Climate Finance and Governance in Project Implementation

The case of Bangladesh Water Development Board

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Climate Finance and Governance in Project Implementation: The Case of Bangladesh Water Development Board

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Preface

Transparency International Bangladesh (TIB) works with a vision of Bangladesh where government, politics, businesses, civil society and people’s lives will be free from the influence of corruption, and all government, private and non-governmental organizations will run their operations with transparency, accountability and integrity. TIB is committed to build a strong and effective social movement to prevent corruption and ensure good governance in the country by undertaking research, advocacy and civic engagement initiatives in selected sectors, areas and institutions of public interest.

This study on “Climate Finance and Governance in Project Implementation: The Case of Bangladesh Water Development Board” is aimed at identifying governance challenges in implementing projects by the Bangladesh Water Development Board (BWDB) with the funds from the Bangladesh Climate Change Trust Fund (BCCTF), created from government’s budgetary allocation. BWDB has received the highest proportion, about 40%, of total allocation of BCCTF till July 2017. The justification of research and advocacy to promote better governance in BWDB’s climate finance projects is therefore self-explanatory.

The study provides an objective assessment of the state of governance and related challenges in climate finance projects of BWDB, with particular relevance to those selected for the study, and highlights the ways and means for consideration of stakeholders in improving the levels of integrity, transparency and accountability. Among key areas of concern is that in some cases projects are approved more from political consideration than objective and comparative assessment of climate vulnerabilities. There is hardly any meaningful participation of concerned stakeholders and affected communities in project design, approval and implementation. The absence of mandatory provision to establish grievance redressal mechanism in both BWDB and BCCT undermines the prospect of ensuring accountability and integrity in project implementation.

Based on its findings TIB proposes a number of recommendations including reform of relevant laws, policies and guidelines. Accountability mechanism should be established in project approval process so that it can be free of conflict of interest and corruption can be prevented. We recommend effective coordination among the concerned stakeholders. Participation of affected people needs to be ensured in different stages of the projects to promote consistency with the type of vulnerability, ownership and meaningful adaptation.

We are grateful to the relevant senior officials of the Government, especially in the Bangladesh Water Development Board (BWDB), Ministry of Environment and Forests and BCCT who kindly assisted us with the necessary information needed to conduct the study. We also thank expert professionals in the subject and all other individuals at various institutions who helped us by providing valuable researchinput. Our special words of
gratitude are due to BWDB officials at the local level as well as members of the affected communities in the project locations.

The research was conducted by my colleagues Gulam Mohiuddin, Mohua Rouf, and Md Razu Ahmed Masum. I commend their efforts and thank other colleagues who provided valuable guidance and assistance, particularly Prof. Dr. Sumaiya Khair, Mohammad Rafiqul Hasan, M. Rezwan ul-Alam and M. Zakir Hossain Khan.

We hope that concerned authorities and other stakeholders, especially the Bangladesh Water Development Board as well as the Ministry of Water Resource, Ministry of Environment and Forests and Bangladesh Climate Change Trust (BCCT), media and the civil society would find this study useful. Any suggestions and feedback are warmly welcome.

Iftekharuzzaman
Executive Director
Acronyms and Abbreviations

BCCSAP  Bangladesh Climate Change Strategy and Action Plan
BWDB   Bangladesh Water Development Board
GCF    Green Climate Fund
BCCTF  Bangladesh Climate Change Trust Fund
BCCRF  Bangladesh Climate Change Resilience Fund
NAPA   National Adaptation Program of Action
UNFCCC United Nations Framework Convention on Climate Change
TIB    Transparency International Bangladesh
NIE    National Implementing Entity
MIE    Multilateral Implementing Entity

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Chapter-01: Introduction

1.1 Background and rationale
Bangladesh has been identified as one of the most vulnerable countries of the world in terms of climate change and related natural events which is acknowledged by various organizations and assessments. This high level of vulnerability of Bangladesh as a country is also recognized by the UNFCCC1. Bangladesh has been marked as 6th vulnerable country in the world in ‘Global Climatic Risk Index’ (GermanWatch, 2016).

Most of the vulnerabilities and risks due to climate change, in context of Bangladesh, are associated with water sector; such as- cyclone and tidal surges, flood, sea level rise, salinity intrusion and water logging. And these events are projected to occur in more frequency and magnitude (IPCC, 2014). Bangladesh has prioritized the water sector to reduce its vulnerabilities which has increased due to climate change2. This priority is reflected in the approved climate finance projects in Bangladesh especially from country’s own Bangladesh Climate Change Trust Fund (BCCTF)1.

Bangladesh Water Development Board (BWDB) has been working as the principal agency of the government for managing water resources of the country since its inception. BWDB is involved with implementation of 141 climate finance projectsiii (till July 2017) of total sum of about 1132 crore BDT. In other words, BWDB has received 40% of the total allocation of Bangladesh Climate Change Trust Fund so far. As a key implementing agency of climate finance projects and also working in a prioritized sector, BWDB has been playing a big role in this domain.

Climate finance is comparatively a new and inexperienced sector for Bangladesh. The country is gradually gaining experience over the years and improving the project management. Climate finance governance faced challenges from early financing in Bangladesh (TIB, 2011iv) to date. Collective efforts of government and relevant stakeholders are bringing positive changes in this regard. Prioritizing and designing an effective climate finance project requires additional knowledge and resources than the traditional development projects and this were the point of struggle at early days of climate finance in Bangladesh. Governance challenges and failures often resulted as enabling the risk of corruption. Interestingly, the countries are identified as extremely vulnerable in terms of climate change are also face high corruption risks and Bangladesh is one of them (Global corruption Report-TI, 2011v). Climate finance, being untested and new arena, is naturally even

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1 BCCTF-Bangladesh Climate Change Trust Fund is established from country’s own revenue budget and the biggest source of climate finance in Bangladesh so far.
more challenging and includes corruption risks. This existing challenge in governance in climate finance of Bangladesh is also uttered at the Seventh Five Year Plan of the Government of Bangladesh, especially the lackings of accountability.

