



## table of content

### Contents

table of content.....	2
List of acronyms .....	3
<b>Executive Summary:</b> .....	4
<b>Detailed report</b> .....	5
<b>Introduction and background:</b> .....	5
<b>Rationale for Advocating the Inclusion of a Nutrition Budget Line Item in the Existing UP Budget Form:</b> .....	6
<b>Objective of the consultancy/ assignment:</b> .....	7
<b>Summary of desk review</b> .....	7
<b>Summary of the major Field Visit findings:</b> .....	10
<b>Conclusion:</b> .....	13
<b>documents:</b> .....	13
<b>List of annexes</b> .....	13
<b>Annex 1: List of the document reviewed includes, but is not limited to, the following documents:</b> ..	13
<b>Annex 2: Proposed UP budget Form</b> .....	14
<b>Annex 3: BMET App web link</b> .....	14
<b>Annex 4: List of semi structure questions</b> .....	14
<b>Annex 5: List of the UP Administrative officers' details:</b> .....	14
<b>Annex 6: Workshop Schedule:</b> .....	15
<b>Annex 7: Attendance Sheet of the participants:</b> .....	15
<b>Annex 8: Key article presentation (PPT)</b> .....	15
<b>Annex 9 : Detailed Work plan</b> .....	16
<b>Annex 10 : Consultative workshop report (in details)</b> .....	19

## List of acronyms

UP	Union Parishad
NILG	National Institute for Local Government
R2G	Right2Grow
BMET	Budget monitoring and Expenditure tracking
CU2	Children under two
CU5	Children under five
LGI	Local Government Institute
NGO	Non-governmental organization
SDG	Sustainable Development Goals
UNICEF	United Nations Children's Fund
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization

## Executive Summary:

The report presents a critical analysis of the current Union Parishad (UP) budget form used to develop UP budget in Bangladesh, evaluating its adequacy in addressing contemporary issues like malnutrition among children under five (CU5). Despite significant progress in reducing malnutrition over the past two decades, disparities remain, especially in rural and urban slum areas. The existing budget form, governed by the Union Parishad (Formulation and Approval of Budget and Other Matters Related Thereto) Rules, 2016, lacks provisions for essential sectors such as nutrition and safe drinking water, hampering the effective allocation of resources to mitigate malnutrition. The report highlights the need for the inclusion of a nutrition budget line item in the existing UP budget Form to address the undernutrition issues of CU5. The report also highlights the importance of investing in water, sanitation, and hygiene (WASH) interventions to reduce water- and fecal-borne diseases.

A thorough examination of the UP-budget form shows that the current "kha" budget form is insufficient, inconsistent, and not very comprehensive. There should be no more categories in the development spending part of the Budget Rules for 2016. Harmonization between the Union Parishad (Formulation, Control and Implementation of Development Plans) Rules, 2013 (Amended 2016) and the Budget Rules, 2016 is required.

To convince NILG to suggest these modifications to LGD, the UP-budget Form "Kha" is being revised. The objectives are to satisfy public requests, produce a complete budget devoid of duplication, and accomplish harmonization. To explore these adjustments, a consultation workshop with NILG has been conducted with participation from other Stakeholders.

NILG received a presentation that included particular recommendations along with an updated version of the UP-budget Form "Kha" sample. In order to give a more open, thorough, and flexible form, a digital version of Form "Kha" was also made available (BMET App).

The Union Parishad (UP) is a significant local government organization, but the report finds that in order to address the issue and enhance nutrition, the UP-budget form "Kha" needs to be updated. Despite this, the UP is unaware of the budget allocation for nutrition improvement.

The workshop with NILG aimed to inform participants about the Right2Grow program and emphasize the importance of allocating a separate budget for child nutrition and WASH (Water, Sanitation, and Hygiene). The program, currently implemented in 40 Union Parishads, seeks to enhance transparency and accountability in local government budgeting, with support from elected representatives and officers. A new digital app for budget preparation, piloted in these Union Parishads over the last three years, is expected to streamline the process. If further adopted by institutions like NILG, the app's strengths and weaknesses will be better understood. Additionally, linking this budgeting system with the government's iBAS++ will simplify monitoring expenditures nationwide including Union parishad.

