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TRANSPARENCY
INTERNATIONAL
BANGLADESH

Social movement against corruption

ANNUAL REPORT
S U M M A R Y

2011

www.ti-bangladesh.org

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Foreword

With great pleasure and humility we are presenting this abridged version of annual report highlighting the contribution Transparency International Bangladesh (TIB) made in strengthening the anti-corruption movement in Bangladesh in 2011. We achieved significant policy advocacy and voice-led accountability results during the reporting period, and our efforts raised greater awareness on corruption; while a greater number of people in the campaign against corruption were engaged in raising demand for improved transparency and accountability in selected institutions.

During the period covered in this report, TIB continued to enhance its position as Bangladesh's foremost research and knowledge-based policy catalyst, and intensified efforts to mobilise public participation and demand against corruption. As an instance of our effort to strengthen the anti-corruption capacity of the state we successfully contributed to the enactment of the Whistleblower Protection Act. On the other hand, we ceaselessly devoted efforts to prevent a government initiative to amend the Anti-Corruption Act that could further undermine the independence and effectiveness of the ACC.

Our social movement has grown and become more diverse. More than 5000 core activists are now engaged in anti-corruption activities under its twin networks of social mobilization: the Committees of Concerned Citizens (CCC) and Youth Engagement and Support (YES). At the local level, they have emerged as change agents in the content and quality of public services in key sectors like education, health and local government by application of a package of participatory social accountability tools that in many cases have been transforming in to Integrity Pledges.

We have come to understand that there are risks and challenges in the anti-corruption movement. However, the experiences of 2011 demonstrated that out of such risks and challenges, opportunities for positive change can also emerge. Like previous years, we will continue to cooperate with the Government in its endeavour to control corruption and improve public service delivery systems so that the lives of the common people are free from corruption.

Our key source of strength is the integrity and soundness of our work, while growing public support remains as a key source of inspiration for continuing this daunting task.

As we move forward, we would welcome your suggestions, ideas and critiques to guide us in our journey ahead.

Executive Director

I. Introduction

This summary of the annual report covering the period January–December 2011 highlights progress made by Transparency International Bangladesh (TIB) to create and strengthen the demand for transparency, and to catalyse positive change in policies and practices for effective control of corruption and for promotion of good governance in the country. With the due approval of the Government of Bangladesh and active engagement with the relevant authorities, TIB’s primary objective as always, is to strengthen the hands of the Government and other stakeholders committed against corruption.

The period covered in this report marked the third year of the Paribartan–Driving Change (PDC) project, which began in April 2009 with support from UKAID (DFID), DANIDA, SDC and SIDA. This report focuses on other such activities implemented with the support of UNDP and the German Federal Ministry of Environment, and in collaboration with the Transparency International Secretariat.

During the period, TIB had a significant impact on national policy and also contributed to raising greater awareness of the people on corruption, engaging a greater number of people in the campaign against corruption; and creating greater demand for improved transparency and accountability by various social accountability and communication tools and processes. The rest of the report focuses on the various ways we have done so in order to continue and strengthen the movement against corruption.



Parliament Watch

TIB’s *‘Parliament Watch’* report released on 28th June found that the trend of boycotting parliamentary proceedings gradually increased over the last four parliaments making the parliamentary democracy mostly ineffective.

During the current ninth parliament, the boycotting rate reached the highest at 74 per cent up to its seventh session. TIB made 16 recommendations which

included, passing of the Code of Conduct of the MPs, and amending article 70 of the Constitution to ensure parliament members’ freedom of expression.

Appointment Process in Constitutional and Statutory Commissions

TIB proposed to form a special parliamentary committee, headed by the Speaker with equal representation of MPs from ruling and opposing parties. The Parliamentary Committee would form a search committee comprising of some distinguished professionals who are knowledgeable, neutral, nonpartisan and acceptable; and above all renowned for professional excellence.



Contribution to implementation of Right to Information Act 2009



To know progress of the implementation of Right to Information Act, TIB carried out a survey among 216 institutions of which 108 were government and 108 were non-government organizations (NGOs). The results show only 58.8 percent of the surveyed institutions recruited a designated information officer. About 84% of the respondents applied for information from these institutions. 73.5% respondents expressed their ignorance about the RTI Act which is one of the major challenges of the implementation of the RTI Act.

