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 2013

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

31 May 2014

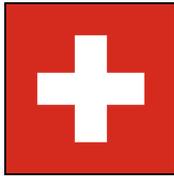## PARTICIPATING ORGANIZATIONS

United Nations Capital Development Fund (UNCDF)

United Nations Development Programme (UNDP)

CONTRIBUTORS

Swiss Agency for Development and Cooperation (SDC)

Table of Contents

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 2013. 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 Upazila Governance Project (UZGP) aims at strengthening the *Upazila Parishad* (UZP) as an effective tier of local government through capacity building, policy support and ensuring participatory citizen engagement for local development, effective service delivery and attainment of the Millennium Development Goals (MDGs).

During 2013, the project focused on the capacity building (institutional and individual) of the stakeholders, both elected and government officials, to improve the effectiveness of the Upazila Parishad. The project has used training and the Upazila Fiscal Facility (UFF) in tandem to demonstrate a functional coordination, a local development based planning, the utilization of fiscal resources and the operationalization of linked Upazila Committees. The policy advocacy and awareness raising on the Local Government (LG) was spearheaded by the Local Government Division (LGD) and resulted in the appointment of an Information Officer for Right To Information (RTI) in 14 target Upazilas (UZPs) and the conduct of 5 proactive policy dialogues on importance of the Local Government Institutes (LGIs) with the project. Gender was mainstreamed across activities besides being focused through the establishment and operationalization of 214 Women Development Forums (WDFs).

In terms of key results for the project, in comparison to 2012:

- It improved institutional functioning of the Upazila Parishad in compliance with the UZP Act 2009 (70% of the UZPs held mandatory monthly meeting as compared to 30% in 2012).
- 482 UZPs as compared to 95 UZP in 2012 submitted an annual budget to the Local Government Division (LGD) in compliance with the UZP Act 2009,
- 7 UZPs, being recipient of BDT 35m under the Upazila Fiscal Facility (UFF), initiated 89 Schemes of which 60% were gender inclusive as well as MDG responsive.
- The utilization of the UFF activated sectorial committees and participatory planning at 14 target UZPs resulted in 14 Annual Information Plan and Budget Books with a 5 year vision, first of its kind in Bangladesh.
- Established and operationalized 214 WDFs with over 7,300 members undergoing orientation training.
- Policy Advocacy ensured the appointment of Information Officers in 14 target UZPs.
- Policy awareness raising accomplished and concrete policy recommendations drawn from 5 Divisional Policy Dialogues.
- Capacity of 6 core national training institutes and LGD enhanced through international training provided in Dhaka by the Hague Academy for Local Governance, The Netherlands

Overall the year 2013 was a hectic year for the Country that had its consequent effects on the slowing down of the project implementation. Project had to brace for volatile national elections besides maintaining an upward activities momentum with its key elected stakeholders being at the terminal year

of the Upazila Parishad. Approximately 77 working days were *hartal[1],* what reduced the speed of the planned work and field movement in the year. It affected the governmental response mechanism. The last quarter of 2013 was particularly sluggish as government was at a reduced work pace. Field operations at times almost came to standstill due to mobility blockades and shut downs (Hartal). The project, under its business continuity plan managed to adopt Alternate Work Modalities and continued its targeted work to complete the annual work plan and attained financial delivery of 79%.

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.

---

[1] Shutdown imposed by political parties to realize demands.

PART I: ANNUAL NARRATIVE REPORT

<table>
<tr><td colspan="2">Programme Title & Project Number</td><td colspan="2">Country, Locality(s), Priority Area(s) / Strategic Results[2]</td></tr>
<tr><td colspan="2">Programme Title: Upazila Governance Programme (UZGP)
Programme Number: 00080199
MPTF Office Project Reference Number: 00081863</td><td colspan="2">Country/Region
Bangladesh</td></tr>
<tr><td colspan="2"></td><td colspan="2">Priority area/ strategic results:
Democratic Governance</td></tr>
<tr><td colspan="2">Participating Organization(s)</td><td colspan="2">Implementing Partners</td></tr>
<tr><td colspan="2">United Nations Development Programme (UNDP)
United Nations Capital Development Fund (UNCDF)</td><td colspan="2">Local Government Division, Ministry of Local Government, Rural Development and Co-operatives</td></tr>
<tr><td colspan="2">Joint Programme Cost (US$)</td><td colspan="2"></td></tr>
<tr><td colspan="2">MPTF /JP Contribution:
by Agency (if applicable)
UNDP: US$ 1,883,785
UNCDF US$ 562,689</td><td colspan="2">Programme Duration</td></tr>
<tr><td>Contribution by Agency</td><td>UNDP : US$ 2,000,000
UNCDF: US$ 1,000,000</td><td>Overall Duration (months)</td><td>60 months</td></tr>
<tr><td colspan="2"></td><td>Start Date[3] (dd.mm.yyyy)</td><td>25 August, 2011</td></tr>
<tr><td>Government Contribution
(in kind)
$935,828
Other Contributions (donors)
(if applicable)</td><td>EU   US$ 10,138,889</td><td>Current End date[4](dd.mm.yyyy)</td><td>24 July, 2016</td></tr>
<tr><td colspan="2">TOTAL: 15,585,363</td><td colspan="2"></td></tr>
<tr><td colspan="2">Programme Assessment/Review/Mid-Term Eval.</td><td colspan="2">Report Submitted By</td></tr>
<tr><td colspan="2">Assessment/Review - if applicable please attach
☐ Yes   ■No   Date: dd.mm.yyyy
Mid-Term Evaluation Report – if applicable please attach
☐ Yes   ■No   Date: dd.mm.yyyy</td><td colspan="2">o   Name: Pauline Tamesis
o   Title: Country Director
o   Participating Organization (Lead): UNDP and UNCDF
o   Email address: Pauline.tamesis@undp.org</td></tr>
</table>

