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# **Consolidated Annual Report on Activities Implemented under the Joint Programme “Union Parishad Governance Programme (UPGP)”**

**Report of the Administrative Agent  
for the period 1 January - 31 December 2012**

**Multi-Partner Trust Fund Office**  
Bureau of Management  
United Nations Development Programme  
<http://mptf.undp.org>

31 May 2013

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## PARTICIPATING ORGANIZATIONS



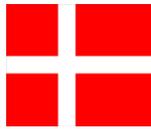
United Nations Capital Development Fund (UNCDF)



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United Nations Development Programme (UNDP)

## CONTRIBUTORS



Denmark

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## **EXECUTIVE SUMMARY**

This Consolidated Annual Report under the Joint Programme, “Union Parishad Governance Project (UPGP)” in Bangladesh covers the period from 1 January to 31 December 2012. This report is in fulfillment of the reporting requirements set out in the Standard Administrative Arrangement (SAA) concluded with the Contributor. In line with the Memorandum of Understanding (MOU) signed by Participating Organizations, the report is consolidated based on information, data and financial statements submitted by Participating Organizations. It is neither an evaluation of the Joint Programme nor an assessment of the performance of the Participating Organizations. The report provide the Steering Committee with a comprehensive overview of achievements and challenges associated with the Joint Programme, enabling it to make strategic decisions and take corrective measures, where applicable.

The implementation of the UPGP commenced in the fourth quarter of 2012. The results reported primarily relate to achievements from this short period and early stages of the Joint Programme. The UPGP is now a fully operational with all the required institutional mechanisms at national and sub-national levels, staff, and implementation plans in place, to facilitate systematic implementation. The Joint Programme management mechanism has been established. The key Government officials, Upazila Chairpersons & Vice-Chairpersons, Union Parishad (UP) Chairpersons and key officials, have been mobilized to implement the Joint Programme.

In relation to the expected outcome “strengthened capacities of local governments and other stakeholders to foster participatory local development service delivery for the MDGs”, some intermediate results have been realized. Approval of secondary regulations is in process, and action plans have been established to develop capacities of Union Parishad officials to comply with the Union Parishads Act 2009 and to increase community participation.

The UPGP’s institutional stakeholders operate with a clear framework to facilitate capacity building of Union Parishads on democratic accountability. The UPGP Operational Manual is in place to guide all outputs and activities and specific capacity building interventions are being designed for implementation during 2013. The framework for performance based financing support to strengthen service delivery, for the best performing 400 Union Parishads, has been established and put into operation by the Government. With the support of the UPGP, a total of 1,300 auditors received trainings and have been conducting performance assessments of Union Parishads across the country. The framework of cooperation between key stakeholders supporting Union Parishads, (namely the Local Government Division – Government. of Bangladesh, UNDP, UNCDF and the World Bank), was signed by all stakeholders, specifying areas of responsibility of different agencies.

The Multi-Partner Trust Fund Office (MPTF Office) of the United Nations Development Programme (UNDP) serves as the Administrative Agent for the pass-through funded portion of the Joint Programme. The MPTF Office receives, administers and manages contributions from the Contributor, and disburses these funds to the Participating Organizations in accordance with the decisions of the Steering Committee. The Administrative Agent receives and consolidates the Joint Programme report and submits it to the Steering Committee through the Resident Coordinator.

This report is presented in two parts. Part I is the Annual Narrative Report and Part II is the Annual Financial Report for the pass-through funded portion of the Joint Programme.