The discussion also highlighted that budgeting should avoid duplication of income and expenditure, while including all potential revenue streams as per the Model Tax Schedule 2013. Child nutrition was underscored as a critical issue, with the Right2Grow program focusing on addressing undernutrition of CU5 through balanced and transparent budgeting. The inclusion of

a nutrition-WASH allocation in Union Parishad budgets was recommended, as proper budget planning ensures equitable distribution and better resource utilization.

The workshop encouraged thoughtful feedback from stakeholders, and it was proposed that recommendations from the event be forwarded to the Ministry for consideration. The initiative, led by Right2Grow programme consortium and HLP Foundation, was highly praised for its effort in improving local governance, with continued collaboration from NILG anticipated. (Proposed UP budget form Annex 2 and this Form converted into a BMET app web link Annex 3 The detail workshop report is in Annex 10).

#### **Major recommendations from different participants during the workshop with NILG:**

- Nutrition is everyone's right regardless of rich or poor, there should be an allocation for nutrition in the budget of the Union Parishad .
- People have nutritional problems so nutrition need to include in the UP budget.
- Duplication of income and expenditure should be avoided as much as possible.
- Inclusion of all income sectors in the model budget Form as per the model tax schedule.
- Union Parishad's revenue is low. Need to emphasized on increasing the revenue of the Union Parishad.
- Earlier there was a problem with LGSP intervention. They show 1% (1% of immovable property transfer tax) in the development budget which should actually be shown in the revenue budget.
- The revenue form is blank but the potential revenue options should be given as much as possible while doing the software. Income from birth and death registration should be shown as revenue income.
- All the chairmen and UP Administrative officers of the 40 unions in the project area need to take more time and take their opinions in a workshop and representatives from our NILG will participate there. A proposal with recommendations from the workshop may be forwarded to the Ministry and NILG will continue to cooperate in this regard. - (DG NILG)

#### **Detailed report:**

##### **Introduction and background:**

Right2Grow is an advocacy project aimed at every child reaching their full potential. Achieve the objective and demand to know and learn about the project beneficiaries and stakeholders' advocacy campaigns to increase the budget to address the undernutrition issues of under-5 children. In the last two decades, Bangladesh has made major progress in many fields of development, like drastically improving the stunting (low height/age) and nutritional status. However, according to the Bangladesh Demographic Health Survey 2014, 36% of children under five (CU5) are (severely) stunted and 45.6% of children under two (CU2) and more than 17% are wasted (low weight/height)<sup>1</sup>. There is a wide disparity in poor, rural, and urban slum areas where

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<sup>1</sup> Child stunting is defined as a child being two standard deviations lower than average height for their age and child wasting is a child who is two standard deviations lower than average weight for height.

stunting rates reach 50% of the population rather than 30% in other areas. Undernutrition is estimated to be the main underlying factor in 45% of all deaths in children under five. Bangladesh is one of the top 30 countries (88th of 117 countries)<sup>2</sup> that are most affected by hunger and malnutrition, according to the Global Hunger Index 2019 (it scores 25.8 and is therewith holding the fifth position in Asia). The underlying causes of malnutrition in Bangladesh manifest at household and community levels across three pathways: household food insecurity, caring practice for women and children, health environment and services.<sup>3</sup>

Research demonstrates a strong correlation between water, sanitation and hygiene (WASH) interventions and a reduction in water- and fecal-borne diseases. Investments in WASH should be recognized as fundamental investments in early childhood development and human capital. (This information collected from R2G project document).

Union Parishad (UP) is a powerful institution of local government, but they are not aware enough of the Nutrition-WASH nexus improvement budget allocation to reduce Undernutrition among CU5. The government has provisions in its policy, procedure, and plan to provide better nutrition support by allocating resources such as infrastructure development, ensuring governance, efficient service, and a social safety net towards the mitigation of malnutrition.

The Union Parishad (Formulation and Approval of Budget and Other Matters Related Thereto) Rules, 2016 are a notable set of rules that facilitate the Union Parishad in formulating a well-structured budget. There are several forms related to this rule. In the Union Parishad budget Form, there are mainly two sections, i.e., revenue and development. Most of the line items in the revenue section are specific, but it is exceedingly challenging to incorporate this form to encompass all relevant sectors of development and service provision.

