

Action Fiche for Bangladesh

1. IDENTIFICATION

Title/Number	Supporting Local Development in the Chittagong Hill Tracts CRIS No. DCI-ASIE/2011/266-983		
Total cost	<ul style="list-style-type: none"> • Total cost: EUR 27 339 409 • Contribution from EU: EUR 24 000 000 • Contribution from United Development Programme: EUR 3 339 409 		
Aid method / Method of implementation	Project approach – Joint management with an International Organization (UNDP)		
DAC-code	15230	Sector	Post-conflict peace building

2. RATIONALE

2.1. Sector context

The Chittagong Hill Tracts region (thereafter CHT) with its population of about 1.5 million including of 11 indigenous groups and Bengali communities, is one of the least developed areas of Bangladesh. Poverty is widespread. Annual household income is around BDT 66 000 (approximately EUR 680) compared to BDT 84 000 (approximately EUR 870) of rural Bangladesh. Most of the population and particularly the indigenous groups are not secured in relation to availability of food during most of the year. About 62% of households in the region irrespective of ethnicity are living below the absolute poverty line according to daily calorie intake method, while 36% are hardcore poor. As regards CBN¹, 74% of the population are estimated to be living below the lower poverty line and 86% below the upper poverty line².

After more than 25 years of insurgency, demands for cultural distinctiveness and partial autonomy were presented to the Government of Bangladesh by the indigenous population of Chittagong Hill Tracts and in 1997, after a successful dialogue, a Peace Accord was signed providing limited self-rule for the region.

A number of steps were taken by the present Government as soon as it entered into power (in 2009) as a demonstration of political will in support of the CHT. Among these were the establishment of the National Committee for Implementation of the CHT Peace Accord, the Land Commission under the CHT Land Dispute Resolution Commission Act of 2001 and of the Task Force on Rehabilitation of the Returnee Refugees and Internal Displaced People. Moreover, a number of 'subjects' (priority areas) have been transferred to the jurisdiction of the three Hill District Councils of Rangamati, Bandarban and Khagrachari, making these institutions the crucial players in the politics and development of the CHT. Last but not least, a number of temporary army camps have been removed.

Despite this, the level of implementation of the Accord still leaves much to be desired, something which contributes to a growing disappointment and distrust of indigenous leaders with regard to the Government's intentions and its political will. In particular, the transfer of local Governmental power to the Hill District Councils is still incomplete. Local institutions lack human and financial resources and technical ability, and their resulting poor performance contributes much to the region's poor development indicators and its patchy security. In addition, land disputes continue to be a critical and sensitive issue in the region. The performance of the newly constituted Land Commission has so far been lacklustre. The national Government has so far not completed the removal of non-

¹ Cost of Basic Needs (CBN)

² - *Socio-economic baseline survey of Chittagong Hill Tracts* for the Chittagong Hill Tracts Facility; Human Development Research Centre 2009;

- *Updating Poverty Maps in Bangladesh*, The World Bank, Bangladesh Bureau of Statistics, World Food Programme, 2009

- *A Case of Geographic Targeting of Basic Social Services to Mitigate Inequality in Bangladesh*, UNICEF Bangladesh 2010

permanent military installation as envisaged in the Accord. Tensions therefore persist in the CHT together with sporadic but violent episodes of violation of human rights. The last major incident (February 2010) in Khagrachari, originated from a confrontation over land tenure between the indigenous population and Bengali settlers, ended with the arson of hundreds of houses and the killing of a number of people (leading to a critical statement by the EU High Representative of the European Union for Foreign Affairs and Security Policy). The incident which had strong repercussions even in the political and public life in Dhaka, was a tragic reminder of the volatility of the situation in the CHT and its potential to degenerate any time into a conflict with much wider destabilizing consequences.

In line with the Government's National Strategy for Accelerated Poverty Reduction, this proposal takes the Peace Accord as the cornerstone for a successful peace building process and as a framework for development. Designed as the final stage of the process of community empowerment, developed during the last six year, the proposal will promote an effective model of local governance, ensuring sustainability by taking advantage of the unique opportunity for decentralisation offered by the Accord.

The strategy entails a two-fold process consisting of a critical embedment of local communities into the local development system on one side and, on the other, responding to the demands for capacity development of the local official institutions. The project will contribute also to confidence-building among the different groups and their leaders and to the enhancement of social cohesion and security in CHT through the promotion of cultural diversity, active partnership, equity and inclusion. It is expected that at the end of the project implementation CHT institutions, both government and community-based, own a model of local governance based on mutual accountability, transparency and efficiency in decision making, in order to ensure improved access of the population to quality basic services, and to enhance economic growth.

