

Governance Challenges in the Implementation of Roads and Highways' Development Projects

Executive Summary

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GOVERNANCE CHALLENGES IN THE IMPLEMENTATION OF ROADS AND HIGHWAYS' DEVELOPMENT PROJECTS

EXECUTIVE SUMMARY

1. INTRODUCTION

1.1 BACKGROUND

Development expenditure is considered a catalyst for economic growth. Such expenditure is allocated to various activities, including infrastructure development, income generation, employment creation, poverty alleviation, and social security. Over the last fifteen fiscal years (2009-10 to 2023-24), about 28 to 41 percent of the total national budget had been allocated as development expenditure. The Annual Development Programme (ADP) is an important short-term yearly plan for implementing development allocations. Considering the number of projects and allocations, a number of prominent sectors receiving priority in the last 15 years (2009-2024) include Transport and Communications, Power and Energy, Housing and Community Amenities, and Local Government and Rural Development. Under the pretext of accelerating economic development, creating employment opportunities, and achieving economic growth, 11 mega projects, along with a significant number of government-funded development projects, were undertaken in the transport sector between 2014 and 2018. Since the 2014-15 fiscal year, the transport and communication sector had received the highest allocation in the ADP, with a notable increase in development budget allocation (21-28% of total development expenditure).

In 2023-24 fiscal year, 258 development projects in the Transport and Communication sector received a total allocation of BDT 63,263 crore, with the highest allocation going to the Road Transport and Highways Division (BDT 27,803 crore for 158 projects), which ranks second in terms of division or ministry-wise allocation and first in terms of the number of projects. Most of the development projects under the Road Transport and Highways Division were implemented through the Roads and Highways Department during the 2023-24 fiscal year (BDT 24,077 crore for 145 projects). The total development expenditure from the ADP allocation of the Roads and Highways Department between 2009-10 and 2023-24 amounted to BDT 169,450 crore. All development allocations and expenditures were utilized across 22,476 km of roads (National, Regional, and District Roads) throughout the country, implemented via 10 zones, 22 circles, and 65 divisional offices of the Roads and Highways Department.

Political pressure in adopting development programmes, deliberate overestimation of project budgets during planning, irregularities and corruption in road construction activities are often discussed in the public domain. Construction cost for four-lane roads in Bangladesh (BDT 21-100 crore per km) is two to nine times higher compared to neighboring countries and Europe. Inability to spend allocated budgets on time—leading to rushed expenditures at the end of the fiscal year—along with a lack of sustainability and usability in implemented projects, are some of the notable governance challenges, irregularities, and corruption observed in most road and highway development projects in Bangladesh, also highlighted in various research studies, articles, and media reports.

1.2 RATIONAL OF THE STUDY

A report by the World Bank states that well-planned, constructed, and maintained safe roads play a crucial role in a country's socio-economic development and poverty alleviation. However, globally, there are noticeable allegations of collusion, fraud, and corruption in road development projects. Although various media reports and articles highlight corruption in Bangladesh's road infrastructure development, there is a lack of in-depth research focusing on the governance challenges of national and regional road and

highway development activities. Previous research by TIB has identified governance challenges, including irregularities and corruption in the block allocation for parliamentary constituencies, the road infrastructure development activities under the Local Government Engineering Department (LGED), and public procurement processes through e-GP. As part of TIB's continued research activities on the key service sectors and issues of public importance, especially infrastructure construction-related issues, this research initiative was undertaken to identify the governance challenges at various stages of implementing Bangladesh's most prioritized road and highway development projects.

1.3 RESEARCH OBJECTIVE

The overall objective of this study was to review the governance challenges in the implementation of government-funded road and highway development projects. The specific objectives were to identify governance challenges at various stages of project implementation, analyse the nature and magnitude of irregularities and corruption, review the control and supervision roles of relevant stakeholders in ensuring governance, and identify ways to overcome these challenges.