#### **Rationale for Advocating the Inclusion of a Nutrition Budget Line Item in the Existing UP Budget Form:**

According to the Local Government (Union Parishad) Act, 2009, the Union Parishad prepares the budget every year. According to Union Parishad (Formulation and Approval of Budget and Other Matters Related Thereto) Rules, 2016 under Budget Form “Kha”, it is evident that different UPs are using different headings instead of specific the allocations under major head headings of budget form Kha. As a result-

- There is little chance of developing it later by analyzing the budget.
- Formulating the incremental budget for the next year's budget by following at the previous year's budget
- Without mentioning how much allocation is there in the budget against the well-planned projects, the public is not aware that this allocation will be used for which project, i.e. there is Lack of transparency.
- The UP-budget Form reveals that the existing budget Form is incomplete, inconsistent, and lacking comprehensiveness, with Safe drinking water and nutrition items notably

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<sup>2</sup> <https://www.globalhungerindex.org/bangladesh.html>

<sup>3</sup> Malnutrition in Bangladesh, Save the Children, 2015

absent under health category. Consequently, it is challenging to adequately address the citizens' demands for WASH and nutrition, despite nutrition being a constitutional right according to Clause 18 (Ka).

- Due to inconsistencies in the existing budget form, there is an opportunity to propose a revised version. The Right2Grow project subsequently adopted a strategic approach to ensure its requirements were integrated during the budget form revision process.

Consequently, this assignment has been commissioned to recommend NILG to take initiative for revision the UP-budget form to better address citizen needs by including sections for nutrition and safe drinking water.

#### **Objective of the consultancy/ assignment:**

The primary objective of this consultancy is to propose a revised-UP budget Form, specifically Form "Kha," to include a dedicated nutrition budget line item and other critical sectors. This revision aims to enhance transparency, comprehensiveness, and responsiveness to the current needs of the community, thus enabling better governance and resource allocation.

#### **Methodology:**

The assignment commenced with a thorough desk review of relevant documents and policies, followed by field visits to five UPs in Patuakhali and Khulna districts. During these visits, semi-structured (Annex-4) and open-ended questions were discussed in interviews with UP officials to gather insights into the practical challenges and inconsistencies in the current budget Form. A detail workplan has provided earlier which is in the annex 9.

#### **Summary of desk review:**

The Local Government (Union Parishad) Act of 2009 outlines the procedures and guidelines that Union Parishads must follow when formulating their budgets. This act ensures transparency and accountability in financial management. It specifies the roles and responsibilities of various officials involved in the budget process, the timeline for budget preparation, and the requirements for public participation and consultation.

Furthermore, the act mandates regular auditing of Union Parishad budgets to ensure compliance with legal standards and to detect any discrepancies or irregularities. Audits are conducted by authorized bodies, and their findings are made public to maintain accountability and trust in the local government's financial practices. The act also provides mechanisms for addressing any issues identified during audits, including corrective actions and potential penalties for non-compliance.

Overall, the Local Government (Union Parishad) Act of 2009 serves as a comprehensive legal reference for budget formulation and auditing, promoting good governance and financial integrity at the Union Parishad level.

The major legal reference of budget formulation of Union Parishad is the Local government (Union Parishad) act 2009. Below are the details of its budget and auditing reference.

## **BUDGET AND AUDITING**

**57. Budget.** - (1) Every Union Parishad shall, in the prescribed manner, prepare at least 60 (sixty) days before the commencement of each financial year, a statement of its estimated receipts and expenditure on the basis of the priority list received from the Ward Shava, for that year, hereinafter referred to as the budget.

(2) The Union Parishad shall organize an open budget session ensuring presence of concerned standing committees and the local people and present the budget thereof and send the copy of the budget, passed in the following meeting of the Parishad, to the Upazila Nirbahi Officer.

(3) If any Union Parishad fails to prepare such budget before the commencement of any financial year, the concerned Upazila Nirbahi Officer may prepare and certify a statement of estimated receipts and expenditure, and such certified statement shall be deemed to be the sanctioned budget of the Union Parishad.

