



## **Transparency in Political Finance in Bangladesh**

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**The Crinis Pilot Project in the Asia Pacific**  
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## Foreword

Political parties throughout the world are perceived as not-too-transparent organizations, especially when it comes to raising funds and spending the same. They are also among the institutions that are rather widely affected by corruption, as much as their failure to uphold integrity and transparency is also considered to be responsible for deepening and widening corruption in other sectors.

As key institutions of democracy political parties seldom practice the desired level of transparency, disclosure and accountability in terms of managing their finance. This is especially evident in developing countries such as Bangladesh, where the issue is neither among the priority agenda of the parties themselves or of the Government, nor is it amongst issues that have drawn any significant public interest until recently.

One of the key reasons why political finance remains almost a taboo in Bangladesh is that politics has become a “winner-takes-all” game and indeed a profit-making investment, where parties and candidates taking part in elections invest huge funds to gain power, and therefore, transparency and disclosures are the last thing in the agenda of political parties.

However, the last two years saw a significant opening for change with respect to transparency in political and electoral financing in Bangladesh. Efforts were made by the Election Commission and the then caretaker government to bring the financing of political parties and their election expenses under state scrutiny and monitoring through a set of new laws and rules under the amended RPO and other relevant rules. Through making registration of the political parties mandatory for taking part in the elections, efforts have been made to make parties along with the candidates in elections more accountable – to the state as well as to the citizens.

Transparency in political finance helps control the influence of money in politics, empowers other social actors to scrutinize whether the information submitted by parties is complete, accurate and in accordance with the law, and ensures citizens’ right to know about the ties between their representatives and those who lend them financial support. Above all, proactive as well as on-demand disclosure of information on political financing and election expenses are bound to contribute towards excellence in democratic practice, democratic institutionalization, good governance and thereby to effective control of corruption.

It is at this backdrop Transparency International Bangladesh (TIB) has taken part in the *Crinis Pilot Project in Asia Pacific*, an international effort initiated by the Transparency International (TI). It borrows from a successful Crinis project in eight Latin American countries implemented during 2006-2007, and followed up by significant positive changes in the promotion of transparency, disclosure and accountability of the political parties across the region.

‘Crinis’ is a Latin word meaning ‘ray of light’, which captures the range of activities under the project that assesses levels of transparency and accountability in political party and election finances looking specifically at laws and practices in the concerned countries. This is a research, benchmarking and advocacy tool and process that could trigger a series of debates and reforms at country and regional levels. This pilot phase in the Asia-Pacific region involves in addition to Bangladesh two other countries – Indonesia and Nepal.

The timing of the study is important also because the Bangladesh Awami League, the largest political party in the ruling Grand Coalition had made specific commitment in its election manifesto to introduce a transparent system of political finance as a catalyst to strengthening intra-party democracy as a means to promoting good governance and anti-corruption. We, therefore, hope that findings of this research will be of interest to the political parties across the board and lead to useful debate and thereby to significant policy changes capable of institutionalizing transparency in political and electoral finance in Bangladesh.

The study was jointly conducted by Shahzada M Akram, Senior Fellow, and Shadhan Kumar Das and Tanvir Mahmud, Fellows of TIB. We are grateful to the representatives of the leading political parties, key informants, many distinguished individuals and experts, and organizations who helped the study in various stages by sharing valuable information, knowledge and expert opinion about the issue.

We are grateful to Professor Dilara Chowdhury of the department of Government and Politics of Jahangirnagar University, and Mr. Abdul Latif Mondal, former Secretary to the Government of Bangladesh for their kind support in reviewing the draft report. Preliminary findings of the research was earlier discussed at a workshop participated by representatives of various political parties, relevant experts, election commission, NGOs, media and civil society. The report also benefited from valuable suggestions by Professor Muzaffer Ahmad, a Member of the Board of Trustees of TIB.

We hope that the concerned authorities as well as the key stakeholders, especially the political parties, the Election Commission, the media and the civil society would benefit from the study and its recommendations. Any constructive critique and suggestions to further improve this work and possible follow-up for policy advocacy would be warmly welcome.

Iftekharuzzaman  
Executive Director

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# Transparency in Political Finance in Bangladesh

## 1. Introduction

Parliaments and political parties are among the institutions that suffer from low levels of trust and credibility among the citizens of the Asia Pacific countries. According to the results of the successive reports of the Global Corruption Barometer released by Transparency International<sup>1</sup>, political parties continue to be perceived as among institutions that are most affected by corruption.

Transparency in political finance is a powerful tool to reduce the corruption risk arising from monetary and in-kind contributions to parties or individual candidates. First, this is the cornerstone for controlling the influence of money in politics and a prerequisite for the enforcement of political finance legislation. Transparency empowers other social actors to scrutinize whether the information submitted by parties is complete, accurate and in accordance with the law. Citizens have the right to know about the ties between their representatives and those who lend them financial support, and may choose not to vote for candidates who receive funds from illegitimate sources or from specific interest groups leading to possible conflict of interest. Finally, publicly accessible information on funding sources is a precondition for monitoring the integrity of politicians once they are elected to office.

Transparency International (TI) is the global civil society organization leading the fight against corruption worldwide. Among its many priorities of research, communication and campaign was the United Nations Convention against Corruption (UNCAC). Working closely with the UN, TI has spearheaded the process leading to the adoption of the Convention, which has been signed by over 140 countries, and ratified by 125 countries (as of 29 September 2008). The Convention entered into force in December 2005. One of the key areas of TI's advocacy is to promote transparency and accountability in political finance as laid in the UNCAC<sup>2</sup>. Accordingly TI has been striving to develop strategies and tools for benchmarking transparency in political finance and to contribute to the strengthening of the capacity of stakeholders to introduce and enforce appropriate reform processes needed to enhance transparency in this vital area.

In doing so, in 2006-2007, TI successfully piloted the Crinis, a research, benchmarking and advocacy tool, in eight Latin American countries, triggering a series of debates and reforms at country and regional levels. 'Crinis' is a Latin word meaning 'ray of light'. The project assessed levels of transparency and accountability in political party and election finances looking at laws and practices in the participating countries. Following its success on the diagnostic work on political finance in Latin America, the *Crinis Pilot Project in Asia Pacific* was launched to explore the possibility of replicating the same in the region. This pilot stage started in Bangladesh, Indonesia and Nepal.

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<sup>1</sup> According to the TI Global Corruption Barometer of 2009 and 2007, political parties were perceived to be the top corrupt institution by 29% and 69% respectively around the world. For details visit: [http://www.transparency.org/policy\\_research/surveys\\_indices/gcb/](http://www.transparency.org/policy_research/surveys_indices/gcb/)

<sup>2</sup> Article 7, paragraph 3: "Each State Party shall also consider taking appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties".

## 1.1 Study Rationale

The parliamentary form of government was restored in Bangladesh in 1991 in the wake of a people's movement against long years of authoritarian rule. The cherished goals of institutionalization of democracy in the parliamentary system, however, remained a distant dream. A system of a non-party caretaker government was introduced in 1996 in a context where the capacity and credibility of an incumbent party-government to hold a free and fair election became questionable. Two subsequent elections were held under the Caretaker Government in June 1996 and 2001. However, questions were still raised on the role played by the Election Commission (EC) and the level of integrity of the candidates. The EC was not perceived to have ensured a level-playing field for the participating political parties and candidates. The Commission failed to enforce electoral laws in some cases, especially to take necessary steps against parties or candidates for violating electoral rules and regulations. Above all, corruption and black money continued to play the determining role in politics and election.

In a study conducted by Transparency International Bangladesh (TIB), it was revealed that in the 9<sup>th</sup> Parliamentary election scheduled on 22 January 2007 that was later postponed, candidates seeking nominations spent three times higher than the permissible spending limit even before the date of withdrawal of nominations, when spending for election was illegal. However, the EC neither took any measure to prevent it, nor took any action against the perpetrators for such violations.<sup>3</sup>

In another recent survey of TIB in 40 constituencies highlighting the overspending by the candidates in the national election of December 29, 2008, shows that 88 candidates in the surveyed constituencies spent Tk 4,420,979 on an average during the legal time frame for election campaign. The highest amount spent by a candidate was Tk 28,100,000. Keeping in mind the average expenditure limit, the candidates overspent Tk 3,105,859 on an average. This was the position against the highest expenditure limit of Tk 1.5 million by a candidate in a constituency.<sup>4</sup>

Having ranked at the top of the Corruption Perception Index (CPI) list for five successive years since 2001, then 3<sup>rd</sup> in 2006 and 7<sup>th</sup> in 2008, corruption in Bangladesh has been widely and genuinely recognized as the key challenge against development, institutionalization of democracy, and rule of law. At the same time political corruption has been among the key challenges of democratic institutionalization in the country as manifested by:

- a) Growing influence of corruption and black money in politics and election with no effective legal obligation for disclosure of information on political finance and party funding;
- b) Horse-trading for nominations and electoral fraud to an extent that politics has been redefined as investment;
- c) Low level of democracy within the political parties;
- d) Lack of or low enforcement of electoral laws to ensure transparency and accountability of political parties, electoral candidates and electoral process;
- e) Failure of parliament in delivering its key role especially ensuring Parliamentary oversight to ensure accountability of the government through effective functioning of the Standing Committees;

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<sup>3</sup> For details see Shahzada Akram and Shadhan Das, *Tracking the Election Process: An Analysis of the Violations of Electoral Code of Conduct by the Candidates of the Postponed 9<sup>th</sup> Parliamentary Election*, Transparency International Bangladesh, 2007.

<sup>4</sup> Shahzada Akram and Shadhan Das, *Tracking the National Election Process*, Transparency International Bangladesh, 2009.

- f) Criminalization of politics;
- g) Long years of confrontational politics featuring a zero-sum game;
- h) Failure to ensure the independence, effectiveness and credibility of key institutions of the National Integrity System particularly the EC, Judiciary, law enforcement agencies, administration and the watchdog bodies through partisan influence; and
- i) The absence of political will for reform of politics and political parties.