Ensuring good governance is now even more crucial for the institutions who is willing to access the global climate fund, such as Green Climate Fund (GCF), directly as a National Implementing Entity (NIE). GCF has some strict fiduciary standards that uphold the governance; especially transparency and accountability. BWDB is one of the applicants from Bangladesh for getting accredited as NIE. Hence, Governance is one of the areas that need to be focused and ensured by BWDB.

Transparency International Bangladesh (TIB) has been working on climate finance governance since 2011. TIB has been exploring the governance status of climate finance in Bangladesh through tracking the climate finance projects at local level, conducting national and regional level research and also working with relevant stakeholders to assist in ensuring good governance in climate finance. Considering BWDB’s vast involvement and importance as one of the key implementing agencies for climate finance projects this study has been undertaken to identify the governance challenges of the Climate Finance Projects implemented by BWDB and way forward which will help BWDB in their venture of ensuring good governance.

1.2 Aim and objectives of the research
The aim of the study is identifying the governance challenges in BWDB’s effort in reducing climatic risks and vulnerabilities using climate fund. Specific objectives are:

- Reviewing the existing relevant act, policy, guidelines and mapping the provisions for the BWDB
- Identifying governance challenges in climate project implementation and providing causal analysis
- Providing the recommendations to overcome the governance challenges.

1.3 Scope of the research
The study includes only the climate finance projects implemented by BWDB. The results are discussed on the basis of six selected projects which gives an indication of the overall scenario but not applicable equally for all projects. Governance status is examined on the basis of four governance indicators namely transparency, accountability, integrity and participation.
1.4 Structure of the report

First chapter of this report discuss the background and rationale of this study along with aim and objectives. Detail methodology of this research is discussed in second chapter. BWDB and its climate finance activities are described in chapter three. BWDB’s arrangement to ensure governance and findings of the field data are discussed in chapter four, five, six and seven respective on transparency, accountability, integrity and participation. Chapter eight includes causal analysis, conclusion and recommendations.
Chapter-02: Methodology

This chapter discussed the overall methodology of this study in details. The narratives include project (sample) selection, describing the type of data and data collection process including the analytical framework.

2.1 Project (sample) selection:
Six climate finance projects that have been implemented by BWDB have been selected for this study. The consideration for this selection is given below in detail:

- The type of vulnerability and hazards are mentioned in Bangladesh Climate Change Strategy and Action Plan, 2009 (BCCSAP) are cyclone and tidal surges, flood, drought and salinity intrusion. Projects for the study were selected covering every type of risks.
- The major types of work BWDB is doing in their climate projects are river bank protection, embankment and infrastructure building and repairmen and flood control etc. Every major type of works was covered during the project selection or this study.
- Projects were selected from both complement and ongoing projects to cover the both dimensions.
- Different fund sizes were considered during project selection for this study.

Covering all above characteristics six projects were selected for the study. A brief of selected projects is given below:

<table>
<thead>
<tr>
<th>Project</th>
<th>Climatic risks</th>
<th>Type of work</th>
<th>Duration</th>
<th>Budget (in lac BDT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Drought</td>
<td>Infrastructure development, river bank protection and re-excavation</td>
<td>2013-2014</td>
<td>1238.4</td>
</tr>
<tr>
<td>2</td>
<td>Flood</td>
<td>river bank protection</td>
<td>2013-2015</td>
<td>299.95</td>
</tr>
<tr>
<td>3</td>
<td>Cyclone, salinity intrusion</td>
<td>repairment of polder</td>
<td>2011-2015</td>
<td>1146.45</td>
</tr>
<tr>
<td>4</td>
<td>Cyclone and salinity intrusion</td>
<td>river bank protection and rebuilding the embankment</td>
<td>2012-2016</td>
<td>1888.6</td>
</tr>
<tr>
<td>5</td>
<td>Cyclone and flood</td>
<td>building polder</td>
<td>2013-2014</td>
<td>997.58</td>
</tr>
</tbody>
</table>
2.2 Type of data and data collection process:
Both qualitative and quantitative data were collected for the study from both primary and secondary sources (Table-1). Collected data was analyzed considering the aim of the research and analytical framework.

<table>
<thead>
<tr>
<th>Data types on the basis of sources</th>
<th>Data type</th>
<th>Data collection method</th>
<th>Source of data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Data</td>
<td>Qualitative</td>
<td>Key Informant Interview</td>
<td>• Project directors, officers and employees of BWDB at different level, contractors, related officers of BCCTF</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group Discussion</td>
<td>• Community people of project area</td>
</tr>
<tr>
<td>Quantitative</td>
<td>Survey</td>
<td></td>
<td>• Nearby households of the project interventions</td>
</tr>
<tr>
<td>Secondary Data</td>
<td>Literature Review</td>
<td></td>
<td>• Literature review, relevant legal framework review</td>
</tr>
</tbody>
</table>

Table-2: Data types, sources and methods

2.2.1 Qualitative data collection process:
Two techniques were adopted during qualitative data collection of the study namely Key Informant Interview (KII) and Group Discussion (GD). Qualitative data collection continued till the data reached its saturation.