(4) Within 30 (thirty) days of the receipt of the copy of a budget prepared under sub-section (2), the Upazila Nirbahi Officer may, modify it, if found any inaccuracy and inform the Parishad and the budget so modified shall be deemed to be the sanctioned budget of the Union Parishad.

(5) At any time before the expiry of the financial year to which a budget relates, a revised budget for the year may, if necessary, be prepared and send to the Upazila Nirbahi Officer and such revised budget shall, so far as may be, be subject to the provision of sub-section (4).

(6) Where any Union Parishad constituted under this Ordinance for the first time, may prepare the budget for the remaining period of the financial year during which it assumes office and the provision under this section shall also be applied for such budget.

**58. Accounts.** - (1) Accounts of the receipts and expenditure of a Union Parishad shall be kept in the prescribed manner and form.

(2) An annual statement of the receipts and expenditure accounts shall be prepared after the close of every financial year and present such accounts in the open budget session ensuring presence of all standing committees and the local people.

(3) The Union Parishad shall send a copy of the statement of the receipts and expenditure accounts, prepared under sub-section (2), to the Upazila Nirbahi Officer, within 60 (sixty) days of the following financial year; The Upazila Nirbahi Officer, in the prescribed manner, shall forward a combined statement to the Deputy Commissioner and the Deputy Commissioner, in the prescribed manner shall forward combined statement to the Government and the Commission.

### **Planning and budget rule**

The Local government Institutions of Bangladesh have undergone significant improvements through implementing various rules and circulars compared to previous decades. Union Parishad (Development Plan Formulation, Control, and Implementation) Rules, 2016 and

The Union Parishad (Formulation and Approval of Budget and Other Matters Related Thereto) Rules, 2016 are the notable set of rules that facilitate the Union Parishad in formulating a well-structured budget. There are several forms attached to this rule (budget formulation). Most line items in the revenue section are specific, while it is exceedingly challenging to incorporate this form to encompass all relevant sectors of development and service provision specially UP budget Form (Part-2).

According to section 3(1-10) of the Union Parishad (Development Plan Formulation, Control, and Implementation) Rules 2013, amended 2016, all the projects/schemes from Government, Zila parishad, Upazila parishad, NGO will be included in Union Parishad annual Plan and budget that link to 5-year plan. On the one hand, the government receives funds from Upazila Parishad, Zila Parishad, and various ministries, which significantly increases the Union Parishad budget. On the other hand, if i-BAS++ is implemented at the Union Parishad level, it will create an overlap with among those authorities.

Separate government instructions/circulars/guidelines regarding use of iBAS ++ will be issued by Finance Department for disbursements and expenditure to Union Parishads. It is mentioned above after finalization Management costs will continue. (page no 34 of UP Development Fund Utilization Guidelines 2021).

According to Section no 5 of the circular "Revenue expenditure out of 1% Immovable property transfer tax-11/09/2005" : The amount deposited for the previous month shall be distributed by the upazila executive officer and the upazila engineer on the basis of population by the 7th (seventh) of the following month, firstly from the due portion of the union parishad, after deducting the necessary portion for the payment of salaries and allowances to the employees of the respective union parishad, the remaining amount shall be deposited as per the share of all the union parishads under the upazila. and send a quarterly statement of the amount deposited to this department.

According to Section no 6 of the circular "Revenue expenditure out of 1% Immovable property transfer tax-11/09/2005" - Union Parishad chairmen will use the said money as matching fund for union development project in discussion with upazila executive officer and upazila engineer. It is clearly indicated that this line item will be inserted as development income. But theoretically, it may include under revenue part, as the salary of Union Parishad staffs are paid from this source of fund. This needs to be solved.

Compared to these two rules, it is observed that there is some inconsistency in Section 7(6)-3 of the Union Parishad (Development Plan Formulation, Control, and Implementation) Rules, 2016, with line items 4, 5, 8, and 9 of budget rules 2016 under the development expenditure (Part 2) in budget Form "Kha." It is clearly an overlap and difficult to formulate budget perfectly which has been explained in the PPT presentation. For a detailed list of the documents I reviewed, please refer to Annex 1.

