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# **Consolidated Annual Report on Activities Implemented under the Joint Programme “Upazilla Governance Project (UZGP)” in Bangladesh**

**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

## PARTICIPATING ORGANIZATIONS



United Nations Capital Development Fund (UNCDF)



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United Nations Development Programme (UNDP)

## CONTRIBUTORS



Swiss Agency for Development and Cooperation  
(SDC)

## **TABLE OF CONTENTS**

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>PART I: ANNUAL NARRATIVE REPORT .....</b>	<b>2</b>
<b>List of Acronyms .....</b>	<b>3</b>
<b>1. Purpose .....</b>	<b>5</b>
<b>2. Results .....</b>	<b>5</b>
<b>3. Delays in implementation, challenges, lessons learned &amp; best practices: .....</b>	<b>8</b>
<b>4. Qualitative assessment .....</b>	<b>10</b>
<b>5. Indicator Based Performance Assessment .....</b>	<b>12</b>
<b>PART II: ANNUAL FINANCIAL REPORT .....</b>	<b>16</b>
<b>1. Sources and Uses of Funds.....</b>	<b>17</b>
<b>2. Contributions .....</b>	<b>18</b>
<b>3. Transfer of Funds.....</b>	<b>18</b>
<b>4. Overall Expenditure and Financial Delivery Rates .....</b>	<b>19</b>
<b>5. Transparency and accountability .....</b>	<b>20</b>

## EXECUTIVE SUMMARY

This Consolidated Annual Report under the Joint Programme, “Upazila Governance Project (UZGP)” 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 provides 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 UZGP aims to strengthen the Upazila Parishad (UZP) as an effective tier of the local government through capacity building, policy support and ensuring citizens’ participation for local development, effective service delivery and attainment of the MDGs.

While the UZGP was approved and signed in August 2011, due to various challenges, the project became operational in June 2012. During the current reporting period the following main results were achieved:

**Output 1** focused on institutional and functional capacity building of UZP, which resulted in approximately 30% of UZPs adhering to regulatory and institutional processes to conduct mandatory meetings, budget & planning processes and operationalization of UZP committees.

**Output 2** focused on the provision of performance based fiscal grants facility to UZPs to augment resource gaps in close coordination with the Local Government Division (LGD). The Fiscal Support System guidelines and manual was completed. An assessment of the minimum conditions in all Upazilas was carried out and 14 UZPs were identified for fiscal facility support.

**Output 3** is shared with Union Parishad Governance Project (UPGP) and focuses on local government and governance reform, policy research and technical support in close coordination with the LGD and UPGP. High political and administrative ownership was demonstrated through high level participation in two key policy workshops which paved the way of identifying key administrative and institutional challenges faced by UZPs and made recommendations.

As at 31 December 2012, the Joint Programme’s financial delivery was 55%.

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 UN Organizations in accordance with the decisions of the Steering Committee. The Administrative Agent receives and consolidates the Joint Programme annual reports and final report and submits it to the Steering Committee.

