



Government of the People's Republic of Bangladesh
Ministry of Local Government, Rural Development & Cooperatives
Local Government Division

LOCAL GOVERNMENT INITIATIVE ON CLIMATE CHANGE (LOGIC) PROJECT

QUARTERLY PROGRESS REPORT

Period: July-Sept 2018



European Union



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1. PROJECT INFORMATION

Project ID: 00093426

Project Title: Local Government Initiative on Climate Change (LoGIC)

Duration: 1st July 2017-30th June 2021

Total Budget: USD 20 million

Implementing Partners/Responsible parties: UNDP, UNCDF & LGD, MoLGRD&C

CPD Outcome 3: Enhance effective management of the natural and man-made environment focusing on improved sustainability and increased resilience of vulnerable individuals and groups.

CPD Output 3.1: Government institutions have improved capacities, and institutional and legal frameworks to respond to and ensure resilient recovery from earthquakes, weather extremes, and environmental emergencies.

CPD Output 3.2: The Government has the capacity to set up regulatory and to implement a range of pro-poor, resilience-focused green economic initiatives.

Joint Project Outcome: Improved and inclusive local level planning, and increased funding for community based CCA-DRR solutions, supported by a strengthened financing mechanism.

TABLE OF CONTENTS

PROJECT INFORMATION.....	2
ACRONYMS AND ABBREVIATIONS.....	4
INTRODUCTION.....	5
PROGRAMME ACTIVITIES AND RESULTS	7
KEY ACHIEVEMENT IN QUARTER.....	7
PROGRESS OF ACTIVITIES.....	7
CHALLENGES ENCOUNTERED.....	11
QUARTERLY SUMMARY FINANCIAL REPORT.....	12

ACRONYMS AND ABBREVIATIONS

AWP	Annual Work Plan
BCCSAP	Bangladesh Climate Change Strategy and Action Plan
BCCTF	Bangladesh Climate Change Trust Fund
CBA	Community Based Adaptation
CCA	Climate Change Adaptation
CDMP	Comprehensive Disaster Management Programme
CFF	Climate Fiscal Framework
CRA	Community Risk Assessments
CRF	Community Resilience Fund
CSO	Civil Society Organization
DMC	Disaster Management Committee
DPP	Development Project Proforma
DRR	Disaster Risk Reduction
EU	European Union
FYP	Five Year Plan
GCF	Green Climate Fund
GED	General Economics Division
GoB	Government of Bangladesh
HACT	Harmonized Approach to Cash Transfers
JPMF	Joint Programme Monitoring Framework
LCFF	Local Climate Fiscal Framework
LDP	Local Development Plan
LGD	Local Government Division
LGI	Local Government Institution
LGSP	Local Government Strengthening Project
LoGIC	Local Government Initiative on Climate change
M&E	Monitoring and Evaluation
MIS	Management Information System
MoDMR	Ministry of Disaster Management and Relief
MOU	Memorandum of Understanding
MPTF	Multi Partner Trust Fund
NIM	National Implementation Modality
PBCRG	Performance Based Climate Resilience Grants
PMU	Programme Management Unit
PSC	Project Steering Committee
RRAP	Risk Reduction Action Plan
SIDA	Swedish International Development Authority
ToR	Terms of Reference
ToT	Training of Trainers
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UP	Union Parishad

2. INTRODUCTION

According to the Climate Risk Index 2015, Bangladesh ranks sixth among those 10 countries in the world that are most vulnerable to climate change-induced natural disasters (Germanwatch, 2015). The country has been experiencing changes in rainfall pattern, increased temperature, high frequency of extreme weather events (i.e. flooding in the river basins, widespread droughts in the North and cyclones in coast) which in turn, are exacerbating the long-term effects like salinity in water and crop land, extended water shortage, sea and river erosion, severe high tide and sea level rise etc. Regular annual flooding inundates 20% of the landmass while major floods like that in 1998 inundated two thirds of the country. The frequency of cyclones during November and May over the North Indian Ocean increased twofold in last 122 years¹.