A checklist, covering the issues like information disclosure, people’s participation in project design and implementation, accountability mechanism, practice of integrity and corruption control, was used during the key informant interviews. Key informants for this study were officers of BWDB, member of local civil society organizations, contractors and relevant officers of BCCT.

Participation process, information disclosure of the project, quality of the work, grievance redressal mechanism these issues were discussed in the group discussions using another checklist.
2.2.2 Quantitative data collection process:
Survey was conducted to collect the quantitative data for this study using a structured questionnaire. Data were collected from the selected project areas. A total number of 600 people were respondent of the survey using systematic sampling from adjacent areas of project activities.

2.3 Analytical framework
Considering the selected indicators the analytical framework was prepared (Table-3). All three phases of a project- design, approval and implementation- were considered during analysis.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Elements of analysis</th>
</tr>
</thead>
</table>
| Transparency  | Disclosure of information • Presence of the designated information officer  
|               | • Proactive disclosure of information  
|               | • On demand information discloser                                                    |
| Accountability| Monitoring and evaluation system, audit and grievance redressal mechanism • Participation of all duty bearers in project monitoring, evaluation and auditing.  
|               | • Grievance redressal mechanism of the project implementer                           |
| Integrity     | Integrity in all phases of project • Influences in project sanction, contractor selection, construction quality  
|               | • Corruption appearance in project work                                              |
| Participation | People’s participation in the project • People’s participation in project design, implementation and monitoring |

Table-3: Analytical framework
Chapter-03: BWDB: Institutional Narratives

3.1 About BWDB
After recurrence devastating flood of 1954 and 1955 Crug Mission was formed in 1957 under United Nations (UN) to boost up food productivity by minimizing flood damage and water resources development & management in this region. As per mission’s recommendations, Bangladesh Water Development Board (BWDB) started its operation in 1959 as the water wing of the erstwhile ‘East Pakistan Water and Power Development Authority’ in 1959. As the principal agency of the government for managing water resources of the country it was given the responsibility of accomplishing the tasks of executing flood control, drainage and irrigation projects to increase productivity in agriculture and fisheries. After the independence of Bangladesh, the authority was restructured in 1972 into two different organizations to deal with water and power separately. BWDB was created under the Bangladesh Water and Power Development Boards Order 1972 (P.O. No. 59 of 1972) as a fully autonomous organization. The reform program and structural adjustment process were undertaken by the GoB for transformation of BWDB is the enactment of the BWDB Act, 2000 that requires the BWDB’s functions be guided by the National Water Policy (NWPo)-1999 and National water Management Plan (NWMP)-2004. Policy making and overseeing the overall management of BWDB is now vested on the Governing Council (GC) with thirteen Members headed by the Minister, Ministry of water Resources.

3.2 BWDB Vision
To develop a state of knowledge and capability that will enable the country to design future water resources management plans by itself with economic efficiency, gender equity, social justice and environmental awareness to facilitate achievement of water management objectives through broad public participation

3.3 BWDB Mission
1. Develop and manage water resources projects
2. Management and mitigation of river bank erosion
3. Stake-holders participation in project planning, design and implementation
4. Environment friendly development
5. Promoting food production by surface water irrigation
Map-1: BWDB Implemented Climate Finance Projects
3.4 BWDB Offices
BWDB has a total number of 191 offices categorized into different types:

<table>
<thead>
<tr>
<th>Type of office</th>
<th>No. of offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Headquarter</td>
<td>1</td>
</tr>
<tr>
<td>2 Central Office</td>
<td>85</td>
</tr>
<tr>
<td>3 Zonal Office</td>
<td>9</td>
</tr>
<tr>
<td>4 Circle Office</td>
<td>22</td>
</tr>
<tr>
<td>5 Division Office</td>
<td>74</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>191</strong></td>
</tr>
</tbody>
</table>

Table-4: BWDB office types and numbers

3.5 BWDB and climate projects
BWDB is involved with 141 climate finance project so far (updated till July 2017) with a value of about 1132 crore BDT (Map-1).

Graph-1: Work type wise distribution of finance (in crore BDT)
In terms of finance, most of the finance is used in river bank protection work (Graph-1). A large portion of the finance also used in embankment and other infrastructure building and repairment.
Chapter 04: Transparency

Transparency relates to the completeness and accuracy of information, as well as the ease with which the public may access and understand this information. Transparency is the availability and clarity of information provided to the general public about government activity. Governments must not only provide information, but also ensure that as many citizens as possible have access to this information with the goal of increasing citizen participation (Mimicopolous, 2007).

4.1 Legal framework and institutional provisions to ensure transparency

44 paragraph of ‘National Water Act 2013’, states that any person, organization or institution which is empowered under the water act is compelled to comply the ‘Right to Information Act 2009’ regarding disclosure of their activities/projects information. The ‘Right to Information Act 2009’ has clear direction on how and what kind of information is supposed to be provided by the all authorities in Bangladesh. In article 6 (publication of information section) it is mentioned that-

“(1) Every authority shall publish and publicise all information pertaining to any decision taken, proceeding or activity executed or proposed by indexing them in such a manner as may easily be accessible to the citizens.

(2) In publishing and publicising information under sub-section (1), no authority shall conceal any information or limit its easy access.