### Summary of the major Field Visit findings:

During the field visit, consultations were held with Union Parishad (UP) Administrative Officers from various UPs in the Patuakhali and Khulna districts. Although the UP chairmen were unavailable, I was able to gather information from a key informant—a member of the Madarbunia UP . The following are the major findings: -

- Several UPs followed the different Budget form for their annual budget.
- There is a confusion regarding summary budget form “Kha” on calculation among line items of surplus budget, initial balance and closing balance.
- There is no clue regarding line item under the revenue income part. This part may be blank considering the different geographical context. But it creates lot of confusion among the UP Administrative officers. As a result: -



**Field visit: Interview with Madarbunia UP administrator**

- Many sources of income (18 types according to model tax schedule 2013) are not being included and several UPs missing those income. UP secretary says at least common income of source should be included as example like the line items of revenue expenditure.
- It is unclear whether the allowances for the UP Chairman and members, as well as the salary of the UP Secretary (government portion), should be classified under development income or revenue income, as these amounts are directly paid by the government."
- Whether the 1% of land transfer fund should be Classified under development income or revenue income.
- Most of the UPs follows the development part according budget Form with some additional categories which is not in the Form. But those categories might be creative exception considering the demands off their locality. For an instances, Human resource and natural resource development, Law and order and village court, informion technology etc.
- There is a mixed opinion among the UP Administrative officers regarding category no 10 under development expenditure. The category is about social safety net under the poverty reduction. These funds or kinds are sourced from various ministries, and the role of the union



**Field visit: Interview with Rangpur UP administrative Officer**

parishad is primarily to distribute them and, in some cases, prepare the list and forward it to the relevant ministry." In this circumstance it can't be included in UP budget while some UP Administrative officers think opposite.

**Moreover, the Union Parishads lack a clear understanding of how to incorporate citizen demands regarding CU5 Nutrition - WASH due to their lack of awareness about the impacts of inadequate nutrition-WASH nexus. Albeit, the categories health under development expenditure, nutrition is missing in Union Parishad (Development Plan Formulation, Control, and Implementation) Rules, 2016.**

**All the UP Administrative officers don't know the definition of category no 7 (service) under development expenditure. They think all the activities they provide is service. Therefore, it needs to a clear definition for the UP Administrative officers. The details of UP representatives' information are mentioned in Annex 5.**

### **Summary of the Workshop (including important recommendations)**

The workshop with NILG aimed to consult participants on the Right2Grow program, highlighting the need for a dedicated budget for child nutrition and WASH (Water, Sanitation, and Hygiene). The program, which is currently operational in 40 Union Parishads, focuses on improving transparency and accountability in local government budgeting, with support from elected officials and officers. A new digital app for budget preparation, piloted in these Union Parishads over the past three years, is anticipated to streamline the process. Broader adoption of this app by institutions such as NILG will provide further insights into its strengths and weaknesses. Additionally, integrating this budgeting system with the government's iBAS++ will simplify nationwide expenditure monitoring, including at the Union Parishad level in near future.

The discussion also emphasized the need to avoid income and expenditure duplication in budgeting while incorporating all possible revenue streams, as outlined in the Model Tax Schedule 2013. Child nutrition was identified as a key concern, with the Right2Grow program addressing undernutrition in children under five (CU5) through transparent and balanced budgeting. The inclusion of a specific nutrition-WASH allocation in Union Parishad budgets was recommended, as proper budget planning ensures equitable distribution and more effective resource utilization. The workshop encouraged constructive feedback from stakeholders, with the suggestion that the recommendations be submitted to the Ministry for consideration. The initiative, led by the Right2Grow program consortium and HLP Foundation, was commended for its efforts to improve local governance, and continued collaboration with NILG is expected.

Major recommendations from different participants during the workshop:

- Nutrition is everyone's right regardless of rich or poor, there should be an allocation for nutrition in the budget of the Union Parishad.
- People have nutritional problems so nutrition need to include in the UP budget.
- Duplication of income and expenditure should be avoided as much as possible.
- Inclusion of all income sectors in the model budget Form as per the model tax schedule.