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 REPORT

<p style="text-align: center;"><b>Programme Title &amp; Project Number</b></p> <p>Programme Title: Upazila Governance Programme (UZGP)          Programme Number: 00080199          MPTF Office Project Reference Number: 00081863</p>	<p style="text-align: center;"><b>Country, Locality(s), Priority Area(s) / Strategic Results</b></p> <p><i>Country/Region</i> Bangladesh</p> <hr/> <p><i>Priority area/ strategic results:</i> Democratic Governance</p>
<p style="text-align: center;"><b>Participating Organization(s)</b></p> <p>United Nations Development Programme (UNDP)          United Nations Capital Development Fund (UNCDF)</p>	<p style="text-align: center;"><b>Implementing Partners</b></p> <p>Local Government Division, Ministry of Local Government, Rural Development and Co-operatives</p>
<p style="text-align: center;"><b>Joint Programme Cost (US\$)</b></p> <p>JP Contribution from SDC (pass-through): approx. \$3,569,781 (CHF 3,300,000)<sup>1</sup></p> <p>Agency Contribution</p> <ul style="list-style-type: none"> <li>• UNDP: \$ 2,000,000</li> <li>• UNCDF \$ 1,000,000</li> </ul> <p>Government Contribution (if applicable) \$ 935,828</p> <p>Other Contributions</p> <p>European Union \$ 10,138,889</p> <p><b>TOTAL: \$ 17,644,498</b></p>	<p style="text-align: center;"><b>Programme Duration</b></p> <p>Overall Duration : 60 months</p> <p>Start Date 25/08/2011</p> <p>Original End Date 31.07.2011</p> <p>Current End date 24.07.2016</p>
<p style="text-align: center;"><b>Programme Assessment/Review/Mid-Term Eval.</b></p> <p>Assessment/Review - if applicable <i>please attach</i></p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date: dd.mm.yyyy</p> <p>Mid-Term Evaluation Report – <i>if applicable please attach</i></p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date: dd.mm.yyyy</p>	<p style="text-align: center;"><b>Report Submitted By</b></p> <ul style="list-style-type: none"> <li>○ Name: Pauline Tamesis</li> <li>○ Title: Country Director</li> <li>○ Participating Organization (Lead):UNDP</li> <li>○ Email address: <a href="mailto:pauline.tamesis@undp.org">pauline.tamesis@undp.org</a></li> </ul>

<sup>1</sup> The actual figure depends on the exchange rate on the date of transfer

## List of Acronyms

ADP	Annual Development Plan
AWP	Annual Work Plan
BARD	Bangladesh Academy for Rural Development
BIDS	Bangladesh Institute of Development Studies
CBOs	Community-based Organizations
CEDAW	United Nations Convention on the Elimination of All forms of Discrimination Against Women
CSO	Civil Society Organizations
DC	Deputy Commissioner
DDLG	Deputy Director, Local Government
DFs	District Facilitators
DLG	Director, Local Government
DPP	Development Project Proposal
DSCC	Dhaka South City Corporation
DVFs	Divisional Facilitators
EU	European Union
FP	Focal Person
ICT	Information and Communications Technology
LG	Local Government
LGD	Local Government Division
LGIs	Local Government Institutions
LGRD & C	Local Government, Rural Development and Cooperatives
LGSP	Local Government Support Project
LGSP-LIC	Local Government Support Project---Learning and Innovation Component
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
MI&E	Monitoring, Implementation and Evaluation
MIS	Monitoring and Information System
MoU	Memorandum of Understanding
NEX	National Execution
NILG	National Institute of Local Government
NGOs	Non-government Organizations
NPD	National Project Director
NWDP	National Women Development Policy
PAG	Policy Advisory Group
PB	Project Board
PM	Project Manager
PMU	Project Management Unit
PSC	Project Steering Committee
RDA	Rural Development Academy
SDC	Swiss Agency for Development and Cooperation
SC	Standing Committee
ToR	Terms of Reference
UNCDF	United Nations Capital Development Fund

UNDP	United Nations Development Programme
UNOs	Upazila Nirbahi Officers
UZGP	Upazila Governance Project
UP	Union Parishad
UPGP	Union Parishad Governance Project
UZP	Upazila Parishad
VAT	Value Added Tax
VC	Vice Chairman
VAW	Violence Against Women
WS	Ward Shavas

## 1. Purpose

The **overall objective** of the Upazila Governance Project (UZGP) is “*Government institutions at the national and sub-national levels are able to more effectively carry out their mandates, including delivery of public services, in a more accountable, transparent and inclusive manner.*” The Upazila Governance Project (UZGP) falls within the programmatic framework of the deepening democracy and scaling up support for the MDGs initiative. The programme will work for all Upazilas with intensive support in selected 14 Upazilas and provide support to the Local Government Division of the Local Government, Rural Development and Cooperatives.

The **specific objective** of the project is “*To strengthen the capacities of local governments and other stakeholders to foster participatory local development services for the MDGs.*” To achieve the goals and overall objectives, the project has **four outputs**:

- Output 1: Strengthened Upazila Parishads as more functional, transparent and accountable.
- Output 2: Strengthened Planning and Budgetary system at UZP with MDG orientation and pro-poor service delivery mechanism
- Output 3: Strengthened national capacity for effective policy review, monitoring, lesson learning and capacity development of local government institutions (LGIs) for enhanced Local Governance.
- Output 4: Effective Project Management Arrangements

The **UZGP Project intervention area** include 7 targeted Districts representing one in each of the 7 Divisions in order to pilot equity initiatives in a priority pro-poor setting measured in a terms of a) being the most off-track on the MDG targets and b) to which UZP managed local public service delivery contributes significantly.