II. Influencing the Institutions of Law and Justice

In 2010, we witnessed the challenging fall-out of the two successive survey reports released by TIB in December – the *Global Corruption Barometer* and the *National Household Survey* – which we transformed into an opportunity for policy reform in the justice system and the police service in 2011. While we defended ourselves in Court in the due process for the defamation cases lodged against us in the wake of those reports, we also pursued the Supreme Court and Police authority for policy reforms in these two vital institutions of democratic accountability and rule of law.

A few positive developments followed in the justice system: dozens of senior judges followed the then Chief Justice to submit wealth statements - the first such move in Bangladesh. Secondly, a special committee of five judges was formed to investigate allegations of corruption in the justice system and take action. A complaint box was also set up in front of the office of the Registrar of the Supreme Court to collect complaints of corruption. Finally, the full Court took into consideration a set of recommendations put forward by TIB through a Policy Brief submitted to the Chief Justice.

In the same manner, TIB's persistent efforts succeeded in transforming the initially sharp negative response against our reports into constructive engagement, and another set of policy proposals was well-received by the Police authority. Although there is no concrete information on whether these have resulted in specific actions to strengthen the capacity to control corruption, the experience reaffirmed our credibility and proved the effectiveness of knowledge-based advocacy for policy change.

TIB successfully worked with the Ministry of Law, Justice and Parliamentary Affairs in connection with the draft Whistleblower Protection Act, titled **“Disclosure of Public Interest Related Information (Protection) Act 2011”**, which was later adopted in the Parliament in June 2011. The law has made specific provisions for protection of public and NGO officials from being victimised for disclosing information about corruption in their respective offices. It will also substantially complement the benefits of the **Right to Information Act**, in the enactment of which we previously played the catalytic role.

III. Shaping Legal Reforms

Throughout the year TIB continued its campaign against a set of amendments to the **Anti-corruption Act** which, if adopted, would significantly curtail the space for independent functioning of the Anti-corruption Commission and strengthen political and administrative control upon it. Since the move was against a specific electoral commitment of the Government and conflicted with public expectations, as demonstrated by an opinion survey we conducted earlier, it was possible to engage with various stakeholders within and outside the government. The Government eventually decided against the amendments and instead, a more constructively amended Act was being processed when this report was written.