1.4 RESEARCH SCOPE

Under the annual development plan, the development projects implemented by the Roads and Highways Department (RHD) of the Road Transport and Highways Division were covered in this study. Emphasis was placed on government-funded projects below BDT 1,000 crore, while large/mega projects were excluded due to differences in modalities of implementation, decision-making, and policy-making processes. The development projects completed between fiscal year 2017-18 and 2021-22 (initiated from 2010-11 to 2018-19) were included in the scope of this study. Various types of RHD development projects, including road construction, road development, bridge construction (up to 1,500 meters), bridge development, and other infrastructure construction projects, were observed. Considering the number of completed projects, type, allocation, and geographical location, data was collected from 21 district-level divisional offices across 13 Circles in 10 Zones of the Roads and Highways Department.

1.5 RESEARCH METHODOLOGY

Considering the content and purpose of the study, a qualitative methodology was used in this study to collect data from primary and secondary sources. However, guantitative data collected from secondary sources was also used in relevant analysis where appropriate. Key Informant Interviews (KII), Group Discussions (GD), and physical observation at the project sites were the primary data collection methods. Using the KII method, data was collected from officials of the Roads and Highways Department (RHD), Planning Commission, Implementation Monitoring and Evaluation Division (IMED), Department of Environment (DoE), Bangladesh Inland Water Transport Authority (BIWTA), Department of Forestry, Electricity Distribution Companies, District Administration, feasibility and environmental impact assessment firms, civil society members, local government representatives, national and local level contractors, journalists, and relevant experts. Through the group discussion method, the research team collected data, opinions, and experiences from journalists, local government representatives, and local beneficiaries. A total of 25 completed project sites were physically visited and observed, considering the type of project, allocation, duration, year of completion, and geographical location under the working areas of 21 divisional offices (district-level offices) of the Roads and Highways Department. As part of secondary source data, information was collected and reviewed from the websites of relevant departments and ministries, and reports published in the media (print and electronic). The data collection period for the research was from June 2023 to September 2024. Despite multiple correspondences and communications, the necessary project-related information was not provided by the Roads Transport and Highways Division, the Roads and Highways Department, or other relevant authorities during the data collection period.

1.6 THE ANALYTICAL FRAMEWORK OF THE RESEARCH

The implementation of ADP development projects by the Roads and Highways Department (RHD) is mainly carried out in three stages: project formulation, implementation, and maintenance. Among these stages, significant activities include development project proposal formulation, feasibility study, proposal verification, evaluation, approval, budget allocation, fund release, tender and work order, project implementation, supervision, monitoring, audit, and post-implementation maintenance, etc. These activities have been reviewed at different stages of project implementation in light of six indicators of good governance used here: compliance with laws and policies, capacity and effectiveness, participation and coordination, transparency, accountability, and control as well as prevention of irregularities and corruption.

1.7 ROAD AND HIGHWAY DEVELOPMENT PROJECT MANAGEMENT: STAKEHOLDER FRAMEWORK

A list of the stakeholders engaged in different stages of project implementation are shown in the below table.

Level/stage	Name of the stakeholder
Apex Organisation (Policy making stage)	National Economic Council (NEC), Executive Committee of National Economic Council (ECNEC), Parliamentary Standing Committee on the Ministry of Road Transport and Bridges
Central Organisation (Planning, evaluation and supervision)	Planning Division, Planning Commission, Finance Division, Office of the Comptroller of Auditor General (OCGA), Implementation Monitoring and Evaluation Division (IMED)
Implementing organisations	Road Transport and Highway Division (RTHD), Roads and Highways Department (RHD), Offices located in 10 Zones, 22 Circles and 65 Divisions
Other stakeholders	Department of Environment (DoE), Bangladesh Inland Water Transport Authority (BIWTA), District Administration, contractors, elected representatives, local people/beneficiaries