The then caretaker government and the EC were heavily criticized across the board for such failure to create a congenial environment for the national election. At this backdrop the election was postponed and a new caretaker government backed by the armed forces took charge on 11 January 2007. They took some initiatives for institutional, legal and policy reform aiming at reducing the influence of corruption and black money in politics in general and elections in particular. The Representation of the People Order 1972 (RPO 1972) and other rules concerning the conduct of elections were amended, and new rules were enacted. In an unprecedented move the amendments were preceded by a series of consultations held at the initiative of the EC in which all stakeholders including the political parties, civil society, NGOs and the media. Rules were introduced for mandatory registration of the political parties under certain conditions that included possible control, even if limited, over party finance as well as electoral finance. The EC was given more authority to take strict actions including scrapping the candidature of a candidate violating electoral rules and code of conduct. Election to the 9<sup>th</sup> Parliament was eventually held under the new electoral regime as provided by the amended RPO.

It is in this context that Transparency International Bangladesh decided to be involved in the Crinis project and undertook this study on transparency of political finance in Bangladesh.

## **1.2 Project Objectives**

The main goal of the *Crinis Pilot Project in Asia Pacific* is to contribute to the strengthening of the legitimacy and credibility of democratic institutions by increasing the levels of transparency and accountability in the political finance systems in Bangladesh, Indonesia and Nepal. The purpose of the Crinis project is twofold: it assesses the legal framework and the practices relevant to transparency of political finance in the country concerned. Based on this assessment, it will develop policy tools and actions to advocate for reforms to improve transparency of political finance and electoral finance.

Specifically, the project aims to achieve:

- a) A higher level of awareness of key stakeholders about the nature and location of corruption risks in the political finance system; and
- b) A greater willingness of these key actors to promote reform including concrete, incentive-oriented actions for meaningful policy change.

This will be achieved by generating detailed information on the strengths and weaknesses of the existing political finance systems; and secondly by encouraging different groups of stakeholders to embrace their respective roles and participate actively and constructively in a dialogue towards reform.

## **1.3 Methodology**

### **1.3.1 Data Sources**

The data to feed the Crinis index comes from both primary and secondary sources. Secondary sources of data include documents on the legal framework with regard to political finance. Primary sources of data include party accountants or treasurers, members

of the Parliament (MPs), auditors, representatives from the EC, experts, private sector and the electronic media. Six parties were selected representing in the 9<sup>th</sup> Parliament. MPs were selected on the basis of proportion of seats in the Parliament. Top ten private business firms and top five electronic media were selected for data collection. Two tests on accessibility of information on political finance were applied as means of verification.

### **1.3.2 Data Collection Methods**

Different tools were used for collecting data and verifying the practice. These include sending letters to the stakeholders including the EC, members of the political parties, donors and other groups, requesting information regarding political finance; assessing receptiveness of these institutions to demand for information from the civil society on political finance in the country; access to information on political finance by a group of citizens (including common citizens, students and journalists – 10 in total) to test the degree of difficulty to obtain it in practice; and interview of key stakeholders such as party accountants, legislators, auditors, donors, election commissioners, and other relevant experts. The data was collected in different steps and uploaded to the web-based questionnaires generated by TI.

Table 1 summarizes the information presented above, classifying the data according to the types of information and the sources used, and identifying the data collection methods.

**Table 1: Type and Sources of Information**

Type of Information	Sources of Information	Data Collection Method
Legal Framework	Documents about laws and regulations	Law review
Practice by parties on financial issues	Party reports, official records and public information.	Team analysis, complemented with interviews of party accountants and experts
Disclosure of information	Testing availability of information through letters sent to different players	Written request for information
Disclosure of information by parties	Testing availability of information through demand made by citizens	Access to public information by common citizens and journalists
Electoral campaign expenditure of parties and candidates	Parties, candidates, donors and prosecutors / watchdogs / officials	Interview
Practice on political finance	Parties, MPs, EC, academia, and civil society activists	Interview

After finishing the data collection, the results went through three different types of ‘quality control’: a) review of the data submitted by the TI-S country coordinator; b) review of the local research (procedure and results); and c) sharing of the results in a workshop, with the participation of stakeholders and specialists.

### **1.3.3 Scope of Study**

Since all political activities were halted for most of the time during the last caretaker government, and the issue of political finance and its regulation is a comparatively new concept, the scope of the study was kept limited within electoral finance of parties and candidates. Therefore, the analysis of the data is focused on the concerned electoral laws and rules as applicable for the 2008 national election.

### 1.3.4 Data Analysis: Indicators used to assess the Level of Transparency and Accountability of Political Finance

The Crinis project recognizes three different types of political financing:

1. Non-electoral party finances whereby resources are mobilized to support the party structure and its activities in non-election periods;
2. Party finances during election campaigns whereby resources are mobilized to communicate with voters and to conduct other campaign related activities; and
3. Candidate finances (separately from their parties) in election periods, taking into account that individual candidates often raise and manage substantial sums of economic resources.

Crinis methodology allows examining the regulatory framework to compare it to internationally recognized principles on political financing and also compares what happens in practice, by testing access to information, party by party, and candidate by candidate. By providing thorough diagnosis of the legal framework and the practice, it provides strong empirical evidence which allows all stakeholders to get a clear picture of areas, in which reforms are most needed.

The level of transparency of political finance activity has been quantified taking into consideration the following ten dimensions (Table 2).

**Table 2: Ten Dimensions of Transparency in Political Finance**

Dimension	Sample Questions for Building Indicators
1. Internal book-keeping of parties	Is book-keeping mandatory, by law? How professional is staff, in practice?
2. Reporting to control agency (Election Commission)	By law, do parties, candidates, service providers and media render accounts on their role in political finance? When and in what format?
3. Comprehensiveness or scope of reporting	Do reports include public and private sources? Do they cover income and expenses? Do they comprehend monetary contributions, in kind contributions, rebates etc.?
4. Depth of reporting	By law, do reports include information on individual donations? Do they inform the value and the date of each donation? Do they clearly identify the donor of each donation?
5. Reliability of reporting	Do different actors disclose all resources in reports? How accurate are reports, to the knowledge of experts?
6. Disclosure to the public	Is it mandatory for state agencies/parties/candidates to disclose information on political finance? In practice, how accessible is such information to experts, journalists and ordinary citizen?
7. Preventive measures	Are donations channeled exclusively through official bank accounts? Are there any loopholes for anonymous donations?
8. Sanctions	What are the existing sanctions – civil, criminal and political – according to the law? In practice, are the existing laws strictly enforced?
9. State oversight (Election Commission)	Do experts evaluate institutions of state oversight as independent? Are they evaluated as efficient? From the perspective of self evaluation, do they lack human resources? Do they lack training?
10. Civil society oversight	Do CSOs monitoring political finance exist? In which areas of political finance do they develop activities? Do experts evaluate organizations of public oversight as independent?

Crinis tool allows quantifying the transparency of political finance activity by using ten dimensions. **Internal bookkeeping** (dimension 1) ties in to the way in which political parties internally manage their financial resources. **Reporting to the electoral**

**management body** (dimension 2) evaluates the extent to which parties or candidates report to a government oversight body. **Disclosure of information to the citizens** (dimension 6) takes a look at the public's access to political finance information. Three dimensions – **comprehensiveness of reporting** (dimension 3), **depth of reporting** (dimension 4) and **reliability of reporting** (dimension 5) – center around the nature of data furnished in the financial reports and help to determine the quality of the data submitted to the electoral bodies. These evaluate crucial areas like all relevant finance activity, including cash, in-kind and other transactions, identity of the donor, credibility of submitted data and the perception of credibility of reports by key actors. A third group of dimensions encompassing **prevention** (dimension 7), **sanctions** (dimension 8) and **state oversight** (dimension 9) addresses monitoring compliance with established rules and regulations. This includes preventive measures to facilitate effective oversight, the existence of sanctions that can be imposed and the institutions and actors in charge of performing oversight functions. Finally **civil society oversight** (dimension 10) addresses monitoring and oversight role of the civil society irrespective of the formal state control body with regard to political financing issues.

Ten dimensions of transparency are measured for legislative campaign financing in Bangladesh: The quantitative index is calculated by averaging all ten dimensions, each of which is given the same weight in the calculation. A weighted average based on three types of financing is made to calculate a total.

The information uncovered through the involvement of a broad spectrum of sources and a variety of different research methods makes it possible to bring together more than 140 evaluation indicators. The scale for each indicator ranges from 0 to 10, where 10 indicates that a country fulfils all criteria expected in terms of transparency and accountability and 0 indicates no fulfillment of criteria. Scores between 0 and 10 are grouped into three evaluation categories: insufficient (0 to 3.3), regular (3.4 to 6.7) and satisfactory (6.8 to 10).<sup>5</sup>

### **1.3.5 Challenges Faced**

The research team encountered the following challenges while conducting the study:

1. The data analysis under this study is based on the laws and rules applicable for the 2008 national election. These laws and rules were later amended and adopted as acts in the 9th Parliament.
2. The concerned party representatives responsible for maintaining the financial accounts of two political parties failed to respond to repeated requests by the research team for interview.
3. A large number of the legislators were reluctant in giving time to the research team, which delayed the process of data collection. Despite repeated efforts many of them did not respond to the request. Although the ruling party representatives confirmed participation, they failed to attend the validation workshop.
4. The private sector institutions such as the media and the business community refused to talk or provide any information on this issue.

## **2. Legal Framework of Political Finance**

The EC is the only state agency to oversee the financial accounting of political parties in Bangladesh. As a Constitutional body, the EC is responsible for electoral management in

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<sup>5</sup> For the detail steps of the data analysis method, please see Annex 6.

conformity with the provisions of the Constitution<sup>6</sup>, and work as a control mechanism to implement regulations of the electoral laws and rules.