## PART I: ANNUAL NARRATIVE PROGRESS REPORT

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center; background-color: #f2f2f2;">Programme Title &amp; Project Number</th> </tr> <tr> <td colspan="2"> <b>Programme Title:</b> Union Parishad Governance Project  <b>Programme Number in Atlas:</b> 00080905  <b>MPTF Office Project Reference Number:</b>00081864         </td> </tr> <tr> <th colspan="2" style="text-align: center; background-color: #f2f2f2;">Participating Organization(s)</th> </tr> <tr> <td colspan="2">           United Nations Development Programme (UNDP)            United Nations Capital Development Fund (UNCDF)         </td> </tr> <tr> <th colspan="2" style="text-align: center; background-color: #f2f2f2;">Joint Programme Cost (US\$)</th> </tr> <tr> <td style="width: 60%;"><b>JP Total Contribution from – Denmark(pass-through):</b></td> <td style="text-align: right;">5,347,227<sup>1</sup></td> </tr> <tr> <td><b>Agency Core Contribution :</b></td> <td style="text-align: right;">           UNDP 2,000,000            UNCDF 1,500,000         </td> </tr> <tr> <td><b>Government Contribution:</b></td> <td style="text-align: right;">1,066,667</td> </tr> <tr> <td><b>Other Contribution -EU</b></td> <td style="text-align: right;">           UNDP 4,001,389            UNCDF 5,304,167         </td> </tr> <tr> <td><b>TOTAL:</b></td> <td style="text-align: right;"><b>19,219,450</b></td> </tr> <tr> <th colspan="2" style="text-align: center; background-color: #f2f2f2;">Programme Assessment/Review/Mid-Term Eval.</th> </tr> <tr> <td colspan="2">           Assessment/Review  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No            Mid-Term Evaluation Report  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No         </td> </tr> </table>	Programme Title & Project Number		<b>Programme Title:</b> Union Parishad Governance Project <b>Programme Number in Atlas:</b> 00080905 <b>MPTF Office Project Reference Number:</b> 00081864		Participating Organization(s)		United Nations Development Programme (UNDP) United Nations Capital Development Fund (UNCDF)		Joint Programme Cost (US\$)		<b>JP Total Contribution from – Denmark(pass-through):</b>	5,347,227 <sup>1</sup>	<b>Agency Core Contribution :</b>	UNDP 2,000,000 UNCDF 1,500,000	<b>Government Contribution:</b>	1,066,667	<b>Other Contribution -EU</b>	UNDP 4,001,389 UNCDF 5,304,167	<b>TOTAL:</b>	<b>19,219,450</b>	Programme Assessment/Review/Mid-Term Eval.		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<sup>1</sup> The actual figure depends on the exchange rate on the date of transfer.

## **ABBREVIATIONS AND ACRONYMS**

CO	Country Office
DANIDA	Danish International Development Agency
EU	European Union
JP	Joint Programme
LGD	Local Government Division
LGI	Local Governance Institution
LGSP II	Local Governance Support Programme II
LGSP – LIC	Local Governance Support Project - Learning and Innovation Component
MDGs	Millennium Development Goals
NPD	National Project Director
PM	Project Manager
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UP	Union Parishad
UPGP	Union Parishad Governance Project
UZGP	Upazila Parishad Governance Project
WDF	Women Development Forum

## 1. Purpose

The UNDAF and Country Programme Document (CPD) have set one of the outcomes to be “Government institutions at the national and subnational levels are able to more effectively carry out their mandates, including delivery of public services, in a more accountable, transparent, and inclusive manner”. Supporting to achieve the UNDAF and CPD outcome, the overall objective of the UPGP is to strengthen capacities of local governments and other stakeholders to foster participatory local development service delivery for the MDGs. The specific purpose in implementing the UPGP is to support the piloting and evaluation of innovations to improve the functional and institutional capacity, as well as the democratic accountability of Union Parishads, thereby increasing citizen involvement leading to more effective, efficient and accountable delivery of pro-poor infrastructure and services.