2.2. Lessons learnt

The proposal will build on a joint EU/United Nations Development Programme (UNDP) evaluation carried out in November 2009 by external evaluators of the performance and impact of two previous EU supported programmes in CHT implemented between 2005 and 2010. Recommendations of the mission have been integrated with the lessons learned by the project itself and the results achieved during the entire period of implementation. They have all comprehensively been taken into consideration as a basis for the re-orientation of the intervention as proposed in this Action Fiche. This reorientation aims at drastically reinforcing the programme's prospects for sustainability by reinforcing 'integration' rather than 'parallelism' and a 'demand-driven' rather than 'supply-driven' process for further strengthening institutions' ownership of results.

Among its findings, the evaluation mission noted that the project has had so far a remarkable stabilising effect in the region through its widespread presence and continuous engagement with all major stakeholders ranging from community and Government institutions, civil society organisations, military commanders and the international community. The project moreover has strengthened the local governance systems by strengthening the institutionalisation of the communities by establishing them as official organisations, empowering them to take ownership of their own development and improving their access to the extension services (especially for Agriculture, Fisheries, and Livestock). The project has also enhanced the transparency, accountability, capacity and credibility of the local institutions, especially the Hill District Councils, contributing to establish an enabling environment for development.

The joint mission however, highlighted also a number of weaknesses. Among them were a lack of vision for sustainability, together with problems in the original project design causing fragmentation of its different and numerous components. The mission also noted that the Community Empowerment component and the Quick Impact Fund scheme have not fully achieved the expected economic benefits due to a lack of appropriate analysis to the products value chain and integration of community organizations into the local government system. Finally, the joint mission detected a weak monitoring and evaluation capacity of the project to assess progress of implementation and inform decision making.

In answering to the recommendations of the joint evaluation and based on the lessons learnt, the project management team together with representatives of government institutions and the EU Delegation, by means of an intense dialogue, reconsidered the original design in order to strengthen the strategic vision of the project. This resulted in streamlining the framework of the design and focussing on the strengths of the project.

Concretely, this meant concentrating on two main priorities namely a) capacity development of official government institutions to enable them to assess and address their needs for institutional development and service to the people, and b) integration of communities organisations into the local Government system (Union Committees/Union Parishads) as basic institutions for planning and implementation of local development. Also, in allocating more resources to rural economic development and in supporting communities to invest in more productive infrastructures and assets (by upgrading the value chain system), the project is expected to eventually lead to an increase in the income level of the beneficiaries.

In support of the feasibility of the planned strategy and sustainability of the results, it should be noted that there is consensus among the various stakeholders that the project contributed so far to a sufficient degree of capacity improvement and empowerment of CHT institutions, and especially of the Hill District Councils and community organisations, for the project to be able during implementation to hand over, increasingly and incrementally, its development activities to Government and community institutions. It is expected that at the end of the project in 2013, an effective local system will be in place consisting of communities and institutions mutually accountable and sufficiently empowered to interact directly the central Government and advocate for their own development needs as is the case for other parts of Bangladesh.

Furthermore, and in keeping with the recommendations of the evaluation mission, the Monitoring and Evaluation system of the project will be significantly improved by establishing a strong Project Monitoring and Reporting Unit tasked with generating relevant, timely and accurate information for management decision-making. The project will be in addition supervised by an independent Project Assurance Unit under the direction of the Programme Management Specialist who will in turn directly report to UNDP's Deputy Country Director for Programmes. On the basis of its improved monitoring and evaluation framework, the project will enable local government institutions to develop their own system for monitoring and reporting against Millennium Development Goals achievements by installing for instance databases at Upazilla, Non-governmental Organisations (NGOs), District, Cluster and Hill District Councils levels with support of the Project Monitoring and Reporting Unit of the project.

2.3. Complementary actions

This proposal builds on two previous EU funded projects implemented from 2005 to 2010 worth EUR 7.4 million and EUR 15.9 million. The former is part of the 'priority interventions' in CHT programmed under the Country Strategy Paper 2002-2006 which allocated the amount of EUR 60 million for the development of the CHT. These two projects were complemented by three further individual Contributions Agreements with UNDP in support of Education (EUR 6.6 million), Health (EUR 9 million), and Agriculture (EUR 7.5 million) components of the Chittagong Hill Tracts Development Facilities (CHTDF) framework.