## 2. Results

### Outcome level:

Government institutions at the nation and sub-national levels are able to more effectively carry out their mandate, including delivery of public services, in a more accountable, transparent and inclusive manner.

Against the outcome of the project, it contributed to increase the functional and institutional capacity of the UZP level elected and government stakeholders that, both directly and indirectly, influenced responsiveness and adherence to democratic accountability. Through technical back stopping, guidance notes, structured capacity building and support of the LGD 30% UZPs held mandatory meetings & prepared minutes; 25% UZPs complied to budget making processes; 25% UZPs initiated ADPs and approximately 50% UZP Committees were formed. Baseline survey has captured existing level of citizen engagement and responsiveness and UZP service delivery out reach. Augmenting it with fiscal facility, post performance assessment of UZP, will lead to pro-poor planning and implementation of development projects.



## Output level:

The key achievement against planned outputs for the year 2012 are:

### **Output 1: Strengthened Upazila Parishads as more functional, transparent and accountable**

The Project's capacity building team along with technical support from three training institutes- National Institute of Local Governance (NILG), Dhaka, Bangladesh Academy of Rural Development (BARD), Comilla and Rural Development Academy (RDA), Bogra- upgraded the training manuals, course content and delivery process of these three national training institutes. Technical guidelines for holding the UZP monthly and Committee meetings were developed and included in the manuals

A series of capacity building initiatives were held focusing to make the UZPs more functional, improving partnership and coordination among line departments and elected stakeholders; operationalization of key committees; planning & budget making processes; and technical support role of UZGP within this ambit.

The consolidated detail of **capacity building initiatives covering all 3 outputs** is:

- 42 Directors, Local Government (DLGs), Deputy Directors, Local Government (DDLGs) and Staff of the Upazila Governance Project (UZGP) attended three-day orientation on UZP & UZGP
- 250 Divisional level concerned government officials and public representatives attended orientation on UZP, UZGP & consequent roles and responsibilities with UZP
- 60 DLGs and DDLGs attended a three-day training on specific roles and responsibilities of DLGs and DDLGs at Upazila Parishad and Union Parishad.
- 489 UZP Chairs, Vice Chairs and UNOs, from 485 UZP, attended three-day general (refresher) training on UZP legal and administrative structure, effectively holding the UZP monthly and Standing Committee meetings, preparing development plans and budgeting, and financial management and resource mobilization.
- 364 District and Upazila level officials including DDLGs, Deputy Commissioners (DCs), and transferred line department officials, UZP chairs, VCs, UNOs participated in a series of day long district level orientation workshop on UZGP and UZP effective functioning in seven target districts
- 2464 UZP Chairs, VCs UNOs, government officials working for different line department at UZP level, and local journalists participated in series of 53 review workshops on "UZP Service Delivery Performance and Policy Issues" have been held at Division, District and Upazila levels covering all the Upazilas of the country.
- 66 UZP Chairs, Vice-chairs, UNOs, Women and Child Affairs Officers, and Union Parishad female member from 14 target UZPs trained through five day training focusing Gender Sensitization in Upazila Parishad: Gender and MDG focused Planning and Budgeting.
- 15 UZP elected members, LGD and UZP government stakeholders attended international training focusing poverty reduction and Millennium Development Goals (MDGs), conducted by Asian Institute of Technology (AIT) in collaboration with the ASEAN Regional Centre of Excellence on MDGs (ARCMDG) at Thailand.
- 28 Two-day sensitization workshop for seven target Upazilas on conditions of performance block grants.