LIST OF ACRONYMS

AWM	Alternate Work Modality
ADP	Annual Development Plan
AWP	Annual Work Plan
BARD	Bangladesh Academy for Rural Development
BIDS	Bangladesh Institute of Development Studies
BIM	Bangladesh Institute of Management
BMDF	Bangladesh Municipality Development Fund
CBOs	Community-based Organizations
CSO	Civil Society Organizations
DC	Deputy Commissioner
DDLG	Deputy Director, Local Government
DFs	District Facilitators
DLG	Director, Local Government
DVFs	Divisional Facilitators
EU	European Union
FP	Focal Person
LG	Local Government
LGD	Local Government Division
LGIs	Local Government Institutions
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	Management Information System
MLGD&C	Ministry of Local Government, Rural Development and Cooperatives
NAPD	National Academy for Planning & Development
NEX	National Execution
NILG	National Institute of Local Government
NGOs	Non-government Organizations
NPD	National Project Director
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
UFF	Upazila Fiscal Facility
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNDSS	United Nations Department for Security and Safety
UNOs	Upazila Nirbahi Officers
UZGP	Upazila Governance Project
UP	Union Parishad
UPGP	Union Parishad Governance Project
UZP	Upazila Parishad
VC	Vice Chairman
WDF	Women Development Forum

1. PURPOSE

1.1   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 UZGP Project intervention areas comprise 7 Districts, one under each Division, and the corresponding 65 UZPs. The project through its capacity building and technical policy support extended its outreach to 482 UPZ5; whereas the Upazila Fiscal Facility (UFF) is targeted for intensive support to 14 Upazilas with performance based block grants. The project is being implemented under the leadership of the Local Government Division (LGD) of the Ministry of Local Government, Rural Development and Cooperatives (MLGRD&C).

1.2   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*."

1.3   To achieve the specific and overall objectives, the project has four outputs:

Output 1:   Strengthened Upazila Parishads as more functional, transparent and accountable institutions.

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 improved Local Governance.

Output 4:   Effective Project Management Arrangements

2. RESULTS

2.1 Outcome level:

The project contributed to:

1. Capacitating 1,410 elected representatives and 1,156 government representatives that established a community of practice for effective functioning and institutional strengthening of 482 *Upazilas* resulting in:
    a. 70% UZPs holding mandatory monthly meetings of Council (*Parishad*) and of committees as compared to 30% in 2012; and
    b. 100% prepared, disseminated and submitted annual budget to the LGD as compared to 20% in 2012.
2. The attainment of the MDG aligned prioritization of the local needs in 14 target UZPs and the disbursement of BDT 35m (USD 0.44m) under the Upazila Fiscal Facility (UFF) to 7 pilot UZPs that resulted in:
    a. first ever Annual Information, Plan and Budget book of 14 UZPs;
    b. operationalization of 13 UZP committees in line with the UFF guidelines in 7 UFF recipient UZPs; and

---

[5] The number of UZPs have increased to 487 from 482 since project started. Project has included them in capacity building initiatives.

c. citizen engagement in schemes/project planning and implementation through 89 schemes.

3. Demonstrated ownership of the Government of Bangladesh (GoB) towards strengthening the Local Government Institution (LGI) by:
   a. conducting 5 Divisional policy dialogues by the Secretary/ Additional Secretary LGD with 964 participants
   b. increasing number of local government knowledge centres i.e. Resource Centres from 3 in 2012, to 23 in 2013 at government premises in Division/ District
   c. continued upgrading/ addition of training curriculum of 3 national training institutes
   d. capacity building of 6 core LG related government institutions, LGD and project staff through international training focusing on decentralization imparted at Dhaka, by the trainers from the Hague Academy for Local Governance, the Netherlands.

4. Gender mainstreaming ensured across the project activities. The Government facilitated the establishment of Women Development Forums (WDF) for elected women representatives of Union, Upazila and Pourshavas for networking and partnership building. 214 forums were established i.e. 191 at Upazila and 23 at District level having 7,311 members.

2.2 Outputs: The key achievements against planed Results for the year 2013 were:

Table 1			
UPAZILA GOVERNANCE PROGRAMME OUTPUT WISE ACHIEVEMENTS			
Outputs	**2013 Targeted Results**	**Achievements**	**Evidence**
1. Strengthened Upazila Parishads as functional, democratic, transparent and accountable institutions	Increase in effective functioning of 482 UZPs through structured capacity building & skill development initiatives *Target: Nationwide*	▪ 1261elected and 474 government representatives of 481 UZP received Generalized Training (1232 Male + 503 female = 1735) ▪ 442 received specialized training i.e.149 elected and 267 Government representatives of 65 UZP and 26 Project Personnel (365 Male +77 Female = 442) ▪ Approximately 70% of 482 UZP held monthly Parishad ▪ 100% UZP committees in 481 UZPs formed ▪ 551 Billboards installed on UZP roles & responsibilities (64 District & 487 UZP) ▪ 214 WDF formed (23 District & 191 UZP) ▪ 7 workshops with local CSO, Administration & UZP with 238 participants (200 Male + 38 Female = 238)	▪ Minutes of Upazila Parishad & Committee meeting ▪ Notification of UZP Committee formation ▪ Training reports from 3 national institutes ▪ List of additional material / curriculum added by project ▪ M&E reports by field staff
2. Strengthened Planning and Budgeting system at UZP with MDG orientation and pro-poor service delivery	Ensure citizen engagement through pro-poor & MDG responsive planning & budgeting with corresponding delivery *Target:* ✓ *Specialized Training:14 UZP* ✓ *UFF grants: 7 UZP*	▪ Performance assessment of 7 pilot UZPs completed ▪ 415 Divisional / District Government official of 14 UZP oriented on UZGP and Upazila Fiscal Facility (UFF) ▪ 14 pilot Upazilas prepared & disseminated first ever Annual Information Plan & Budget book ▪ 7 UZPs received BDT 35m as UFF ▪ 13 UZP Sectoral committees operationalized in 7 UZP	- Training reports - Performance Assessment report - UFF disbursement - UFF schemes detail & approval - Photographs