The three key output level results envisaged to be achieved by UPGP are:

- Strengthened Democratic Accountability of Union Parishads through Citizen Engagement
- Innovations in Pro-Poor and MDG-Oriented Planning and Financing of Service Delivery by UPs
- Strengthened national capacity for effective policy review, monitoring, lesson learning and capacity development of Local Government Institutions for enhanced Local Governance

## 2. Results

UPGP is now a fully operational project with all the required institutional mechanisms at national and sub-national levels, staff, and implementation plans in place, to facilitate systematic project implementation. The project management (NPD, Focal Person and PM), Project Steering Committee and Project Board have been established and the project team located at a temporary office in UNDP CO. The first meetings of Project Steering Committee and Project Board have been completed, with participation of all relevant member stakeholders. The key Govt. officials, Upazila Chairpersons & Vice-Chairpersons, Union Parishad Chairpersons and key officials, have been mobilized to implement the project.

### i) Narrative reporting on results:

**Outcomes:** In relation to the expected outcome of the JP, namely “strengthened capacities of local governments and other stakeholders to foster participatory local development service delivery for the MDGs”, some intermediate results have been realized during the reporting period. The key national stakeholder, the LGD, has initiated steps to establish secondary regulations that are required to enable the implementation of the UP Act 2009. Of the 14 regulations that were explored, one has been taken to completion and published in the gazette. The UPGP has set in motion action plans that develop critical capacities in UPs required for compliance with the UP Act 2009 and to increase community participation, which will take place in 2013. These are early and intermediate results that have been realized at this early stage, and primarily relate to the capacities in government that have a positive bearing on the expected project outcome. Activities of the project are yet to reach a stage when they provide benefits to the target population. The results that have been achieved so far are primarily in the area of institutional capacity development as relevant to effective implementation of the UPGP.

**Output 1 - Strengthened Democratic Accountability and transparency of the Union Parishads through Citizen Engagement:** UPGP's institutional stakeholders have been provided with a clear framework to facilitate capacity building on democratic accountability of Union Parishads. This framework provides guidance to 571 Union Parishads on implementing key interventions that are envisaged in the project. The UPGP Operational Manual covering all outputs and activities envisaged to be carried out at the Union Parishads has been completed. Specific capacity building interventions to strengthen democratic accountability have been identified, and interventions are being designed for implementation during 2013. There are no measurable results to report at this stage against the selected output indicators described in greater detail in the table below.

**Output 2 - Strengthened innovations in Pro-Poor and MDG-Oriented Planning, Financing and Implementation of Service Delivery by Union Parishads:** The framework for performance based financing support to strengthen service delivery, for the best performing 400 Union Parishads, has been established and put into use by the Government. The Union Parishad Performance Assessment Manual based on 41 performance indicators and performance assessment methodology has been prepared and disseminated. Over 1,300 Auditors recruited by the Government have been trained, and are carrying out performance assessments of Union Parishads across the country. There are no measurable results to report at this stage against the selected output indicators described in greater detail in the table below.

**Output 3 - Strengthened technical capacity of Local Government Division for effective policy review, monitoring, lesson learning and capacity development of LGIs for enhanced Local Governance:** The framework of cooperation between key stakeholders supporting Union Parishads, namely Local Government Division – Govt. of Bangladesh, UNDP, UNCDF and World Bank, was an important step forward. The Instrument of Cooperation was designed, reviewed and signed by all stakeholders, providing the framework for cooperation and specifying areas of responsibility of different agencies. There are no measurable results to report at this stage against selected output indicators described in greater detail in the table below.

### **Delays in implementation**

Some significant initial delays were encountered in initiating full scale implementation of the project.

- After the project document was signed between the relevant stakeholders on December 15, 2011, the internal approval by the Government to initiate project activities was received from ECNEC on 28 August 2012. This was a procedural matter, which was addressed through follow up by the UNDP Country Office.
- The other significant delay being encountered is in identifying and finalizing a suitable office for the project. The project currently operates from a limited amount of shared space within the UNDP Country Office. The challenge in identifying a suitable office is tied to the need to work closely with two other projects, namely Local Governance Support Project II and the Upazila Governance Project. The site initially identified did not meet the security standards required by the UN. Alternate sites are being identified.