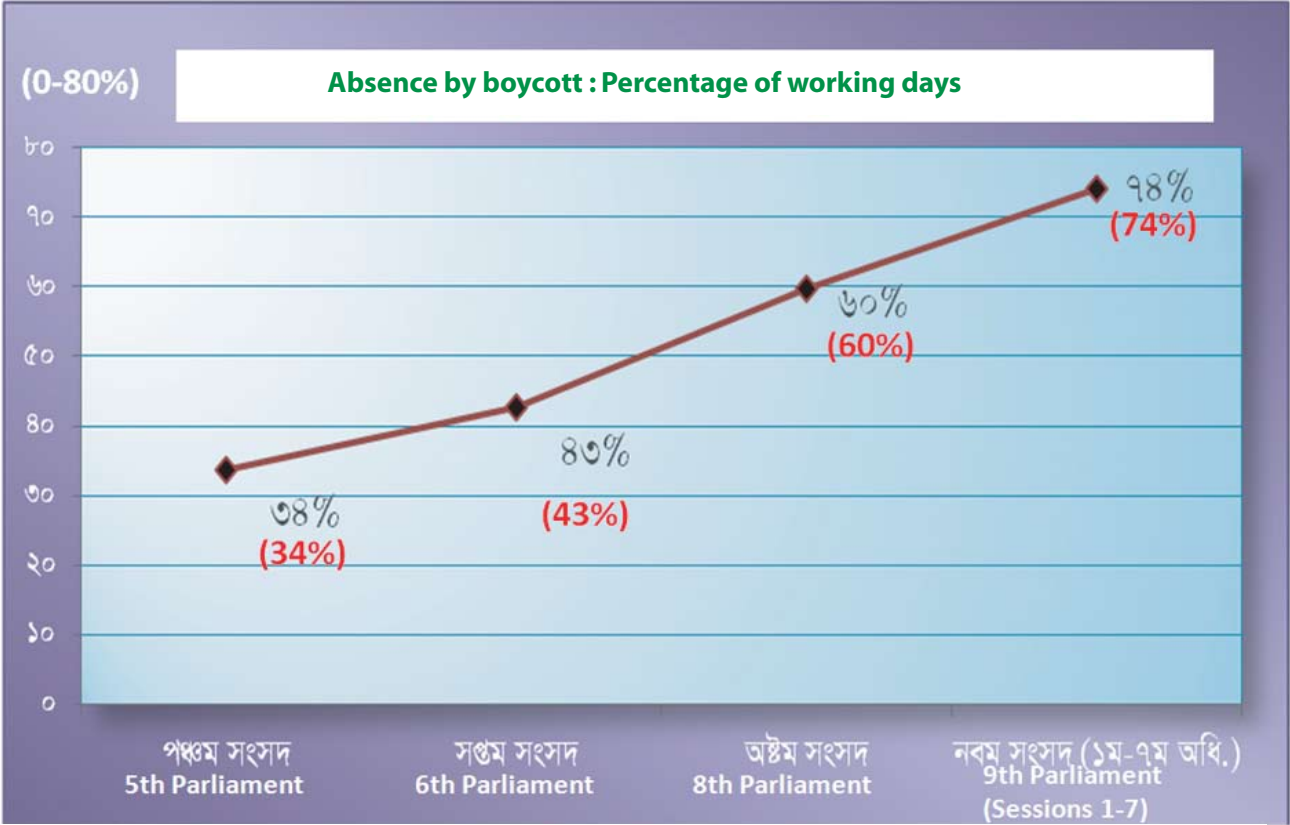
TIB also worked with champions in the Government to prevent an initiative to introduce a set of laws aimed at regulating the functions of non-governmental organisations (NGOs) in Bangladesh. Thanks to a series of consultations we organised with other stakeholders in the sector, it turned out to be a good example of positive civil society engagement with the government for legal reform. The draft act proposed by the NGO Affairs Bureau was significantly amended to reflect the concerns of the civil society, including that of TIB. Although the matter remained open at the time of writing this report, it became clear that the hard-line stance proposed by a section of the government to establish administrative control on NGOs was recognized as unhealthy, for the sector as well as for development and social change in a country that has distinguished itself for having a very vibrant and successful NGO sector.

Corruption Perceptions Index 2011

In the CPI 2011, Bangladesh scored 2.7 on a scale of 0-10. This is 0.3 higher than in 2010, and allowed Bangladesh to occupy 120th place among 183 countries, compared to 134th among 178 countries in 2010. In terms of ranking from below Bangladesh is placed at number 13, one step higher than last year. In the Asian regional context, Bangladesh has done better than Afghanistan and Myanmar (1.5), Cambodia (2.1), Nepal and Laos (2.2), Pakistan and Maldives (2.5) and Philippines (2.6), whereas we are behind Vietnam (2.8), Indonesia (3.0), India (3.1), Sri Lanka (3.3), Thailand (3.4), China (3.6) and Bhutan (5.7). However, the index noted that Bangladesh remained in the lowest category (below the score of 3) where corruption is perceived to be of grave concern. Moreover, even if this improvement can be sustained, we have a long way to go to score 5 or more, at which level countries are considered to have succeeded in moderately controlling corruption.

IV. Holding the Government Accountable

The Parliament Watch, a flagship research-based advocacy campaign demanding higher levels of parliamentary effectiveness for holding the Government to account, continued to highlight the debilitating effects of boycott of parliament by the opposition. According to our research, over 74 percent of accumulated working hours have been lost to this since the 9th Parliament was formed. Our report covering the 2nd to 7th sessions of parliament also brought to focus the perennial quorum crisis, demonstrating low priority attached by the Members of the Parliament to their primary responsibility to be in the House when it is in session. The report also revealed prevalence of conflict of interest of some members of different Standing Committees.