## **Output 2: Strengthened Planning and Budgeting system at UZP with MDG orientation and pro-poor service delivery mechanism**

This output focuses to provide guidance to the LGD and selected UZPs on how to use grants from the project. A draft manual, post stakeholder and government consultation, has been drafted that informs about the nature of the fiscal facility, performance measures, size and allocation, activities eligible for financing, fund flow process, planning and budgeting, implementation and oversight, procurement and audit. The project prepared technical guidelines for the staff, both project's and government, to undertake need assessment and identification of available fiscal resources at UZP.

The assessment of minimum conditions has been undertaken against 4 points selection criteria, as agreed with LGD, to identify a long list of 14 UZP out of 65 UZPs in target Districts. The assessment of performance measures in 7 UZPs is ongoing by a team consisting of a sub-contracted external financial expert and Director, Local Government in seven Divisions. The financial audit is part of regular audit process conducted by the Audit Wing of the LGD. The first tranche of fiscal support grant has been disbursed to the LGD for transferring to selected seven Upazilas for the fiscal year 2012-2013.

Sensitization workshop held for targeted 7 UZPs benefitted the participants with enhanced understanding of utilization of grants for wider benefit of the cross-community and cater the needs of marginalized section of people looking at the off-track MDG targets.

## **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.**

Output 3 is a shared output between the Upazila Governance Project (UZGP) and the Union Parishad Governance Project (UPGP). It requires identical implementation plan, commitment and team support. The project, with LGD support, could facilitate formation of the Policy Advisory Group (PAG) that would be the think tank group for the LGD. Three Resource Corners (RC) were also established, at Divisional/District level, to serve as knowledge centers on local government related acts, rules, circulars, government orders, books, reports, etc. accessible by all stakeholders.

To assess project progress in coming years, a comprehensive baseline was completed through the Bangladesh Institute of Development Studies (BIDS). The project drafted the communication and the gender strategies, covering both UZGP and UPGP. Similarly, it drafted the M&E framework strategy and formats/tools for structured and evidence based capturing of results.

The project developed IEC and visibility materials i.e. factsheet, notebook, pen, folders; ensured adequate press and electronic media coverage for the events; issued press release for high level events and shared project stories in the UNDP Bangladesh Country Office's internal weekly e-newsletter, *Inside Story*.

Under MIS two standalone subsystems were developed and Internet domain for the project "[uzgp.org](http://uzgp.org)" has been registered.

## **Output 4: Effective Project Management Arrangements**

The project office has been temporarily set up in the Dhaka City Corporation (DCC) and respective field offices are located at Divisional Commissioner's and Deputy Commissioner's offices. The premises are being refurbished with supply of equipment and furniture. The required human resource at field and central level is complete. However, the project for last six months of the 2012 remained without a Project Manager. The Local Government Cluster (LGC) of the UNDP provided technical back-stopping to the operations manager to shoulder extra responsibilities. The project facilitated opening of 30 separate bank accounts for operating project fund i.e. two at Dhaka Central project office; seven at Division level; and fourteen at 14 selected Upazilas. Project managed to hold all mandatory Project Steering Committee (PSC) meetings, Project Board (PB) meeting and Coordination meeting with Development Partners. The UZGP and UPGP also held a joint retreat with the LGD counterparts and field staff to collectively reflect on the year 2012 and plan for the year 2013.

### **3. Delays in implementation, challenges, lessons learned & best practices:**

The 2012 was a challenging period for both UZP and UZGP. To manage over all institutional and administrative challenges the UZGP maintained a coordinated and cautious approach. It focused more on capacity building initiatives to gain acceptance. This resulted in formation of mandatory UZP committees, pursuance of the council meeting & its minutes, initiation of planning processes and corresponding budgeting making processes.

Engaging training institute for specific trainings as per their capacity was time consuming. The required devising training calendar, course content and training methodologies on a customized pattern for the diverse category of stakeholders was a challenge. On the other hand, creating capacity building options that interest a mix group and caters to their respective set of duties was another challenge as the diverse group had different priorities in term of duration and focus of training. The project with the LGD support managed to maintain this balance for effectiveness of capacity building initiatives. The project technically back stopped LGD as well in its efforts to facilitate UZPs for institutional operationalization and balanced working relationship between Central and Upzaila level government departments. Identification of UZPs as per performance assessment and finalization of fiscal facility roll out remains a challenge which is being actively worked on.