- The tasks of contracting a suitable institution to carry out the baseline survey and procuring project equipment have encountered delay. The delays were related to capacity of the offices carrying out this task.

## **Risks and challenges**

- In the effort to closely align with on-going systems and ensure sustainability, the UPGP has a portfolio of activities which is closely tied to activities managed outside the scope of the project. A key area of such dependence is the delivery of project supported grants, which are to take place in alignment with the delivery of the government's grants from the budget. The timing of deliveries of the grant by the Government is tied to steps such as completion of the audit, which is again outside the scope of the management of the project. Given the large size of the project supported grants in the overall budget of the project, changes in timings of processes that are not managed by the project, bring in significant delivery risks. High level reviews and a structured approach to adjusting the requirements for release of grants have been used in the first year. These steps need to be reviewed and formally integrated into the management strategy to address the risk.
- While partnerships offer the potential to derive synergy and make strategic impact, they also demand specific additional effort to sustain the partnerships. Some degree of coordination has been implicitly designed, by having the different partner projects operating from the same Local Government Division of the Ministry. However, at an operational level, inter-project coordination requires regular and periodic coordination meetings to be included in the management plan, in order to ensure clarity of actions being explored and carried out, as well to ensure that there is required consensus among the multiple stakeholders who have to work together.
- Other challenges were in finding a suitable office space and completing the planned procurement.

## **Lessons learned**

The design of UPGP offers a sound platform to make a wide impact, through its strategic and innovative activities. Given the nationwide mainstreaming of the LGSP-LIC approach through LGSP II, the government is making huge investments to develop basic capacities in Union Parishads. This investment by LGSP II allows UPGP leverage the investments/ activities implemented by the Government to focus attention and support to strategic priorities and pilots, and seamlessly transfer lessons and better practices to achieve large scale impact, particularly in the area of capacity development that is addressed through Output 1.

Discussions with the District Facilitators at the inception stage have highlighted the weak financial management capacity in Union Parishads. It is evident that the increasing volume of resources being transferred to the Union Parishads, along with the increasing responsibility for local development and service delivery, demand the use of more sophisticated financial management processes. Given the limited capacity of the Union Parishad staff, and the limited support that can be drawn locally, it is evident that the support to improve financial management

cannot rely on training alone, and will need to build in provision for backstopping assistance and designing simple tools and systems as part of Output 2.

Similarly, the discussions have highlighted the minimal direct linkage with MDG's (as conceptualized and defined at a global level) while planning takes place at the Union Parishads. On the other hand, there is significantly better awareness and attention to the goals set in the Five Year Plans. It is evident that focused efforts would be required to align MDGs with the goals set in the Five year Plans, in order to address the MDG related targets and planning that have been set for the project, and tools developed to facilitate the same, as part of Output 2.

### **Qualitative assessment**

As mentioned earlier, implementation of the Union Parishad Governance Project (UPGP) has commenced in the fourth quarter of 2012. The results reported primarily relate to achievements from this short period of three months and the early stage of the project. UPGP is now a fully operational with all the required institutional mechanisms at national and sub-national levels, staff, and implementation plans in place, to facilitate systematic project implementation. There appear to be no major strategic issues which would affect the successful implementation of the project.

By drawing of the programmatic framework in designing the UPGP, the project has a strong platform for planning activities involving different offices of government as well as different projects that are being implemented to strengthen the Union Parishads. The partnership with LGSP II on performance assessment of Union Parishads is a major step in this direction. There is potential for deepening this partnership in areas such as capacity development in mandatory functions, establishing more robust financial management systems, and a better integrated monitoring and reporting system for Union Parishads.

The potential for the UZGP and UPGP to work in close partnership has been highlighted in the design of the two projects. Steps are being initiated to operationalize the collaboration and coordination. The process through which the projects strategically share the task of strengthening Women Development Fora, established at the Upazila level involving women representatives from Union Parishads, is an example. Similar potential exists in relation to co-financing local development, drawing on grants received by Upazilas and Union Parishads.