		▪ 89 schemes under implementation at 7 pilot UZP of which 55 Schemes directly correspond to MDG & women empowerment ▪ Public display & sharing of Budget in pilot 7 UZPs ▪ Technical guidelines & specialized trainings led to 100% submission of UZP budget to LGD	
3. Strengthened technical capacity of Local Government Division for effective policy review, monitoring, lesson leaning and capacity development of LGIs for improved Local Governance	Policy Research to strengthen policy development on Local Government for structural institutionalization of LGIs contributing to prospective reform *Target: Nationwide*	▪ 5 out of 7 Divisional Policy Workshop held, 964 attended with 772 Male & 192 Female ▪ 23 new Resource Corners established ▪ 47 (40M+7FM) participants from 6 national LG focused institutes LGD & project received international training in Dhaka ▪ 3rd party external evaluation of training imparted by three national training institute ▪ 25,000 copies of UZP manual published & distributed ▪ Project website operational ▪ Citizen Perception Survey initiated ▪ Technical support to LGD resulted in: i. Series of technical clarification memos /guidelines to UZP ii. Structured job description for DLG/DDLG iii. Guidelines for local planning prepared & under review iv. Designated (additional responsibilities given to an officer to perform the role of Information Officer) Information Officers focusing RTI in 14 pilot UZPs	- UZP Manual - Government Order & Memos - List of Resource corners - Photographs - Report on Policy workshops - List of RTI officers appointed & trained (ref OP-1)

Sources of data: Monitoring and Evaluation report 2013

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

2.3.1.   A double-pronged approach was employed to contribute to (a) the institutional strengthening of the UZP to function as an effective tier of LG and national training institutes; and (b) the capacity building of elected and government representatives at the UZP level. The project enhanced the technical capacity of three national training institutes i.e. the National Academy of Planning & Development (NAPD), the National Institute of Local Government (NILG) and the Bangladesh Institute of Management (BIM) by upgrading a jointly developed and customized training handbook, a training curriculum and a module with reference to the functioning of the Upazila. These institutes in turn trained elected and government representatives of the UZPs.

2.3.2. Trainings were categorized as (a) Generalized and (b) Specialized and targeted key stakeholders i.e. Upazila Chairs, Vice Chairs (Male & Female), Upazila Nirbhai Officers (UNO) and related government officials from devolved departments. Through the Generalized training, the project trained 1,735 (503-F & 1232-M) stakeholders from 481 Upazilas . The Specialized training reached out to 442 (77-F & 365-M) stakeholders from 65 UZPs.

Table- 2

SL	Designation	Female	Male	Total
	UPAZILA GOVERNANCE PROGRAMME: GENERALIZED TRAINING			
1	Chairman	0	418	418
2	Vice Chairman	426	417	843
3	Upazila Nirbahi Officer	77	397	474
	Total	**503**	**1232**	**1735**

Sources of data: Monitoring and Evaluation report 2013

Table- 3

SL	Designation	Female	Male	Total
	UPAZILA GOVERNANCE PROGRAMME: SPECIALIZED TRAINING			
1	UZP Chair	5*	49	54
2	Vice Chair	48	47	95
3	Upazila Nirbahi Officer	5	40	45
4	Family Planning Officer	7	49	56
5	Upazila Education Officer	6	46	52
6	Upazila Agriculture Officer	1	57	58
7	Upazila Engineer/Ass't Engineer/Sub-Assistant Engineer	0	56	56
8	UZGP Official	5	21	26
	Total	**77**	**365**	**442**

* 2 elected and 3 acting female UZP Chair   *Sources of data: Monitoring and Evaluation report 2013*

2.3.3. This resulted in 70% of the UZPs holding the mandatory monthly meeting of Parishad and its Committees, besides obligated documentation as compare to 30% of UZP in 2012. The trainings positively impacted on a behavioral change and contributed to improve, both individually and institutionally, the coordination and clarity of the institutional functions i.e. reduction of the conflicting attitude between and among the UZP chair/ Vice Chair and the Upazila Nirbhai Officer (UNO) and improved the coordination among them in discharge of their respective institutional responsibilities.

2.3.4. The policy advocacy with the Government resulted in the appointment of an Information Officer in each of the 14 pilot UZPs. The project trained them to effectively enforce the provisions of the Right to Information (RTI) Act 2009 at UZP level. To further the policy advocacy and participatory consultation, the project held 7 workshops at Upazila level with the local administration and the local civil society. These workshops deliberated on the identification of areas of common interest and opportunities for potential collaboration between CSOs and UZPs. They also deliberated on the option of NGOs and CBOs to be represented in the respective standing committees of the UZPs and to provide assistance in the formulation of a development plan for the Upazila Parishad. These workshops were held at Brahmanbaria, Kishoreganj, Dumuria, Betagi, Pirganj, Kazipur and Jagannathpur UZPs and were attended by 238 participants of which 38 were women.

2.3.5. The project, in pursuit of advocacy and local accountability, facilitated the installation of 551 Billboards i.e. at 487 Upazila outside Parishad office and 64 at District level outside Deputy Commissioners' Office. These billboards entail 21 key roles and responsibilities of the UZP that will contribute to ensure accountability Parishad through the dissemination of information to the larger public. The project continued to disburse the developed IEC and visibility materials (factsheets, notebooks, pens, folders) for a range of project activities. The project prepared 6 project fact sheets on the three outputs, key activities like the WDF and the overall key achievements. The program received adequate press and electronic media coverage (approximately 70 items) for the UZGP events. 51 stories on the UZGP activities were published in the UNDP Bangladesh Country Office internal weekly e-newsletter, *Inside Story,* with a link to the project's dedicated webpage. The project has prepared a video-documentary titled 'A year of UZGP' that highlights its coverage and contribution which is available now.

