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### Introduction

Existing budgeting system of WASH is fragmented through different ministries, institutions, divisions as well as departments. Local Government, Rural Development and Cooperatives (LGRDC) is the designated line Ministry for water, sanitation and hygiene facilities, services, monitoring and policy preparation. In association with LGRDC, at least 4 more ministries are involved or linked with WASH policy, budget and its related implementation. Under the Mid Term Budgetary Framework-MTBF all ministries and its relevant departments prepare both development and non-development budget of 1 fiscal year estimated budget and another 2 years projected budget. Local Government Division-LGD under the MoLGRDC is the responsible agency for WASH sector and all the budgeting, relevant policies and strategies are prepared through this division. However, understanding of national and local budgeting process and relevant policy implication is very important to know for better planning and its execution in WASH sector.

### Budgeting

The government budgeting process is the execution of the legal authority by Parliament of the country's expenditure and taxation proposals for the coming financial year. It is, by nature, a means to allocate resources to achieve the developmental objectives of the government, a management tool for national economic and fiscal planning, and a means of controlling and monitoring the use of funds to ensure they meet stated objectives. Annual Development Program (ADP) is a separate document of the government which is prepared by the Ministry of Planning and contains most of the development budget (about 90 percent). The development projects of the ADP are also listed in the MTBF document. Some other documents, such as Gender budget, Child budget and Medium Term Macroeconomic Policy Statement are also supplemented with the main budget documents to portray the government's developmental initiatives.

### Responsible Departments for Budgeting:

The National Board of Revenue (NBR) produces figures for most of the government's income, and should prepare projections early in each year, to enable the National Resource Committee to make



rational decisions on the extent of the available resources and provide resources ceiling to Sector Ministries before they start budget preparation. The Secretary in Sector Ministries is also the Principal Accounting Officer for the Ministry with responsibility for financial management and control. It is his/her responsibility to ensure that the ministry's budgets correctly reflect the government and ministry's policies and also meets its political objectives. Directorates within Sector Ministries submit their budgets direct to the Finance Division of the Ministry of Finance.

### District and downwards budgeting:

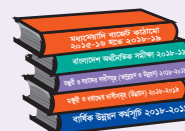
Budget of various departments at district and sub-district level, separate from national budget, were presented together in district budget. Line ministries allocate budget to the line departments and institutions both as development budget and non-development budget, while district and sub-district budget allocation was presented separately.

District budget concept come up very recently. While allocating district budget, government follows some methods. Both revenue and development budget are being distributed to district and downward levels through two channels. One is directly to Union Parishad and another through divisional arrangement like district to Sub-district to Union. However, the allocation estimated through different projects under Annual Development Program-ADP. Implementing organizations (Sub-Assistant Engineer's Office of Department of Public Health Engineering-DPHE at Upazila level) have send demand notice to relevant local government departments to receive installment according to allocation.

Local Government Division approves distribution of budget to Chief Engineer or Project Director of DPHE in line with approved projects under allocation of ADP. They then send budget or materials to district office of Executive Engineer of DPHE. District office distributes the materials to Upazilas through tender following

government rules. Materials of Upazila distributes among Unions based on the decisions taken by Upazila Coordination Committee. It is to be noted that decisions taken in coordination meeting with presence of various government department officials and Union Chairman.

Acts, Laws, policies, strategies and plans of the Government of Bangladesh associated with Water, Sanitation and Hygiene (WASH) and Integrated Water Resource Management (IWRM). This is not an exhaustive list of WASH and WRM.



### Water, Sanitation and Hygiene-WASH

- 📁 Guidelines for participatory water management-2001
- 📁 National Sanitation Strategy, 2005
- 📁 National Strategy for Water and Sanitation for Hard-to-Reach areas of Bangladesh, 2012
- 📁 Bangladesh Water Act 2013
- 📁 National Strategy for Water supply and Sanitation, 2014
- 📁 Bangladesh Water Rules-2018

### Water Resource Management-WRM

- 📁 Groundwater Management Ordinance, 1985
- 📁 River Research Institute Act, 1990
- 📁 Water Resource Planning Act, 1992
- 📁 Coastal Zone Policy, 2005
- 📁 Coastal Development Strategy, 2006
- 📁 Bangladesh Delta Plan (2100)

### Relevant

- 📁 The Bangladesh Environment Protection Act, 1995
- 📁 Upazila Parishad Act, 1998 and its subsequent amendment in 2011
- 📁 Local Government (Union Parishad) Act, 2009
- 📁 Bangladesh Climate Change Strategy and Action Plan, 2009
- 📁 Seventh Five Year Plan 2016-2020 and Perspective Plan 2010-2021
- 📁 Sector Development Plan 2011-2025

## What mechanism prevails at local level of WASH Budgeting?

The main source of the Development Budget of Upazila is the inter-governmental transfers called the Annual Development Program (ADP). ADP is remitted quarterly to the Upazila account, and the amount is determined based on the Upazilas population, area, and other factors of the Upazilas and only a very small portion is determined based on the Upazilas performance. However, local budget formulation does not follow per capita allocation and equitable distribution always particularly for WASH.