Zero-sum game : Boycott of Parliament by the Opposition Party

Our study on **Electoral Commitments for Good Governance and Curbing Corruption** assessed the progress of implementation of electoral commitments made by the ruling and opposition parties midway through the tenure of the Government. The key message for the Government was that while a few notable positive steps were taken, there were still great gaps in fulfilling the pledges. On the other hand, the opposition had also failed vividly in meeting its own commitments and fulfilling its promised role.

Thematic research conducted during the period included a diagnostic study on the National Board of Revenue (NBR), complemented by a fellowship report on the **Shadow Economy**. Following the report the NBR introduced some changes including tracking down incidences of tax evasion, automation of tax collection and expansion of tax offices to sub-district (Upazila) level. However, our persistent campaign against legalizing black money fell on deaf years as the Government continued to make this provision.

On the other hand, TIB was able to engage with the government in conducting a civil society review of Bangladesh's implementation and enforcement of selected articles in Chapters III (Criminalization and Law Enforcement) and IV (International Cooperation) of the UN Convention against Corruption (UNCAC). From this we found that while Bangladesh's legal regime was largely compatible with standards and principles of the Convention, a number of gaps in both law and practice remained, based on which a set of recommendations was made.

V. Other Advocacy Initiatives

Other research-based advocacy initiatives during the period included a policy brief for consideration of the President in connection with the appointment of the Chief Election Commissioner and other members of the Commission, and which also suggested a special parliamentary committee, headed by the Speaker with equal representation of MPs from ruling and opposition parties. To recognise the importance of an empowered and effective local government in promoting good governance and controlling corruption, a roundtable discussion was held based on research done on challenges faced by an effective Upazila Parishad. Recommendations placed by TIB were favourably considered by stakeholders, including the Deputy Speaker of the Parliament.

As a part of our continued effort to ensure transparency and accountability and to implement the Right to Information Act, we conducted a survey of government and non-government organisations, which revealed an awareness level of the Act at nearly 56 percent of respondents. More than 84 percent considered low levels of campaigning and awareness building as the main reason for gaps in public knowledge of the law.



Deputy Speaker Shawkat Ali, MP along with other guests are inaugurating Information Fair in Jamalpur

In the wake of the suspension of World Bank funding for the Padma Bridge, TIB was formally requested by the Communication Ministry to assess its performance. Welcoming this as an expression of trust, TIB offered to undertake an assessment subject to a mutually agreeable set of terms of reference, and recalled its earlier offer to introduce an Integrity Pact in connection with all procurements and contracts related to the high profile bridge. Response of the ministry was not however favourable.