2.3.6 The Women Development Forum (WDF) formation process was front led by the Ministry of LGRD. The WDFs have been formed in a phased approach from Upazila to District level. The LGD spearheaded with the issuance of a Government Order to the local administrative authorities to facilitate the process. The project provided technical backstopping by preparing a concept note on WDFs, a guideline for the formation of WDFs, and Financial and logistic support to the DLG/ DDLG. 214 WDFs have been formed - 191 at Upazila and 23 at District level –against the target of 65 at Upazila and 7 at District level. The total membership of WDF is 7,311 – 5,935 at Upazila and 1,376 at District level. The formation workshops were used by the WDFs to elect their forum leadership that resulted in having 1,969 at Upazila and 242 at District level elected members. The project has initiated a cascade training programme for the leadership of the WDFs. This includes Training of Trainers (TOT), in the first phase, 278 participants (90 Female & 188 Male) have participated in 9 batches of TOT held at the NILG, Dhaka between October and November 2013. The Master Trainers subsequently trained 1,717 WDF members during the period of November-December 2013 which is the first of its kind.

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

2.4.1. The Specialized training, technical guidelines and manuals resulted in the development of the first ever Annual Information, Plan and Budget Book by 14 pilot UZPs. The Book has been printed for public dissemination and sharing with the LGD. Plan Book is public document containing UZP information, a 5 years sectoral vision, an Annual Plan, and an Annual Budget. Field based technical backstopping and a specialized training resulted in 482 UZPs to prepare and submit their Annual Budget to the LGD as compared to 95 UPZs in 2012. Collectively, it influenced 51 UZPs (outside the project area) that are undertaking preparation of Plan books which have been completed in 2014.

2.4.2. In 2012, the project initiated the process to orient the government representatives of 14 pilot UZPs about integrated development plans with emphasis on the MDG achievement and utilization of the UFF. The project prepared explanatory guidelines for its field staff to hold 7 workshops in close collaboration with the DLGs and the DDLGs. The NPD provided the DLGs with the necessary guidance to hold this activity. This activity was held in 2013 and focused on the orientation of the participants on the MDG, the UFF and integrated planning. A total of 415 government representatives from 14 pilot UZPs were oriented on local financial planning and utilization of performance based UFF. The compliance to procedural requirements to access the project supported UFF resulted in the operationalization of 13 sectorial UZP committees that identified, prioritized and submitted 89 scheme/proposals to the UZPs.

2.4.3. An independent financial audit and performance assessment was carried out for 14 pilot Upazilas. Post approval of the UFF framework and guidelines, BDT 35m (Approximately USD 0.44m) has been disbursed, in 2 tranches, to 7 selected UZPs, for 2013 to augment local development. In addition, linked specialized training was imparted under Result-1.

2.4.4. 89 schemes, from 7 pilot UZPs, were approved by the LGD that prioritized education, health, women development and related infrastructural needs. Of these 89 schemes, 49 are single sourced, while 37 are co-financed with the Union Parishad and the community support e.g. Jagannathpur UZP of Sunamganj district demonstrated direct citizen engagement in the utilization of the UFF by co-financing to construct a labour room in Majidpur Community Clinic with the community support. It has also initiated participatory budget making processes taking the proposals of the UZP Sectoral Committees in consideration, which were submitted to the UZP. The institutionalized financial management and planning skills together with the fiscal support provided by project contributed to the attainment of the local MDG targets besides demonstrating good practices of local development as per local needs.

2.5 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.

2.5.1. Output 3 is a shared output between the Upazila Governance Project (UZGP) and the Union Parishad Governance Project (UPGP). The project has made slower progress in the achievement of this result due to political impasses in the country that were not conducive for front led policy reform.

2.5.2. The project prepared comprehensive concept notes on 2 transformative policy researches which are (a) Local Government System in Bangladesh: Comparative Perspective and Practices and (b) First Phase of Policy Review of Functional Assignment to Local Governments (Union Parishad and Upazila levels) in the delivery of health and education services. The Concept notes were discussed within the UNDP Country office and shared with the 2 project's NPD and Focal person. Post Governmental approval, the contracting process was launched. It required 2 international team leads and 2 national research firms to provide institutional support in the conduct of the research. A range of issues contributed to the postponement of the 2 studies and they were deferred to 2014, including: (a) no national research firm was technically qualified to support the international consultant; (b) the incoming missions in the last quarter of 2013 was with-held due to political violence and (c) being a national election year, the government was not keen to initiate any transformational policy research. In this regard, the project has decided to hire individual consultants instead of a national firm to do the research.

2.5.3 In wake of postponement, the Project adopted an alternate strategy to technically backstop the LGD through position paper based input for institutional strengthening of LGIs in general and UZP in particular. This resulted in (a) the issuance of a series of clarification memos, compliance orders and operational guidelines to UZP elected and government officials; (b) structured job description for DLG and DDLG in line with the UZP Act; (c) a UZP manual (compilation of legal and administrative requirements) and (d) Local Planning guidelines for LGI (under submission to Planning Division). These directly contributed to the effective functioning of the UZPs and anchoring of LGIs. 23 Resource Corners have been established by the project at Divisional and District level. The Divisional setups are in the offices of the Local Administration to facilitate the access of the government officials to related LG data. The RC at District level has been established at the Public Libraries. Collectively these RCs are positioned to knowledge warehousing and increased access to information for local stakeholders on local government systems and local democracy

2.5.4 The project facilitated to hold 5 out of 7 Divisional level policy dialogues with key stakeholders and citizen groups. The focus was to have a broad based grassroots feedback on the effectiveness and functioning of the LGIs; a MDG focused local development; and a contribution to strengthened local democracy. These dialogues were held in Barisal, Chittagong, Khulna, Rajshahi, and Sylhet, while NPD and the Focal person of the project along with the UZGP team took part in the facilitation process. The Finance Minister attended the Sylhet Divisional dialogue; whereas the State Minister of Labour and Employment attended the Khulna one. The Secretary of the LGD also attended dialogues in Rajshahi and Chittagong. These dialogues for local stakeholders were demonstrative of Government lead advocacy and awareness raising on effective functioning, positioning and structure of LGIs. These dialogues were organized by and held at the respective Divisional Commissioner's Office. 964 participants (772 Male & 192 Female) from 35 categories of participants attended these dialogues i.e. Member of Parliament, Government Officers, LGI Representatives, professionals, NGO Representative, Academician, Freedom Fighter, Religious leader, media, farmer, student, cultural activists, sports organizers and housewife etc.