The Unions' financial resources come from several sources: internal revenue, block grants from the government and the World Bank-supported Local Government Support Project (LGSP) III, and other donor agencies. The government block grant is mainly used to cover the salaries, honorarium and TA & DA of the Union members and employees, office maintenance and operational expenditures, etc. ADP is used for the development purposes. The LGSP III fund is a block grant, with the assistance by the World Bank, provided directly to the Union Parishad for the implementation of development projects.

The complex structure makes it difficult to analyze the whole picture of resources available at Upazila level. In terms of Development Budget, the picture is complicated as each ministry or department implements projects at Upazila level but controls them from central or district level. Upazila Parishad has access to four

major types of grants: 1) earmarked sectorial project grants funded either by donors or by the central government; 2) program grants, such as Food for Work, and various relief programs, 3) Block Development Grants and 4) recurrent expenditure grants. The average amount of ADP per Upazila Parishad is about BDT 5 to 7 million, depending on the year. Given the fact that there are 9-10 Unions in Upazila on average, the corresponding share for a single Union is only around BDT 600 thousands, which is not very much.

Sector Development Plan (2011-25) indicates guideline for sanitation but did not emphasize on surface water. "Upazila Parishad Development Fund Use Guideline" Local Government Division, November 2014 also guide for sector wise ADP budget allocation where it is written that 15% allocation for "Rural health, pure drinking water supply, build low cost hygienic latrine, arsenic mitigation etc." Instructions and guidelines are there but very limited in practice.

Every UP is required to prepare a budget (both revenue and development) with participation of people from the community sixty days before the commencement of fiscal year. It is happening in those Unions where CSOs are active. According to Upazila Parishad Act 2009, Upazila Parishad<sup>1</sup> is supposed to oversee the implementation of WASH issues; and Water Rules-2018<sup>2</sup> has given structures for IWRM committee both at Upazila and Union level. These are the entry point for CSOs and NGOs to advocate on WASH and IWRM issues.

## Peoples' Participation, SDG Commitment and Policy Implications at Ground:

Sustainable Development Goal (SDG) 6 underlined the need to increase people's participation in ensuring universal access to water and sanitation. The government has acknowledged the crucial role of CSOs in SDG implementation, which was not encouraged



<sup>1</sup>WASH (Public Health, Sanitation and Pure Water Supply) Standing committee which consisting 5-7 members including Union Parishad Chairman, Department of Public Health Engineering-DPHE and Upazila Vice Chairman who is also chairman of the committee.

<sup>2</sup>IWRM (Integrated Water Resource Management) Upazila committee consisting 11-13 members where Upazila Nirbahi Officer (UNO) is the Chairman and other government stakeholders are the member of the committee and at Upazila level Local Government Engineering Department (LGED) is the member secretary.





before. DORP aims to accelerating the process of SDGs implementation by capacity strengthening of CSOs to be able to engage with public finance decision making process to increase allocations for WASH for most disadvantage peoples (at Bhola).

Community people and citizen are not aware about the budgeting process as well as the roles and responsibilities of different service providers to get required WASH services. However, budget tracking process can help to bring different stakeholders on their own perspective and create an enabling environment for people's participation.

It also involves local decision-makers to implement the relevant acts, policies, strategies and plans to bridge between the community and the local government representatives. Various policies, act, strategies already reviewing in line with SDG while service providers (DPHE, LGED, BWDB, Union Parishad, Upazila Parishad, etc.) public representatives should have updated clear understanding and apply accordingly. E.g. WASH standing committee at Upazila comprising of public representative, citizen, service providers and community people does not know and act properly then policy implications on WASH cannot be sustainable. These committees supposed to sit bi-monthly to follow up the progress for WASH at Upazila and Union but it is not practicing unless all stakeholders including citizen take their own initiative.

Besides, there are two reasons which are significant for inclusion of people in budgeting i.e. the systems are exists but people do not know and political commitment throughout the total structure. Percentage of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management is the indicator in SDG for inclusion which needs to be addressed by local government. This also could enable environment for establishing of accountability mechanism at ground.

## Recommendation:



Budget on WASH should be prepared and allocate Per-capita based both at national and local level.



Functioning of all structures' roles and responsibility related to budget of ministries, departments and Upazilas are essential.



People's active participation (inclusion) in budgeting should be increased at both local and national level.