All these projects and the current one are part of the overarching programme 'Promotion of Development and Confidence Building in Chittagong Hill Tracts' signed by UNDP and the Government of Bangladesh for the period 2005-2009, and later on in September 2009 extended until 2013. This programme is implemented by UNDP and the Ministry of Chittagong Hill Tracts Affairs. Other major contributors to the programme are the Canadian International Development Agency (CIDA) (CAD 15 million) supporting the core programme and Danish International Development Agency (DANIDA) (approx. EUR 2.7 million) in support of agriculture and food security component. All these projects and their components are aligned and complementary, contributing to the achievement of the overall objective of 'Improving the socio-economic development of the CHT in line with the principles of self-reliance, local participation, decentralisation and sustained peace'.

The Ministry of Chittagong Hill Tracts Affairs implemented between 2000 and 2009 the Chittagong Hill Tracts Rural Development Project (USD 49.3 million) funded with an Asian Development Bank's (ADB) loan. The project aimed at reducing the incidence of absolute poverty in the CHT through developing basic physical infrastructures and expanding income and employment generating activities of communities. ADB is currently formulating the project's second phase (USD 40 million) focusing on both infrastructures (especially water usage) and livelihoods connected with water resources. The project is expected to start in 2011 and coordination between the Chittagong Hill Tracts Development Facility (CHTDF) and the second phase of the ADB' project has already taken place by means of coordination meetings. In particular ADB expressed a strong interest in utilising community institutions established by the Chittagong Hill Tracts Development Facility (CHTDF), and integrating communities' projects implemented through the project with improved infrastructures especially related to water management.

The Bangladesh Rural Development Board under the Ministry of Local Government and Rural Development and Cooperatives is implementing the Participatory Rural Development Project 2. Through this project, the Board, with technical assistance of Japan International Cooperation Agency has piloted the formation of the Union Development Coordination Committees. Although none of these Committees exist as yet in the CHT the project plans to expand by 2014 the Union Development Coordination Committees system throughout the country, covering the CHT as well. The CHTDF will observe the lessons and best practices of existing Participatory Rural Development Project 2 and link to them where there are opportunities to do so.

Ministry of Local Government and Rural Development and Cooperatives is also implementing a project to improve local governance all over the country: the Local Governance Support Project (funded by a World Bank loan) and its Learning and Innovative Component (funded by EU, DANIDA and UNDP). This project strengthens Union Parishad capacities, promotes participatory planning and standing committees performance. The next phase will also include support to Upazila level. Lessons learnt and best practices have already been shared with Chittagong Hill Tracts project and will certainly be shared during the next phase. Although this project is not working in CHT, the CHTDF will adapt the Learning and Innovative Component of the Union Parishad training modules and performance tracking criteria to the CHT context, thus avoiding duplication of effort and ensuring consistency with the national project.

Presently, about 100 local NGOs are working by means of small projects in different sectors, such as rural/community development, health, primary education, micro-credit, water supply and sanitation, good governance, skill development etc. Programmes are funded by International Organisations, the Catholic Church, Embassies, and private donors. Since 2004, the EU is financing 'Community Managed Water and Sanitation for Rural Poor of Chittagong Hill Tracts' implemented by NGO Forum for Drinking Water and Sanitation (EUR 2 million). Given that the CHTDF does not cover this sector, this project has a strong complementary value.

NGOs have good ability to outreach communities, especially in remote areas, and the quality of interventions is generally satisfactory. However, NGO's projects often risk to be scattered and un-coordinated compromising the possibility to achieve a strong impact on development in the region. The CHTDF has since inception been working with local NGOs to increase their capacity to manage development projects and represent effectively the civil society. The future project will continue to implement a number of activities through local NGOs contributing to play a role in promoting coordination, and avoid risks of overlapping of activities.