2.5.5 The Project technically augmented the policy dialogues through a keynote paper titled -*Service to citizen through LGIs: Coordination, cooperation, potentials and challenges* that was presented by the National Technical Advisor, of the project. This paper highlighted the constitutional mandates of LGI, their scope and landscape of policy reform. The construct and execution of the policy dialogue was gender integrated. These dialogues identified a range of challenges to the LGIs and recommended: (a) a engendered policy change; (b) to elect one man and one woman representative in each Ward; (c) to strengthen the role of three women representatives at Ward level; (d) to strengthen LGIs to be independent units of service delivery; (e) the election of female members of UZPs among the women representatives of the UPs and Municipalities within the UZPs jurisdiction.

2.5.6 The project arranged for a comprehensive international training programme conducted by the team of experts from Hague Academy for Local Governance, in the Netherlands. The course was titled *Decentralization and Local Development in Bangladesh*. It was a residential training of 5 days focusing on basic concepts of Decentralization, Public services management, Public financing for local service delivery, Fiscal decentralization, and local strategic planning for poverty alleviation and attainment of the MDGs. The course also deliberated on the state of the local governance, the institutional profile of the local public sector and the options for intergovernmental cooperation and consequent capacity development. The 47 (40 Male & 7 Female) representatives came from LGD, NILG, BARD, RDA, BIM, NAPD and BMDF. This contributed to the individual and institutional capacity building of the core staff of these institutes, which are engaged with the project for imparting generalized and specialized training to the UZP stakeholders.

2.5.7. In support of the project specific M&E work, the project has prepared a Multi-year M&E framework. The Project has also drafted a M&E strategy and data collection tools, which are being improvised to be converted into data bases. Under the MIS, two stand-alone subsystems were developed and the internet domain for the project "uzgp.org" has been operationalized with a temporary host.

2.6. Output 4: Effective Project Management Arrangements

2.6.1 The PMU worked with full field and HQ staff capacity till November when 2 of the project staff members i.e. Monitoring and Evaluation Officer and MIS Officer, left the team. The operation team was heavily involved in (a) shifting of premises from Dhaka South City Corporation to NILG; and (b) procurement and disbursement of office equipment and furniture from HQ to field level. The political impasse added additional responsibility on the Project Management team to ensure the implementation of the Business Continuity Plan (BCP). During 2013 the project procured: 10 vehicles (7 vehicles for Divisional offices and 3 for central project office), 49 desktop computers (21 for Divisional offices, 7 for District offices and 21 for Central project office), 49 UPS (21 for 7 Divisional offices, 7 for District offices and 21 for Central project office), 17 Scanner machine (7 for Divisional offices, 7 for District offices and 3 for Central project office), 17 Printer (7 for Divisional offices, 7 for District offices and 3 for central project office), 17 Photocopier Machine (7 for Divisional offices, 7 for District offices and 3 for central project office), 7 Air Conditioners for central project office, office furniture for central project office, installation of PABX machine with 24 intercom hand set and 6 Fire Extinguisher for the central project office. Theoffice internet access for the central project office was set up and the central project office was renovated. The Project Management team also facilitated two Project Steering Committee (PSC) meetings, two Project Board (PB) meetings and a Coordination meeting with the Development Partners and the UZGP quarterly staff meetings.

3. DELAYS IN IMPLEMENTATION, CHALLENGES, LESSONS LEARNED & BEST PRACTICES

3.1.1. 2013 was a politically challenging year as over 77 working days were *hartal* and impacted on the regular planned work and restricted the field movement which delayed the implementation and affected on the delivery. Nevertheless, the project insulated itself by adopting an Alternate Work Modality (AWM) under its Business Continuity Plan (BCP) that was aligned with the Local Government Cluster and UNDP Country Office. The project established a Skype network among the Central field staff to be virtually available. The Skype based coordination mechanism maintained the work pace during the political impasse. This was managed by the structured BCP and AWM based coordination mechanism. The project premises were shifted from DCC secretariat, Gulistan to NILG, Agargaon in August 2013.

3.1.2. Trainings being core activities for the project were rescheduled to be held/started on weekends and turned into residential activities to ensure timely completion. The District based cluster trainings was the other

modality that was used especially for the completion of the training for the WDF members. Some government staff was trained as Master Trainers who in-turn provided trainings at local venues.

3.1.3. The **lessons learnt** start with what worked for the project. Through integrated training, technical guidelines and field based backstopping, project push started procedural compliance to conduct UZP monthly meetings. The compliance to the UFF technical guidelines impacted to operationalize the Sectorial Committee of UZP that undertook planning, budgeting and MDG prioritized scheme development. The deliberation was then routed through the Upazila Parishad monthly meeting before submission to the LGD to complete the procedural full circle. The direct input to the institutional strengthening of the UZPs through the training of key elected and government stakeholders; and the citizen engagement through community co-financed UFF utilization created a procedural and practice based value chain to entrench the local democracy.

3.1.4 The potential for the UZGP and UPGP to work in close partnership beyond shared staff and output was demonstrated through the Women Development Forums (WDF) and the UFF utilization mechanism. Both projects collaborated is the establishment of 214 nationwide WDFs connecting UZP, Pourshavas and UP level elected women members. 37 schemes to access the UFF had co-financing from community and local development allocations from UP and UZP level that contributed in connecting the two level. The Community contribution was an indicator of the citizen engagement. Together it has created a conducive environment for performance based competition that will be extended to 65 UZPs in 2014 instead of 14 UZPs besides ensuring an integrated gender perspective.