Being home to the world's largest river systems and delta, the country has a very low and flat topography². UNEP predicted (1989) 1.5 metre rise in sea level by 2030 submerging 22,000 square kilometres, or 16 percent of the country's total landmass, and affecting about 15 percent of the total population of Bangladesh. Using the Bay of Bengal in a hydrodynamic model, the World Bank has estimated an escalation of impact, whereby cyclone exposed areas in Bangladesh will increase by 26%, and the affected population will grow as high as 122% by 2050. It is estimated that between 1991 and 2000, 93 disaster events occurred resulting in 200,000 deaths and causing \$5.9 billion in damage. A Government report estimated the costs of abnormal monsoon flooding in 2007 at USD1.1 billion and the directly attributable costs of Cyclone Sidr at USD1.7 billion³. While the country made progress in reducing the death burden resulting from natural disasters, the remaining challenge is to protect livelihoods which push people below the poverty line, force them to migrate to urban areas in search of work and excludes them from a rightful participation in shaping local level decision making and service provisioning in favour of them. However, the sheer magnitude of poverty, underdevelopment and massive impact of climate change related events have compelled large sections of the population to continue to remain vulnerable, challenging the nation's dream to become a Middle-Income Country (MIC) by 2021.

The Government of Bangladesh realised the importance of climate change threats to the desire of transforming itself into a MIC by 2021 and has been actively engaged in reducing this challenge. At the national level, the climate change agenda operates in a competitive policy environment, where sectoral policies take a lead in shaping public expenditure⁴ although there is scope to reflect climate



¹ Seventh Five Year Plan Background Paper on Climate Change and Disaster Management, 2014.

² About 10% of the country is hardly one meter above the sea level, Windston et al., 2010

³ UNDAF 2012-16, page24

⁴ Public Expenditure for Climate Change: Bangladesh Climate Public Expenditure and institutional review, General Economic Division, Planning Commission Government of the People's Republic of Bangladesh, 2012.

change as an item of expenditure. This highlights an absence of a systematic approach to integrate climate change into planning and budgeting both at the national and local level.

The vulnerable population is experiencing climate change impact but most often do not have adequate access to information and analytical ability to explain circumstances, their causes and adopt long term remedies. Access to information, financial resources and technology are major challenges for people to adapt to climate change both at household and local level.

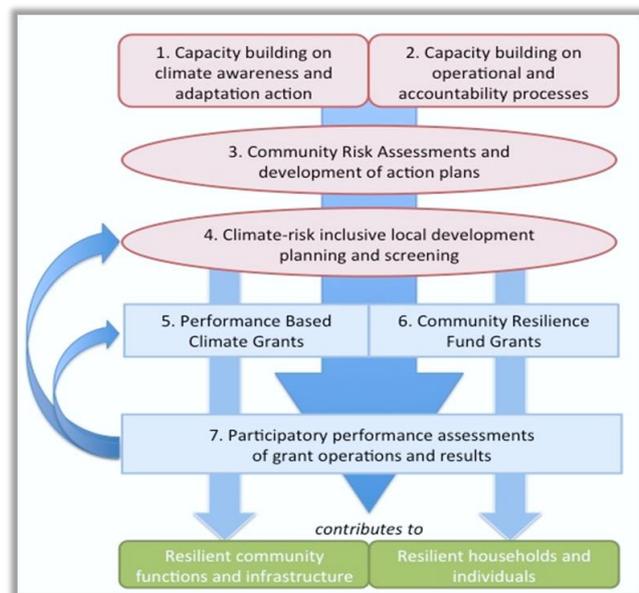
A recent analysis of the expenditure pattern on climate change⁵ indicates that the Local Government Institutions (LGIs)⁶ receive regular development finance and other safety net resources (e.g. food) from different sources. They also generate their own revenue. The LGIs have been drawn into the implementation of several regular development programmes and provide a platform for long term interventions. Their growing involvement in working closely with national programmes has enabled a gradual improvement in capacities and systems, albeit with significant limitations in own financial resources and technical competencies.