Scope of regulation, monitoring, and disclosure of political financing is provided by the *Representation of the People Ordinance 1972 (amended up to 12 November 2008)*<sup>7</sup> (hereinafter ‘RPO 2008’), and the *Political Party Registration Rules 2008*. According to the RPO 2008 the registered political parties must keep their accounts book as per prescribed legal format which must be audited by a certified auditor. The parties have to submit their annual income and expenditure statements to the EC within 31 July after the end of the last fiscal year. Through this law, the private and corporate donation to any political party has been acknowledged.<sup>8</sup> It also provides that political parties may receive any donation in cheques, and has limited the amount of donation. The law also imposes sanction for any violation of the regulations. However, it should be mentioned that public access to the information on regular party financing is not ensured in the law.

The amount of electoral expenses by both candidates and parties has been limited by the law. The upper limit of electoral expenditure by candidates depends on the number of voters (Tk 5 per voter), or a maximum Tk 1.5 million in a constituency. In case of parties the highest permissible amount spent by a party depends on the number of candidates from the respective party, or a maximum Tk 150,000 per candidate. Both the candidates and parties are bound to submit electoral expenditure reports to the EC within a stipulated time, violation of which will result in jail with fine or cancellation of registration. Public access to information on electoral expenditure has also been provided for through the submission to the Election Commission which would make the same public.

The candidates are under obligation to submit electoral expense statements to the EC. However, the individual candidates are not bound to disclose information to the common citizen. Secondly, the media and business sectors are not legally bound to disclose such information. One reason for this is the culture of “winner takes all” politics. If a company discloses its contribution to any individual or party, if the party fails to come to power, this may lead to backlash including loss of business for the donor. Another reason is that such contributions often come from undeclared sources. As a result the common people have very limited possibility to access to such information.

A brief overview of the laws and rules relating to regulation, monitoring and disclosure of political finance has been illustrated in the following section.

## **A. Laws Relating to Electoral Financing**

### **1. Election expense**

- Election expenses include any expenditure incurred or payment made for the arrangement, conduct or benefit of, or in connection with or incidental to election of a candidate.<sup>9</sup> This definition clearly shows that the election expenditure made by any

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<sup>6</sup> *The Constitution of Bangladesh*, Articles 118 – 126.

<sup>7</sup> It may be mentioned that the Ordinances of 2008 amending the RPO have been repealed by the *Representation of the People Order (Amendment) Act, 2009* (Act No.13 of 2009).

<sup>8</sup> It may be mentioned that for the first time the *Representation of the People (Amendment) Ordinance, 2001* allowed a political party to receive donation from any person or source subject to the condition that no political party should receive any donation amounting to more than Tk 1,000 unless the donors gave their names and addresses and the donation was made by cheque. However, it was not made mandatory for the political parties.

<sup>9</sup> *The Representation of the People (Amendment) Ordinance 2008*, Article 44A.

person on behalf of a candidate would be considered to be an expenditure incurred by the candidate himself.

## **2. Obligation of pre-poll reporting**

- Every candidate is required to submit to the returning officer along with the nomination paper, in the prescribed form of the probable source of his election fund.<sup>10</sup> These will include own income, sum to be borrowed or received as voluntary contribution from any relations or others or any organization.
- The above disclosure must be accompanied by a statement in the prescribed form of candidate's assets, liabilities, annual income and expenditure and income-tax return.<sup>11</sup>
- A copy of the above statements has to be sent to Commission at the time of their submission to the returning officer.<sup>12</sup>

## **3. Obligation of documenting election expenses**

- The election expenses have to be incurred only by the election agent (or by the candidate himself if he would act as his own agent), others contributing to the election expenses must make the payment to the election agent.<sup>13</sup>
- Candidates incurring personal expenditure or persons making contribution shall within seven days of the declaration of the result of the election, send to the election agent a statement of such expenditure or particulars of such payment.<sup>14</sup>
- The bill and receipt voucher of every payment of more than Tk 100 will be maintained by the election agent.<sup>15</sup>
- The legislative candidates running for election are obliged to include in their income reports, data on the date of each donation, the value of each donation, and the name of each donor.<sup>16</sup>
- The election expenses should be managed through a separate account with a scheduled bank operated by the agent/candidate.<sup>17</sup>

## **4. Limit of election expenses**

- Election expenses including the expenditure incurred for a candidate by the nominating political party shall not exceed Tk 1,500,000.<sup>18</sup> However, this upper limit will be determined by the EC according to the number of voters in a constituency.
- The highest amount a political party may spend during the election Tk 45 million (if the number of candidates is more than two hundred), Tk 30 million (if the number of candidates is more than more than one hundred but less than two hundred), Tk 15 million (if the number of candidates is more than fifty but not more than one hundred), Tk 7.5 million (if the number of candidates is not more than fifty).<sup>19</sup>

## **5. Mode of election expenses**

- The election expenses cannot be used for printing a poster with more than one color or bigger than the size prescribed by the EC, which also makes it illegal to erect any gate, arch, or barricade, making any banner using any cloth, setting up more than one

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<sup>10</sup> *RPO 2008*, Article 44AA.

<sup>11</sup> *RPO 2008*, Article 44AA (2).

<sup>12</sup> *RPO 2008*, Article 44AA (3).

<sup>13</sup> *RPO 2008*, Article 44B (1).

<sup>14</sup> *RPO 2008*, Article 44B (4).

<sup>15</sup> *RPO 2008*, Article 44B (5).

<sup>16</sup> *RPO 2008*, Article 44C (1).

<sup>17</sup> *RPO 2008*, Article 44BB.

<sup>18</sup> *RPO 2008*, Article 44BB (3).

<sup>19</sup> *RPO 2008*, Article 44CC (3).

election camp in any union, ward, posting of posters on walls or any installation, and using motorized vehicles for campaigns, etc.<sup>20</sup>

## **6. Post-election reporting obligation**

- Every election agent of a contesting candidate shall, within [[thirty] days] after the publication of the name of the returned candidate under Article 19, or Article 39, submit to the Returning Officer a return of election expenses in the prescribed form.<sup>21</sup> The return shall contain, among other things, a statement of all payments, bills, receipts, and bank statement; and shall be accompanied by an affidavit sworn severally by the contesting candidate and his election agent.
- A copy of all the above-mentioned documents must be sent to the Commission at the time of their submission to the returning officer.<sup>22</sup>

## **7. Reporting obligation of Political Parties**

- All contesting parties shall maintain proper account of all its income and expenditure for the period from the date of publication of notification till the completion of elections.<sup>23</sup> Every party must indicate any donation above Tk 5,000, name and address of the donor, and nature of donation.
- The election funds and expenses of a political party must be operated through a separate account with a scheduled bank.<sup>24</sup>
- A party cannot receive any donation amounting to more than Tk 20,000 unless it is made by cheque.<sup>25</sup>
- Every political party nominating any candidate for election shall submit its statement of election expenses to the EC, for its scrutiny, within ninety days of the completion of election in all constituencies.<sup>26</sup>
- In the financial report the party must include in their income reports, data on the date of each donation, the value of each donation and the name of each donor.<sup>27</sup>

## **8. Punishment for offences**

- 9. The party, failing to comply with the obligation to submit the statement of election expenses, shall be punishable with fine which may extend to Tk 10,000 and cancellation of registration.<sup>28</sup>
- Punishment for meeting election expenses from any source other than source specified by the contesting candidates in the statement or the supplementary statement submitted under Article 44AA shall be two to seven years rigorous imprisonment with fine.<sup>29</sup>
- Punishment for contravening the provisions of Article 44B (obligation of documentation of expenses, limit of expenses and the mode of spending) shall be two to seven years rigorous imprisonment with fine.<sup>30</sup>
- Punishment for failing to comply with the provision of article 44AA or 44C (Reporting obligations) shall be two to seven years rigorous imprisonment with fine.<sup>31</sup>

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<sup>20</sup> *RPO 2008*, Article 44B (3a).

<sup>21</sup> *RPO 2008*, Article 44C.

<sup>22</sup> *RPO 2008*, Article 44C (3).

<sup>23</sup> *RPO 2008*, Article 44CC (1).

<sup>24</sup> *RPO 2008*, Article 44CC (2).

<sup>25</sup> *RPO 2008*, Article 44CC (4).

<sup>26</sup> *RPO 2008*, Article 44(CCC) (1).

<sup>27</sup> *RPO 2008*, Article 44CC; *Political Party Registration Rules 2008*, Article 6(G).

<sup>28</sup> *RPO 2008*, Article 44CCC (5).

<sup>29</sup> *RPO 2008*, Article 73.

<sup>30</sup> *RPO 2008*, Article 73.

<sup>31</sup> *RPO 2008*, Article 74.

## 10. Access to information

- The statements, returns and documents submitted under article 44AA and 44C (relating to personal expenditure report) shall, during one year from the date of their receipt, be open to inspection by any person on payment of the prescribed fee.<sup>32</sup>
- The EC will publish financial reports of the legislative elections campaigns on their website.<sup>33</sup>

## B. Laws Relating to Non-electoral Financing

### 1. Accounts maintenance of political parties

- A registered political party shall be entitled to receive donation or grants from any person, company, group of companies.<sup>34</sup>
- Political parties are responsible to submit their financial audited report (audited by a registered CA firm) to the EC by July 31 of every fiscal year.<sup>35</sup> It is mandatory to have the accounts of the parties signed by a certified accountant.