2. RESULTS OF THE STUDY

2.1 COMPLIANCE WITH LAWS IN PROJECT IMPLEMENTATION

Deficiencies in adhering to project formulation and implementation guidelines

Laws/Policies/Guidelines	Challenges in law enforcement/ Violations of Law		
Guidelines for the Formulation, Processing, Approval, and Amendment of Development Projects in the Public Sector – 2022			
1.3.3 Considering the need to ensure the natural flow of water, submersible/elevated roads should be constructed as necessary to protect the environment and ecosystem of low-lying areas, including 'haor' regions	 Among the projects covered by the research, four projects implemented in <i>'haor'</i> and <i>'beels'</i> areas did not follow the executive order. These four projects have disrupted water flow in <i>'haor'</i>, canal, and beel regions, leading to 		
1.3.5 Bridges should be constructed considering the river's navigability, ensuring that the natural flow of water is not obstructed and vessel movement is not disrupted. The plan			

Laws/Policies/Guidelines	Challenges in law enforcement/ Violations of Law
should aim to construct as few bridges as possible over rivers.	waterlogging and flooding, posing risks to biodiversity, hindering fish movement, and affecting people's livelihoods.
Although such directives were not included in the 2016 guideline, an executive order mandates the construction of elevated roads in 'haor', 'baor', and 'char' areas to protect water flow, biodiversity, and the environment. It also directs ensuring an adequate number of bridges and culverts for water drainage and maintaining the navigability of rivers and canals	

PROJECT FEASIBILITY ASSESSMENT: SHORTCOMINGS IN FOLLOWING GUIDELINES

Laws/Policies/Guidelines	Challenges in law enforcement/ Violations of Law	
Guidelines for the Formulation, Processing, Approval, and Amendment of Development Projects in the Public Sector, 2016		
4.1 Before undertaking any investment project with an estimated cost exceeding 25 crore taka, a feasibility study must be completed (in the 2022 guidelines, this amount is increased to 50 crore taka)	 For projects below 25 crore taka, there is no obligation to conduct environmental impact assessments, identify potential risks, or conduct feasibility studies. Due to the lack of proper feasibility studies, technical evaluations, environmental assessments, climate change impact assessments, and disaster risk evaluations, five projects were damaged by river and sea erosion and heavy rainfall. Due to improper feasibility studies and environmental impact evaluations, eight projects had environmental impacts—disrupting water flow, roads being damaged due to salinity, and traffic volumes being either higher or lower than estimated. 	

Due to the lack of proper planning and feasibility studies, construction of a rail overpass to reduce traffic congestion has instead increased congestion. The absence of connecting roads has resulted in only a few vehicles using the bridge, and only a small number of auto-rickshaws operating on the road built at a high cost are some examples of questionable feasibility studies.

VIOLATION OF ENVIRONMENTAL LAWS IN PROJECT IMPLEMENTATION

Laws/Policies/Guidelines	Violations in law enforcement
Environment Conservation Rules, 1997 (Rule 7, Schedule 1) Local roads and bridges below 100 meters are classified as "Orange B" while regional/national roads and bridges above 100 meters are classified as "Red" category industry.	 None of the 25 projects included in the research have undergone environmental impact assessment, nor have they obtained site and
Environment Conservation Rules, 2023 (Rule 5, Schedule 1) Construction of roads of 5-10 km and bridges of 100-500 meters are classified as "Orange", while construction of roads over 10 km and bridges above 500 meters are classified as "Red" category industry.	 In this case, the Department of Environment has not taken any action.
In both cases, the environmental impact assessment for red and orange category industries, along with obtaining site clearance and environmental clearances, is mandatory.	

* It is noted that in the amended regulations, bridges shorter than 100 meters and roads shorter than 5 kilometres have not been classified under any industrial categories.

VIOLATION OF REGULATIONS IN BRIDGE CONSTRUCTION

Laws/Policies/Guidelines	Implementation Challenges/Violations in Law Enforcement
Rules to Regulate the Construction of Infrastructure in Inland Waterways and Foreshore, 2010 (Rules 3, 6) ¹	
	 Among the six bridge construction projects included in the research, navigational clearance was obtained only for three projects.
According to the regulations, bridges must be constructed ensuring vertical and horizontal space according to the classification of inland waterways, and navigational clearance must be obtained from the BIWTA; the BIWTA will ensure these matters through monitoring.	 Although the BIWTA issues clearance for bridges, proper monitoring is not conducted during the ongoing activities.
	 Information regarding the total number of bridges for which clearances were not been provided. Among the 99 bridges included in a BIWTA survey, the proper height has not been ensured for 85 bridges, which is obstructing the movement of vessels.
	 A significant amount of money is needed for the proper repair of these bridges, which were constructed in violation of regulations.
	 Due to a lack of coordination between the Roads and Highways Department (RHD) and the BIWTA, negligence in responsibilities, and political influence, proper adherence to the relevant regulations has not been achieved.