2.4. Donor coordination

Donors are members of the National Steering Committee. The project in consultation with the Ministry of Chittagong Hill Tracts Affairs, and directed by the National Steering Committee has already formed Technical Advisory Committees for Health, Education and Agriculture. A Technical Advisory Committee on Governance will be additionally formed for this project. The Technical Advisory Committees are entirely Government driven and consists of Government Departments from relevant Ministries (e.g. Ministry of Health and Family Welfare, Ministry of Primary and Mass Education, Ministry of Local Government Division, and the Departments of Agriculture Extension, Departments of Fisheries and Department of Livestock Services), representatives of Local

Government Institutions in the CHT, relevant UN Agencies (World Food Programme, United Nations Children's Fund, United Nations Population Fund, World Health Organization, Joint United Nations Programme on HIV/AIDS, Food Aid Organization) and other donors of the project like CIDA and DANIDA. The EU Delegation participates at these committees as a full member. The Technical Advisory Committees provide necessary guidance and advice related to implementation ensuring also synergy and opportunities for clarification of roles and responsibilities among CHT institutions, partners and stakeholders and coordination of these components with the overarching objectives of the CHTDF.

Within the framework for dialogue, coordination and follow up between Government and Development Partners, in support of the Government national development strategy, donor coordination takes also place through the Local Consultative Working Group on CHT currently chaired by UNDP. Moreover, the project will continue to organize visits to CHT and project activities by interested donors and aid agencies. Also yearly high level Missions to the CHT by EU Ambassadors and lead by the EU Ambassador, have been arranged in the last five years and are expected to continue during the implementation of the next phase.

With a view to optimizing synergies and complementarity between the project and the future ADB programme, the EU, ADB, and UNDP have already initiated discussion to ensure close coordination. A 'Concept for Collaboration' between ADB, UNDP and the EU, spelling out the major areas of cooperation in implementing the projects, has already been drafted and will be finalised and officially signed in 2011.

The United Nations Population Fund (UNFPA) and UNICEF are involved with the CHTDF through individual Letters of Agreement signed with UNDP, respectively for the components of health and education. UNFPA is also involved with the project providing support to the health component. These agencies are all members of the Technical Advisory Committees for the project. This proposal will continue to facilitate as far as possible coordination among UN agencies involved with the programme, and in conformity with internal to UN instructions regulating activities in the CHT.

By promoting self-governance, community participation in the development process and advocacy for the preservation of the cultural and linguistic heritage of the CHT, the project is compliant with the major international instruments (International Labour Organization Convention 107 and 169, UN Declaration on the Right of Indigenous People) and EU Policy on Indigenous People (Council Resolution of 30 November 1998).

3. DESCRIPTION

3.1. Objectives

The project will contribute to 'Enabling environment for local development, contributing to the achievement of local Millennium Development Goal targets in 25 Upazila in the CHT by end 2013'. This will be achieved by increasing the capacity of CHT government and community institutions to deliver services and manage development activities.

3.2. Expected results and main activities

The proposal can be considered as the final and exit stage of the development and sustainability of the community based model promoted so far by the CHTDF. It involves a major shift in the way communities groups are supported, and the way they impact on the local development by becoming embedded into the local Government system as the basic institutions for planning and implementation of local development. This strategy implies working on three fronts including:

- Advocacy and confidence building initiatives in support of a peaceful and enabling environment for development in the CHT

- Capacity development of local, government, traditional and civil institutions, to improve the formulation and monitoring of development plans, achievement of Millennium Development Goals (MDGs) and upward and downward accountability between institutions and communities
- Investments (involving some 30% of the total budget of the action) in community based assets, local infrastructures and social services through Block Grants, to enable implementation of local development plan agreed between communities and institutions

The objectives of the project will be achieved by means of four set of activities concurring to the achievement of four corresponding results.

Result 1: Capacities of local government institution to advocate on CHT issues strengthened, resulting in enhanced clarity and consensus on CHT issues

Activities related to Result 1: To achieve this result the project will assist especially the Ministry of CHT Affairs and the Regional Council to advocate for long-standing issue related to the Peace Accord namely: recognition of indigenous people's identity and rights, natural resources and land management, Regional and Hill District Councils elections, rehabilitation of Internal Displaced Persons and transfer and management of subjects to the Councils authority. This will also contribute to increase clarity of roles and responsibilities of CHT institutions, increase revenue generation and allocation of adequate financial and human resources for CHT institutions.

Inputs will be in the form of Advocacy Grants to these institutions involving consultancy, dialogues/workshops, training, events and research/studies. Terms of Reference for consultants, planning of events and studies will be prepared by the Government institutions with support from the project. Activities will be in the form of high official stakeholder mission to CHT, bi and multi-lateral dialogues, researches, overseas study tours and exchange visits, national dialogues and regional advocacy.

