

**Government must be aware of “Corruption Trap”**  
**World Bank must be out of climate Finance**  
**Autonomous board with “Democratic Ownership” is the best  
answer in Climate Fund management**

**1. Global focus to Bangladesh is our potentialities**

Many of the research including IPCC report has shown that, Bangladesh will be the most affected countries of the climate change impact. People of Bangladesh will be most affected compared to any other country. If there is a 1 meter sea level rise, one third i.e. the total coastal area of this country will be inundated with saline water and thus about 20 to 30 million people will be displaced, means they would be as climate forced migrants, intensity of flood and cyclones will be increased, crop production will decrease by about 35% by 2050. Due to the same process across the globe and the food speculation the price of food will go beyond the means of average Bangladeshis. There will be various health problems due to high temperature. About 40% people of Bangladesh live under the poverty line; climate change effect will make it hard to struggle against that poverty.

**2. Preparation and progress of Bangladesh, facing climate change impact.**

Though there is confusion on Bangladesh’s preparation in regard the climate change impact, Bangladesh is clearly ahead in planning and developing policy strategy to face the impact of, climate change such as:

**A.** Bangladesh has already prepared the Bangladesh Climate Change Strategy Action Plan (BCCSAP). The democratic government has made some people oriented revision in respect to the public demand.

**B.** Bangladesh has established the Bangladesh Climate Change Trust Fund (BCCTF) with her own initiative before getting any foreign finance on this regard.

**C.** The Multi Donor Trust Fund (MDTF) proposed by the British Government and participated by almost all the development partners. The MTF has renamed into

Bangladesh Climate resilient Fund (BCCRF). In the BCCRF, Bangladesh has been able to establish its ownership at least bypassing various pressures; Though World Bank is managing the fund for a temporary period as technical aspects.

**D.** Position of the State Minister for the Forest and Environment i.e. the stand of the government in international conference like UNFCCC is in the favor of the public demand. Prime Minister’s specific speeches in various conferences such as demand of compensation from the developed countries, new UN protocol for the climate forced migrants, withdrawal of loans from all sorts of climate funds have received positive response from world’s civil societies.

**3. The Faded face of Fund disbursement**

Within the country there are uncertainty and confusion on the proper utilization of various funds. There are doubts whether we have been able to create good example on fund disbursement or not. Already there are some questions on BCCTF disbursements, such as:

**A.** For the government projects 1) Carbon mitigation has been given priority than adaptation, 2) The most vulnerable areas have not been given priorities, 3) There is no said mechanism to mitigate corruption and to ensure public participation. It is to be noted that, civil societies have already specific demands on these regards.

**B.** Allocation for only 2% of NGOs has been cancelled against allegations of opaque selection process and nepotism. But governmental policy makers allege the application from a large number of NGO. It is to be mentioned that various registration authorities like Social Welfare Ministry

create NGOs by providing registration. The civil societies have proposed to select NGO for fund allocation by the bottom up approach instead of top down approach and by assessing the capacities of NGOs.

C. We do not know whether any fund has been allocated from the MTF or not. It is being said that 10% of the total fund will be disbursed to NGOs through the PKSF (The apex governmental autonomous body to support Microfinance). The process of fund allocation through public and private channel is still unknown. World Bank is managing this fund. We have learned that donors have contributed 110 million dollars so far (7-8 hundred crores Bangladeshi Taka). On the other hand the amount of the government initiated fund BCCTF is about 2100 crores taka (300 million dollars).

#### **4. Weakness of Government Ownership and the concept of Democratic ownership**

The term Government Ownership was originated during the Paris Declaration of Foreign Aid (2005). Civil Society member from the developing countries demanded national and governmental ownership along with donors to the foreign donated development projects and that was accepted by that declaration. But later, some problems had been identified in the developing countries in regards of development projects. In the government ownership there was mainly control of government policy makers. There hardly any representation from the opposition party, media, civil society and affected community. That was why allegation of corruption had been raised in the development financing.

Some such weakness of the Bangladesh Climate Change Resilient Fund (BCCRF) has been identified.

Not only in Bangladesh, are such types of problems being identified in development financing of many developing countries. Under that circumstance, when the Paris declaration was being revised, then the term Democratic ownership had been originated. It means that, the participation and control of representatives from the opposition party along with government

policy makers, representative of media, civil societies and affected communities in all the level of a development project.

#### **5. Government must be aware of Corruption trap**

Developed countries and the World Bank often point their fingers to the developing countries with the allegation of corruption. Against that allegation developed countries and World Bank often cancel or curtail foreign aid, sometime they provide aid through the channel of world Bank instead of the respective governments. It in fact benefits the World Bank. Thus World Bank gets the service charge and it helps it to strengthen its lobby to ensure free market to the developing countries for the multi national companies of the developed countries, in other words the main shareholders of the bank.

World Bank can realize that developing countries like Bangladesh are going to get huge amount of climate finance and it is now trying to ensure it'd control over these financing. That is why it wants allegation of corruption in Bangladesh and other developing countries. Government of those countries will be weak against that kind of allegation and that will help World Bank to take over the control of the climate funds or climate financing.