The leadership of the UNDP country office has provided a strong platform for the different stakeholders to coordinate and collaborate in project implementation.

ii) **Indicator Based Performance Assessment:**

	<b>Achieved Indicator Targets</b>	<b>Reasons for Variance with Planned Target (if any)</b>	<b>Source of Verification</b>
<b>Outcome 1<sup>2</sup>:</b> Strengthened capacities of local governments and other stakeholders to foster participatory local development service delivery for the MDGs			
<b>Indicator 1:</b> Secondary legislation instruments (Rules & Regulations) required by UP Act 09 are operational <b>Baseline:</b> 0 <b>Planned End of Project Target:</b> 12 <b>Planned Target 2012:</b> 0	No target for 2012		
<b>Indicator 2:</b> overall compliance with administrative requirements of UP Act 09 by project-supported UPs <b>Baseline:</b> To be set from baseline survey in progress <b>Planned End of Project Target:</b> 80% <b>Planned Target 2012:</b> 0	No target for 2012		
<b>Indicator 3:</b> % of women/men (which also include Dalits and Indigenous People) who have attended at least one participatory planning meeting <b>Baseline:</b> To be set from baseline survey in progress <b>Planned End of Project Target:</b> 50% over baseline <b>Planned Target 2012:</b> 0	No target for 2012		
<b>Indicator 4:</b> % citizens who have responded that they are very satisfied with service delivery by their UP <b>Baseline:</b> To be set from baseline survey in progress <b>Planned End of Project Target:</b> To be determined <b>Planned Target 2012:</b> 0	No target for 2012		
<b>Output 1:</b> Strengthened Democratic Accountability and transparency of the Union Parishads through Citizen Engagement			
<b>Indicator 1.1:</b> % of Ward Shavas that transact business according to UP Act 09 <b>Baseline:</b> To be set from baseline survey in progress <b>Planned End of Project Target:</b> 50% <b>Planned Target 2012:</b> 20%	21%		Project M&E 

<sup>2</sup> Note: Outcomes, outputs, indicators and targets should be as outlined in the Project Document so that you report on your actual achievements against planned targets. Add rows as required for Outcome 2, 3 etc.

<p><b>Indicator 1.2:</b> % of target UPs with at least 6 key standing committee producing at least 2 monitoring reports per year</p> <p><b>Baseline:</b> To be set from baseline survey in progress</p> <p><b>Planned End of Project Target:</b> 50%</p> <p><b>Planned Target 2012:</b> 20%</p>	<ul style="list-style-type: none"> <li>• UPs are receiving training on how to form standing committees and they are now activating the committees.</li> </ul> <p>No progress achieved</p>	<p>Specific training to improve performance of Standing Committees are being initiated only in 2013</p>	
<p><b>Indicator 1.3:</b> % targeted UPs which have at least 1 woman representative participating in officially registered Women Development Forum at the Upazila Level</p> <p><b>Baseline:</b> To be set from baseline survey in progress</p> <p><b>Planned End of Project Target:</b> 50%</p> <p><b>Planned Target 2012:</b> 0</p>	<p>No target for 2012</p>	<p>Specific actions have not been initiated other than the general orientation at the District and Upazilla level workshops.</p>	
<p><b>Output 2: Strengthened innovations in Pro-Poor and MDG-Oriented Planning, Financing and Implementation of Service Delivery by Union Parishads</b></p>			
<p><b>Indicator 2.1:</b> % of targeted UPs have completed comprehensive development plans responding to local MDG assessments that will have also identified needs of the locally relevant most vulnerable groups</p> <p><b>Baseline:</b> 0</p> <p><b>Planned End of Project Target:</b> 90%</p> <p><b>Planned Target 2012:</b> 0</p>	<p>No target for 2012</p>		
<p><b>Indicator 2.2:</b> % of targeted UPs allocate % of block grant funds to projects explicitly identified as pro-poor (including those responding to vulnerable groups' needs) or MDG-responsive in plans</p> <p><b>Baseline:</b> 0</p> <p><b>Planned End of Project Target:</b> 70%</p> <p><b>Planned Target 2012:</b> 0</p>	<p>No target for 2012</p>		
<p><b>Indicator 2.3:</b> % of target UPs comply with 90% of accounting and record keeping requirements.</p> <p><b>Baseline:</b> From 1<sup>st</sup> Performance Assessment of UPs</p> <p><b>Planned End of Project Target:</b> 90%</p> <p><b>Planned Target 2012:</b> 0</p>	<p>No target for 2012</p>		