(3) Every authority shall publish a report every year which shall contain the following information, namely: –
(a) Particulars of its organisational structure, activities, responsibility of the officers and employees, or description and process of decision making;
(b) Lists of all laws, Acts, Ordinance, rules, regulations, notifications, directives, manuals, etc. of the authority including the classification of all information lying with the authority;’

On the basis of the ‘Right to Information Act 2009’, BWDB has following provision to comply the act-

1. Appointing an ‘Information Providing Officer’ in each office
2. Informing project beneficiaries and local community people about the project
3. Establishing information board on project sites to disseminate information with the community
4. Updating the website information on climate projects and publish
5. Establishing an effective demand based information disclosure system

Gaps in law/policy (Transparency): There is no clear instruction about the content, duration and maintenance of the information board.
4.2 State of transparency: Challenges/observations

a) Appointed information providing officer

In one project area (project-6), there was no appointed information providing officer in the local BWDB office.

b) Proactive disclosure of project information to the community people

92% of the community people responded that they were not informed about the project’s activity and budget and other relevant information. When the project activities started at the field then the local community came to know that a project is going on.

“We are working in remote areas and that’s why people might not know about our activities in general but project beneficiaries know us and what we are doing for them.” _ CEE of BWDB (case-1)

c) Disclosure of contractor selection process and project schedule:

No information was provided to the local community about the contractor selection process (project-1). Local office of BWDB responded that contractor selection process is a confidential issue by system and they are not obliged to share information about that. Schedule of the infrastructural work was not opened to the local people in any project. When community people approached to the contractor, he directed the people to BWDB but BWDB also did not make it open for all.

d) Information board: content and maintenance

There is no definite guideline for the content of the information boards. Hence, few important information remain missing in the given boards. Such as- contact number and address (in case of complaint/grievance), contact number and address of contractor/s etc. At two projects (project-1, 2), though information board was given at the beginning of the project implementation, but the board was withdrawn before the project was completed. Community people stated that they have no idea who withdrawn the board and why. In one project (project-3), implementing authority claimed that they put 04 information boards in the project area and some of the boards were stolen. Besides the information board authority also said to put flag to tag the implementation area location and those were also stolen. However, during focus group discussion, community people said that they saw no information boards before or during the project. Another project (project-5) implementing agency claimed that they put information board which was not agreed by the community people. In one project (project-4), project has three
different project implementation areas (scheme wise) but information board was given in one area.

e) Demand based information disclosure

Though four project areas has information providing officer in place but a lot of people in the project area has no idea from where they can put their query to collect data about the project. 89% respondents told that they do not know where to go for the information about the project. In three projects (project-1,2,3), 08 community people asked the implementing authority to provide the project related information but authority did not responded to them in this regard.

4.3 Summary findings on transparency

In policy and regulations context, Bangladesh has taken a big leap by enacting the `Right to Information Act 2009`. All the organizations and institutions (except few that concerns national security) are obliged under this law to share and disseminate their information. In case of project implementation at local level there are some positive steps taken in terms of ensuring transparency. However, the challenges are visible in implementing the act and also it might take time naturally to shift into the culture of disclosure when we have been not doing that over a long period.

BWDB’s main method of information disclosure about projects is information board in the project areas. However, maintenance and preservation of those boards are up to the marks in many areas. Also content of the information boards are very limited and often exclude the contact information of the implementing agency or contractors. Following photograph of a information board shows the content of the information boards that includes- Name of the project, name of the implementing agency, implementing ministry, funding ministry and funding agency, total budget, implementation period, place of implementation, nature of work, name of the contractor’s office.

BWDB has the basic setup and system to disclose their information though the extent of the disclosure is not very clear. Also, a large number of people does not know where to for project related information.
Chapter-05: Accountability

Related to transparency, accountability is the existence of measures that may be used to evaluate the work and success of government programs or institutions. This measure also encompasses the responsiveness of government to those measures, considering if and how quickly substantive changes are made. According to Mimicopolous (2007), “Accountability rests on the establishment of criteria for evaluating the performance of public sector institutions. This includes economic and financial accountability brought about by efficiency in resource use, expenditure control, and internal and external audits” (p 7). In the case of governance: Mimicopolous (2006); Kaufmann et al. (1999); Kaufmann and Kraay (2008) used that.

A good and accountable system is highly important for ensuring use of public money for citizen’s benefit. The accountable system guarantees actions and decisions taken by public officials regarding government initiatives and respond to the needs of the community thereby contributing to ensure better governance in terms of improving the delivery of public services, measuring performance and providing incentives to achieve targets and sanctions in case of non-performance. It is not to be viewed only in terms of democratic control and integrity of operations but also performance. Accountability in climate finance governance has drowned the highest attention for saving millions of vulnerable lives and the ecosystem. The accountability issue was considered very carefully in the ‘Paris agreement’ to overcome the challenges of climate vulnerabilities international to national level. The agreement establishes a new mechanism to “facilitate implementation and promote compliance.” This “non-adversarial” committee of experts will seek to help countries falling behind on their commitments get back on track and according to the agreement; there are no penalties for noncompliance. Parties also committed to work together to achieve similar accountability standards as their capacities strength over time in the agreement.

5.1 Legal framework and institutional provisions to ensure Accountability

‘Bangladesh Climate Change Trust Act 2010’ and ‘The guideline of the Bangladesh Climate Change Trust Fund for project formulation, processing, approval, correction, implementation, fund release and uses 2012’ has specific instructions on the stakeholders and their duties to ensure accountability in implementing climate projects. According to above mentioned legal framework stakeholders and their duties are mentioned below:
### Table-5: Accountability stakeholders and their duties

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Duty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing agency/local BWDB office</td>
<td>Monitoring</td>
</tr>
<tr>
<td>Implementing Ministry/Ministry of Water Resource</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>BCCT Team</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>Local elected representatives</td>
<td>Monitoring</td>
</tr>
<tr>
<td>Local administration</td>
<td>Monitoring</td>
</tr>
<tr>
<td>Implementation, Monitoring and Evaluation Division (IMED)</td>
<td>Evaluation</td>
</tr>
<tr>
<td>Auditor General and Comptroller Office (CAG)</td>
<td>Audit</td>
</tr>
</tbody>
</table>

**Gaps in law/policy (Accountability):** BCCT or BWDB none has included the provision for grievance redress mechanism in their act/policy/guideline.