Result 2: Capacity of Local Government Institutions in the CHT strengthened, resulting in improved management system for decentralized service delivery

Activities related to Result 2: This component will take advantage of the unique decentralized government system present in CHT as the only region in the country with its own ministry (the Ministry of CHT Affairs), and its own regional authorities the CHT Regional Council and the three Hill District Councils, empowered by Acts of Parliament to deliver a wide range of services to the people of CHT. These responsibilities have been transferred from the respective government line ministries.

Inputs will be mainly in the form of Grants contracted with CHT institutions and based on proposals for capacity development prepared by the institutions. They involve project staff temporarily posted within the 3 Hill District Councils, 25 Upazilla Parishads and 111 Union Parishads to improve the capacity of the permanent staff. At the end of the project these technical staff will become redundant – or continued to be supported by the Ministry of CHT Affairs if considered necessary – as capacities of existing staff will increase.

Result 2, will be achieved by integrating support within local government institutions especially the Hill District Councils, Upazilla Parishads (Councils), Union Parishads and Traditional Leaders, and enabling them to prioritize capacity development needs and strategize their intervention within the framework of their competencies and responsibilities for improved participatory planning, budgeting, development and monitoring of activities and local services in their localities and clarify mandatory functions according to decentralization policy. At Upazila level, Institutional Development Grants will be used to finance exposure visits, hire local professionals to improve quality of Government Extension Officers, operating NGOs and Community Based Organisations, and additional staff to manage projects including those initiated with Government funds and complementary with Institutions' plans. The Institutional Grants will also be utilized for strengthening bazaars and rural markets management, networking etc.

Government ownership will be ensured through Letters of Agreement. Letters of Agreement are legal documents signed by both parties (The CHTDF and the relevant local government institution)

specifying in details the terms and conditions of the financial support, including payments schedule, procurement, disputes settlement, monitoring and reporting requirements etc. Through Letters of Agreement, the institutions are responsible for the implementation of activities, within defined budgets and deadlines, in order to achieve the agreed desired results. Such letters will be agreed between each of the three Hill District Councils and with the Regional Council for the activities and results for which they will be responsible using project funding.

Result 3: Participatory planning, budgeting, monitoring mechanisms among CHT Institutions and stakeholders enhanced to contribute towards achievement of the Millennium Development Goals

Activities related to Result 3: This result will be achieved by creating Development Coordination Committees at District, Upazila and Union level tasked with providing support for discussing the progress of development activities and creating the context for inclusive cooperation and networking in implementing activities. They will be responsible for collection of Millennium Development Goals data, preparation of local development plans and budgets, allocation of resources to implement development plans, and regular monitoring and review. As for inputs the project will allocate Block Grants to Union Committees (Union Parishads) for the implementation of Local Development Plans, channelling funds through the Hill District Councils in order to enhance ownership. Inputs involve also technical permanent staff for Planning & Monitoring and Evaluation posted in the Hill District Councils (4 positions for each of the Councils or 12 officers) who, according to the new organigramme being approved by the Ministry of CHT Affairs, will be funded by this Ministry at the end of the project.

Block Grants will be allocated to Union Parishads following conditions of absorption capacity to receive and manage funds, while the performance measures are designed in order to provide incentives to enhance governance and service delivery. Grants will be used for both capital and revenue expenditures. Capital expenditures include value chain development, public realm improvements and small scale infrastructures. Revenue expenditures include capacity development of local service providers, cooperatives and networks etc.

Result 4: Communities are empowered to plan and implement small scale development projects

Activities related to Result 4: This component is based on the presence of an extensive network of over 2,700 community committees established by the previous phases of the project since 2004. To achieve result, all communities will be further empowered through active engagement in planning at Union level to effectively access technical supports in project design and management. Communities will moreover be trained to assess local economic opportunities and develop detailed proposals for funding to be submitted to the Union Committees. The immediate result of this will be twofold: communities will network and share ideas with other communities and in doing so will explore development opportunities beyond their own communities, expanding their horizons and aspirations.

Result 5: Communities have increased access to economic opportunities

Activities related to Result 5: Investments in product specific value chain upgrading particularly on banana, turmeric and pineapple, and livestock implemented by the Block Grant system (see result 3) will increase economic opportunities for beneficiaries. Local Economic Development forums will be also established in each Upazila to develop economic based strategies and advising Union and Upazila Committees. Local Economic Development forums will be also eligible for Union Block Grants for projects in the category of Community enterprise and skills training, upgrading of agriculture extension services and training for farmers, demonstrations on new technologies (in production and processing), promotions on inputs (seeds, fertilizers, pesticides etc), investment in rural infrastructure (irrigation schemes, market improvements, storage facilities, village feeder roads, rural electrification), product research and design, information dissemination on market prices, access to financial support for business start up and expansion.