<p><b>Indicator 2.4:</b> % of increase, on average, or revenue collection in target UPs  <b>Baseline:</b> To be set from baseline survey in progress  <b>Planned End of Project Target:</b> 90%  <b>Planned Target 2012:</b> 50%</p>	10%	No activities were initiated to improve revenue up during 2012. During the reporting period, a total of 1,800 auditors been trained to assess the performance.	Quarterly District Progress reports: Q4 – 2012
<b>Output 3: Strengthened technical capacity of Local Government Division</b>			
<p><b>Indicator 3.1:</b> Number of drafted legislative or regulatory instruments influenced by outcome of piloting activities  <b>Baseline:</b> 0  <b>Planned End of Project Target:</b> 2  <b>Planned Target 2012:</b> 0</p>	No target for 2012		
<p><b>Indicator 3.2:</b> Existence of a National Framework for Local Government Capacity Development by the end of the project  <b>Baseline:</b> None  <b>Planned End of Project Target:</b> 1  <b>Planned Target 2012:</b> 0</p>	No target for 2012		
<p><b>Indicator 3.3:</b> Implementation of functioning M&amp;E and MIS system in the Monitoring, Investigation and Evaluation Wing of LGD  <b>Baseline:</b> Project based MIS  <b>Planned End of Project Target:</b> 1 functioning MIS  <b>Planned Target 2012:</b> 0</p>	No target for 2012		
<p><b>Indicator 3.4:</b> Number of DLGs who have a sustainable system for monitoring and backstopping local governments by the end of the project  <b>Baseline:</b> None  <b>Planned End of Project Target:</b> 7  <b>Planned Target 2012:</b> 0</p>	No target for 2012		

### iii) A Specific Story

**Problem / Challenge faced:** The Local Government Division wanted to provide a strong incentive to the lowest tier of local government to perform its mandated functions reflecting efficient democratic governance, citizen engagement and effective financial management. It wanted to tie resource allocation to effective performance, across the country building on lessons from the success of the small scale LGSP LIC pilot. This marked a major departure from the on-going practice where allocations were based on demographic parameters; the scale of performance assessment, and the need to bring together different LGD projects working on Union Parishads was a key challenge.

**Programme Interventions:** The Joint Programme developed a platform through an Instrument of Cooperation that brought all key stakeholders together – the Govt., UNCDF, UNDP and World Bank., and defined mutually reinforcing roles. The strategic element was the performance based grant making framework, which was to be implemented across the country. A unified set of indicators that served the several set of grants being provided to the Union Parishads was set up. This was followed by an integrated training package for specially recruited teams consisting of financial auditors and performance assessors. Around 2,000 professionals were trained in around 20 batches and deployed across the country for the first nationwide performance assessment of UPs.

**Result:** The results of the performance assessment will be available in late March, 2013.

**Lessons Learned:** The initial lessons are related to the capacity building and roll out. The experience suggests that training and quality assurance modalities need to be integrated into the contracting of companies and personnel to ensure quality. Secondly, adequate preparations through internal self-assessments will be essential to ensure adequate preparedness for audits.

### 3. Other Assessments or Evaluations

The baseline study has been designed, and results will be available for sharing in the 2013 report.