¹ Rules formulated under the Inland Water Transport Authority Ordinance (1958); https://mos.gov.bd/sites/default/files/files/mos.portal.gov.bd/legislative information/3f752d2b a412 439d 878e 96925bca0 bd8/lmg%20Binder%20for%20BIWTA.pdf

2.2 CAPACITY

DEFICIENCY IN PROJECT IMPLEMENTATION, MAINTENANCE, AND MONITORING CAPACITY

The extent of roads and scope of work under the jurisdiction of divisional offices (district level) of RHD varies. One office may oversee 870 km of roads, while another similar office may only oversee 180 km. When determining the organogram at different stages, the working scope of the offices was not considered. As a result, road inspection, maintenance, supervision, and inspection in departments with a large scope of work have become limited. Analysing the existing manpower structure of the field-level offices of RHD reveals variations in manpower structure from office to office. In this case, a scattered arrangement of posts and the number of personnel is observed. Additionally, one-third of the engineer posts in the departmental offices are vacant.





In many areas, due to a shortage of personnel, minor damages to roads are not maintained promptly, leading to significant losses and a decrease in durability.

SHORTAGE OF MANPOWER AND BUDGET IN PROJECT PROPOSAL FORMULATION AND EVALUATION

In the Planning Commission, IMED, and the Roads and Highways Department, the same individuals are given concurrent responsibilities for project implementation committees, project steering committees, project evaluation committees, and ministry-based monitoring teams. A unit of seven officers in IMED is tasked with monitoring all development projects of six ministries, including the Road Transport and Highways Division. In some cases, due to manpower shortages, it takes two to three years to formulate and evaluate project proposals. The delays lead to budget shortfalls in the estimated costs, creating opportunities for budget and timeline extensions. Also, due to manpower constraints, the Planning Commission cannot evaluate all project proposals through inspections. Additionally, the lack of technically skilled personnel in the Planning Commission and ministries weakens project proposal evaluation. Because of budget and skill shortages, many project proposals are not adequately subjected to feasibility studies before being formulated. Without in-depth feasibility assessments and evaluations of environmental impacts, climate change, and disaster risks, the projects lack sustainability. Failure to implement protective measures for roads and bridges results in projects deteriorating rapidly.

2.3 PARTICIPATION AND COORDINATION

LACK OF PARTICIPATION AND COORDINATION IN PROJECT FORMULATION AND IMPLEMENTATION

Although there are directives to seek opinions from relevant stakeholders, including field administration/field-level officials, during feasibility studies, project proposal formulation, and project implementation, in most cases, project personnel do not discuss or consult with local government

representatives, beneficiaries, and experts. In one instance, an environmental specialist voluntarily provided written suggestions to mitigate environmental impacts, but these were ignored.

There is a lack of coordination between the Roads and Highways Department (RHD), local administration, and Utility service departments in matters of land acquisition and utility shifting. Delays in utility shifting, placement of poles outside designated areas, and issuing work orders to contractors before completing land acquisition and utility shifting were some of the problems found during data collection. In four projects, roads were constructed without removing electric poles. In many cases, local administrations were not informed in advance about land acquisition for the project.

2.4 TRANSPARENCY

LACK OF TRANSPARENCY IN THE DISCLOSURE OF PROJECT-RELATED INFORMATION

Although project documents are considered "public documents," project-related detailed reports or documents are not proactively disclosed or published on the websites of the Roads and Highways Department (RHD), the Road Transport and Highways Division, or other relevant organisations. While project evaluation reports are supposed to be prepared within nine and a half months after project completion, only 19 out of 25 completed projects under the scope of the research had evaluation reports prepared, and only 7 of these reports were published on the IMED website. The research team was not provided with project-related information from most areas and offices. It was observed that project duration and brief information about the awarded contractor are published on the e-GP website. The total budget of the project (without item-wise distribution) and very brief descriptions of construction-related information (length of road and bridge, number of bridges and culverts, etc.) are found in the tender notice. Project proposals, feasibility studies, and project completion reports are not publicly available. The research team applied for these documents through RTI applications but was not provided by the authorities. Clearance and approval documents, such as the Site Clearance and Environmental and Navigational Clearance certificates, are not publicly available.