3.3. Risks and assumptions

Although the socio-political situation in CHT has improved since the last general elections, the context is still not stable. The recent episode of arson in the Sajek belt – similar in gravity to the Mahalachari incident (2004) – comes as a reminder that coexistence can still turn occasionally and suddenly into violent conflict with the potential of spreading even outside the CHT. It should be noted however that the general level of tolerance among different groups and stakeholders generated over the years has not decreased. It is largely recognized that merit of this can be attributed also to the project, considered as an all-important factor for peace, stability and development in CHT.

The commitment of leaders of the Government to implement the Chittagong Hill Tracts Accord continues to be strong and consistent with the original intentions at the time of the signature of the Accord. Objections rather come from the political parties in opposition looking for soft issues to be flagged to compensate a loss of popularity and attack the party in power. A recent attempt sought to assert the unconstitutionality of the Peace Accord, ended on one side, with a ruling of the High Court (April 2010) declaring only the Regional Council Act and some sections of the Hill District Council Act unconstitutional but on the other, quite significantly, protecting the legality of the Accord. Later on, the Supreme Court accepted the stay order of the Appellate Division first for six weeks and, at the expiry of this time, for an indefinite period. Even if – quite unlikely as a move – the Supreme Court would in the future accept the ruling (lifting the present stay order), no major negative impact is expected for the Accord in itself while activities will not suffer as the major investment of the project is for capacity building of Hill District Councils and Upazila and Union Government institutions.

On the other hand, it is also clear that after almost two years in power, the present Government has still a long road ahead of it in implementing the Accord. While the re-activation of a number of institutions (Land Commission, Committee for the implementation of the Accord, Task Force for Internal Displaced People etc.) is a positive development, these institutions are yet to become fully operational if they are to meet the unabated and fully justified expectations on the part of local stakeholders. The role of the military forces in the CHT and the extent of their deployment still contrasting with the directives of the Peace Accord is a further point in need of reflection on the part of the Government. With a view to contributing to these questions, the project will redouble its efforts to help raise support for the original commitments of the Government under the Peace Accord.

Disagreements among local CHT institutions – especially those established by the Accord – and between local institutions and Dhaka based line departments seem on the decline. Lack of clarity on roles and responsibilities however will probably continue to represent a challenge both at the local and the central levels, and has the potential to compromise the effectiveness of the activities if left unaddressed. The proposal will largely invest in institutional capacity building both at central, local and community level to clarify roles, responsibility and improve skill capacity for development actions. By gradually increasing the volume of project activities being directly implemented by Government institutions and also by NGOs, the project will continue to build the capacity of the institutions and promote ownership. Given the effort of the project especially in aligning with Government policy (particularly the Peace Accord), promoting diversity acceptance, gender equity and economic viability, the benefits produced by the action are expected to continue after the period of this action.

The project believes that there is scope for continuous advocacy works on these issues to be addressed as well as capacity building so that the institutions and bodies formed after the Peace accord have the means to address them. For this reason, a component (under Result No 1) has been designed to strengthen the capacity especially of the Ministry of CHT Affairs and the Regional Council to advocate on CHT issues in particular the implementation of the Accord. The EU Delegation will support the expectations of the project in this regard, by means of continue bilateral dialogue with the Government and official forums (like the EU-Bangladesh Joint Commission Specialised Sub-Group on Governance and Human Rights and on Social Development Cooperation) where issues regarding CHT are regularly discussed. Issues will be also on the agenda of the EU Task Force for Human Rights, as forum for exchange of information among EU Diplomatic Missions in Bangladesh and advice for policy framing. In addition, the EU Delegating will continue

its leading role among the Dhaka based donor community on CHT issues including where appropriate advocacy for indigenous communities and their leaders.

3.4. Crosscutting Issues

Governance, human rights, safety, social cohesion, and conflict prevention and peace building are overarching concerns of this proposal due to the specificity of the CHT situation. These issues are addressed by building capacity of key CHT institutions and by building confidence among all stakeholders. Improved access to health, education and food security, achieved by interventions implemented separately from this action but within the same framework, are also part of the strategy for promoting security and social cohesion. Similarly, development activities and enhancement of economic indicators will also concur to increase confidence.