### 4. Resources

The project has the option of having a number of regular staff such as Project Manager, International Technical Adviser, M&E, MIS Officer, seven District Facilitators, seven Project Assistant, two project secretaries, one data keeper, ten drivers-cum messenger, two Finance and Admin Associate. All of the regular staff has already been appointed. Moreover, a number of staff who has been appointed for Upazila Governance Project will work for UPGP also.

**PART II: ANNUAL FINANCIAL REPORT**

## 2012 ANNUAL FINANCIAL REPORT

This chapter presents financial data<sup>3</sup> and analysis of the Joint Programme funds using the pass-through funding modality as of 31 December 2012. Financial information is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/JBD20>.

### 1. Sources and Uses of Funds

As of 31 December 2012, the Government of Denmark has deposited US\$ 1,940,378 and US\$ 1,449 has been earned in interest, bringing the cumulative source of funds to US\$ 1,941,827. Of this amount, US\$ 353,168 has been transferred to two Participating Organizations of which US\$ 46,680 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 19,404. Table 1.1 provides an overview of the overall sources, uses, and balance of the Joint Programme funds as of 31 December 2012.

*Table 1.1. Financial Overview (in US Dollars)*

	Prior Years as of 31-Dec-11	Current Year Jan-Dec 2012	TOTAL
<b>Sources of Funds</b>			
Gross Contributions	-	1,940,378	1,940,378
Fund Earned Interest and Investment Income	-	1,449	1,449
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Other Revenues	-	-	-
<b>Total: Sources of Funds</b>	<b>-</b>	<b>1,941,827</b>	<b>1,941,827</b>
<b>Uses of Funds</b>			
Transfer to Participating Organizations	-	353,168	353,168
Refunds received from Participating Organizations	-	-	-
<b>Net Funded Amount to Participating Organizations</b>	<b>-</b>	<b>353,168</b>	<b>353,168</b>
Administrative Agent Fees	-	19,404	19,404
Direct Costs (Steering Committee, Secretariat...)	-	-	-
Bank Charges	-	-	-
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>-</b>	<b>372,571</b>	<b>372,571</b>
<b>Balance of Funds Available with Administrative Agent</b>	<b>-</b>	<b>1,569,255</b>	<b>1,569,255</b>
Net Funded Amount to Participating Organizations	-	353,168	353,168
Participating Organizations' Expenditure	-	46,680	46,680
<b>Balance of Funds with Participating Organizations</b>	<b>-</b>	<b>306,488</b>	<b>306,488</b>

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent ('Fund earned interest'), and 2) on the balance of funds held by the Participating Organizations ('Agency earned

<sup>3</sup> Due to rounding, total in the tables may not add up.

interest') where their Financial Regulations and Rules do not prohibit the return of interest. As of 31 December 2012, Fund earned interest amounts to US\$ 1,449 and no interest was received from Participating Organizations. Details are shown in the table below.

**Table 1.2. Sources of Interest and Investment Income (in US dollars)**

	Prior Years as of 31-Dec-11	Current Year Jan-Dec 2012	TOTAL
<b>Administrative Agent</b>			
Fund Earned Interest and Investment Income	-	1,449	1,449
<b>Total: Fund Earned Interest and Investment Income</b>	-	<b>1,449</b>	<b>1,449</b>
<b>Participating Organization (PO) Earned Interest Income</b>			
Participating Organization (PO)	-	-	-
<b>Total: Interest Income received from PO</b>	-	-	-
<b>Total</b>	-	<b>1,449</b>	<b>1,449</b>

## 2. Contributions

Table 2 provides information on cumulative contributions received from the Government of Denmark as at 31 December 2012.

**Table 2. Contributions (in US dollars)**

Contributor	Prior Years as of 31-Dec-11	Current Year Jan-Dec 2012	TOTAL
Government of Denmark	-	1,940,378	1,940,378
<b>Total</b>	-	<b>1,940,378</b>	<b>1,940,378</b>

## 3. Transfer of Funds

Allocations to the UPGP JP Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent (AA). The AA has transferred US\$ 353,168 to two Participating Organizations (UNCDF and UNDP) as of 31 December 2012. Table 3 provides information on the cumulative amount transferred to each Participating Organization.