### 2. Limits of private and corporate donation

- In case of personal donation a party can receive Tk 500,000 or property or service equivalent to it in a year. In case of corporate donation a party can receive Tk 2.5 million or property or service equivalent to it in a year.<sup>36</sup> Any registered political party cannot receive any gift, donation, grant or money from any other country, non-government organization or from any person who is not Bangladeshi or any organization established and maintained by such person.<sup>37</sup>

### 3. Public subsidies

- There is no provision of direct public subsidy for the funding of political parties. However, the registered parties will be entitled to electoral symbols, one set of electoral rolls in CDs or any other electronic form, broadcasting and telecasting facilities in the state-owned media during the general election.<sup>38</sup>

## C. Law / Presidential Elections

Bangladesh has a Westminster-type Parliamentary form of Government. According to the Constitution the election for the President is held by the Members of the Parliament.<sup>39</sup>

## 3. Research Findings

According to the Crinis methodology, Bangladesh's mean score is 4.5 (termed as 'regular') (Figure 1). Among the dimensions only the scope of reporting (mean score 9.2) of the parties as well as candidates in terms of law and practice is satisfactory. On the other hand, in dimensions such as bookkeeping (mean score 2.8), reporting (mean score 3.2), reliability of reporting (mean score 2.0), public disclosure (mean score 2.2), and sanctions (mean score 2.2) the scores indicate 'insufficient' in terms of performance.

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<sup>32</sup> *RPO 2008*, Article 44D.

<sup>33</sup> *RPO 2008*, Article 44D (3).

<sup>34</sup> *RPO 2008*, Article 90F (a).

<sup>35</sup> *Political Party Registration Rules, 2008*, Article 9(B).

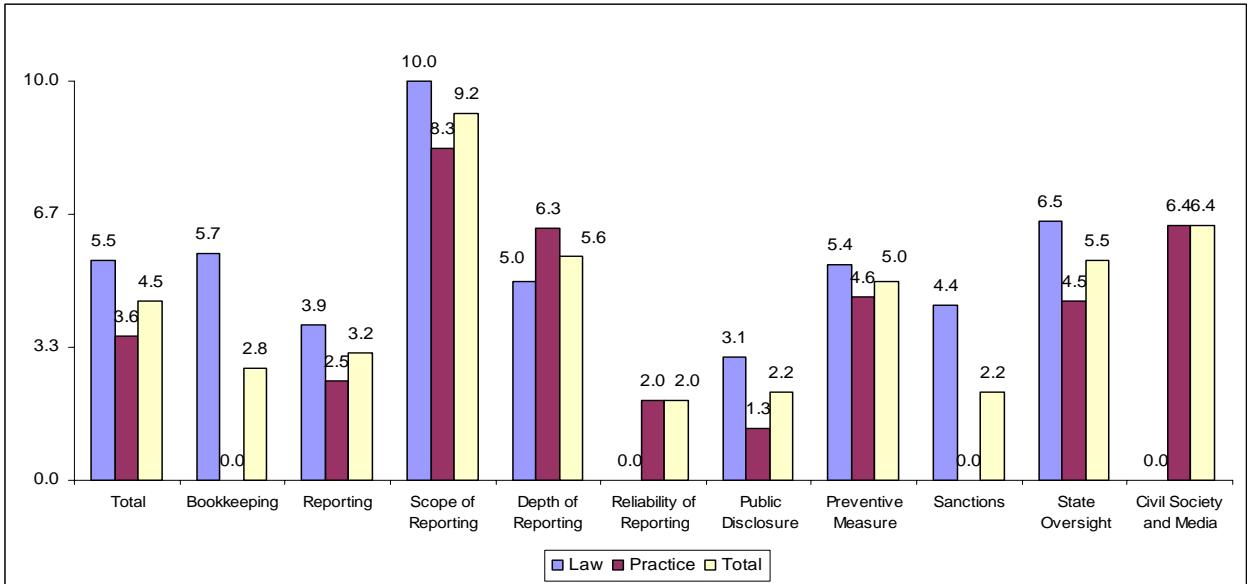
<sup>36</sup> *RPO 2008*, Article 90F (a).

<sup>37</sup> *RPO 2008*, Article 90F (2).

<sup>38</sup> *RPO 2008*, Article 90F (c, d).

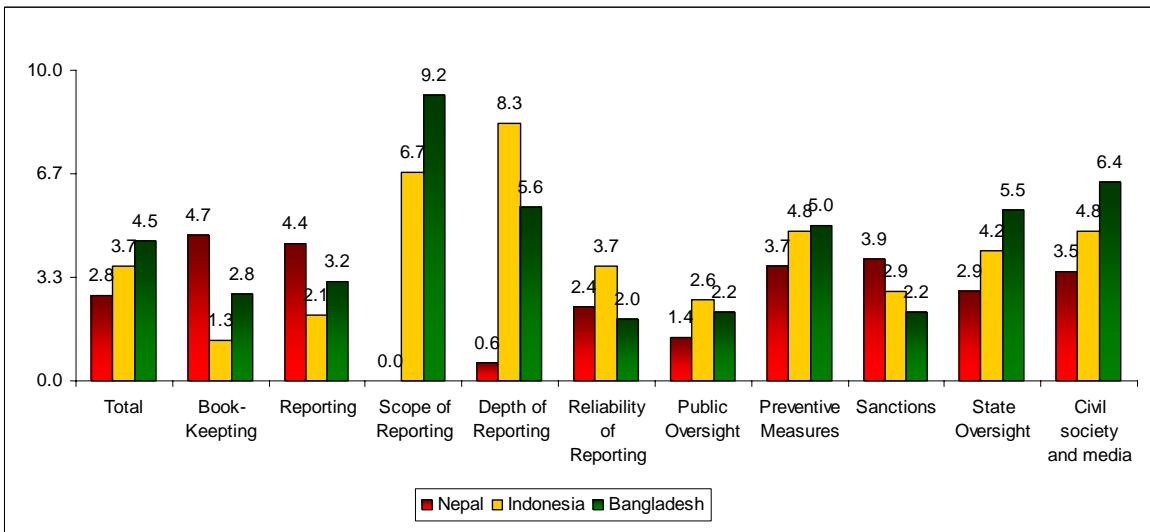
<sup>39</sup> *The Constitution of Bangladesh*, Article 48.

**Figure 1: Crinis Index: Bangladesh**



\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

**Figure 2: Comparative Country Index**



\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

In comparison to other countries under this study, we see that Bangladesh has the mean highest score (4.5), while Indonesia scored 3.7, and Nepal scored 2.8 (Figure 2). In case of a few dimensions such as bookkeeping, reporting, depth of reporting and reliability, the other two countries scored better. In all the three countries the state of public disclosure and reliability of reporting is insufficient. However, in sum, all these countries have a lot to develop in terms of monitoring political finance and transparency.

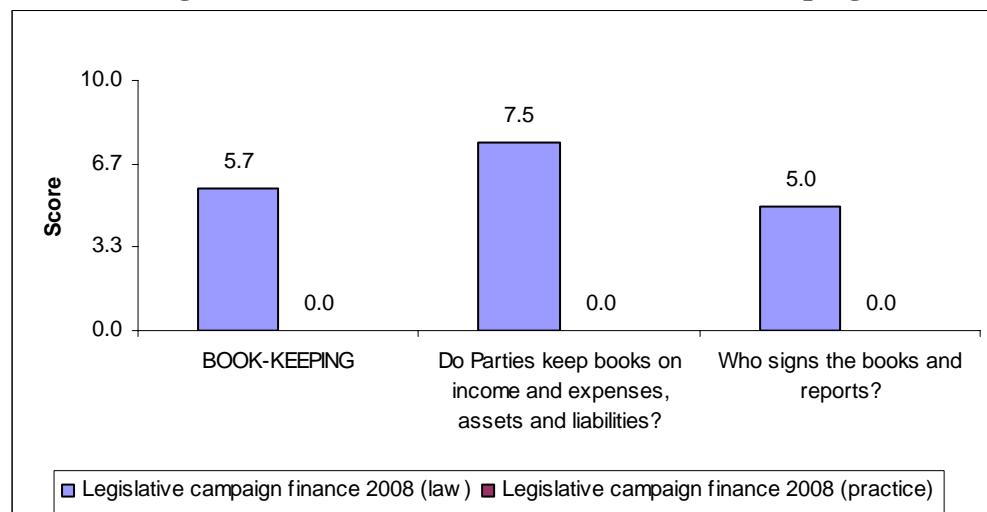
In the following section, each dimension in case of Bangladesh has been explained.

### 3.1 Dimension 1: Political parties and internal book keeping

As one of the preconditions of political party registration, yearly auditing of the party accounts has been made mandatory by law. This has created an opportunity to make political finance more transparent. However, in practice the income and expenditure record is hardly maintained properly by the political parties. They maintain their own accounts of income and expenditure through register books, but none of the parties has any

registry of assets. However, not all kinds of income such as donations in cash and kind are recorded in the register book. The Treasurer and other top leaders like the party Chairperson and the General Secretary are usually the custodians of the register book. None of the parties has any paid staff dedicated to the purpose. Other members of the parties do not have access to such information. During the party council that also takes place on irregular basis, few of the parties disclose the information on income and expenditure to general members. None of the parties has yet had their accounts externally audited.

**Figure 3: Political Parties and Internal Bookkeeping**

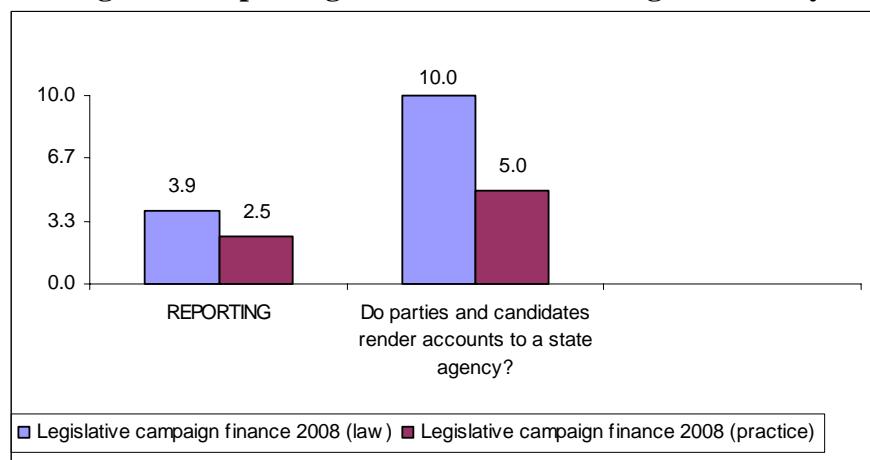


\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

### **3.2 Dimension 2: Reporting to the electoral management body**

Reporting on electoral and non-electoral party financing is a new phenomenon in the political culture in Bangladesh. According to the RPO 2008, both the candidates and political parties must submit electoral accounting reports to the EC. Besides, a political party must arrange audit by an independent audit firm within 31 July after completion of a fiscal year, and submit the report to the EC. For the first time the EC included the provision of disclosure of electoral financing of the candidates and parties through its website. After the 2008 election most of the candidates and parties submitted electoral accounting reports to the EC, not externally audited though.