2.5 ACCOUNTABILITY

THERE ARE DEFICIENCIES IN THE INSPECTION, SUPERVISION, AND EVALUATION OF PROJECT ACTIVITIES.

The IMED (Implementation Monitoring and Evaluation Division), Chief Engineer's monitoring team, and zone/circle-based teams of the Roads and Highways Department (RHD) do not regularly inspect all projects in all districts. The monitoring teams of the Road and Highways Division are given less importance for ongoing project oversight by instructing them to conduct inspections at least once a month, only on public holidays.

DEFICIENCY IN THE AUDIT ACTIVITIES OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL

The Transport Audit Directorate under the Office of the Comptroller and Auditor General (CGA) conducts limited number of audits for the Road and Highways Division, and there have been complaints about restricted access for audit teams in some cases. In the last audit of the RHD for the fiscal year 2019-20, development project expenditures were not included. In the 28 offices of RHD, irregularities and corruption identified solely in operational expense audits amounted to BDT 34.26 crore, highlighting a failure to uncover the extent of corruption in development projects during the audits.

Audit activities have been slow; the audit of the RHD for the fiscal year 2019-20 was completed in 2021, and the report was presented to the parliamentary committee in the fiscal year 2023-24. In some cases, RHD did not provide satisfactory responses to audit objections, and there is no evidence of any actions taken based on the audit observations.

DEFICIENCIES IN ACCOUNTABILITY IN PROJECT IMPLEMENTATION

Project implementing officials and contractors are not held accountable for performing substandard work or slow project implementation, as they receive direct illicit support from the ruling political party. According to e-GP data, debarments were imposed on 35 contracting firms for different durations for fraudulent activities related to securing contract awards from RHD between January and August 2024. However, the high court granted a stay order on the debarment imposed on 26 of these firms. Although some contractors have been banned, there are no instances of action taken against officials involved in corruption. Some contractors' political influence and collusion at high levels prevent RHD officials from taking action against contractor corruption.

2.6 IRREGULARITIES AND CORRUPTION

IRREGULARITIES AND CORRUPTION IN PROJECT IDENTIFICATION AND PRIORITISATION

The Development Project Formulation Guidelines 2016 include instructions to prioritise projects in underdeveloped or less developed areas to reduce regional disparities and ensure balanced development for all regions. However, in prioritisation, regional needs, the economic impact of the project, project effectiveness, and accessibility are not considered. Instead, certain zones receive higher allocations due to the influence of a few ministers, members of parliament, politicians, and senior government officials. Over the past four fiscal years, despite having a high average rate of poor roads in Khulna, Rajshahi, and Chattogram zones, the allocations over four years despite having the least poor road conditions, with Cumilla zone receiving the highest allocation in the past two consecutive fiscal years.



Figure 1: Zone-wise average rate (%) of poor roads and development allocations during FY 2019-2023

Project proposals are often not prepared following the existing various long term development plans of Bangladesh. Since infrastructure development projects are highly visible and provide more opportunities for irregularities and corruption, over the past decade, the road and communication sector has been given priority with more development allocations. The prioritisation of projects is influenced by exerting pressure on the Planning Commission; projects are prioritised based on recommendations from ministers, members of parliament, and secretaries. According to a Planning Commission official, *"In project proposal approvals, the one with the strongest lobby gets priority."*