However, the existing development schemes of LGIs at the community level remain confined to infrastructure. As a result, the vulnerable households face two fold challenges in addressing climate risks at their level: firstly, they do not have direct access to resources and secondly, they cannot adequately influence the planning and budgeting of the local government. Lessons from UNDP and UNCDF experience suggest that integration of climate change in the actions of LGIs, CSOs and the local institutions working at the local level can help deliver climate change resources at scale.

The project will be implemented in 72 Unions covering 19 Upazilas in seven districts identified from the most vulnerable locations of Bangladesh. A multiple stage of selection process was utilised to target the geographical locations for the project which include the following:

- Exposure to climate hazard and risk i.e. salinity, sea level rise, cyclone and flood.
- Concentration of extreme poverty based on poverty map of Bangladesh and household income and expenditure survey.
- UNDAF prioritized districts followed by the UN system for selecting its programming areas.
- Identified as a hard to reach area and
- A measure of local inequality will also be used to target the most vulnerable households.

The current locations are though inadequate in comparison to needs at local level in Bangladesh to address climate change, but the project with current funding wants to focus on these areas for notable adaptive capacity at LGI and Household level. If the other development partners join at the later stage of this project or can leverage new funds from domestic and international climate funds, the project will gradually expand to drought, riverbank erosion, waterlogging and flood vulnerable areas. The overall sequential approach to implement the project strategy is presented in the following figure.



⁵ Public Expenditure for Climate Change: Bangladesh Climate Public Expenditure and institutional review, General Economic Division, Planning Commission Government of the People's Republic of Bangladesh in 2012. This is further confirmed by Finance Division's Climate Fiscal Framework in 2014.

⁶ A two tier local government structure of which 4500 Union Parishads constitute the lowest structure with both an elected body as well as a civil administrative unit.

3. PROGRAMME ACTIVITIES AND RESULTS

The outcome of this Joint Project is:

Improved and inclusive local level planning, and increased funding for community based CCA-DRR solutions, supported by a strengthened financing mechanism.

The Project includes three result areas, with associated outputs as follows:

Output 1 - Strengthened capacity of local governments, households and other local stakeholders to develop local plans that integrate CCA-DRR solutions.

- Activity 1.1: Capacity enhancement plan developed and implemented
- Activity 1.2: Inclusive community based adaptation plans developed
- Activity 1.3: Community resilience fund operationalised to finance community based innovative solutions for households through the CSOs and local institutions

Output 2 - Established financing mechanism to fund local governments and communities for implementing climate change adaptation measures.

- Activity 2.1 Performance based climate resilient grants (PBCRG) system is developed and implemented through LGIs
- Activity 2.2 Performance of LGIs is assessed for compliance with mandatory requirements and superior performance
- Activity 2.3: Community Resilience Fund (CRF) operational
- Activity 2.4 CCA-DRR financing at local level enhanced by the active participation and scrutiny of communities and CSOs, local stakeholders and institutions

Output 3: Experience and evidence inform and contribute to further improvements in policies and practices for UPs and national systems in relation to CCA

- Activity 3.1 Designing and implementing systems to learn lessons at the local level and informing the policy dialogue at the national level.
- Activity 3.2 Collecting and sharing of experiences supporting and hindering the process on local climate financing.
- Activity 3.3 Informing and advocating for adoption of national policies that embrace the proposed methodology.
- Activity 3.4 Integrate local climate fiscal framework lessons into the national climate fiscal framework.

4. KEY ACHIEVEMENT IN QUARTER

The following activities were implemented by LoGIC in the third quarter of 2018 and were supported by the project team and its financial resources.

Boot Camp

To develop a common understanding on the Community Resilience Fund (CRF) and its delivery process e.g. finalizing the Household Survey tool, beneficiary HH selection and prepare an action plan a boot camp was organized from 9-13 September 2018, Hotel Sedona at Barishal. All the project staff including Climate Change Specialist of UNDP attended the camp. The key outputs of the Boot Camp were:



Better understanding of the LoGIC: To clarify the basic issues of the project like key concept on climate change, project deliverables, implementation strategy, communication, networking, coordination and rapport building with Govt. Two role play sessions were carried out that played coordination and information sharing approaches between the Union Parishads, Contracted NGO and other stakeholders and their play were followed up by the Q&A session by the other participants to reach a better consensus.