VI. Raising Voices to Ensure Accountability

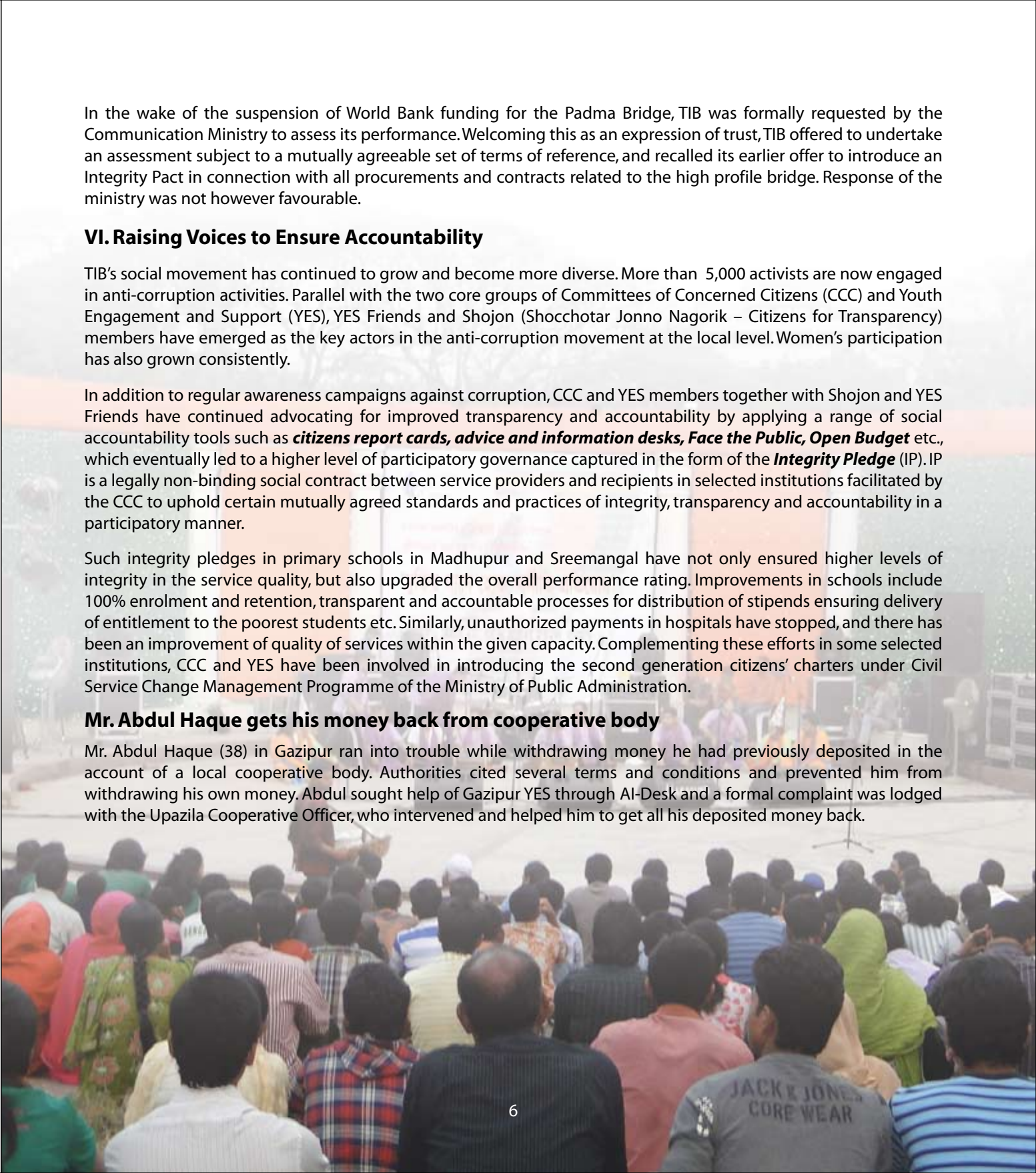
TIB's social movement has continued to grow and become more diverse. More than 5,000 activists are now engaged in anti-corruption activities. Parallel with the two core groups of Committees of Concerned Citizens (CCC) and Youth Engagement and Support (YES), YES Friends and Shojon (Shocchotar Jonno Nagorik – Citizens for Transparency) members have emerged as the key actors in the anti-corruption movement at the local level. Women's participation has also grown consistently.

In addition to regular awareness campaigns against corruption, CCC and YES members together with Shojon and YES Friends have continued advocating for improved transparency and accountability by applying a range of social accountability tools such as **citizens report cards, advice and information desks, Face the Public, Open Budget** etc., which eventually led to a higher level of participatory governance captured in the form of the **Integrity Pledge** (IP). IP is a legally non-binding social contract between service providers and recipients in selected institutions facilitated by the CCC to uphold certain mutually agreed standards and practices of integrity, transparency and accountability in a participatory manner.

Such integrity pledges in primary schools in Madhupur and Sreemangal have not only ensured higher levels of integrity in the service quality, but also upgraded the overall performance rating. Improvements in schools include 100% enrolment and retention, transparent and accountable processes for distribution of stipends ensuring delivery of entitlement to the poorest students etc. Similarly, unauthorized payments in hospitals have stopped, and there has been an improvement of quality of services within the given capacity. Complementing these efforts in some selected institutions, CCC and YES have been involved in introducing the second generation citizens' charters under Civil Service Change Management Programme of the Ministry of Public Administration.

Mr. Abdul Haque gets his money back from cooperative body

Mr. Abdul Haque (38) in Gazipur ran into trouble while withdrawing money he had previously deposited in the account of a local cooperative body. Authorities cited several terms and conditions and prevented him from withdrawing his own money. Abdul sought help of Gazipur YES through AI-Desk and a formal complaint was lodged with the Upazila Cooperative Officer, who intervened and helped him to get all his deposited money back.