IRREGULARITIES AND CORRUPTION IN PROJECT PROPOSAL PREPARATION AND EVALUATION

According to the highest-level officials who are engaged in project evaluation, in some cases, very lowquality project proposals and "customised" feasibility study reports are prepared; there are instances where project proposals have been prepared within 24 hours. The involvement of the planning wing of the Roads and Highways Department (RHD) in project proposals is minimal. Project proposals are often prepared by the heads of various levels of RHD offices to keep control of the projects in their own hands. Sometimes there is pressure to evaluate project proposals very quickly and recommendations are sometimes made even before the project proposal is submitted. In some cases, project proposals are presented hastily in Planning Commission approval meetings, and RHD officials secretly gather information related to project proposal evaluations by bribing some employees (clerical/junior level employee) of the Planning Commission with amounts ranging from BDT 200,000 to 1,000,000. To create opportunities for irregularities and corruption, additional project costs are often estimated during project preparation; in some cases, an extra 25-30 percent is added to the estimated budget.

IRREGULARITIES AND CORRUPTION IN THE APPOINTMENT OF PROJECT DIRECTORS

According to directives, project directors are supposed to be appointed for the entire duration of the project, from proposal preparation to completion, without being transferred, and no single officer should be appointed as director for multiple projects. Guidelines that prioritize the appointment of full-time, experienced, and qualified project directors from the implementing agencies are often not followed. However, during the research period, the same officer has been appointed as a full-time director for multiple projects. In some cases, officers at various levels have been assigned as directors for up to 12 projects simultaneously.

FAILURE TO COMPLETE PROJECTS WITHIN THE SPECIFIED TIME

Projects are often implemented without proper planning or feasibility studies. Contracts are hastily awarded to contractors without completing necessary processes such as land acquisition and utility shifting, all in pursuit of unethical benefits. Additionally, the same contractor is often awarded multiple projects simultaneously, leading to delays and cost overruns. Although the standard guideline is that project durations should not exceed three years and no project should be revised more than twice, these rules are frequently ignored. In the past five years, 38.8 percent of completed projects took four to five years to finish, 13.7 percent took more than five years, and one project took as long as 17 years to complete. Project costs have increased by as much as 93 percent compared to the original estimated budget. In one instance, land acquisition was completed five years, nine months, and 16 days after awarding the contract to a contractor.

IRREGULARITIES AND CORRUPTION IN THE TENDERING PROCESS: ESTABLISHMENT OF MONOPOLY BY A FEW CONTRACTORS THROUGH COLLUSION

The qualification and eligibility criteria for contractors in tenders are often set in a way that only a few specific contractors can meet them. In some cases, fraudulent practices are used to inflate contractors' experience, and estimated bids are leaked to favour preferred contractors. In certain cases, political

figures and senior officials instruct potential bidders to refrain from submitting tenders, further manipulating the process. Over the past decade, 15 major contracting firms have established dominance by capturing the RHD tendering process through the internal settlement and collusion.

Through the EGP process, the top five contractors received 6.1 percent of the work orders related to road and bridge construction in the 2013-14 fiscal year. In subsequent fiscal years, the rate at which the top five contractors obtained work orders increased steadily each year due to political influence and lobbying. In the latest fiscal year, 2023-24, the top five contractors received up to 62.3 percent of the work orders. From the fiscal year 2013-14 to 2023-24, 15 contracting firms have received road and bridge construction-related work orders worth a total of 57,000 crore BDT through the e-Government Procurement (e-GP) process. This accounts for 72 percent of the total value of construction-related work orders awarded through the e-GP process during this period.

Figure 2: Percentage of road and bridge construction-related work orders received by the top five contractors each year through the e-GP process



BRIBERY IN AWARDING WORK ORDERS AND PROCESSING PAYMENTS TO CONTRACTORS/BIDDERS

To secure a contract work order for road and bridge construction in RHD development projects, contractors or bidders must pay a bribe of 5-6 percent of the total work order value. This bribe is distributed among members and officials of the procurement committee, the tender opening and evaluation committee, as well as the officials and employees of the RHD and the Road Transport and Highways Division, at rates ranging from 0.5 percent to 3 percent.