**Figure 4: Reporting to the Electoral Management Body**



\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

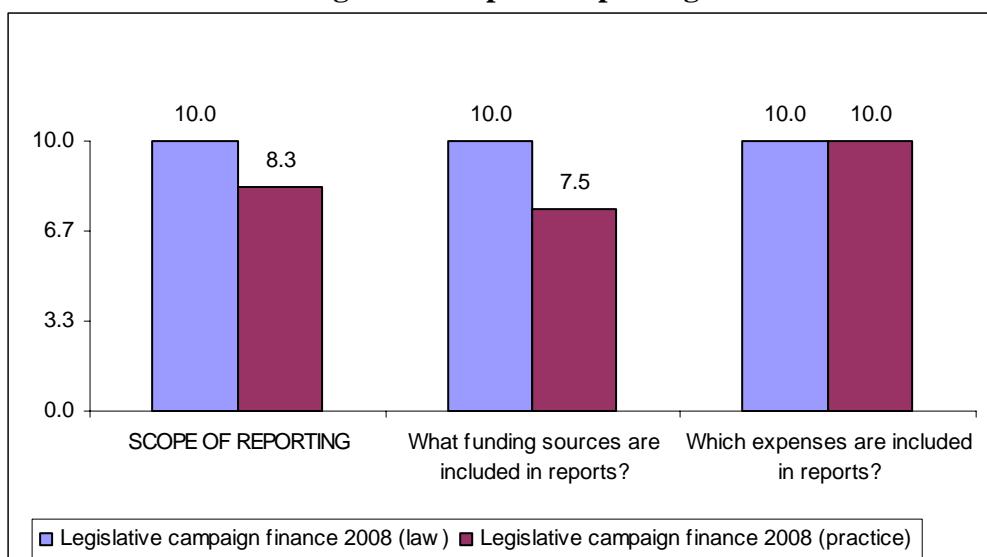
\*\*There is no score for the following indicators: Do donors report? Do vendors report? Do media companies report? How and when do they report?

There is no appointed auditor in the EC. Only in few cases, the EC launched investigation based on complaints lodged mainly by contesting candidates and the media, and took action. In case of few parties the EC returned the expenditure report on election campaign for rectification. The EC has recently taken an initiative to appoint chartered accountants to verify the electoral expenditure reports submitted by the candidates and parties.

### 3.3 Dimension 3: Scope of reporting

During elections, political parties and candidates do not get public funds as well as tax exemptions. However, the registered parties are entitled to broadcasting and telecasting facilities in the state-owned media as a form of government subsidy. According to the RPO 2008, at the time of submitting the nomination paper every contesting candidate has to submit to the Returning Officer (RO), in a prescribed form, a statement describing the probable sources of fund to meet his/her election expenses. After the election within thirty days after the publication of the name of the winning candidate, the election agent of a contesting candidate has to submit to the RO a return of election expenses in a prescribed form containing statements of payments, bank deposit and withdrawal, personal expenditure, disputed claims and unpaid claims. In practice candidates usually maintain these rules. In the 9<sup>th</sup> Parliamentary Election all candidates submitted the statement of probable sources of fund, while almost all the candidates also submitted expenditure statements, though doubts have been expressed about the credibility and comprehensiveness of the information provided.

**Figure 5: Scope of Reporting**



\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

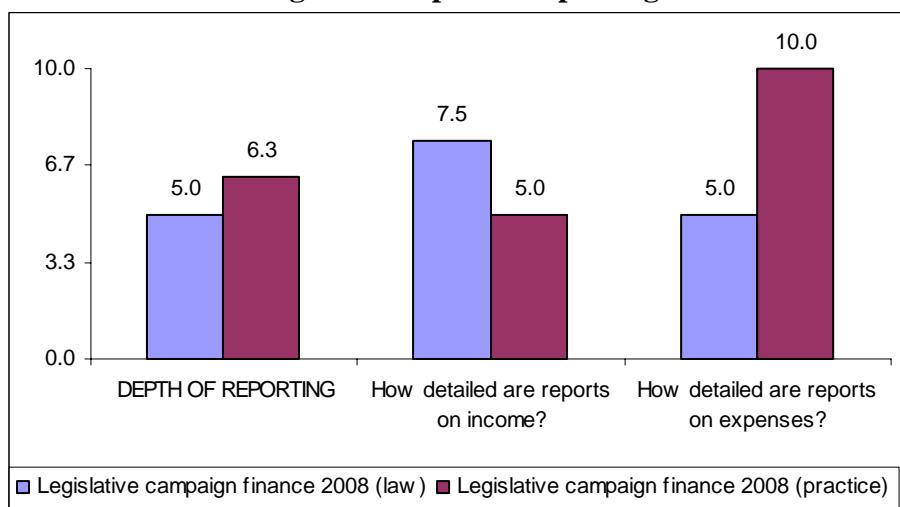
As the EC did not have sufficient human resource and time to scrutinize the information provided by the candidates, there was a scope to provide wrong, improper and understated information by the candidates. It is widely believed that only for maintaining electoral formalities, candidates and their election agents submitted expenditure returns within the upper limit set by the EC, although the average expenditure was three times higher.<sup>40</sup> This is an evidence of the lack of capacity of the EC to enforce the laws.

<sup>40</sup> See for details Akram and Das, *Tracking the National Election Process*, Transparency International Bangladesh, 2009.

### 3.4 Dimension 4: Depth of reporting

The RPO 2008 and the Political Party Registration Rules 2008 require that the parties include private monetary donations, donations in kind, discounts, loans, assets (fixed, financial, investments) and partisan entrepreneurship in their accounting. In practice, the major political parties in Bangladesh (interviewed under this study) maintain simple accounting books, which do not always include name and amount of each donation, types of donations, and loans and liabilities. Some of the large donations are made directly to the top leadership at individual level, and thus are not registered in the accounting book. Maintaining detailed and transparent accounts is not considered a matter of core concern in the political practice as manifested by the fact that even though each party leadership includes a position of Treasurer, none has any professional accountant assigned to maintain the account. The person responsible for accounting is usually the party's treasurer, who happens to be a member of the central working committee (or the executive body) of the party. In practice the above laws are hardly followed by the political parties. In 2008, these parties were registered with the election commission and had to submit audited financial report to it by 2009, which no one did till the time of writing this report. Till date the Commission did not take any necessary steps to monitor the accounting system of the parities.

**Figure 6: Depth of Reporting**



\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

\*\*There is no score for the following indicator: Are there thresholds for disclosure of income?

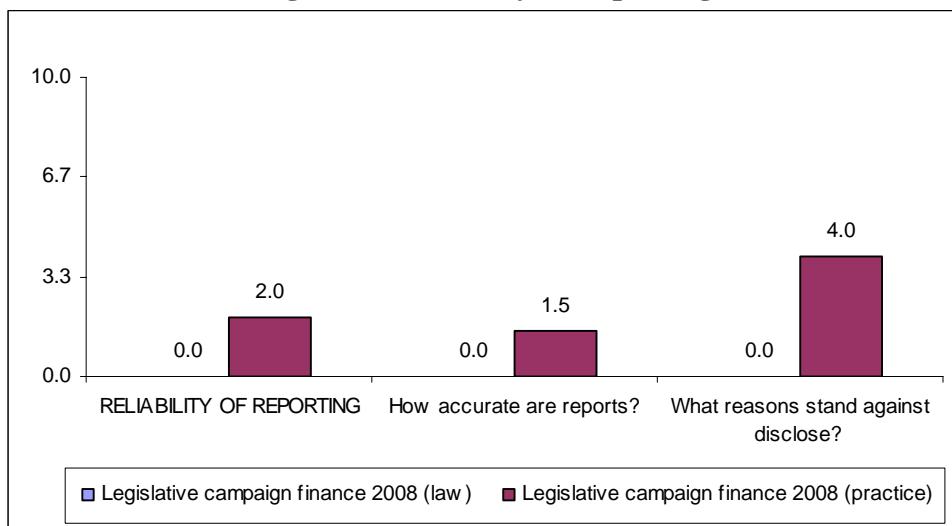
According to the electoral rules, candidates have to submit their accounting statement including private monetary donations, donations in kind, discounts, loans, money from fundraising activities and self-funding along with nomination paper to the election commission. In practice a few contending candidates mentioned the names and amounts of the donors which were not also verified. After election most of the candidates also submitted their expenditure returns showing amounts of funds received (in most of the cases identity of donors were not disclosed) which are not audited till date by the EC. In this context the candidates do not want to disclose the actual amount of funds raised and self-funding because most of them spend more than the maximum limit. On the other hand, the donors also do not disclose their identity for several reasons. The election commission does not have strong mechanism to ensure transparency and accountability in the funding process during election.