Output 3 is common to both UPGP and UZGP and is managed by shared staff. This arrangement represents an opportunity to connect the two projects in a harmonized effort to support the respective LGIs, however this also presents some challenges due to a separate reporting mechanism to two NPDs, Focal Persons and Project Managers. Coordination between the projects was difficult especially in the beginning since the projects did not start at the same time, hence they could not have a common planning and implementation schedule. However towards the second half of the year, with the joining of the respective International Technical Advisers, a coordination link at project level has been established thus easing the challenges to some degree.

Additionally, the focus on policy reform was delayed until the project inception workshops established ownership and reiterated the government’s stance to strengthen the UZP institutions. A common policy agenda was decided during the projects retreat which took place at the end of the year, which will be implemented from 2013.

Project Management and operations had its own set of challenges, ranging from timely recruitment of staff, managing procurement delays, ensuring timely distribution of resources and supplies. All of them were adequately managed by insulating programme activities. Project has had its challenges when NPD was changed in 2012. The turnover of the PM in the second half of 2012 was challenge that was managed through LG Cluster support to project implementation. Projects premises are yet to be finalized as it is temporarily housed in Dhaka South City Corporation.

Within the above stated contextualization, the UZGP assessed following three level of **Risks-cum-challenges** to its project implementation. The same has been updated for the year 2013 as well.

**Table-3.1: Risks/ Challenges Faced During the Reporting Period**

Political	Institutional	Project
<ol style="list-style-type: none"> <li>1. 2013 will be election year for national elections hence corresponding instability</li> <li>2. 2014 January tenure completion for UZPs with uncertainty around re-election</li> <li>3. Weak political commitment from major political stakeholders towards LGI in general and UZP in particular</li> <li>4. The Vice Chairpersons operational co-existence remains a challenge</li> </ol>	<ol style="list-style-type: none"> <li>1. Contextualized conflict exists between stakeholders such as Public representatives of different categories (UP, UZP, ZP, PS, MP) and government officials (from field to central level)</li> <li>2. Weak administrative decentralization &amp; its coordination with UZP</li> <li>3. Delayed link-up of UZP with national ADP planning processes</li> <li>4. Operationalization of planning system for utilization of fiscal grant facility</li> </ol>	<ol style="list-style-type: none"> <li>1. Continuity of LGD leadership to project i.e. NPD &amp; focal person remains</li> <li>2. Harmonized working relationship with LGD &amp; UPGP</li> <li>3. Coordination, alignment and implementation of shared activities and strategies between UZGP, UPGP &amp; LGD</li> <li>4. Finalization of project premises</li> <li>5. Project’s staff turnover</li> <li>6. Timely procurement process i.e. Human resources, services, equipment, etc</li> </ol>

The **lessons learnt** starts with recognizing the fact that the UZGP is a demanding and challenging project considering the UZPs institutional background and the socio economic and political conditions of Bangladesh. UZGP, by default of its project life, is set to manage two tenures of UZP elected representatives – one finishing in 2013 and the one after that. Hence, it

will need to maintain institutional linkages especially with the governmental stakeholders at all levels to remain connected.

Administrative decentralization of line departments is still struggling for clarity, coordination and cooperation with national government and elected representatives at UZP level. In this context the UZGP will have to maintain the edge to be attached with the LGD and through it provide technical support to respective stakeholders and through technical back-stopping institutionalize adherence to UZP Act. Small but measured steps have already been taken to that direction by the project through technical guidance, in formation of Committees, budgeting & planning and monthly UZP meetings that will impact institutional strengthening.

The potential for the UZGP and UPGP to work in close partnership beyond shared staff can be actualized through Women Development Forums and a Fiscal Grant facility disbursement mechanism. The co-financing of local development at the UP and UZP level will result in connecting the two levels, citizen engagement and performance based competition and ensuring gender perspective.