Understanding on the Project Strategic

Approach: A.K.M. Mamunur Rashid facilitated the session. He discussed that climate change adaptation is our focus from the project. Through PBCRG we will ensure climate resilience to the public goods and through CRF we will make sure private goods are resilient. But we must make sure that public goods are not harmed. When we destroy any private goods for making public goods protected we must compensate private goods

a couple of times higher than the market rate. Community Risk Analysis (CRA) has already been conducted in 57 Unions. CRA will be helpful for the project to identify the potential schemes for the community and households, develop Climate risk inclusive LDP of UP. For understanding on LDP, training will be conducted for the UP bodies.

Vulnerable people: People living on the river bank, persons with disabilities, marginalized and disadvantaged etc. are vulnerable to any disaster. Resilience capacity development for the vulnerable people, knowledge on climate change, linking people with the LGIs, engage in social audit and monitoring, adaptive livelihood enhancement options are the actions needed for addressing vulnerability.

A group exercise for delivering CRF of USD 1.75 million in 2018 was done in the sessions. There were two groups that worked on "Targeting CRF Beneficiaries" and "CRF Disbursement and Tracking". At the end of group work and presentation a template for the HH Survey was designed in a participatory way. On the next day a field visit was carried out to identify the vulnerable households from Badarkhali Union of Barguna district. 15 households were interviewed, and information were collected to fit in the Household Risk Reduction Action Plan (HH-RRAP) form. On the next day the issue of developing HH-RRAP, CRF beneficiary HH selection criteria and, process of ward HH census were discussed in detail and a plan of actions prepared.

DPP Approval and NPD

The Development Project Pro-forma (DPP) of LoGIC has been approved by Executive Committee of National Economic Council (ECNEC) on 21 June 2018. The Government Order (GO) has already been issued by Planning Ministry to Local Government Division (LGD) to appoint National Project Director for LoGIC project.

Staff Recruitment:

LoGIC project managed to complete the recruitment of all staff for field. As per approved project document all of 22 project staff have been recruited by September 2018. The only remaining position of a District Grant Monitoring & Facilitator (DGMF) for Barguna district was also filled in this quarter which completes the recruitment efforts by the project.

Staff	Male	Female	Total
Dhaka Office Staff (PMU)	6	2	8
District CC Coordinator	6	1	7
District Grants Monitor & Facilitator	5	2	7
Total=	17	5	22

Climate Resilience Grants (CRF & PBCRG):

To build climate change resilience at community and household level, the project will establish two types of specific financing at the Union level i.e. Performance-Based Climate Resilience Grant (PBCRG) and Community Resilience Fund (CRF). PBCRG manual has been revised and translated into Bengali. The CRF beneficiary selection process is underway. Primarily 81 Wards from 38 Unions of 7 Districts have been selected based on CRA findings i.e. poverty, income, vulnerability, hazard and Digital Elevation Model (DEM) status. A household census has been initiated in the selected wards. CRF grants will be provided directly to selected households using an electronic cash transfer mechanism based on the unique personal and mobile phone identity of the head of household. For ensuring e-transfer of CRF to selected beneficiaries the bank has been contracted out.

Community Risk Assessment (CRA):

Project team along with volunteers have almost completed community risk assessment (CRA) in the project area. The project already completed CRA in 66 Unions which is 92% of overall targeted UPs and 100% will be ensured by October 2018. The rest of the activities within CRA include union level validation workshop on identified Risks and Risks Reduction Action Plan

(RRAP) which will be completed in 72 Unions by end of November 2018.