### 3.5 Dimension 5: Reliability of reporting and control mechanism

Each political party has a simple accounting system to maintain income and expenditure for regular activities and election campaigning which are not audited. Treasurer of the party is the main responsible person to handle the accounts. Along with him, only few high-ranked leaders are informed about the party financing. Recently the parties have been registered with the EC and as a part of registration requirement they have to submit their audit report annually. In practice, the laws on accounting of political parties are not enforced and the rules and regulations relevant to political finance are ineffective. The election commission has not yet asked any party to clarify their expenditure and its power to control the political finance is seen as rather weak and ineffective. This is partly due to weakness of legal provisions and enforcement thereof, and partly due to low level of internal democracy in the parties including dominance of political parties or leaders which accounts for lack of demand from within. The EC cannot enforce the laws regarding transparency in political financing on the political parties. Without having detailed and actual income and expenditure information including amount and names of funding, loans and liabilities, and assets it is very difficult to determine the reliability of reports.

According to electoral laws, parties and candidates need to submit expenditure returns showing names and amounts of donations, types of expenditure etc. As these information are not disaggregated as well as not verified by the concerned authorities, reliability of the information is questionable. In practice the parties and candidates spent more than their maximum expenditure limit but submitted their return within limit. But although the RPO 2008 includes a provision for disciplinary action in case of non-compliance, the election commission does not appear to have sufficient institutional strength and mechanism to take legal actions for incomplete, exaggerated and unreliable information provided by the parties and candidates.

**Figure 7: Reliability of Reporting**



\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

\*\*There is no score for the following indicator: Does the government illegally favor its candidates?

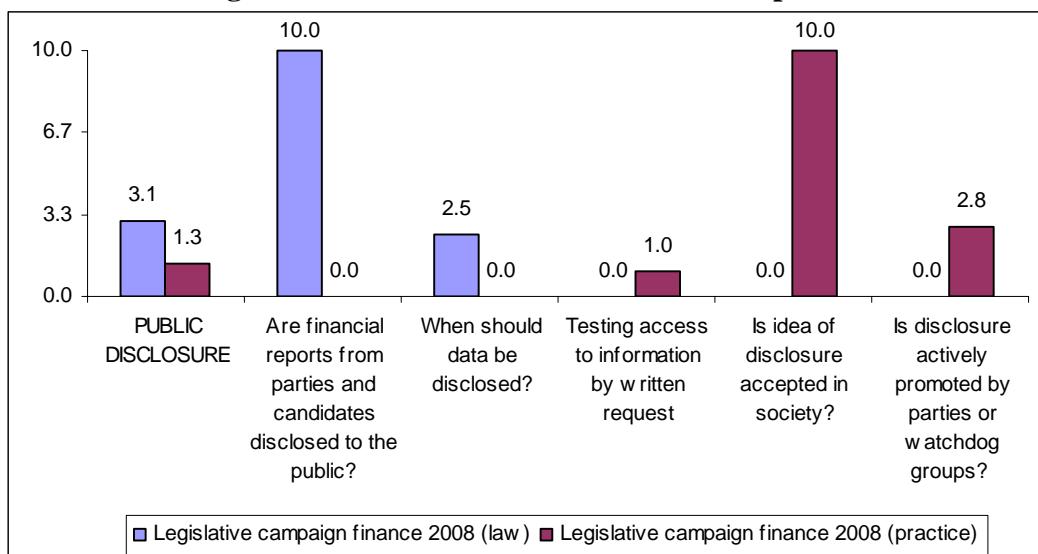
### 3.6 Dimension 6: Disclosure of information to the public

According to the law, the legislative candidates and parties are under obligation to submit electoral expenditure reports to the EC. Moreover, as a precondition of political party registration yearly auditing of the party financing is mandatory by law. However, the individual candidates and parties are not bound to disclose information to the public. Similarly, the donors are not legally bound to disclose information on political financing.

According to the law the EC is responsible to publish the information on electoral expenditure its through website. After the 9<sup>th</sup> Parliamentary Election, even though most of the candidates and parties submitted their electoral expenditure reports, till date the EC has neither disclosed the information on its website nor made it open in any other form for the public.

In practice, political parties and donors do not disclose such information proactively or on demand from citizen or civil society organizations for many reasons. One reason is the culture of “winner takes all” politics. If a company discloses information on its contribution to a political leader or party, and if the candidate or party fails to come to power, the company may face backlash including loss of business. Secondly, the amount of the contribution usually comes from undeclared sources. Some of the companies widely perceived to be regular in making political donations contacted for this study denied that they did so for political parties or candidates. The common people including experts or journalists do not have any access to such information.

**Figure 8: Disclosure of information to the public**



\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

\*\*There is no score for the following indicators:

If direct public subsidies are in place, are there clear rules on amount and distribution?

Is information on public subsidies publicly available? Are there thresholds for disclosure?

How detailed is information disclosed? After elections, which channel, format and detail?

During elections, which channel, format and detail? Test access to information by citizen

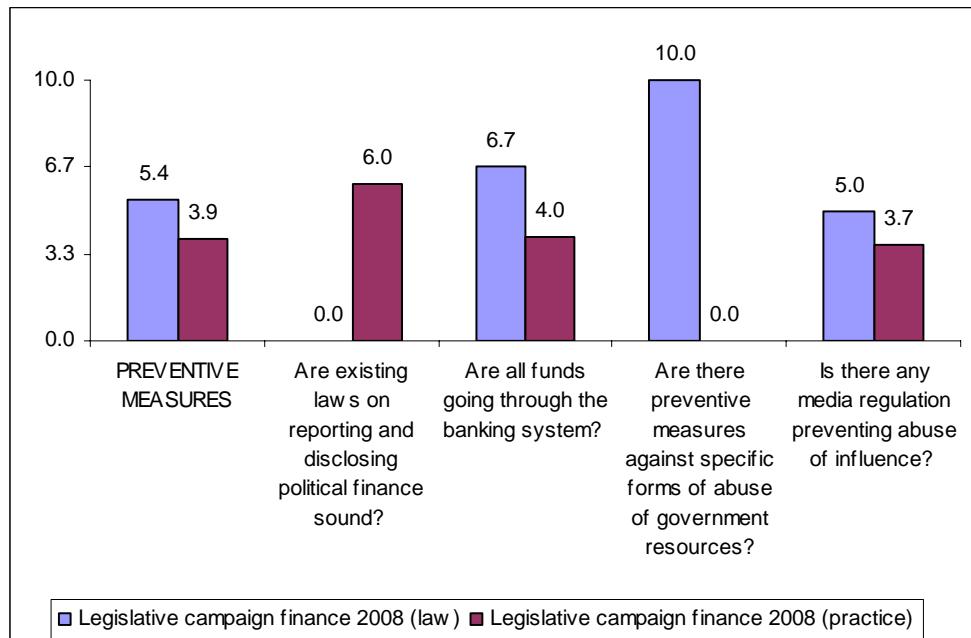
### 3.7 Dimension 7: Prevention

According to the RPO 2008, the political parties are supposed to receive donations from both individuals and companies through checks. The amount of such donations in a year has been limited by the EC. A political party may receive donations not more than Tk 0.5 million (equivalent to US\$ 7,143)<sup>41</sup> or services worth the same amount from individuals or Tk 2.5 million (US\$ 35,714) or services worth the same amount from a company in a year. A registered political party is also prohibited to receive grant, fund, donation or gift from any foreign individual or organization. However, there is no mention of any specific punitive measure in the law for violating the above provisions. In practice it is perceived that the political parties receive donations in cash, and some of them receive donations from foreign sources. Such donations are not received through bank accounts, and not reported in the party accounts. Sometimes donations are received in checks but do not go

<sup>41</sup> US\$ 1.00 = BDT 70.00

to the party bank account, but to the account of party leader(s). Moreover, there is no mechanism in the EC to monitor the financial flow of parties.

**Figure 9: Prevention**



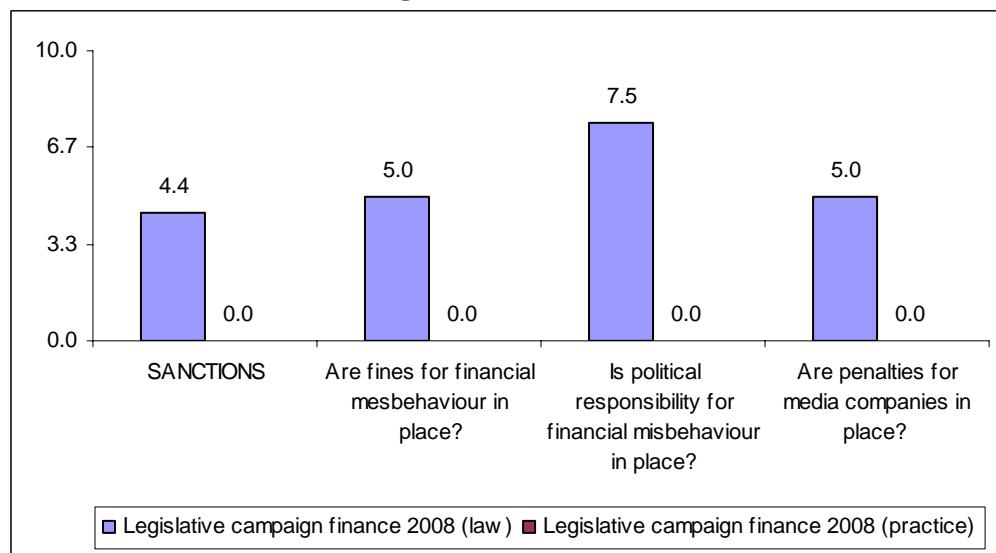
\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

\*\*There is no score for the following indicators: Are there fiscal incentives for disclosure?

Are there any mechanisms of self regulation in place?

According to the law, all candidates running for the legislative election are also bound to transact through bank accounts. The candidates are also bound to report all donations in the expenditure report they submit to the EC after the election. However, in practice most of the donations are not credited to bank accounts, and thus are not reported. The EC does not have any mechanism to check this trend, and thus most of the candidates can spend many more times they are legally allowed to spend for electoral campaign.