Chief Whip of National Parliament Vice Principal Abdus Shahid MP at Face the Public Program in Sreemangal

Gongopara Government Primary School and the Success of CCC's Proactive Initiatives

The Gongopara Govt. Primary School in Khagrachori was categorised as a B grade school by the District Primary Education Officer. However, the local CCC's intervention changed everything. They selected this school with a plan to improve the quality of education by ensuring transparency and accountability. CCC Khagrachori and the District Education Office have now been working together for the past year and the following changes have taken place at the school:

- It secured the first place in the scholarship programme of the district.
- The dropout rate during Jumma cultivation has gone down and at the same time, number of teachers has increased.
- Total number of students has increased from 329 to 346, while the candidates of Primary School Certificate examination also increased from 15 to 24. Attendance rate has also increased from 66% to 76%.
- The local administration has introduced a food distribution programme at noon to increase attendance of students after the tiffin break.
- Electricity is now being provided.
- A Complaint and Advice box had been set up by the CCC, thus always keeping the authority on alert.

Good practices example in Satkhira Sadar Hospital

Satkhira Sadar Hospital is a glaring example of best practices of second-generation citizen charter which clearly demonstrate that extensive public consultation provides dividend for both the service recipients and the service providers. TIB's model of public engagement of the government officials through the sharing of findings of the survey and subsequent

consultations in different phases led to the formation of different committees, including a grievance management committee which is a new introduction to the whole concept of citizen charter initiative. In addition, the selection and officiating one information officer as per RTI Act requirement catalyzed the institutional linkages between the service provider and the service recipients. The entire exercises involving the citizen charter initiative has galvanized the image of the authorities to such an extent that the Health Minister, who visited the Satkhira Sadar Hospital, was full of praise for such noble efforts for bringing the people and authorities closer.

VII. Reaching Out

TIB has succeeded in partnering with other NGOs at both national and sub-national levels in order to promote shared objectives. These include implementation of the Right to Information Act and other issue-based alliances that are still in place during the publishing of this report. We are also spreading our anti-corruption messages to an ever increasing number of people by various means of advocacy and campaigns, such as debate and cartoon competitions, investigative journalism awards and training programmes etc. Over 70 million people received the International Anti-corruption Day message, '40 years of glorious independence: we want good governance and effective control of corruption' through public SMS. Outreach activities like this are examples of successful engagement with the Government, since it would not have been possible without their approval.



Mayor Candidates of Nilphamari are in front of their electors taking anti corruption oath.

VIII. Publications



Global Corruption Report

The international launch of Transparency International's Global Corruption Report 2010 on Climate Change took place in Dhaka, on 30 April, 2011. The presence of Dr Huguette Labelle, Chairperson of Transparency International, at the launch of the report added great value to the event and brought into sharp focus the importance of integrity, transparency and accountability in efforts to address climate challenge. TIB followed up with sustained campaigns for integrity in climate finance in Bangladesh at both policy and project implementation level.



Investigative Journalism

TIB's awards on investigative journalism 2011 went to M Naimuddin of the weekly Sheersha Kagoj and Masudul Haque and Habibur Rahman of ATN news under national level awards and AHM Ahsanullah of the Chandpur Kantha and AHM Alauddin of the Dainik Purbachal under district level awards.

IX. Looking Ahead

Activities and campaigns such as these demonstrate our commitment to involving all stakeholders, starting from policymakers to the general population at grassroots levels, to promote legal and institutional reform. Through our research, advocacy and civic engagement programmes, we aim to create a massive social movement against corruption that will ensure greater transparency and government accountability. The above report highlighted the steps we have taken towards doing so in 2011. Although there have been many setbacks, successes such as the adoption of the **Disclosure of Public Interest Related Information (Protection) Act 2011**, contribution to draft **National Integrity Strategies** and relentless campaign to ensure the independence of the Anti-Corruption Commission and the introduction of Integrity Pledges, continue to motivate us to move on with greater confidence.