District	Target UP	CRA Completed (Jul-Sept'18)	Total CRA Completed	%
Bagerhat	12	8	12	100%
Barguna	12	8	10	83%
Bhola	10	8	10	100%
Khulna	10	10	10	100%
Kurigram	10	0	10	100%
Patuakhali	6	4	6	100%
Sunamganj	12	6	8	67%
Total	72	44	66	92%

Selection of NGO(s):

NGO selection process has been completed. The contracted NGO will be on board by October 2018. They will assist households in developing the micro-grant proposals based on the Risk Reduction Action Plan (RRAP) and will also work with Union Parishads to review and approve the HH micro-grant proposals. The procured NGO will carry out the household level monitoring.

**ATM Mechanism:**

The adaptation tracking and measuring (ATM) is a comprehensive system to measure and monitor the climate change adaptation and resilience progress of household and community. An IT consultant has developed the ATM software (web & mobile apps) and the field test of the ATM has been done in September 2018.

Training Manual of LoGIC

Draft training manual for the Union Parishad and CSO is developed.

Communication Strategy:

The project has developed a draft communication strategy and it was shared among the team members. It is kept as the living document for now and will accommodate innovative issues and events as and when required.

Field visit of UNCDF Mission

A field visit was organized in Raniganj Union of Chilmari Upazila in Kurigram for UNCDF team. Union Parishad organized validation of the local climate change risks identified through CRA to develop risk reduction action plan for combating the impact of climate change. UNCDF mission from overseas visited Raniganj to observe how community risks are validated prior to mitigation plan developed. The mission was covered in the national and social media.



UNCDF Deputy Director Tehmina Akhtar speaking at the CRA Validation workshop at Raniganj Union

5. PROGRESS OF ACTIVITIES

Table below summarizes the activities carried out during the reporting period in relation to the three results envisaged in the project.

Activity (ProDoc)	Sub-Activities	Achievements during the Quarter
Output 1- Strengthened capacity of local governments, households and other local stakeholders to develop local plans that integrate CCA-DRR solutions.		
1.2: Inclusive community based adaptation plans developed	1.2.a. Develop Community Risk Assessment Guideline (Revision)	Community Risk Assessment (CRA) guideline is revised and being used for LoGIC project.
	1.2.1. Conducting Community Risk Assessment (CRA)	The project already completed around CRA activities in 66 Union. The rest of 6 union will be completed by Oct 2018. The Union level validation workshop on identified Risks and Risks Reduction Action Plan (RRAP) which will be completed by end of Nov 2018. Total 148 local facilitators have been hired and trained to conduct the CRA.
1.3: Community resilience fund operationalised to finance community based innovative solutions for households through the CSOs and local institutions	1.3.1. Development of CRF manual	Community Resilience Fund (CRF) Operations Manual including household selection criteria have been prepared. CRF Manual has been translated into Bangla for use at the local level.
	1.3.5. Develop ATM framework and software	Project team has developed the ATM framework. An IT consultant has been hired to develop the mobile based ATM application. The draft Software Requirements Specification (SRS) is shared for comments and finalization.
	1.3.7. Hiring NGOs for CRA, RRAP, LDP screening, ATM tracking, HH Adaptation Planning, Facilitation and Monitoring	NGO selection process was completed in September. All the formalities with signing contract will be finalized and the partner NGO will be on board by October 2018.

Output 2- Established financing mechanism to fund local governments and communities for implementing climate change adaptation measures.		
2.1: Performance based climate resilient grants (PBCRG) system is developed and implemented through LGIs	2.1.1. Determination of formula-based grants allocation to UPs, weighted by climate change vulnerability performance and other parameters.	<ul style="list-style-type: none"> • Performance Based Climate Resilience Grants (PBCRG) Operations manual is developed. • PBCRG manual has been translated into Bengali. The manual is ready to share and approved by the Project Steering Committee (PSC). • A national consultant was hired for developing an investment menu and fiduciary risk management guidelines which is ready to use now
	2.1.2. Development of a monitoring mechanism to track CCA-DRR funds flow at national and local levels, according to specific performance indicators	Monitoring mechanism to track grants flow is incorporated in CRF and PBCRG Manual as well as project M&E plan.
2.2 Performance of LGIs is assessed for compliance with mandatory requirements and superior performance	2.2.1. Support to the annual performance assessment of LGIs for compliance with mandatory requirements and superior performance.	Auditors have been selected for auditing financial performances of 72 Union Parishad.
2.4: CCA-DRR financing at local level enhanced by the active participation and scrutiny of communities and CSOs, local stakeholders and institutions	2.4.1. Engagement of CSOs and local institutions in the oversight of LDPs on community based planning, grant utilization, and schemes' implementation to assure quality, accountability and community ownership.	Local institutions/CSOs selection criteria has been drafted for identifying local institutions and CSOs for this support. The criteria yet to be approved by the Project Steering Committee (PSC).