**Figure 10: Sanctions**



\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

\*\*There is no score for the following indicators: Is criminal responsibility for financial misbehaviour in place? Are penalties for donors in place?

### 3.8 Dimension 8: Sanctions

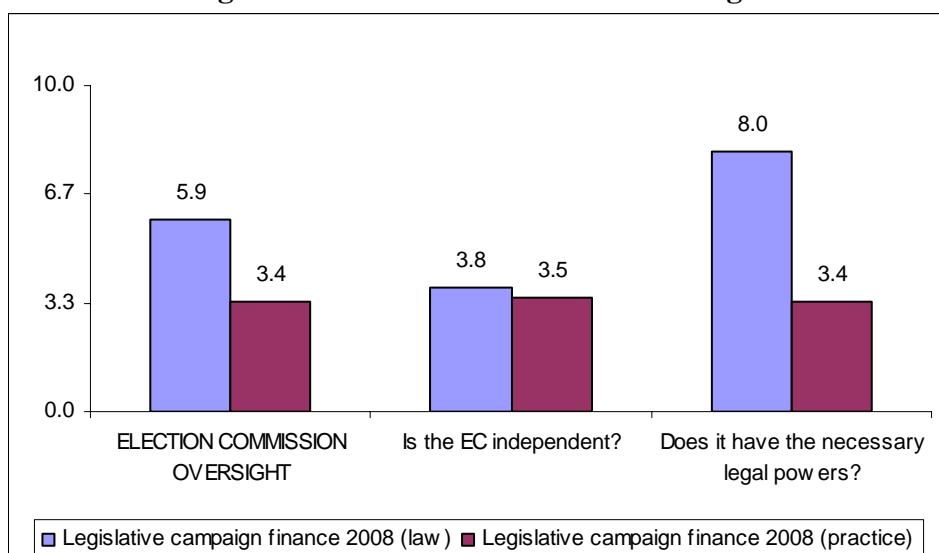
Sanctions applicable for the legislative election candidates and the political parties are there in the law. According to the RPO 2008 and the Political Party Registration Rules 2008, registration of the political parties will be cancelled if the parties do not submit statements on electoral expenditure, or fail to comply with the preconditions of registration, i.e., submission of yearly audit report and other documents for consecutive three years. A party will face fines in case it receives more money than stipulated in the law. In case of the individual candidates of legislative elections, the candidature will be cancelled if s/he fails to comply with the *Electoral Code of Conduct Rules 2008*. These rules include, among others, spending more than Tk 1.5 million or the upper limit as determined for the respective constituency. After the election, if a candidate does not submit the statement of electoral expenses within the stipulated time, a case will be filed against him/her by the EC. Even an elected representative can be stripped of his/her elected status if s/he proves to be presenting with false information to the EC.

In practice, the implementation of such sanctions is hardly observed. Only in the 2008 election the EC enforced some of the sanctions against a few individual candidates by not approving their nominations. However, most of them later got verdict from the High Court in favour of them, and finally managed candidature. The EC did not take any action against individuals who did not submit the statement of expenditure in time. Only recently it has instructed all the district level ROs to lodge cases against those who did not submit the returns in time. For the first time almost all the major political parties submitted statement on electoral expenses after the election. However, the EC does not have a mechanism for assessing the credibility of the statements submitted by both the parties and candidates.

### 3.9 Dimension 9: Election Commission Oversight

In Bangladesh, the EC is the only state agency responsible for the regulation and monitoring of party financing. According to the Constitution of Bangladesh, the EC is an independent institution whose expenditure is charged upon the consolidated fund in the national budget. The Chief Election Commissioner (CEC) and other Commissioners are appointed by the President in consultation with the Prime Minister. The Commissioners are provided with administrative support through the Election Commission Secretariat, where the high ranking officers are deputed government employees.

**Figure 11: Election Commission Oversight**



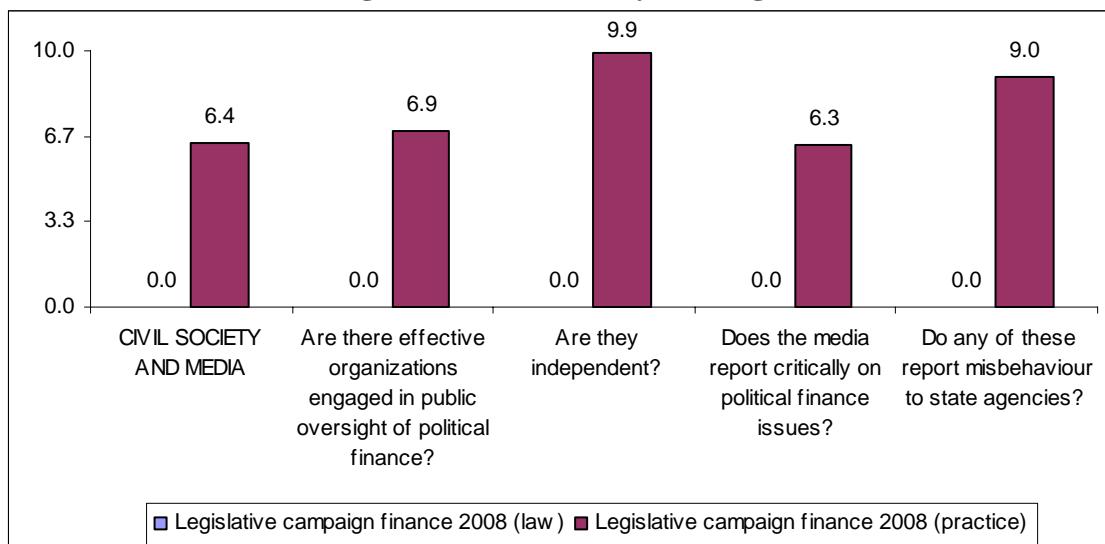
\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

In the past the EC was not viewed as an independent body capable of ensuring accountability and transparency of party finance partially due to lack of adequate law. However, recently relevant laws were enacted (for instance *Political Party Registration Rules 2008*) to ensure the transparency of party finance. Through the Rules yearly auditing of the parties has been made mandatory as a precondition of registration. During the last Caretaker Government, the EC did not face any financial cutback. However, before that it suffered both financial and human resources constraints. During the last Caretaker Government, the EC received necessary resources in time, which was not the case during the tenure of previous governments. Moreover, the EC still lacks adequate human resources to run its local level regular activities. The present human resource also lacks adequate training to perform regular responsibilities.

### 3.10 Dimension 10: Civil Society oversight

A number of civil society organizations are working to raise awareness about the electoral rules and its implementation among the common people. However, none of these organizations has directly worked on political financing. Only recently Transparency International Bangladesh (TIB) has started working on monitoring political financing. It conducted two studies to track the expenditure pattern of the candidates during election campaign as against the legal provisions. In both the studies it was revealed that most of the candidates spent many times more than the amount set by the EC. TIB is now planning to conduct further in-depth study on political finance. TIB has achieved high credibility for its demonstrated capacity and commitment to maintain strict independence and neutrality in implementing such activities.

**Figure 12: Civil Society Oversight**



\* Score 0 to 3.3 = insufficient, 3.4 to 6.7 = regular; and 6.8 to 10 = satisfactory

\*\*There is no score for the following indicator: Do political contenders mutually oversee political finance?

## 4. Conclusion and Recommendations

Political finance is a very sensitive issue in Bangladesh, hardly discussed in public domain. None of the parties disclose financial information even within the party. Party fund is usually generated by members, central leaders and MPs. Funds are also collected directly from leading businessmen and industrialists. Such funds are often donated out of vested interest in anticipation of favors in return, and are often collected in the form of extortion. Large amounts of money are believed to be raised from the candidates seeking

nomination in elections. Fund raising is also done through inter-party contributions as a part of alliance building for elections.

The income and expenditure record is not maintained transparently. None of the parties have done external auditing till date. However, as a precondition of political party registration according to the amended laws (*RPO 2008 and Political Party Registration Rules 2008*), all the registered parties have to do yearly audit. This has created an opportunity to make political finance more transparent.

Reporting on electoral financing is a new phenomenon in the political culture. For the first time the EC included the provision of disclosure of electoral financing of the candidates and parties through its website. After the 1996 election, nearly 95% of the MPs did not submit the individual expenditure report, and after 2001 election none of the parties submitted reports of electoral expenses. After the 2008 election, most of the candidates and parties submitted their electoral accounting reports, though till date EC has not disclosed these reports for the information of the members of the public through its website or any other means.

Although the EC has set the upper limit of electoral expenses by any candidate within Tk 1.5 million, the EC has not established any monitoring and auditing mechanism for tracking the expenditures during the election. As a result almost all the candidates spent a much higher amount but submitted the accounting report showing expenses within the prescribed limit.<sup>42</sup>

The EC or the government does not have specific information about the sources of the parties' funds. Political finance has been one of the factors for political corruption. Party funds are raised for running non-electoral political activities (such as rallies and meetings in support of the government or against it), maintaining party offices and regular activities (maintaining party members and activists), and meeting election expenditure.

The issue of disclosing information on political finance has not come to the forefront till now since there has not been any demand from the stakeholders including the Government, the Election Commission, people, and most importantly, from within the party. Reporting on electoral financing is a new phenomenon in the political culture of Bangladesh. Only recently the EC included the provision of disclosure of electoral financing of the candidates and parties through its website. It will take as much time to develop the practice of disclosing proper and complete information on electoral and party finance as to change the political culture as such, dominated by a "winner takes all" approach.

The following recommendations are offered by TIB in order to make political finance in Bangladesh more transparent and accountable.

#### **4.1 Role of the Government**

1. The government should engage all stakeholders in amending the laws and rules where applicable. For example, appointment of auditors to audit electoral expenditure reports submitted by candidates and parties should be included in the law.
2. The state may provide subsidies to the political parties during election through logistical support such as printing posters, providing auditoriums, and free broadcasting on state-owned radio and television. Substantial state funding will help

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<sup>42</sup> *Op cit.* Akram and Das, 2009.

increase transparency of the parties' accounts, prohibit donations from business and limit campaign spending. State funding of political parties exist in many European countries, Canada, Australia, and New Zealand and these countries have worked out detailed criteria for such funding. Such a policy can however be developed only through elaborate consultation with all stakeholders, especially members of the public as well as political parties themselves.