Stages of project implementation	Rate of bribery	Person or Offices receiving bribe
For receiving contracting work orders/tender	5-6%	Project Directors along with the Procurement Committee of the Roads and Highways Department (RHD) and relevant officials from the Road Transport and Highways Division, members of the bid opening and evaluation committees and other relevant officials (bribe distribution at a rate of 0.5% to 3%)
For field inspections and receiving bills/payments.	6-8%	Distribution among various levels of officials and employees of RHD, including the project director (bribe distribution at a rate of 0.15-1.5%)

After the completion of the contract work, to receive the work bill, 6 to 8 percent of the total work order value has to be paid as a bribe. This bribe is distributed at rates ranging from 0.15 percent to 1.5 percent

among officials and employees at various levels of RHD, including the project director. The total bribery rate for construction-related work orders and the receipt of payments or bills for development projects is estimated to be between 11 and 14 percent. Between FY 2009-10 and 2023-24, an estimated bribery amount of 13,980 to 17,792 crore BDT was paid in relation to the awarding of contracting work orders and contractor payments for development projects within the RHD and relevant ministries.

IRREGULARITIES AND CORRUPTION DURING CONSTRUCTION OF THE PROJECT

In road and bridge construction and development works, contractors engage in corruption amounting to a maximum of 20 percent of the contract value. Between FY 2009-10 and 2023-24, with estimated corruption amounts ranging from BDT 12,709 to 25,417 crore. The proceeds of corruption are often shared among contractors, relevant ministers, several members of parliament, politicians, and high-ranking officials.

Contractors frequently use substandard materials or deliver less quantity than specified; project directors and engineers enables these irregularities and corruption. Common corruption practices include providing lower-density stones, using inferior quality or reduced amounts of bitumen, and not using tack coat bitumen. Even when allocations exist, activities such as tree planting, road safety sign installation, maintenance work, earthworks, and surfacing are either not carried out or left incomplete. For example, a project allocated 74 lakh BDT for tree planting did not result in a single tree being planted. During development activities on roads, salvage (waste materials) is sold or reused at undervalued prices. Roads are constructed merely by dumping soil without creating diversion roads. Funds allocated for maintenance are not utilized properly.

The typical lifespan of constructed roads is considered to be 20 years, yet all projects completed recently (within 1-5 years) under this study show a need for repairs. For example, major renovation work has been carried out through re-tendering on two roads and one bridge. Newly constructed and upgraded roads exhibit issues such as small potholes, uneven surfaces, subsidence, water accumulation, and lack of road safety signs or signs that are unclear and not visible. Due to irregularities and corruption, the quality of roads and bridges constructed is poor and unstable, which has hindered the achievement of the desired objectives.

IRREGULARITIES AND CORRUPTION IN PROJECT IMPLEMENTATION

Corruption ranging from 2 to 6 percent of the total tender value occurred in various undue activities, such as renting licenses from established contractors, repurchasing work orders from awarded contractors through improper processes, taking unauthorized subcontracts, colluding with competing contractors, and local political extortion.

Areas of Corruption	Rate of bribery
Bribery in obtaining work orders and contractors receiving bills	11-14%
Corruption through tripartite collusion between politicians, contractors, and high-level officials in construction projects	10-20%
Corruption in cases like renting tender licenses, selling work orders, compromises, local political extortion, etc	2-6%
Overall corruption rate in construction work of development projects	23-40%

OVERALL CORRUPTION IN DEVELOPMENT CONSTRUCTION-RELATED COSTS

The estimated corruption rate ranges from 23 to 40 percent of the total value of construction works related to roads and bridges in development projects under the ADP. This includes bribery in obtaining work orders, contractors receiving payments, corruption through tripartite collusion among politicians, contractors, and high-level officials, tender license rentals, reselling work orders, compromises or settlements, and local political extortion. The estimated overall amount of corruption in construction work of development projects implemented under RHD during the fiscal year 2009-10 to 2023-24 is between BDT 29,230 to 50,835 crore.