#### **4. Qualitative assessment**

UZGP is the only project that is aligned with LGD for strengthening of UZP that was re-introduced as LGI tier post 20 year of vacuum. The project's critical partners are government and elected stakeholders at the UZP level. Qualitatively project's assessment of its work can be summarized as (a) the UZP and UZGP gained acceptance within Government system; (b) Upazila Parishads had high interest in fiscal grants and now in its being linked to performance based delivery; (c) Upazila Parishads moved ahead with formation of 10 UZP Committees out of 17 but its effective functioning remains low; and (d) the four pillars of Upazila Parishad - Chairperson, two Vice-Chairpersons and UNO, along with UZP officials, need continuous capacity building support to attain clarity of roles and responsibilities and improve coordination among them.

**Project pursued partnership and cooperation** as follows:

**With LGD as Implementing Partner of UZGP:** This partnership and cooperation was strengthened as the NPD designated a Joint Secretary to be the Focal Person of the project to support his NPD role and ensure comprehensive governmental oversight. Being senior government official time availability becomes a challenge for/to access NPD that affects implementation. However, the NPD has immensely contributed to project implementation and strategic guidance in 2012.

**With UPGP** the project is conjoined via out put 3 and shared staff. The field cooperation sailed relatively smoothly however the HQ level remains to be more aligned. The project level coordination is being streamlined by structured exchange between the two PMs. However a similar affinity is needed between two NPDs and Focal Persons of the LGD. Through a joint project retreat a small step has been moved towards it. Meanwhile at project level an intense coordination is being pursued for preparing joint communication, gender, capacity building and policy research strategies.

**With LG Cluster of UNDP:** Besides quality assurance role LG Cluster, they immensely

supported in project implementation and coordination with UPGP in absence of the UZGP project Manager. Similarly the Cluster also provided support in procurement services to the project. Contributors coordination and adequate visibility of the project activities to the senior UNDP-CO management was also jointly achieved.

**Field teams partnership with UZP elected representatives & government departments:**

The project's field staff has been working towards building rapport with range of stakeholders e.g. Divisional and District Level government officials, Upazila level government officials, Upazila Chairman and Vice Chairman, local media, local elites, NGOs, CBOs, public representatives. The field staff maintains steady relationship with its counterparts through meetings, attendance to event and training programs. Besides that Resource Corner provides another level of interface and support. Field staff also maintains close ties with CSO.

**With national training institutes:** The project has significant focus on institutional and individual capacity building initiatives. The LGD leads alignment of the same with national training and research institutes. The project has developed partnerships with the NILG, the BARD and the RDA. Those are two-way relationships as these training institutes customize their ongoing training calendars and modules for the project specifications; and project technically contributes to the existing training content that enriches their training tools and delivery by their resource persons. Technical guidelines on effective operationalization of UZP have been added into the training content of the training institutes besides, engendering of course content.

## 5. Indicator Based Performance Assessment

	<u>Achieved Indicator Targets</u>	<u>Reasons for Variance with Planned Target (if any)</u>	<u>Source of Verification</u>
<p><b>Project Outcome:</b>  <b>Strengthened capacities of local governments and other stakeholders to foster participatory local development service delivery for the MDGs</b></p> <p><b>Legal and Regulatory Framework in Place:</b> No. of effective secondary legislation instruments required by UZP Act 09 by the end of the project  <i>Baseline: 5</i></p> <p><b>Functional and Institutional Capacity Improved:</b> No. of UZPs that have adopted internal rules and by-laws including an anti-corruption strategy and a Citizens' Charter by the end of the project  <i>Baseline:0</i></p> <p><b>Democratic Accountability:</b> % of citizens aware of the roles and responsibilities of UZP  <i>Baseline: Baseline survey to be done</i></p> <p><b>Pro-poor infra and services:</b> % of citizens satisfied with services specifically targeted by Upazilas through pro-poor and MDG-responsive planning  <i>Baseline: Baseline survey to be done</i></p>	<ul style="list-style-type: none"> <li>✓ 30% UZPs held mandatory meetings &amp; prepared minutes</li> <li>✓ 25% UZPs completed budget making processes</li> <li>✓ 25% UZPs prepared ADPs</li> <li>✓ Approximately 50% Committees formed</li> </ul>		<ul style="list-style-type: none"> <li>✓ Project reporting</li> <li>✓ Minutes of meeting</li> <li>✓ Governmental communications</li> </ul>