- Union Parishad's revenue is low. Need to emphasized on increasing the revenue of the Union Parishad.
- Earlier there was a problem with LGSP intervention. They show 1% (1% of immovable property transfer tax) in the development budget which should actually be shown in the revenue budget.
- The revenue form is blank but the potential revenue options should be given as much as possible while doing the software. Income from birth and death registration should be shown as revenue income.
- All the chairmen and UP Administrative officers of the 40 unions in the project area need to take more time and take their opinions in a workshop and representatives from our NILG will participate there. A proposal with recommendations from the workshop may be forwarded to the Ministry and NILG will continue to cooperate in this regard. - (DG NILG)

**There are some specific recommendations given as below:**

1. The budget form needs to be updated in the context of current realities, Modern Bangladesh and climate change aspects;
2. In the budget form “Kha” under revenue income the receiving house should mention the possible specific source of income.
3. It needs to be specified whether the allowances of UP chairman and members and salaries and allowances of employees will come under revenue income or development income.
4. Duplication of Headings of Development Expenditure Section of Budget Rules, 2016 needs to be avoided. Budget Rules, 2016 and Union Parishad (Formulation, Control and Implementation of Development Plans) Rules, 2013 (Amended 2016) need to be harmonized.
5. It is necessary to specify whether the fund from transfer tax of immovable property 1% will include under revenue income or development income
6. The budget form should mention as many sectors as possible. Union Parishads will allocate the budget to those who need it. And those cells are unnecessary, they can be left blank or empty. However, the budget must be allocated to essential sectors. For example, salaries, health, education and nutrition, etc.
7. Digital budgeting system should be introduced for the sake of transparency, accountability, facilitating and smooth delivery of public services.
8. The Budget Monitoring and Expenditure Tracking (BMET) app developed by HLP Foundation, one of the partners of the R2G program, can be implemented in all Union Parishads and Municipalities with further experimentation by the Government.
9. NILG can include BMET app in its training program

10. NILG and HLP Foundation can jointly conduct Action research on BMET app at field level.

Considering the analysis of UP existing budget form the consultant prepared a revised budget form Kha (Annex 2) and the BMET app link is given annex 3.

### **Conclusion:**

Given the current circumstances and our extensive practical experience with Union Parishad, most UP Chairmen and Secretaries strongly recommend revising the budget Form and Local government institutions must work to ensure child nutrition. This revision should include specific activities categorized under different headings while also including another line item to allow UPs to allocate funds for nutrition and WASH based on their unique context. In addition, an operational guideline is needed for the preparation and implementation of the budget for the union parishad. It will be very helpful to understand clearly for the UP officials as well as other stakeholders. After the workshop with NILG, the Director General proposed that the chairmen and UP administrative officer of all 40 unions within the project area should have more time to share their views in a dedicated workshop, in which NILG representatives would also participate.

Therefore, Right2Grow and HLP foundation can explore the regional workshops with initially UP administrative officers regarding their experience about suitability of using BMET web base app and later on another sharing workshop where all Chairmen can participate. Two separate workshops for UP Administrative officer and Chairman would be as a wise strategy.

- Annex 1 : List of the document reviewed includes, but is not limited to, the following documents:**
- Annex2 : Proposed budget Form adjusted with instant feedback from NILG Workshop**
- Annex 3 : BMET App web link**
- Annex4 : List of semi structure questions**
- Annex 5 : List of the UP Administrative officers' details:**
- Annex 6 : Workshop Schedule:**
- Annex 7 : Attendance Sheet of the participants:**
- Annex 8 : Key article presentation (PPT)**
- Annex 9 : Detailed Work plan**
- Annex 10 : Consultative workshop report (in details)**

### **List of annexes with content:**

**Annex 1: List of the document reviewed includes, but is not limited to, the following documents: -**

- Local Government (Union Parishad) Act 2009
- Union Parishad (Formulation and Approval of Budget and Other Matters Related Thereto) Rules, 2016
- Union Parishad (Development Plan Formulation, Control, and Implementation) Rules, 2016

- Union Parishad Model Tax Schedule 2013
- Union Parishad Development Fund Utilization Guidelines 2021
- Union Parishad (property management of Parishad, preservation and transfer) rule 2012
- Union Parishad (Accounts and Audit) rule 2012
- Revenue expenditure out of the 1% Immovable Property Transfer Tax, 2005
- Leasing system, management of government hat-bazaars, and distribution of income regulation 2008.