An Environmental Impact Assessment was undertaken by the CHTDF in 2009 pointing out extensive environment degradation including deforestation, soil erosion and decrease of fertility. Recommendations will be reviewed annually and incorporated in the project strategy for Environment Protection. This will include specific guidance and advice to institutions and community on environmental initiatives and environmental friendly practices to protect the environment and increase environmental capital.

Gender equality is mainstreamed in each of the components objectives, activities and indicators. Qualitative and quantitative targets have been discussed at length during the evaluation with all projects staff members; supportive actions and monitoring systems are planned so as to ensure:

- Active participation of women to decision making in community development committees, in facilitation committees, and in the CHT institutions; where necessary, specific training and coaching will be provided to women.
- Equal benefit for men and women from each of the projects results: community led projects will be assessed to measure whether they equally meet women and men practical as well as strategic needs; all exposure and capacity building actions in communities and institutions will include as many women as possible; policies and strategies elaborated by CHT institutions with project support will be systematically assessed from a gender equity point of view.

3.5. Stakeholders

- The primary beneficiaries of the programme will be **local communities** grouped into 2,722 Village (Para) committees including also 1,000 Village Women committee out of a total of 5000 villages in the CHT. They represent up to 650,000 people most of them already clustered into committees, during the previous five years of implementation. These communities include all the 11 ethnic groups in CHT including the Bengali population compliant with selection criteria established by the project in consultation with the Government. They will benefit from the enhancement of their self-reliance, from more responsible and trained local institutions, and from the enhancement of the economic opportunities and access to services.
- **CHT leaders and institutions:** The Regional Council, the three Hill District Councils, 25 Upazila Parishad (Sub-district Committees) and 111 Union Parishads (Union Committees), traditional institutions (The three Circle Chiefs) and the Ministry of CHT Affairs will be better able to assume their role as development agencies and advocates of the interests of the communities. During the life of the project, most development activities will be progressively handed over to these institutions.
- **Service providers, local and national entrepreneurs, Government services and NGOs** will benefit from effective partnerships with local communities and increased opportunities resulting from product development, enhanced product value chain, improved marketing practices, systems and infrastructure, business partnerships, and educated, empowered and wealthier communities.
- **Other communities** not covered directly by the programme will indirectly benefit from more responsive and capable institutions when they start implementing better intervention packages and function like development agencies, with proper outreach capacity and spirit.

- **The general population of Bangladesh** through better understanding of minority issues, cultural and ethnic diversity, general decrease in prejudices and tensions, and decrease in public expenditures on law and order.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

Joint management through the signature of a Standard Contribution Agreement with an international organisation UNDP.

The international organisation complies with the criteria provided for in the applicable Financial Regulation and is covered by the European Commission - UN Financial and Administrative Framework Agreement (FAFA).

Reasons for the choice of UNDP in implementing the project are:

- UNDP has the mandate for peace and confidence building in conflict affected area and, as such, soon after the signature of the Peace Accord in 1997 has been entrusted by the Government, supported by the Dhaka-based donor community to initiate development activities in the CHT. No other donor institution has been given such a level of freedom for direct cooperation and contacts with the central and local Government bodies and military in CHT. This mandate is also borne out by the internal division of labour within the UN system in CHT.
- UNDP since 2004 has been implementing the only large scale multi-sector programme in CHT. As indicated by the evaluation mission (November 2009) there are no viable alternative options to the present UNDP-framework.
- UNDP has already in place considerable logistical infrastructures and an elaborated safety system equipped with own radio frequency allowed exceptionally by the Government and Army, offering extensive support to staff and project visitors.

As part of the CHTDF, the project will be governed by the National Steering Committee (NSC) chaired by the Minister of CHT Affairs³. The National Steering Committee meets on annual basis. It is directly supported and guided by the Technical Advisory Committees (see next paragraph) and has the following roles and responsibilities: a) Review if programme progress is in line with the plan and strategic direction of the project; b) Advise on major policy matters and provide strategic direction to the programme; c) Coordinate and support liaison with Dhaka based programme stakeholders.