6. CHALLENGES ENCOUNTERED

The key difficulties encountered by the project during the reporting period are given below with mitigating measures:

Community Risk Assessment (CRA) and Risk Reduction Action Plan (RRAP) process are delayed due to delay in contracting partner NGO to facilitate the process. This delay will cause exclusion of climate risk issues in annual development plan for the year 2018-19.

Measures to overcome: As the NGO selection is delayed, the project team is in change now to conduct the CRA. The field team comprises of District Climate Change Coordinators, District Grants Monitor & Facilitators and local volunteers will complete CRA process and RRAP.

Potential Challenges:

2018 is year of national election. Political situation may change rapidly & drastically, much earlier than expected turn of events in the year preceding elections can hamper smooth implementation of planned project activities.

7. QUARTERLY SUMMARY FINANCIAL REPORT

For the period from 1 July to 30 Sept 2018

The actual expenses of LoGIC Project for the 3rd quarter 2018 (Jul-Sept 18) incurred total amounting to USD 376,705 or 18.18% against the annual budget of USD 5,634,176. Output-wise costs and budget balance of the project are given below. For details activity-wise costing see Annex (Combined Delivery Report).

Output-wise expenses of LoGIC against annual budget 2018 and total budget (2017-20):

Financial Progress LoGIC Project (July-September 2018)-UNDP & UNCDF											
Cost items/Outputs	Current Year-2018						Previous Year Exp as of 31 Dec 17	Cumulative actual exp. as of 30 Sep 18	Cumulative Burn Rate on total Project Budget %	Total project budget as per ProDoc (2017-20)	Total project budget balance as of 30 Sep 18
	Annual budget as per AWP 18 (Jan-Dec 18)	Current Quarter	Previous Period	Total	Current Year Burn Rate %	Current Year Budget balance as of 30 Sept 18					
		Actual exp. (July-Sep 18)	Cumulative Exp. (Jan-June 18)	Actual Exp. Jan-Sept 18							
	A	B	C	D=B+C	E=D/A	F=A-D	G	H=D+G	I=H/J	J	K=J-H
Program Costs:											
Output 1	479,262	95,739	173,157	268,896	56.11%	210,366	41,329	310,225	20.55%	1,509,815	1,199,591
Output 2	4,481,878	213,341	272,664	486,004	10.84%	3,995,874	69,256	555,260	3.63%	15,308,670	14,753,410
Output 3	278,820	42,981	159,315	202,296	72.55%	76,523	90,707	293,004	26.65%	1,099,338	806,335
Total Program Costs	5,239,960	352,061	605,136	957,197	18.27%	4,282,763	201,292	1,158,489	6.47%	17,917,824	16,759,335
Indirect Support Costs:											
GMS	366,797	24,644	42,359	67,004	18.27%	299,793	14,090	81,094	6.47%	1,254,248	1,173,153
AA Fee	27,419	-	-	-	0.00%	27,419	-	-	0.00%	98,041	98,041
Total Indirect Support Costs	394,216	24,644	42,359	67,004	17.00%	327,212	14,090	81,094	6.00%	1,352,288	1,271,194
Unprogrammed budget											
Grand Total	5,634,176	376,705	647,495	1,024,200	18.18%	4,609,975	215,383	1,239,583	6.43%	19,270,112	18,030,529

Note: Expenditure information is provisional & unaudited. Total project budget is excluding GoB contribution.