<p><b>Output 1</b>  <b>Strengthened Upazila Parishads as more functional, democratic, transparent and accountable institutions</b></p> <ul style="list-style-type: none"> <li>• Percentage of women and men UPZ councilors who report they can participate effectively in debate and influence decision making by the end of the project..  <i>Baseline: Councilor perception baseline</i></li> <li>• Number of UZPs with are compliant with at least 90% of the provisions of the Right to Information Act By the end of the project  <i>Baseline: to be determined</i></li> <li>• Average number of key standing committees functioning in UZPs by the end of the project.  <i>Baseline: 0</i></li> <li>• Number of women’s development fora registered at the District level by the end of the project. <i>Baseline value: 0</i></li> <li>• Number of UZPs that have prepared a “Citizen's Charter” incorporating arrangements for UZP-constituent relations by the end of the project.  <i>Baseline value: 0</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ 90 batches of capacity building initiatives focusing effective UZP functioning, Gender sensitization &amp; integration, budget &amp; planning processes</li> <li>✓ 50% of UZP committees formed</li> </ul>		<ul style="list-style-type: none"> <li>✓ Project reporting</li> <li>✓ Training reports &amp; data</li> <li>✓ Data reports of LGD</li> </ul>
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<p><b>Output 2</b>  <b>Strengthened Planning and Budgeting system at UZP with MDG orientation and pro-poor service delivery mechanism</b></p> <ul style="list-style-type: none"> <li>• Number of line department activities integrated with UZP plans and budget</li> <li>• Number of participating UZP that have produced development plans responding to local MDG assessment and identifying needs and actions related to the most vulnerable groups (such as the *Dalits or other locally relevant excluded groups) by end of project  <i>Baseline value: 0%</i></li> <li>• Number of participating UZPs with development plans that have at least one development intervention addressing needs of the identified most vulnerable groups (such as the Dalits or other locally excluded groups).  <i>Baseline value: 0</i></li> <li>• Percentage of performance based grants allocated to projects identified as MDG-responsive in annual development plans in final year of project.  <i>Baseline value: First round PMS</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ Assessment of minimum conditions Audit in targeted 14 UZP</li> <li>✓ Performance measures review in 07 targeted UZP</li> <li>✓ First tranche of fiscal facility transferred to LGD</li> <li>✓ UZF fiscal facility utilization manual drafted</li> <li>✓ Sensitization training to UZP chairs, co-chairs, members, UNO and key line agency officials on fiscal facility</li> </ul>		<ul style="list-style-type: none"> <li>✓ Assessment report</li> <li>✓ Performance measures review</li> <li>✓ Draft Report</li> <li>✓ Draft Manual</li> </ul>
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<p><b>Output 3:</b> Strengthened technical capacity of Local Government Division <b>for effective policy review, monitoring, lesson learning and capacity development of LGIs for enhanced Local Governance</b></p> <ul style="list-style-type: none"> <li>• <b>Number of</b> legislative or regulatory instruments influenced by outcome of piloting activities by the end of the project. <i>Baseline: current set of legislative and regulatory instruments</i></li> <li>• <b>Existence of</b> a National Framework for Local Government Capacity Development by the end of the project. <i>Baseline: No draft framework exists</i></li> <li>• <b>Existence of a functioning M&amp;E and MIS system in the</b> Monitoring, Investigation and Evaluation Wing of LGD ( capturing key data on local government performance) by the end of the project. <i>Baseline: Only a project based MIS(and in early design stage) is used by LGD</i></li> <li>• <b>Number of</b> DLGs who have a sustainable system for monitoring and backstopping local governments by the end of the project. <i>Baseline: No system in place</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ PAG notified by LGD</li> <li>✓ Research priorities identified</li> <li>✓ NILG, BARD &amp; RDA capacitated by upgrading their training curriculum &amp; delivery processes</li> <li>✓ Project M&amp;E strategy and tools drafted for alignment with MI&amp;E Wing of LGD</li> <li>✓ Field staff developed close rapport with DLG and UZP members in support of understanding &amp; adherence to UZP procedural requirements</li> </ul>		<p>Draft M&amp;E strategy</p>
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**PART II: ANNUAL FINANCIAL REPORT**

## 2012 ANNUAL FINANCIAL REPORT

This chapter presents financial data<sup>2</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/JBD10>.