There are strong and logical question about the process by which Bangladesh and other countries are being identified corrupted. The main base of corruption index is the perception of some business man. It is not desirable in the context of Bangladesh. Here in rural areas about 2 crore families are making transaction of about 2 billion dollar daily with various micro finance organization, of which the realization rate is almost 99% without any security guard and almost without any factual allegation. So it is really not fare to identify 99% people as for corruption of 1-5%. Corruption is symptom, not the main or root cause. Unequal distribution of state resource and income, exploitation are the cause of corruption. For which people engage in corruption just to survive. Those who are vocal on corruption are so much indulged with lobbying for various multinational companies, and

lobbying for multi national companies even with ill intention is nothing bad to them.

We think that, government must be aware on that. Democratic ownership, transparency and accountability must be ensured in all the climate funds, so that no corruption charge can be raised against government.

### **6. Conspiracy of Climate business with the international climate fund: Is Bangladesh Aware of that?**

While the developing countries are demanding climate financing under UN management in the UNFCCC, the developed countries are in favor of implementing under the authority of the World Bank to the climate financing. World Bank became the trustee of the Green Climate Fund for a temporary period with strong stand of the developed countries during the Cancun conference (2010). Developed countries want to be sure that World Bank is enabled to work to make the developing countries' market free for those countries using these funds.

Developed countries have already formed the Climate Investment Fund (CIF) without funding in the GFC according their commitment (30 billion dollar by 2012 and 10 billion dollar in every year). According to the CIF procedure, receiving countries will have 50% as loan and the 50% is grant. USA and UK have already promised to allocate 1 billion dollar for CIF. So far, initiatives have been taken to insist Bangladesh and Nepal to take loan from this fund under Pilot Project on Climate Resilience (PPCR).

According to the approved PPCR of September 2010, Bangladesh will get 100 million dollar of which 50% is as loan and 50% is grant. Moreover, Bangladesh will have no control over that grant money; it will be spent for the consultant of the World Bank. Bangladesh government has already started negotiation with World Bank for those funds under 5 projects, 519 million dollar loan of ADB will also be included with that funding. Thus in deed Bangladesh will bet maximum % of that package as grant.

In fact developed countries are trying to do the following by using the CIF:

**A.** Ensure control of World Bank and developed countries over climate finance bypassing the GFC of UNFCCC.

**B.** Weaken the demand of developing countries i.e. no loan without grant

**C.** World Bank intends to place example of Bangladesh, Nepal and some other poor countries to the world. It want to show the other that Bangladesh and other poor countries have already taken loan on climate change, so demand of ignoring loan on that regard is not so much logical.

The state minister of Bangladesh on Forestry and Environment has clearly mentioned that, Bangladesh is always against all kind of climate loan, the External Resources Division has already gone far with that negotiation. The Prime Minister herself mentioned in the parliament that, Bangladesh would never take any loan on climate change. We want reflection of those.

### **7. Demand of Civil Society Organizations:**

Under these circumstances Civil Society Organizations of Bangladesh is placing the following demands in climate fund management:

**A.** Government should consider the reform of the BCCTF and the BCCRF. We think that, the climate fund management should operate through an autonomous board with democratic ownership, from where all the allocation will be made. We have such example like PKSF who is doing better performance in fund management in Micro Finance.

**B.** With the entire project government must consider the following issues before allocating any fund.

1. Corruption Risk Assessment
2. Information Disclosure policy
3. Complaint Response Mechanism
4. Participation Index in all level

We believe that, inclusion of these conditions or considerations will ensure at least some

level of transparency and accountability of all private and public projects.

**C.** Information on allocation for NGOs was published in the official website of the ministry of forest and environment. But detail information on allocation for each project, area based allocation have not been published. It is hard to get this information from the ministry. It seems that, government is trying to avoid debate or question about its projects on this regard. So our demand is to publish all related in official website. We consider existence of different process for government and NGOs as an intention of damaging image of NGOs.

**D.** We are strongly opposing the typical process of alleging NGOs in an average. Government different regulatory and register authorities are responsible for creating such NGOs. High skilled NGOs of Bangladesh are doing good jobs even across some poor countries. NGOs contribution in poverty reduction in Bangladesh is praiseworthy.

We have been demanding from the early stage of fund allocation that:

1. It can not be denied that, NGOs can contribute adaptation and innovative sustainable technology implementation.

2. NGO should be selected in bottom up approach instead of top down approach, and Ngo should get proper time to design their project with direct participation and consultation with related all stakeholders.

3. We hope that Bangladesh representatives to COP17 in Durban will protest the inclusion of World Bank in all Climate Fund.

4. We demand that, Bangladesh will be against any loan under the PPCR.

Lastly, to ensure transparency and accountability government will follow these demands not only for climate financing but also for all types for development financing. We hope that government will create example by establishing democratic ownership, highest accountability in fund management. We strongly believe that, our leaders can do it. Civil Society is always ready lend support on thus regard.

### **Organizations**

APON, ASO, CSRL, On Line Knowledge Society, EquityBD, Lead Trust, NCCB, BUP, Bangladesh Bhumihiin Somity, Bangladesh Krishok Federation, Jatiya Sramik Jote, SIRAC Bangladesh, Humanity Watch, DCI, PRAN, SDO, SUPRO, and VOICE

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