INDEPENDENT AUDITOR'S REPORT

To

The Board of Trustees of Transparency International Bangladesh (TIB)

Report on the Financial Statements

We have audited the accompanying financial statements of Transparency International Bangladesh (TIB), which comprise the Statement of Financial Position as at 31 December 2011, the Statement of Comprehensive Income, and the Statement of Receipts & Payments for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements' Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Transparency International Bangladesh (TIB), as at 31 December 2011, and (of) its financial performance and its Receipts & Payments for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with applicable laws and regulations.



Dated, Dhaka;
15 April 2012

S. F. Ahmed & Co.

S. F. Ahmed & Co.
Chartered Accountants

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)
Statement of Financial Position
as at 31 December 2011

	Notes	Amount in Taka	
		2011	2010
ASSETS:			
Non-current assets:			
Property, plant & equipment		-	-
Current assets:		91,120,288	64,115,846
Advances	5	6,213,041	6,100,765
Cash & cash equivalents	6	84,907,247	58,015,081
Current liabilities:		22,063,643	16,176,249
Current liabilities	7	22,063,643	16,176,249
Net current assets		69,056,645	47,939,597
Total net assets		69,056,645	47,939,597
FUND AND LIABILITIES:			
Capital fund	8	69,056,645	47,939,597
Total fund and liabilities		69,056,645	47,939,597

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.


Treasurer



Executive Director


Chairman

Signed in terms of our separate report of even date annexed.



Dated, Dhaka;
15 April 2012


S. F. Ahmed & Co.
Chartered Accountants

S. F. Ahmed & Co.

1

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)
Statement of Comprehensive Income
For the period ended 31 December 2011

	Notes	Amount in Taka	
		2011	2010
Income:			
Grant	9	304,863,174	213,948,085
Membership subscription	10	16,500	30,100
Other income	11	363,872	1,416,307
Total income		305,243,546	215,394,492
Expenditure:			
Paribartan - Driving Change Project	12	270,056,665	227,005,635
General fund	13	48,958	39,205
EICVD-UNDP	14	-	2,734,217
Citizen's charter-UNDP	15	2,597,571	-
FK Norway Exchange Programme	16	3,527,994	2,491,537
Climate Finance Governance Project	17	5,588,141	-
Bangladesh Water Integrity Network (BAWIN)	18	294,599	-
International travel	19	-	331,568
Other expenses	20	2,012,570	616,498
Total expenditure		284,126,498	233,218,660
Net surplus/(deficit) transferred to capital fund		21,117,048	(17,824,168)

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.


Treasurer



Executive Director


Chairman

Signed in terms of our separate report of even date annexed.



Dated, Dhaka;
15 April 2012


S. F. Ahmed & Co.
Chartered Accountants

S. F. Ahmed & Co.

2

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)
Statement of Receipts and Payments
For the year ended 31 December 2011

	Notes	Amount in Taka	
		2011	2010
Opening balance:			
Cash in hand		193,108	961,785
Cash at bank		57,821,973	83,209,340
		58,015,081	84,171,125
Receipts:			
Grant		304,863,174	213,948,085
Membership subscription		16,500	30,100
Other income		363,872	1,416,307
Total receipts		305,243,546	215,394,492
Total		363,258,627	299,565,617
Payments:			
Paribartan - Driving Change Project		264,281,547	235,337,511
General fund		48,958	39,205
EICVD-UNDP		-	2,734,217
Citizen's charter-UNDP		2,597,571	-
FK Norway Exchange Programme		3,527,994	2,491,537
Climate Finance Governance Project		5,588,141	-
Bangladesh Water Integrity Network (BAWIN)		294,599	-
International travel		-	331,568
Other expenses		2,012,570	616,498
Total payments		278,351,380	241,550,536
Closing balance:			
Cash in hand		226,792	193,108
Cash at bank		84,680,455	57,821,973
		84,907,247	58,015,081
Total		363,258,627	299,565,617

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.


Treasurer

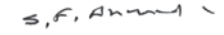


Dated, Dhaka;
15 April 2012


Executive Director

Signed in terms of our separate report of even date annexed.


Chairman


S. F. Ahmed & Co.
Chartered Accountants