3.4. On the other hand the lessons learnt also highlighted what did not work. The top down Policy reform tied to a Policy Advisory Group under the LGD did not work. The political impasse being an election year for the national government was not conductive timing for LGD to lead a fact finding or transformational policy research. Therefore the project adopted an alternate approach under which a wide range of policy input and technical engagement in shape of guidelines, memos, and government orders were prepared and issued by the LGD to unpack and clarify the existing policy-set and operationalization of the UZPs.

4. QUALITATIVE ASSESSMENT

4.1.   The UZGP remained to be an exclusive project that is aligned with the LGD for direct institutional strengthening of the Upazila Parishad. The key project partners for UZGP are the government and the elected stakeholders at the UZP level. In comparison to the inroads of the project in the year 2012, project deepened it partnership with the government at the LGD and target the UZP level. The technical trainings, guidelines, notes and manuals created a procedural connect and community of practice. It resulted in an improved coordination and understanding of the institutional mandate to collectively perform by the four pillars of the Upazila Parishad - Chairperson, two Vice-Chairpersons and UNO, along with the UZP officials. The key indicators were the first ever submission of a budget, the preparation of Plan book and the utilization of block grants. The Upazila Parishad's high interest in fiscal grants resulted in the policy decision to extend their coverage, performance based, from 14 UZP in 2013 to 65 UZP for 2014. The integration of women perspective and their involvement across the activities came out strongly due to the prolific LGD supported WDFs that surpassed the target of 65 Upazilas and extended the outreach to 191 Upazilas.

4.2. Project pursued partnership and cooperation as follows:

4.2.1 With the LGD as the implementing partner of UZGP: The LGD maintained ownership to the project and augmented the conduct of activities by issuing directional government orders and clarification Memos. It also demonstrated the ownership by holding LG focused policy dialogues at Divisional level and support in formation of WDFs that were led by Additional Secretary LGD /NPD of project.

4.2.2 Partnership between the UPGP and the UZGP: The partnership and cooperation between the two projects (UZGP and UPGP) was strengthened through the finalization of a joint communication and gender strategy. A strategic collaboration was ensured by the participation of UP members in the Policy dialogues on effectiveness of LGI arranged by the UZGP; and in the preparation of concept notes for two policy researches. The financial and HR coordination was ensured in establishing the Women Development Forums that included women elected members of the UPs and Pourshavas; a Citizen Perception Survey and an Annual result capture. The government leadership i.e. NPD/ FP of the two projects also accorded clearance to a joint activity plan for 2014 for both projects; and sharing of AWP - 2014 preparation processes. The shared staff coordination between the two projects was also streamlined.

4.2.3. With the LG Cluster of UNDP & UNCDF: Besides the quality assurance, the role of the LG Cluster supported the operationalization of output-3 and provided a bridge between the two projects. The Cluster provided support in the procurement of goods and services to the project. The donor coordination and the adequate visibility of the project activities to the senior UNDP-CO management was also jointly achieved. The UNCDF maintained its technical backstopping and support for the operationalization of Output 2 focusing on UFF grants.

4.2.4. Partnership between field teams and UZP elected representatives & government departments: Being posted to the field, the project staff continued to strengthen their rapport with a 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 supported the DLG & the DDLG in joint conduct of project activities.

In 2013, the Project Coordination meeting was attended by the DLG and the DDLG of the targeted Divisions and Districts. This provided an opportunity for both government and project staff to be collectively guided by the NPD and Focal Person to overcome their field challenges and enhance the understanding of the project activities. This consequently improved the coordination between them in the planning and implementation of the project activities i.e. meetings, attendance to event, workshops and training programs, etc

The establishment of Resource Corners (12 local Admin offices & 11 Public library) also provided another level of interface and support as it led to the revival of governmental office based mini libraries. The LGD, being the implementing partner, also contributed in strengthening this relationship through a series of governmental directives to its own and devolved department staff to ensure cooperation. Field staff also maintains close ties with CSO.

4.2.5 Training institutes: The project continued and strengthened its partnership with the three national training institutes - NILG, BARD, RDA for generalized trainings. The project extended its partnership to the National Academy of Planning & Development (NAPD) and the Bangladesh Institute of Management (BIM) for the conduct of specialized training. These institutes collaborated with the project and customized the existing training modules according to the project requirements and specifications. Staff of the above 5 training institutes along with representatives from LGD and Bangladesh Municipal Development Fund (BMDF) also participated in an international training arranged by the project in Dhaka.