#### 5.2 State of Accountability: Challenges/observations

**a) Monitoring by the local BWDB office (implementer)**
In all six projects, local office representatives visited in a regular manner to oversee progress of the work conducted by the selected contractors. They have to submit a progress report on the work monthly basis. However, no report is found including the information of the gaps and challenges identified during their visit in the project location. BWDB local offices implementing climate projects and other development project with their limited human resources and logistics.

**b) Monitoring and evaluation by the central monitoring and evaluation team of ministry**
No monitoring and evaluation were conducted by the central team in the selected six projects for this research.

**c) Quality assessment by the task force**
Task force assessed the quality of the infrastructure material and quantity in all six projects. However, infrastructures in two projects were noticeably damaged within the project periods that raise the question over the effectiveness of their assessment.

**d) Monitoring by the BCCT**
BCCT representatives visited all the projects twice which is at the beginning of the project and before the last financial instalment. But no evaluation was conducted upon completion of the projects yet.
e) **Monitoring by local elected representatives and administration**
Local representatives were there to visit four projects to see the progress and state of the ongoing work. However, there is no written report on their visit and observations.

f) **Evaluation by the Implementation Monitoring and Evaluation Division (IMED)**
None of the selected six projects were evaluated by IMED yet.

g) **Audit by the Comptroller and Auditor General Office**
None of the selected projects was audited by the CAG yet.

h) **No grievance redressal mechanism**
Most of the cases implementing authorities mentioned that there is provision no formal grievance redressal system in BWDBs project implementation phase. But BWDB officials claimed that they are very positive in this regards and if any complain comes to them they take it seriously. The research team asked for written evidence which was not found. The survey data shows about 93% people do not have any idea that they can make any complain and where to make them.

5.3 **Summery findings of Accountability**
For ensuring effective monitoring and evaluation system in climate projects, Bangladesh Water Resources ministry initiated a multi-level monitoring and evaluation process along with the funder authority but the public disengagement in monitoring and evaluation is not considered and it blocked to add ground experiences in the learning process. Besides, public disengagement has impacted the public ownership thought which is quite contradictory with the broader objective of climate adaptation financing. Moreover, no specific legal direction have found on grievance redressal mechanism which causes the chance of ignoring public opinions about the projects as well creates opportunity to give up excuses in this regards.
Chapter-06: Integrity

Integrity is the qualifications of being honest and having strong moral principles; moral uprightness. It is generally a personal choice to hold oneself to consistent moral and ethical standards\(^{ix}\). Integrity is a personal choice, an uncompromising and predictably consistent commitment to honor moral, ethical, spiritual and artistic values and principles. The concept of integrity implies wholeness, a comprehensive corpus of beliefs, often referred to as a worldview. This concept of wholeness emphasizes honesty and authenticity, requiring that one act at all times in accordance with the individual's chosen worldview.

6.1 Legal framework and institutional provisions to ensure Integrity

Basis on the direction of the National Integrity Strategy (NIS), BWDB formed an ‘Ethics Committee’ consists of 14 members where Director General of BWDB will act as President of the committee in September 3, 2013. The committee was formed with the following working scope:

- Identifying the success and challenges in ensuring integrity within the BWDB and its field operations and preparing action plans to overcome the identified challenges.
- Nominate/select the persons responsible for implementing the action plans regarding integrity.
- Implementation and monitoring of the action plans and,
- Sending progress report to the National Integrity Strategy Implementation Unit

Also, as the BCCT guideline instructed the implementing agencies are compelled to follow the Public Procurement Act 2006 and Public Procurement Rules 2008 in terms of any purchase and selection of the contractors.

| Gaps in law/policy (Integrity): In contractor selection, E-tendering process is considered a standard which reduce the chance of corruption. However, E-tendering process is till the tenders are submitted. Evaluation and selection of submitted tenders are still being done in traditional manual system which keeps the window of corruption open. |

6.2 State of integrity: challenges/observations

a) Integrity in project approval

In one project, a central ruling party leader’s son and local member of the parliament lobbied for the project where a former minister lives and he helped in the process. In another project, a secretary of government lobbied for a project approval close to his home (village) to protect an under construction park. In two other projects locally elected parliament member lobbied for the project approval.
This kind of influence and lobbying resulting allocating funds in a biased way which does not ensure that the most vulnerable areas and people are getting support from climate fund. For instance, Dhaka division has received 19% of the tola fund of the BWDB implemented climate projects funded by BCCTF, whereas some of the more vulnerable division- Khulna received only 10% of the funding.

Graph-2: Division wise allocated climate fund for BWDB from BCCTF

b) Activities of the BWDB ‘Ethics Committee’
Research found no activity of the Ethics Committee in the local level in the selected projects in any period of the project cycle.

c) Contractor selection
BWDB offices told that contractors were selected complying with the existing policy and rules. E-tendering method was used in all projects. In group discussion, community people told that they have no idea about the contractor selection process. However, in every project research team found that work is actually done by sub-contract basis. There are two scenarios existing- firstly, the contractor who got the work is not interested to do the work by him/her and selling the contract (informally) to sub-contractors keeping a certain percentage of the total money; secondly, in some cases, some locally powerful people (who cannot bid for the contract legally) grab the work from the selected contractors as sub-contractors. In the second scenario, selected contractor is also financially a beneficiary.
d) Quality control and integrity of the activities of contractors

- There is no mechanism for reporting corruption in the project. Even when community people promptly complained to local BWDB office in one project, authority did not respond.