### 1. Sources and Uses of Funds

As of 31 December 2012, the Swiss Agency for Development and Cooperation (SDC) has deposited US\$ 1,723,961 and US\$ 5,606 has been earned in interest, bringing the cumulative source of funds to US\$ 1,729,568. Of this amount, US\$ 970,271 has been transferred to two Participating Organizations of which US\$ 541,363 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 17,240. 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	980,072	743,889	1,723,961
Fund Earned Interest and Investment Income	1,700	3,906	5,606
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Other Revenues	-	-	-
<b>Total: Sources of Funds</b>	<b>981,772</b>	<b>747,796</b>	<b>1,729,568</b>
<b>Uses of Funds</b>			
Transfer to Participating Organizations	-	970,271	970,271
Refunds received from Participating Organizations	-	-	-
<b>Net Funded Amount to Participating Organizations</b>	<b>-</b>	<b>970,271</b>	<b>970,271</b>
Administrative Agent Fees	9,801	7,439	17,240
Direct Costs (Steering Committee, Secretariat...)	-	-	-
Bank Charges	12	9	20
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>9,812</b>	<b>977,718</b>	<b>987,531</b>
<b>Balance of Funds Available with Administrative Agent</b>	<b>971,960</b>	<b>(229,923)</b>	<b>742,037</b>
Net Funded Amount to Participating Organizations	-	970,271	970,271
Participating Organizations' Expenditure	-	541,363	541,363
<b>Balance of Funds with Participating Organizations</b>	<b>-</b>	<b>428,908</b>	<b>428,908</b>

<sup>2</sup> Due to rounding, total in the tables may not add up.

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 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\$ 5,606 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	1,700	3,906	5,606
<b>Total: Fund Earned Interest and Investment Income</b>	<b>1,700</b>	<b>3,906</b>	<b>5,606</b>
<b>Participating Organization (PO) Earned Interest Income</b>			
Participating Organization (PO)	-	-	-
<b>Total: Interest Income received from PO</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,700</b>	<b>3,906</b>	<b>5,606</b>

## 2. Contributions

Table 2 provides information on cumulative contributions received from SDC 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
Swiss Agency for Development and Cooperation (SDC)	980,072	743,889	1,723,961
<b>Total</b>	<b>980,072</b>	<b>743,889</b>	<b>1,723,961</b>

## 3. Transfer of Funds

Allocations to the JP Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent (AA). The AA has transferred US\$ 970,271 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	Current Year	TOTAL
	as of 31 Dec 2011	Jan-Dec 2012	
	Transferred Amount	Transferred Amount	
UNCDF	-	223,162	223,162
UNDP	-	747,109	747,109
<b>Total</b>		<b>970,271</b>	<b>970,271</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\$ 970,271 and cumulative expenditures reported by the Participating Organizations amount to US\$ 541,363. This equates to an expenditure delivery rate of 56%. UNCDF has the highest delivery rate with a reported expenditure amount of US\$ 180,353 (81% delivery) and UNDP with US\$ 361,010 (48% 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	223,162	180,353	80.82
UNDP	747,109	361,010	48.32
<b>Total</b>	<b>970,271</b>	<b>541,363</b>	<b>55.80</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, the highest percentage of expenditure was reported on Travel (43%), followed by Equipment, vehicles, furniture and depreciation (33%). Indirect support costs are within range at 6.8%.

**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)	-	9,078	9,078	1.79
Suppl, Comm, Materials (New)	-	39,901	39,901	7.88
Equip, Veh, Furn, Depn (New)	-	166,987	166,987	32.97
Contractual Services (New)	-	-	-	-
Travel (New)	-	216,449	216,449	42.73
Transfers and Grants(New)	-	66,491	66,491	13.13
General Operating (New)	-	7,630	7,630	1.51
<b>Programme Costs Total</b>	-	<b>506,536</b>	<b>506,536</b>	<b>100.00</b>
Indirect Support Costs Total	-	34,827	34,827	6.88
<b>Total</b>	-	<b>541,363</b>	<b>541,363</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.