In keeping also with the Aid Effectiveness agenda, the programme's objectives are fully aligned with the national policy on CHT as stated in the Peace Accord and in the National Strategy for Accelerated Poverty Reduction. The project will address ownership by channelling support through the Government institutions and supporting Government efforts in the area. Technical Cooperation will be provided in the form of 'Capacity development'. Given the need for substantial dialogue between the project and the Government, Technical Cooperation in the form of 'Policy Advice' and 'Support to Implementation' will also be provided. Technical Cooperation has been designed through a demand-driven process by means of intensive dialogue with Government and civil institutions. The proposal has been already presented to the National Steering Committee of the CHTDF and by the Hill District Councils to the Ministry of CHT Affairs and other stakeholders who in both cases endorsed its strategy and planned activities.

³ The NSC consists of the following members: the Secretary and the Joint Secretary for Development of the Ministry of CHT Affairs; Chairman/Representatives of the Regional Council; the Chairperson of the CHT Hill District Councils (based on annual rotation among the three Chairpersons); Chairman/representative of the CHT Development Board; one CHT Circle Chief (King of Tribe) (based on annual rotation among the three Kings); representative of the Prime Minister's Office; Representatives of the Ministry of Home Affairs, Ministry of Mass and Primary Education, Ministry of Health, Ministry of Land, Ministry of Local Government Division; Divisional Commissioner; Representative of the Planning Commission; Representative of the Economic Relation Division; Conservator of Forest; UNDP Resident Representative and two representatives of the CHTDF; representatives of the EU Delegation. DANIDA and CIDA opted to be part of the NSC as observers.

The demand-driven process will continue during implementation as institutions will be in a position to formulate their Technical Development needs to be more effective in implanting development plans within their own localities.

It is expected that at the end of the project activities, all official institutions are aware of their roles, responsibilities and needs and consider themselves to be effective in delivering development gains in the CHT. They are also expected to be more closely embedded with the network of local communities through a community-led local development model of governance capable to attract further funding both from government and donors.

In order to ensure that at the end of the project the CHT institutions, organisations and communities will be in the position to effectively continue to manage their own development, an exchange of letters between the European Commission and the Government will be carried out.

4.2. Procurement and grant award procedures

All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned, i.e. UNDP.

4.3. Budget and calendar

Category breakdown	EU Contribution (in €)	Other Contribution (in €) from UNDP	Total (in €)	Contracting and Paying Authority
Joint Management – Contribution Agreement with UNDP	24 000 000	3 339 409	27 339 409	European Commission

The project operational duration is 48 months as from the date of submission of the funding request by UNDP. According to this request, the retroactive funding will be as from 1st January 2011.

4.4. Performance monitoring

In recognition of the size and complexity of the project, a Planning, Monitoring and Reporting (PMR) unit has been formed under the supervision of the Project Director. There are also designated monitoring and reporting focal persons for all project components, based in the field and reporting directly to the relevant Cluster Leader, with a matrix reporting line to the PMR unit. In addition, quality assurance and independent monitoring and evaluation of the project falls to the Programme Management Specialist, a UNDP appointed position. The Programme Management Specialist reports directly to the Deputy Country Director (Programmes), UNDP, with a matrix relationship to the PMR Unit.

Performance monitoring will be based on project description, logical framework and socio economic indicators of the project. The 'Socio-economic baseline survey' carried out by UNDP in 2008 will provide the project with baseline data to support Millennium Development Goals Mapping and Analysis in the CHT and inform Millennium Development Goals target setting. An update of Millennium Development Goals Mapping and Analyses will be undertaken in all Upazilla during the initial stage of implementation. This will provide the project with further baseline information necessary to further substantiate the indicators of the Logical Framework.

4.5. Evaluation and audit

The project will be evaluated according to standard procedures and methodology of the EU. At a later stage of implementation the project will be evaluated through external consultants recruited through additional funding under the Short Term Technical Assistance (STTA) framework and in accordance with EU rules and procedures..

A Mid-term evaluation will be part of contractual arrangement with UNDP and will be carried out following UNDP's rules and procedures.

Financial transactions and financial statements will be subject to the internal and external auditing procedures laid down in the rules and directives of UNDP. The project will be subject to the annual risk assessment exercise of the EU Delegation, following which, if necessary, a verification mission to be financed through additional funding from the STTA framework may be launched.

4.6. Communication and visibility

Visibility activities will comply with Article 11 of the European Commission - UN Financial and Administrative Framework Agreement (FAFA) expanded in Article 6 of the European Union General Conditions applicable to Contribution Agreement with international organisations.

Activities on visibility will be indicated in the 'Communication and Visibility Plan' which will be submitted by UNDP during the inception phase of the project. Report on the implementation of the plan will be submitted following regular reporting requirement.