- In a project, the contractor used electricity from a nearby shop and did not provide the promised bill upon completion of the work. As a response local people took control of his bulldogger machine (Project-1).

- Contractor in one project area is involved in brickfield business. So he took all the soil dug from the canal excavation to his own brickfield instead of placing them to protect the bank of the canal (project-3).

- In one project quality of the work was so poor that the embankment and road built by the project was noticeably damaged within the project period (project-6).


In this project, this 3.3 km embankment cum road is constructed by BWDB using climate fund. However, during the study it was observed that the construction severely damaged in 10-15 places even before the project period was over. The situation got even worse during rainy season.
- Community people accused contractors for poor quality of the work in few cases (project-1, 3). Even in some project areas this issue resulted in a clash between local community and people appointed by contractors. This kind of events is also found in newspapers where an embankment was repaired using sands instead of clay.

- In one project, during re-construction in an embankment, the contractor sold some 10-15 trees and sold them in an average price of BDT 28000 embezzling the money. Nobody pointed a finger since the contractor was a powerful person in the locality.

6.3 Summary findings on integrity
Common challenges were found as poor quality of work, leaving the work incomplete including irregularities and corruption conducted by the contractors. This indicates the lackings of the accountability system. Despite of having a framework for monitoring the project from both BWDB and BCCTF ends, it is clear those implementations of those frameworks are not up to the marks.
Chapter-07: Participation

Participation is a category of indicators that details the extent to which individuals in society are able to contribute to any of the phases of climate change adaptation finance governance. This could be assessed by perception of public participation throughout the process, by the number of formal participation activities hosted by a country, or by the number of participants present during these activities. In the case of governance analysis Kaufmann et al. (1999); Kaufmann and Kraay (2008); Mimicopolous (2006) have used.

7.1 Legal framework and institutional provisions to ensure ‘Participation’

As the National Water Policy stated, the "Guidelines for People's Participation (GPP) in Water Development Projects" remain as part of project planning by all institutions and agencies involved in public sector management of water resources. In the Guidelines for participatory water management, community people are considered as one of the stakeholders for water sector projects (section2.2). The guideline defined the local stakeholders as (Section 3.2):

- Inhabitants of an area who are directly or indirectly affected by water management are refered to as ‘local stakeholders’

- Any individual or group who in one way or another is favorably influenced by water resource project is a ‘beneficiary’

- Any individual or group who is adversely affected by the intervention of a water resource development project will be known as ‘Project Affected Person (PAP)’

It was also mentioned that through participatory process it will be ensured that PAPs are appropriately compensated for any loss or negative effect, that the PAPs will not be worse off due to project/sub-project/scheme intervention and the issue will be monitored.

Participation of local stakeholders is mentioned in different phases of project cycle through following acitivities:

- Local level meetings, discussions, identifying problems and developing a problem solving process
- Social assessment involving both beneficiaries and project affected persons and those living inside and adjacent to the proposed scheme area
- Solicit the opinion of women
- Assess capacity of the local stakeholders for participation at different levels of project cycle, initiate the process of formation Water Management Organization (WMO) and assess the need for training/orientation
- Organize pre-project meetings at local level
- Use various techniques and methods during feasibility studies; such as participatory rural appraisals, focus group discussions and discussion meets with the local people.

**Gaps in law/policy (Participation):** In water resource sector there is a definite guideline for people’s participation in different phases of a project. However, no legal provision was kept by the BCCT in their act or guideline in this regard. Hence, in terms of climate finance governance it is a challenge overall.

### 7.2 State of participation: challenges/observations

#### a) Ensuring community participation in project design

Though the Guidelines for People's Participation (GPP) mentioned about community participation in design phase in most of the cases (Project-1, 2, 3, 4) projects were designed without ensuring community participation.

#### b) Social evaluation including the project beneficiaries, project affected persons (PAPs) and community people

No social evaluation took place in any of the project area this study included. Consent of the Project Affected Persons (PAP) was not taken in any projects the study explored. This is resulted in some terrible incidents in the project areas. For example in one project (project-5) following event was found:

> “One PAP who is a woman lives in the project area along with his only child and old mother. Her family has been economically at the edge due to poverty and cost of treatment of her mother. She has one small piece of agricultural land from which she gets her support to fulfill minimal livelihood needs. During project implementation, contractor selected her land to dig and collect the soil without her consent. She, with fear and misery, sat on the land whole day protecting it from the contractor’s people. Upon there promise at the evening she return to home to sit on prayer. Not much later, she saw light in her land and she came running out from the home and notice that those people are digging soil from her land and they did what they wanted to do stubbornly.”

After learning about that event, the research team went to the spot to visit and found that the land was dug in a way it almost become a small pond and can not be used anymore for agricultural purpose.
c) Community people’s involvement in project monitoring

None of the projects assessed under this study has any community involvement in project monitoring. As per the BWDB offices in local areas, there is no provision of involvement of local people in project monitoring.

d) Soliciting the opinion of women

Participation of women was not ensured in any project neither their opinion was taken.

e) Assessing capacity of the local stakeholders for participation at different levels of project cycle and the need for training/orientation

No capacity building activities took place in the selected six projects.