5. INDICATOR BASED PERFORMANCE ASSESSMENT:

	Achieved Indicator Targets	Reasons for Variance;	Source of Verification
Outcome 1 **Indicator** 1.1 Legal and Regulatory Framework in Place: By end of project, 12 of 17 secondary legislation instruments required by UZP Act 09 are effective. **Baseline:** **Planned Target:** **Indicator 1.2** Functional and Institutional Capacity Improved: By end of project, all UZPs have adopted internal rules and by-laws including an anti-corruption strategy and a Citizens' Charter **Baseline:** **Planned Target:** **Indicator 1.3** Democratic Accountability: By end of project, citizen awareness of roles and responsibilities of UZP is significantly higher (95% confidence level) as compared with baseline. **Baseline:** **Planned Target:** **Indicator** 1.4 Pro-poor infra and services: By end of project, citizen satisfaction with services specifically targeted by Upazilas through pro-poor and MDG-responsive planning has significantly increased (95% confidence level) as compared with baseline. **Baseline:** **Planned Target:**	1.1. Preparation of 6 Rule and initiated 1.2. Preparation of 2 regulations initiated 1.3. 551 Billboards placed at District & UZP level in line with Charter of Duties of UZP 1.4. Citizen Perception Survey initiated		Project reporting
Output 1 **Indicator 1.1** By the end of the project, women and men councilors in all UZPs assert their ability to participate in debate and influence decision making to a significantly greater degree (95% confidence level) than those in a control group. **Baseline:** **Planned Target:** **Indicator** 1.2 By the end of the project, all UZPs are compliant with 90% of the provisions of the Right to Information Act. **Baseline:** **Planned Target:** **Indicator 1.3 By the end of the project, all UZPs have 6 key standing committees functioning.** **Baseline:** **Planned Target:** **Indicator** 1.4 By end of project, women UZP representatives and functionaries from all Upazilas participating in officially registered Women's Development Fora at District level. **Baseline:** **Planned Target:** **Indicator** 1.5 By end of project, all UZPs have prepared a "Citizens Charter" incorporating arrangements for UZP-constituent relations **Baseline:**	1.1. 1410 elected representatives, both male & female received generalized and specialized trainings focusing effective UZP functioning, budget & planning processes		Project reporting Training reports & data
	1.2 In 14 Pilot UZP, 14 Information Officer appointed by GOB & trained by project		Training reports
	1.3 13 out of 17 UZP committees operationalized in 7 pilot UZP of 2013. 100% UZP formed its committees.		Project reporting
	1.4 214 WDF formed having 7311 members. 191 at Upazila level & 23 at District level		WDF workshop reports
	1.5 551 Billboards hoisted (487 at UZP + 64 District) focusing roles & responsibilities of UZP		Project reporting

Output 2 **Indicator** 2.1 A draft horizontal and vertical assignment of key development functions at Upazila level is agreed with GoB by project mid-term and is tested in 21 Upazila by end of project. **Baseline:**	2.1. Not planned for 2013		
Planned Target: **Indicator** 2.2 BY end of project, 14Upazila have each produced development plans responding to local MDG assessment **Baseline:** **Planned Target:**	2.2. 14 pilot UZP prepared & printed Plan books that include annual development plan, budget and 5 year vision. 51 Plan books initiated in non-targeted UZP as a result of training & guidelines		
Indicator 2.3 In final year of project, at least 90% of performance-based grants are allocated to projects identified as MDG-responsive in annual development plans **Baseline:** **Planned Target:**	2.3 89 performance based grants disbursed for BDT 35m in 7 pilot UZP of 2013. 55 grants (62%) had direct MDG and gender focus.		Assessment reports Audit reports Disbursement reports
Output 3 **Indicator** 3.1 Policy Development: By the end of the project, at least 2 legislative or regulatory instruments influenced by outcome of piloting activities are drafted and approved. **Baseline:**	3.1 2 policy researches concept notes approved for field research		
Planned Target: **Indicator 3.2 Capacity Building:** By the end of the project, the Policy Advisory Group has prepared and the GoB has adopted a National Framework for Local Government Capacity Development Baseline:	3.2 PAG did not meet in 2013		Field staff reports Retreat Report
Planned Target: **Indicator 3.3 Monitoring:** By the end of the project, the Monitoring, Investigation and Evaluation Wing of LGD has a functioning MIS capturing key data on local government performance	3.3. Project M&E strategy and tools prepared		Draft M& E strategy and tools
Baseline: **Planned Target:** **Indicator 3.4 Lessons Learning:** By the end of the project, LGD/training institutions (NILG, BARD, RDA) are capacitated to continue replication of best practices learned from project's lessons Baseline:	3.3 Continued technical support to NILG, BARD & RDA with and 3rd party assessment of their imparted trainings. BIM, NPAPD, BMDF staff included in external training.		Training manuals
Planned Target: **Indicator 3.5 Backstopping:** By the end of the project, the DLG has a sustainable system for monitoring and backstopping local governments **Baseline:** **Planned Target:**	3.4 Continued Field staff backstopping for UNOs, DLG/DDLG and UZP members in support of understanding & adherence to UZP procedural requirements		Field staff reports

PART II: ANNUAL FINANCIAL REPORT

DEFINITIONS

Allocation
Amount approved by the Steering Committee for a project/programme.

Approved Project/Programme
A project/programme including budget, etc., that is approved by the Steering Committee for fund allocation purposes.

Contributor Commitment
Amount(s) committed by a donor to a Fund in a signed Standard Administrative Arrangement (SAA) with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent. A commitment may be paid or pending payment.

Contributor Deposit
Cash deposit received by the MPTF Office for the Fund from a contributor in accordance with a signed Standard Administrative Arrangement.

Delivery Rate
The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization against the 'net funded amount'.

Indirect Support Costs
A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. UNDG policy establishes a fixed indirect cost rate of 7% of programmable costs.

Net Funded Amount
Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

Participating Organization
A UN Organization or other inter-governmental Organization that is an implementing partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

Project Expenditure
The sum of expenses and/or expenditure reported by all Participating Organizations for a Fund irrespective of which basis of accounting each Participating Organization follows for donor reporting.

Project Financial Closure
A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

Project Operational Closure
A project or programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed.

Project Start Date
Date of transfer of first instalment from the MPTF Office to the Participating Organization.

Total Approved Budget
This represents the cumulative amount of allocations approved by the Steering Committee.

2013 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the JP Bangladesh UZGP funds using the pass-through funding modality as of 31 December **2013**. Financial information for this Fund 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 **2013**, one contributor has deposited US$ **2,471,186** in contributions and US$ **6,215** has been earned in interest,

bringing the cumulative source of funds to US$ **2,477,401** (see respectively, Tables 2 and 3).

Of this amount, US$ **2,446,474** has been transferred to two Participating Organizations, of which US$ **2,037,968** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US$ **24,712**. Table 1 provides an overview of the overall sources, uses, and balance of the JP Bangladesh UZGP as of 31 December **2013**.

