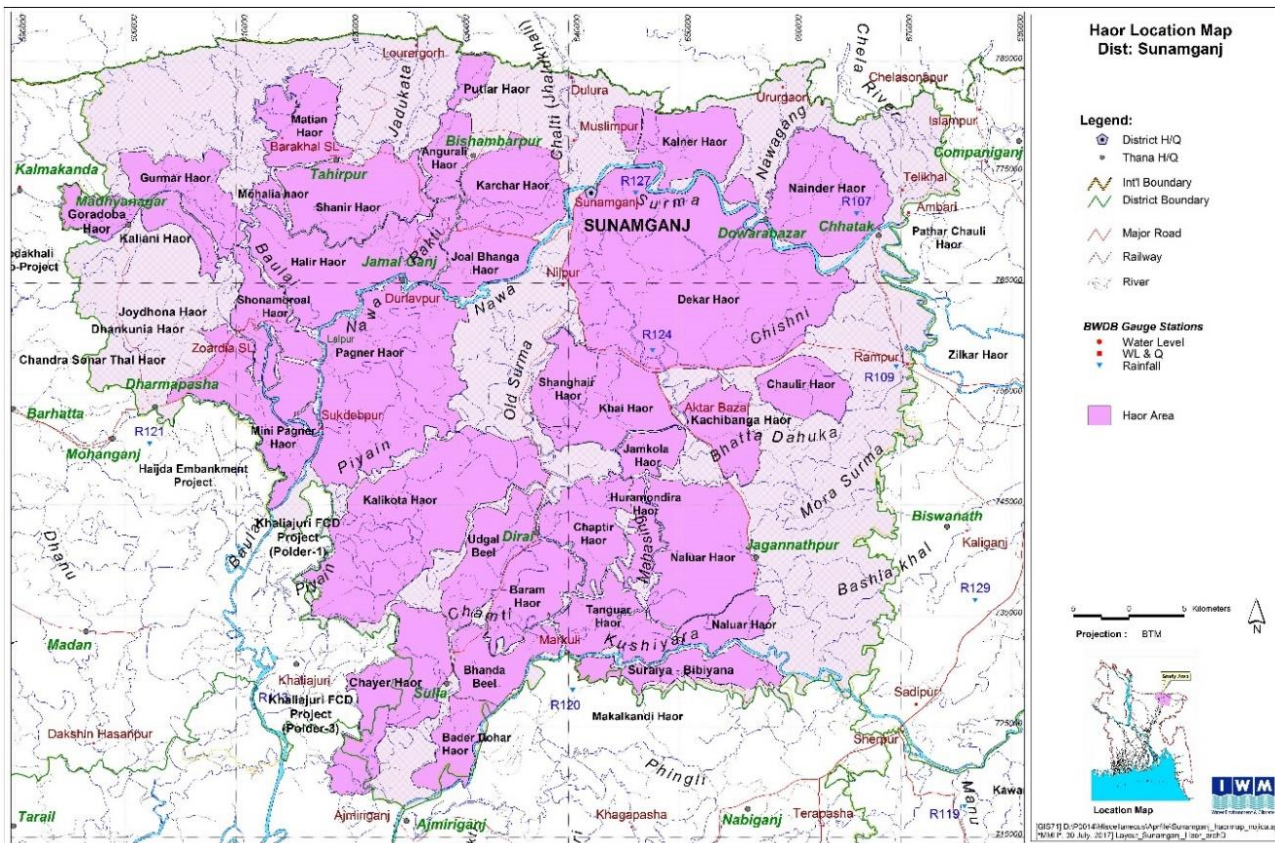
3. The capacity of the NGOs in demanding downward accountability needs to be enhanced. Moreover, the NGOs should focus on educating the wetlands community people on how to access services and ensure the integrity of the water project management. The ACC has put up their effort in curbing corruption in an isolated attempt, which did not help to bring confidence on the part of local community people. Even though the ACC engaged in a massive drive to uproot the corruption racket together with NGOs, media, and local community people, awareness among the local people needs to be enhanced, and the downward accountability to the people from their duty bearers/ service providers need to establish to achieve people-centered governance. Moreover, people need to be equipped with the knowledge and confidence so that they can defend their right to quality services provided by the state.

4. The role of the media has been crucial in ensuring the integrity of the water project implementation in the wetland areas. It may be further reinforced through building the capacity of journalists both in electronic and print media on their watchdog role and collaboration with the NGOs/ Networks.



Appendix 1

**Map 1**  
**Haor Areas in Sunamganj District**



Source: Government of Bangladesh 2018