7.3 Summary findings on participation

BWDB has a well defined guideline to endure community participation stating where the community will take part and in what manner. In few cases, community participation was ensured in both design and monitoring of the projects. However, in most of cases it was not ensured. Also consent was not taken from the project affected persons which are a major concern. The people live in those project areas are already in vulnerability. If projects are pushing them to more vulnerability success of these initiatives will be always questioned.
Chapter-08: Causal Analysis, Conclusion and Recommendations

8.1 Causal analysis of identified governance challenges

- **Accountability mechanism in project selection and approval level**

  BCCT funded climate projects are firstly forwarded by the respective ministry of the applicant agency and it goes through an assessment by BCCT Technical Committee. Upon technical review it is placed to the BCCT Trustee Board for selection and approval for funding. This Trustee Board is consists of mostly ministers from different ministry. There is lack of accountability mechanism of the trustee board for their selection and approval of climate projects.

- **Funding climate projects on the basis of climate vulnerability**

  The project selection and approval for funding often is politically influenced that results selecting projects and allocating fund in less vulnerable areas in terms of climate change.

- **Implementing agencies’ knowledge about existing law, policy and guideline**

  There is a knowledge gap in the implementing agencies about the existing legal framework. This gap is specially observed at proactive information disclosure, people’s participation and accountability mechanism.

- **Effectiveness of the existing monitoring, evaluation and audit mechanism and coordination among the stakeholders**

  For BCCT funded climate projects, an accountability mechanism consists of 07 different stakeholders is there in theory. However, most of the stakeholders are inactive and there is lack of coordination among the stakeholders.

- **Proper investigation and trial of the reported irregularities and corruption**

  No formal complaint mechanism or grievance redressal mechanism exists. Due to that the number of reported irregularities and corruption is quite low. Moreover, reported irregularities and corruptions were not properly investigated and put into trial.

- **Implementation of the existing law and policy of people’s participation**

  Unlike many other sectors, there is a definite guideline and also act for people’s participation for the projects in water resource sector. But there is a knowledge gap in the implementation level and in some cases implementing agencies do not take the existing policy into consider during implementation.
8.2 Overall findings and conclusion
Challenges in transparency includes nondisclosure of project related information to the people, ineffective information providing system, keeping the contractor selection process confidential, work schedule is kept confidential, not providing the information boards and absence of the information providing officer. This practice of non-disclosure is evident in secondary sources too.

Despite having separate efforts from both BWDB and BCCTF, accountability remains the point of major challenges. There are not formal grievance redressal mechanisms. Complains are taken and addressed informally by the BWDB local offices. 93% of the respondents did not know where to put complains regarding climate finance project. Community people were not included in the monitoring of the projects and monitoring, audit and evaluations are not being done.

The above discussed challenges in transparency and accountability is affecting the integrity in all phases of the project. This brings the challenges like external influence on project approval system. This is also enabling the opportunity for irregularities and corruption that is echoed in the findings that poor quality work, incomplete work and corruption by the contractors. For example, recently, an Executive Engineer was withdrawn from local BWDB office over accusation of embezzlement of fund (25 crore BDT) together with few contractors. On another event, contractor of BWDB started the work without settling the land acquisition and compensation of the Project Affected Persons.

‘Guidelines for People’s participation (GPP) in water development projects’ has detailed out about the mode of community participation. Interestingly this guideline is not available on BWDB website. The guideline is available on LGED website. Climate finance projects are supposed to be people oriented and to support the vulnerable people but no sign of people’s participation were observed in the selected projects. The overall findings of the study can be summed up in following observations:

- BCCTF representatives visited all six projects twice, before the project approval and before the last financial instalment
- Central task forces visited all six projects area to assess the quality of the construction materials and the quantity
- BWDB local offices implementing climate projects and other development project with their limited human resources and logistics
- The state of governance has been found to be inadequate and insufficient in BWDB-implemented climate projects overall; climate projects are not given adequate importance and attention due to smaller allocations than the
regular development budget projects. In addition to that some of the stakeholders are involved in irregularities and corruption collectively

- Absence of meaningful participation of concerned stakeholders in curbing irregularities and corruption made the overall governance system weak
- Lack of direction about grievance redressal mechanism in the legal frameworks of both BWDB and BCCT is a drawback for ensuring accountability in project implementation.
- Lack of accountability in project selection cum approval as well as political influences, the projects are being implemented often in less vulnerable areas with regard to climate vulnerability
- Inadequate measures were observed in both proactive and demand-based information disclosures
- The overall accountability mechanism involves a large pool of stakeholders but the mechanism remains weak since most of the stakeholders are inactive and there is no coordination among the stakeholders
- Stakeholders involved in ensuring integrity are mostly inactive and that is impacting on the overall climate project implementations enabling window of opportunities for irregularities and corruption
- For water sector projects implementation, there are specific laws and guidelines for ensuring people’s participation in the implementation, in reality that has not been done

The challenges in terms of selected governance indicators are evident. This weakness or challenges has multifaceted and web of possible impacts some of what already may be in effect.

Firstly, unless we implement the existing policies effectively and explore new policy options as required BWDB will be always lacking in terms of effective implementation of climate finance projects. This will adversely impact on any possibility of future accreditation for the global funding as National Implementing Entity (NIE).

Secondly, the threats and impacts of climate change are real. A large number of people of Bangladesh are living in vulnerability. Climate finance, as the law stated, is supposed to be used in reducing the climate induced vulnerability of those vulnerable people. If we are performing poor in terms governance, higher risks are there that expected outcome will not be produced. If we are investing and the results are not produced as aimed. Cumulatively this will cost us in long run where we might be late to do anything for those vulnerable people. Also poorly
governed projects will leave many ‘Project Affected Persons (PAP)’ which will push vulnerable communities into more vulnerability.