Table 1. Financial Overview, as of 31 December 2013 (in US Dollars)*

	Annual 2012	Annual 2013	Cumulative
Sources of Funds			
Gross Contributions	743,889	747,225	2,471,186
Fund Earned Interest and Investment Income	3,906	609	6,215
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	**747,796**	**747,833**	**2,477,401**
Use of Funds			
Transfers to Participating Organizations	970,271	1,476,203	2,446,474
Refunds received from Participating Organizations	-	-	-
Net Funded Amount to Participating Organizations	**970,271**	**1,476,203**	**2,446,474**
Administrative Agent Fees	7,439	7,472	24,712
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	9	3	23
Other Expenditures	-	-	-
Total: Uses of Funds	**977,718**	**1,483,678**	**2,471,209**
Change in Fund cash balance with Administrative Agent	**(229,923)**	**(735,845)**	**6,192**
Opening Fund balance (1 January)	971,960	742,037	-
Closing Fund balance (31 December)	**742,037**	**6,192**	**6,192**
Net Funded Amount to Participating Organizations	970,271	1,476,203	2,446,474
Participating Organizations' Expenditure	541,363	1,496,605	2,037,968
Balance of Funds with Participating Organizations			**408,506**

* Due to rounding of numbers, totals may not add up. This applies to all numbers in this report.

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December **2013**.

Table 2. Contributors' Deposits, as of 31 December 2013 (in US Dollars)*

Contributors	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
SWISS AGENCY FOR DEVELOPMENT & COOPERATION	1,723,961	747,225	2,471,186
Grand Total	**1,723,961**	**747,225**	**2,471,186**

3. INTEREST EARNED

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 allow return of interest to the AA. As of 31 December **2013**, Fund earned interest amounts to US$ **6,215** and there is no interest received from Participating Organizations. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2013 (in US Dollars)*

Interest Earned	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
Administrative Agent			
Fund Earned Interest and Investment Income	5,606	609	6,215
Total: Fund Earned Interest	**5,606**	**609**	**6,215**
Participating Organization			
Total: Agency earned interest	**-**	**-**	**-**
Grand Total	**5,606**	**609**	**6,215**

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December **2013**, the AA has transferred US$ **2,446,474** to two Participating Organizations (see list below).

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

Table 4. Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2013 (in US Dollars)*

Participating Organization	Prior Years as of 31-Dec-2012			Current Year Jan-Dec-2013			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
UNCDF	223,162	-	223,162	339,527	-	339,527	562,689	-	562,689
UNDP	747,109	-	747,109	1,136,676	-	1,136,676	1,883,785	-	1,883,785
Grand Total	**970,271**	**-**	**970,271**	**1,476,203**	**-**	**1,476,203**	**2,446,474**	**-**	**2,446,474**

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2013** were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

As shown in table 5 below, the cumulative net funded amount is US$ **2,446,474** and cumulative expenditures reported by the Participating Organizations amount to US$ **2,037,968**. This equates to an overall Fund expenditure delivery rate of **83** percent. The agency with the highest delivery rate is UNDP (94%) followed by UNCDF (48%).

Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2013 (in US Dollars)*

| Participating Organization | Approved Amount | Net Funded Amount | Expenditure | | | Delivery Rate % |
			Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Cumulative	
UNCDF	562,689	562,689	180,353	92,178	272,531	48.43
UNDP	1,883,785	1,883,785	361,010	1,404,427	1,765,437	93.72
Grand Total	**2,446,474**	**2,446,474**	**541,363**	**1,496,605**	**2,037,968**	**83.30**

5.2 EXPENDITURE REPORTED BY CATEGORY

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

Table 6 reflects expenditure reported in the UNDG expense categories. Where the Fund has been operational pre and post 1 January 2012, the expenditures are reported using both categories. Where a Fund became operational post 1 January 2012, only the new categories are used.

In **2013**, the highest percentage of expenditure was on General Operating (73%) followed by Contractual Services (24%).

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, commodities, equipment & transport
2. Personnel
3. Training counterparts
4. Contracts
5. Other direct costs
6. Indirect costs

Table 6. Expenditure by UNDG Budget Category, as of 31 December 2013 (in US Dollars)*

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total	
Supplies, Commodities, Equipment and Transport (Old)	-	-	-	
Personnel (Old)	-	-	-	
Training of Counterparts(Old)	-	-	-	
Contracts (Old)	-	-	-	
Other direct costs (Old)	-	-	-	
Staff & Personnel Costs (New)	9,078	27,364	36,442	1.93
Suppl, Comm, Materials (New)	39,901	(39,664)	237	0.01
Equip, Veh, Furn, Depn (New)	166,987	115,245	282,232	14.94
Contractual Services (New)	-	357,363	357,363	18.92
Travel (New)	216,449	(186,850)	29,599	1.57
Transfers and Grants (New)	66,491	10,457	76,948	4.07
General Operating (New)	7,630	1,098,599	1,106,229	58.56
Programme Costs Total	**506,536**	**1,382,514**	**1,889,050**	**100.00**
Indirect Support Costs Total	34,827	114,091	148,918	7.88
Total	**541,363**	**1,496,605**	**2,037,968**	

Indirect Support Costs: The timing of when Indirect Support Costs are charged to a project depends on each Participating Organization's financial regulations, rules or policies. These Support Costs can be deducted upfront on receipt of a transfer based on the approved programmatic amount, or a later stage during implementation.

Therefore, the Indirect Support Costs percentage may appear to exceed the agreed upon rate of 7% for on-going projects, whereas when all projects are financially closed, this number is not to exceed 7%.

6. COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the JP Project Document, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG.

The policies in place, as of 31 December **2013**, were as follows:

- **The Administrative Agent (AA) fee:** 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US$ **7,472** was deducted in AA-fees. Cumulatively, as of 31 December **2013**, US$ **24,712** has been charged in AA-fees.

- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US$ **114,091** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US$ **148,918** as of 31 December **2013**.

- **Direct Costs:** The Fund governance mechanism may approve an allocation to a Participating Organization to cover costs associated with Secretariat services and overall coordination, as well as Fund level reviews and evaluations. These allocations are referred to as 'direct costs'. In **2013**, there were no direct costs charged to the Fund.

7. ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (http://mptf.undp.org). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.