3. A provision of allowing rebate on the income tax of private companies for giving donations to the political parties may be introduced, which will encourage private companies to donate to the political parties while also increase the level of transparency. Introduction of such a provision should also be widely debated engaging all stakeholders.
4. Donation by individuals, business firms, and the media should be made mandatory to be disclosed.

#### **4.2 Role of the Election Commission**

5. The EC should have the capacity to implement electoral laws and rules strictly without any fear or bias. It should develop a mechanism to monitor electoral expenditure by the candidates and the parties, and should take the due legal action in case of any violation. The EC should set examples of disqualification of candidature (if applicable) for violating electoral norms and rules.
6. The EC should verify all the information provided by the candidates during submission of nomination, and take punitive measures in case of any false information.
7. The EC should disclose through its website all financial information (income, expenditure, assets) of the parties provide at the end of a fiscal year. The statements of electoral expenditure submitted by the candidates and the parties should also be disclosed through the website, or made available for the people.
8. The EC should appoint auditors to verify the audit reports and statement of electoral expenditure by the parties. It should take legal action (including cancellation of registration) for any anomalies.
9. The EC may also organize electoral campaign for all candidates through organizing common projection meetings. The candidates spend the most for maintaining public relations. These activities include organizing rallies, processions and public meetings. In case of organizing common projection meetings by the EC, these activities may be restricted to the minimum.

#### **4.3 Role of the Political Parties**

10. Every political party should have transparent and organised financial management system as a reflection of democratic practice. All the information on their income, expenditure and assets should be disclosed annually through yearly reports and websites.
11. The political parties should make sincere attempts to shift from the present political culture of secrecy to that of openness.

#### **4.4 Role of Civil Society Organizations**

12. CSOs should highlight the issue of transparency in political finance and develop awareness raising programs on this issue.
13. The CSOs involved in election monitoring should observe electoral financing and expenditure to reduce the electoral expenditures.

#### **4.5 Role of the Media**

14. The media should conduct and publish investigative reports on political and electoral financing.

15. More investigative reports should be published on electoral expenditure of candidates during elections.
16. The electronic media should disclose information on the monetary value of the coverage given to the political parties.

#### **4.6 Role of the Private Sector**

17. The corporate sector should voluntarily disclose information on the donation (monetary or service) made to the political parties.

## Annex 1: List of MPs Contacted for Interview

1. Hafizuddin Ahmed, *Awami League (AL)*
2. Manoranjan Shil Gopal, *AL*
3. Asaduzzaman Noor, *AL*
4. Dr. T I M Fazle Rabbi Chowdhury, *AL*
5. Lt. Col (Retd.) Faruq Khan, *AL*
6. Promod Mankin, *AL*
7. Saber Hossain Chowdhury, *AL*
8. Barrister Sheikh Fazle Nur Taposh, *AL*
9. Sarah Begum Kobori, *AL*
10. Rashed Khan Menon, *Workers' Party*
11. Fazle Hossain Badshah, *Workers' Party*
12. Md. Kabirul Haque, *Independent*
13. Hasanul Huq Inu, *Jatiya Samajtantrik Dal (JSD)*
14. G M Quader, *Jatiya Party*
15. M K Anwar, *Bangladesh Nationalist Party (BNP)*
16. Rumana Mahmud, *BNP*
17. Mojahar Ali Pradhan, *BNP*

## Annex 2: List of Experts and Civil Society Activists

1. Dr. Badiul Alam Majumder, *Secretary General, Shujan*
2. Professor Salahuddin M Aminuzzaman, *Department of Public Administration, Dhaka University*

## Annex 3: List of Companies contacted for data

1. **Square Group of Industries**  
Chairman: Mr. Samson H Chowdhury  
Managing Director: Mr. Tapan Chowdhury
2. **Beximco Group of Companies**  
Chairman: Mr. A S F Rahman  
Vice Chairman: Mr. Salman F Rahman
3. **Bashundhara Group of Companies**  
Chairman and Managing Director: Mr. Ahmed Akbar Sobhan
4. **Jamuna Group of Companies**  
Chairman: Md. Nurul Islam  
Managing Director: Md. Shamim Islam
5. **Concord Group of Companies**  
Chairman: Mr. S. M. Kamaluddin
6. **Partex Group**  
Chairman: Mr. M.A. Hashem  
Vice-Chairman: Mr. Aziz al-Kaiser
7. **Anwar Group of Industries**  
Chairman: Mr. Anwar Hossain  
Managing Director: Mr. Monwar Hossain
8. **Summit Group of Companies**  
Chairman: Muhammad Aziz Khan  
Vice Chairman: Md. Farid Khan
9. **Uttara Motors Limited**  
Chairman and Managing Director: Mr. Matiur Rahman
10. **Apex Group**  
Chairman: Syed Manzur Elahi

#### **Annex 4: List of Electronic Media contacted for Information**

1. **Bangladesh Television (BTV)**  
Director General: Kazi Abu Zafar Md. Hasan Siddiqui
2. **International Television Channel (NTV)**  
Managing Director: Enayetur Rahman
3. **Impress Tele-film Ltd (Channel I)**  
Managing Director: Faridur Reza Sagor
4. **Ekushey Television Ltd (ETV)**  
Chair: Abdus Salam
5. **Multi-media Production Ltd (ATN Bangla)**  
Chair: Dr. Mahfuzur Rahman

#### **Annex 5: List of Participants in the Workshop, BRAC Centre Inn, 18 July 2009**

1. Prof. Muzaffer Ahmad, *Member, Trustee Board, TIB*
2. Dr. Iftekharuzzaman, *Executive Director, TIB*
3. Brig (retd.) Shakhawat Hossain, *Election Commissioner*
4. M K Anwar, *MP, BNP*
5. Rasheda Begum Hira, *MP, BNP*
6. Mujahidul Islam Selim, *Communist Party of Bangladesh*
7. M Abdul Latif Mondal, *former Secretary to the Government*
8. Dr. Al Masud Hasanuzzaman, *Professor, Dept of Government and Politics, Jahangirnagar University*
9. Sharmeen Murshid, *Executive Director, Brotee*
10. Bidhan Chandra Pal, *Assistant Program Officer, Hunger Project, and Shujan*
11. Rezwan Alam, *Director, Outreach and Communication, TIB*
12. Md. Anwarul Kadir, *JANIPOP* (national election monitoring council)
13. Dil Afroz, *JANIPOP*
14. Shaikh Nazrul Islam, *ATN Bangla*
15. Shahzada M Akram, *Senior Fellow, TIB*
16. Shadhan K Das, *Fellow, TIB*
17. Tanvir Mahmud, *Fellow, TIB*
18. A N M Azad Rasel, *TIB*

## Annex 6: Explanatory Note on Calculating Crinis Final Scores

This is a brief description of the process taking place from the submission of data by the research team until completion of the aggregation of the final CRINIS score for a country.

The Crinis questionnaire consists of roughly 440 questions, but since some questions were not relevant to the individual political systems, and had therefore been excluded, it was actually less for Bangladesh and Nepal. The data which research teams have submitted has been summarized in pdf printouts. The printouts were split into two parts. The first printouts included questions with only one possible answer and the second, with several answers.

Questions with several answers have been split into several separate variables (one variable for each answer). All answers into these questions have been coded into scores. Each answer corresponds to a number, ranging from 0 to 10. The rules for scoring are listed in the excel file called CRINIS method, blue column.

All the answers to questions (all answers by all interviewees, which were in total 4000 answers or datapoints) were put together in a spreadsheet. This was done in the following steps:

**Step 1:** Questions that have been answered by several respondents were aggregated in a simple average score. That means the answers from many sources are summarized in one score per original question.

**Step 2:** Many questions include the same wording, with slight adaptations for assessment of law or practice, of party finance, presidential elections or legislative elections. In the Crinis data spreadsheet these six possibilities have been grouped together in one line, with six separate columns (for law\_party; law\_presidential; law\_legislative; practice\_party; practice\_presidential; practice\_legislative). These groups are called GENERIC QUESTIONS. There are about 240 generic questions (or lines) in the spreadsheet. These indicators are the closest to the original data in the spreadsheet.

**Step 3:** GENERIC QUESTIONS are grouped together to INDICATORS. There are a total of 50 INDICATORS. In the DATA sheet you have received as part of your final summary document in excel, you can see the horizontal lines that are summarized in colored lines above them. This is the most detailed version of the dataset which was used for constructing graphs.

**Step 4:** Indicators are summarized in DIMENSIONS. We have 10 dimensions, and a total of 50 indicators which feed into these dimensions. Each dimension has a different number of indicators.

**Step 5:** Dimensions are summarized into the Total CRINIS score for the country.  
In a more detailed level, the data has been summarized in total scores for

- 1) law and practice
- 2) different types of funding (party, presidential, legislative)

**Step 6:** Separate average scores are summarized for all columns describing what happens in law (in terms of party, presidential and legislative) and in practice (party, presidential, legislative).

**Step 7:** Separate average scores are also summarized for all columns referring to party finance (law and practice), presidential elections (law and practice) and legislative elections (law and practice).

**Step 8:** Simple averages are summarized for all columns.

In some cases, step 2 and step 3 involve weighing of different input variable to create output variables. All weighs are includes in the spreadsheet. Input variables are answers to each question, which you have submitted. Variables are marked in different colors.

- 1) variables with a different weight are marked in green or red

- 2) A weight 0 means that this variable was not considered mostly because this question did not apply to this country

So, this is how 4000 datapoints are summarized in a single country score. Graphs represent intermediate levels of aggregation by each dimension.