Total Amount of Bribe Estimation Procedure

- The total development expenditure from the ADP allocation for the Roads and Highways Department (RHD) between 2009-10 and 2023-24 amounted to BDT 169,449.93 crore.
- Of the total ADP allocation for RHD, 75 percent was spent on Road and Bridge Construction while 25 percent spent for land acquisition, utility shifting and operational cost (analysing 48 development project budget)
- Total estimated Road and Bridge Construction related expenditure is [169,450 x (75÷100)] = BDT 127,087.45 crore
- Over all corruption rate in road construction related work= 23% to 40%
- Estimated corruption amount since FY 2009-10 to 2023-24 in road construction related work=
 - At a rate of 23% {127,087.45 x (23÷100)}= BDT 29,230.11 crore
 - At a rate of 40% {127,087.45 x (40÷100)}= BDT 50834.98 crore

3. OVERALL OBSERVATIONS

In the road and highway sector, development activities have been monopolized through tripartite collusion among politicians, high-ranking bureaucrats, and contractors, which has captured the policy-making process, procurement systems, and project implementation. At various stages of formulating and implementing development projects under the Roads and Highways Department, conflicts of interest and political criminalisation have resulted in violations of laws, irregularities, and corruption, with significant shortcomings observed in all governance indicators. Irregularities and corruption in the implementation of road and highway development projects have been institutionalised through this collusion, creating ample opportunities for some corrupt politicians, officials, and contractors to illicitly earn large sums of money. In pursuit of corruption, project proposals and implementations have been deliberately designed in ways that hinder balanced development, particularly in the less-developed or backward areas of the country, thereby failing to eliminate regional disparities. On one hand, these projects are being implemented at excessively high costs due to irregularities and corruption; on the other hand, the quality of constructed roads and bridges is poor and not durable, preventing the achievement of the intended project objectives and leading to the misuse and wastage of national resources.

4. **RECOMMENDATIONS**

- 1. To prevent personal interests, nepotism, irregularities and corruption in the implementation of road and highway development projects, a 'Conflict of Interest Law' must be enacted, and its reflection must be ensured in other relevant rules and regulations.
- 2. The guidelines for formulating development projects must be amended in line with relevant laws and regulations, with input from stakeholders and experts, to ensure the prioritization of project proposals, effective evaluation, and proper management.

- 3. Politicians, officials, and contractors involved in capturing the decision-making process, as well as those contributing to existing irregularities and corruption at various stages of development project implementation in the road and highway sector, must be identified, and strict action needs to be taken against them.
- 4. At every stage of the development project implementation, strict enforcement of the relevant laws, rules, and guidelines must be ensured.
- 5. All procurement activities related to projects must be completed through the e-GP process.
- 6. Feasibility study should be made mandatory for all types of project formulations and should be conducted by skilled, experienced, and expert individuals.
- 7. The prioritisation of a development project must follow the Road Master Plan by assessing the actual condition of roads and incorporating local opinions through an appropriate process.
- 8. The manpower structure of RHD offices at various levels should be reformed, taking into account the scope of work and the extent of their jurisdiction.
- 9. The development project should be undertaken considering the capacity of the RHD and the requirements and importance of the roads.
- 10. Before formulating a project, preliminary consent from the local administration and relevant authorities must be obtained regarding land acquisition and utility infrastructure relocation, and a work plan must be created with a set timeline.
- 11. Environmental conservation rules must be amended to ensure the protection of the environment during road and highway construction, particularly in protected forests and ecologically critical areas. Input from stakeholders and experts should be incorporated, and strict enforcement must be ensured during project implementation.
- 12. In obtaining clearance from the Department of Environment and BIWTA, the proper process must be followed according to regulations.
- 13. The manpower and technical capacity of the Planning Commission, Implementation Monitoring and Evaluation Division (IMED), Comptroller and Auditor General (CAG), and the relevant ministry must be enhanced for project evaluation, monitoring, and auditing.
- 14. The number of project audits, monitoring activities, and inspections should be increased, considering the importance of overseeing development projects, and provisions for mid-term evaluations must be made.
- 15. When selecting contractors through the tender process, the quality of previous work must be considered. Contractors should be blacklisted in cases of irregularities, unfinished work, renting out contractor licenses, or illegally sub-contracting work.
- 16. All project-related information and data must be regularly published on the websites of the relevant authorities.