**Table 3. Transfers by Participating Organization (in US dollars)**

Participating Organization	Prior Years as of 31 Dec 2011	Current Year Jan-Dec 2012	TOTAL
	Transferred Amount	Transferred Amount	Transferred Amount
UNCDF	-	201,306	201,306
UNDP	-	151,862	151,862
<b>Total</b>	-	<b>353,168</b>	<b>353,168</b>

#### 4. Overall Expenditure and Financial Delivery Rates

All expenditures reported for the year 2012 were submitted by the Headquarters' of the Participating Organizations via the MPTF Office Reporting Portal. These were consolidated by the MPTF Office.

##### 4.1 Expenditure Reported by Participating Organization

As shown in table 4.1, cumulative transfers amount to US\$ 353,168 and cumulative expenditures reported by the Participating Organizations amount to US\$ 46,680. This equates to an expenditure delivery rate of 13%. UNDP reported an expenditure amount of US\$ 33,511 (22% delivery) and UNCDF US\$ 13,169 (7% delivery).

**Table 4.1. Cumulative Expenditure of Participating Organizations and Financial Delivery Rate (in US dollars)**

Participating Organization	Transferred Amount	Total Expenditure	Delivery Rate Percentage
UNCDF	201,306	13,169	6.54
UNDP	151,862	33,511	22.07
<b>Total</b>	<b>353,168</b>	<b>46,680</b>	<b>13.22</b>

##### 4.2. Total Expenditure Reported by Category

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed upon categories for harmonized inter-agency reporting. In 2006 the UN Development Group (UNDG) set six categories against which UN entities must report project expenditures. Effective 1 January 2012, the UN Chief Executive Board modified these categories as a result of IPSAS adoption to comprise eight categories. The old and new categories are noted below.

### 2012 CEB Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

### 2006 UNDG Expense Categories

1. Supplies
2. Personnel
3. Training
4. Contracts
5. Other direct costs
  
6. Indirect costs

Table 4.2 reflects expenditure as categorized in the UNDG approved 8-category expenditure format as of 31 December 2012.

In 2012, expenditure was reported only on “Travel” category for an amount of US\$ 31,319.

**Table 4.2. Total Expenditure by Category (in US dollars)**

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-11	Current Year Jan-Dec 2012	TOTAL	
Staff & Personnel Cost (New)	-	-	-	
Suppl, Comm, Materials (New)	-	-	-	
Equip, Veh, Furn, Depn (New)	-	-	-	
Contractual Services (New)	-	-	-	
Travel (New)	-	31,319	31,319	100.00
Transfers and Grants(New)	-	-	-	
General Operating (New)	-	-	-	
<b>Programme Costs Total</b>	-	<b>31,319</b>	<b>31,319</b>	<b>100.00</b>
Indirect Support Costs Total	-	15,361	15,361	49.05
<b>Total</b>	-	<b>46,680</b>	<b>46,680</b>	

## **5. Transparency and accountability**

The MPTF Office continued to provide information on its GATEWAY (<http://mptf.undp.org>) a knowledge platform providing real-time data, with a maximum two-hour refresh, on financial information from the MPTF Office accounting system on contributions, programme budgets and transfers to Participating Organizations. All narrative reports are published on the MPTF Office GATEWAY which provides easy access to nearly 9,600 relevant reports and documents, with tools and tables displaying financial and programme data. By providing easy access to the growing number of progress reports and related documents uploaded by users in the field, it facilitates knowledge sharing and management among UN Organizations. It is designed to provide transparent, accountable fund-management services to the UN system to enhance its coherence, effectiveness and efficiency. The MPTF Office GATEWAY has been recognized as a ‘standard setter’ by peers and partners.