Failure in governance and corruption might eventually lead to the event of mass suffering. A recent event from **Haors of Sunamganj** can be sited as example - Shunamgonj district has been experiencing a sudden and early flashflood-hit around the Haor areas of the district due to heavy rainfall and mountain water fall. The hit collapse 1.8 lakh hectares of fresh cropland full with the seasonal crop (Boro). Besides, around 1,276 tons of fish and 3,844 ducks died in the Haors\textsuperscript{xv}. Total 142 haors of shunamgonj have been flooded due to sudden collapse of protection dams. Various media mentioned about the possible corruption of dam construction and management amplified the impacts of this disaster over the haor areas. Haor Advocacy Platform mentioned that they have visited several haors of Shunamgonj and found significant mismanagement in dam construction and maintenance over there which was BWDB’s responsibility. The organization was unable to find a solution for haor floating over last 46 years\textsuperscript{xvi}. Sunamganj district council chairman Nurul Huda is also accusing the Water Development Board (BWDB) officials for the poor quality work of the embankment. He mentioned “Had they (WDB officials) worked and monitored properly, it would not have happened”\textsuperscript{xvii}. BWDB has withdrawn an Executive Engineer from the Shunamgonj office where an investigation of anti-corruptiion commissions is ongoing. The withdrawn Executive Engineer is alleged to involve with embezzlement of 25 crore BDT along with some contractors\textsuperscript{xviii}.

Thirdly, in ‘Post-Paris Agreement’ era, Green Climate Fund (GCF) is the biggest global funding source for combating the climate change. The fiduciary standard set for direct access to the fund as National Implementing Entity (NIE) is strict and governance indicators like transparency and accountability are included there with priority. So, there is no chance to ignore or by-pass the governance issue when it comes to climate finance. If we fail to do so, not successful in accessing GCF directly, then we have to look for indirect access which is through Multilateral Implementing Entity (MIE). This MIE based financing will keep us dependent like other regular development programmes. Also many financial organizations will take this opportunity to persue their loan business.Global climate financing in future is going to be more competitive than we predicted. Specially, denial from the countries like USA is going to make the global fund less than planned. Governance is something that can not be put aside if we want to access and use climate finance in future. Human lives are at stake when we are dealing with climate change, hence there is no way to loosen our grip over the interventions we are undertaking to combat climate change.
Considering the volume of climate finance activities BWDB is involved in this country, it is to say that it has potential to become NIE to access GCF. Regardless many challenges in governance, these can be solved. In a policy context BWDB is there almost. However, to bring changes in governance of implementation some recommendations are drawn in next portion.

8.3 Recommendations

- **Necessary modification in legal framework**
  Specific instruction about the content of the information board and management need to be added in existing law/policy. Provisions for establishing grievance redressal mechanism and third party independent monitoring & evaluation need to be included too in the existing policy/law.

- **Establishing effective information providing and sharing mechanism**
  Proactive information disclosures need to be ensured through complying the existing law and policy. Making sure all the information is shared in the website, information board and other media. Besides need to assign a responsible information officer in every local office and ensure on demand discloser of information about projects.

- **Establish pro-active information disclosure of projects information websites, information boards, citizen charter and other media**
  The sharing of all relevant information (project proposal, monitoring reports, evaluation reports, audit report, tender, project design, implementation area, budget etc.) through the websites, information boards, citizen charter and other media must be ensured.

- **Establishing an effective grievance redressal mechanism**
  Specific provisions for establishing grievance redressal mechanism and independent third party monitoring & evaluation should be included in the existing legal framework. Besides an effective grievance redressal mechanism including all relevant stakeholders (community, funding agency, implementing agency, local administration and local elected representatives) need to established. So that the people can raise their concerns and complains and project does not create more vulnerable people instead of reducing vulnerability.

- **Providing non-technical aspects of the projects beside the technical one**
  Need to emphasize other social aspects of the project besides the technical issues.

- **Ensuring all stakeholders effective participation and coordination in the accountability mechanism**
  Need to ensure all stakeholders active and effective participation in the accountability mechanism and establish a good coordination among the stakeholders to make their participation effective.
- Approving projects for funding considering the climate change related vulnerabilities.
  Need to assess climate vulnerabilities properly before the approving any climate project and ensuring proper need assessment and feasibility study.

- Ensuring the effectiveness of the ‘ethics committee’ and publishing their progress reports
  BWDB formed an ethics committee to ensure integrity in BWDB’s activities. However, the irregularities and corruption found on the study and other secondary sources, which are discussed in the ‘Chapter - 7’ and conclusion part indicates that this committee should be more effective to stop those irregularities and corruption.

- Creating scope for corruption report
  BWDB should create scope for direct corruption report in both local and national level so that irregularities and corruption news reach to appropriate authority at soonest possible time and addressed.

- Effective implementation of GPP
  BWDB should put emphasis on implementing the Guidelines for people’s participation in water sector (GPP). This will allow community to participate and contribute in BWDB’s activities which will be a great support to combat the existing governance challenges.

- PIC based project implementation
  BWDB need to implement project with the active guidance of Project Implementation Committee (PIC) and if necessary reform the related laws and policy.

- Involvement of local people in the project implementation
  BWDB should involve local people in project implementation that will promote the ownership and effective adaptation.

- Capacity building of the local people
  BWDB should capacitate local people for the effective use and of project infrastructures through providing necessary trainings.

First step of solving any problems is admitting there is any. This research has tried to identify the governance challenges in the climate project implementation of BWDB. Though the research took few projects as sample, it does give an overall idea about the existing concerns over governance (transparency, accountability, integrity and participation). This study can be a guideline to the initiatives to be
taken by BWDB as an institution. Moreover, it will be a guiding document for the further in-depth researches in related topics.

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