## Annex 2: Proposed UP budget Form

Proposed budget Form adjusted with instant feedback from NILG Workshop



V14\_Proposed UP  
Budget Sample form

## Annex 3: BMET App web link

<https://r2g.hlpfoundation.net/user-login>

[Admin@gmail.com](mailto:Admin@gmail.com)

Pass-123456

[Chotobaghi@gmail.com](mailto:Chotobaghi@gmail.com)

Pass-123456

## Annex 4: List of semi structure questions

- 1 What are the major challenges they are facing due to existing Form?
2. What is their confusion to formulate their annual budget?
3. What is the procedure they are following for monitoring the budget expenditure?
4. Whether they analyze their last year's annual budgets to prepare their next year budget?
5. Whether they carry over their projects to next budget? If not, how they link the annual budget to 5-years plan and budget?
6. What are the suggestions they would like to share to improve the existing budget Form.

## Annex 5: List of the UP Administrative officers' details:

The following are the details of the Union Parishad I visited:-

Sl #	Name of UP secretary	Name of Union Parishad	Visit date	Name of Upazila	Name of District
1	Md Mizanur Rahman	Lohalia	30 June 2024	Sadar Upazila	Patuakhali
2	Md Mizanur Rahman	Madarbunia	30 June 2024	Sadar Upazila	Patuakhali

3	Utpal Bashak	Rangpur	01 July 2024	Dumuria	Khulna
4	Md Shamimuzzaman	Atlia	01 July 2024	Dumuria	Khulna
5	Shidhartho Sankar Banarzy	Maguraghona	01 July 2024	Dumuria	Khulna

#### Annex 6: Workshop Schedule:



#### Annex 7: Attendance Sheet of the participants:



#### Annex 8: Key article presentation (PPT)



## Annex 9 : Detailed Work plan

Sl . #	Name of the activities	Timeli ne (Days)	Tentative date of activities	Methods	Key stakeho lders	comments
1	Document review	3	25-27 June, 2024	Review the existing Act, rules and circular to identify the gaps and strength.	-	The document includes, but is not limited to, the following documents: - Union Parishad (Formulation and Approval of Budget and Other Matters Related Thereto) Rules, 2016 Union Parishad (Development Plan Formulation, Control, and Implementation) Rules, 2016 Union Parishad Model Tax Schedule 2013 UP Development Fund Utilization Guidelines 2021 Local Government (Union Parishad) Act 2009 Union Parishad (property management of Parishad, preservation and transfer) rule 2012 Revenue expenditure out of the 1% Immovable Property Transfer Tax, 2005 Leasing system, management of

						government hat-bazaars, and distribution of income regulation 2008.
2	Field visit to UP: - Travel to Patuakhali -Discussion with relevant stakeholders from 2 UPs in Patuakhali. -Travel to Khulna Discussion with relevant stakeholders from 2 UPs in Khulna Travel back to Dhaka.	2	29 June 2024 30 June, 2024 30 June, 2024 1 July 2024 2 July 2024	Consultation with UP Secretary, Chairman and key informant with some major questions. For an instance :- 1 What are the major challenges they are facing due to existing Form? 2. What is their confusion to formulate their annual budget? 3. What is the procedure they are following for monitoring the budget expenditure? 4. Whether they analyze their last year's annual budgets to prepare their next year budget? 5. Whether they carry over their projects to next budget? If not, how they link the annual budget to 5-years plan and budget? 6. What are the suggestions they would like to share to improve the existing budget Form?	UP Secretary, Chairman and key informant	This visit days are excluded the travel date
3	Prepared a draft report from the field visit		3 July, 2024			
4	Communicate NILG/meet with DG NILG to fix the consultation meeting date		3 July, 2024	A formal letter needs to be provided to NILG and visit physically with DG NILG		Support needed from Shafiq sir.

5.	<p>Consultation meeting: -Draft presentation preparation and Sharing to R2G.</p> <p>-Feedback adjustment from R 2 G project to the presentation</p> <p>-Pre-meting preparation</p> <p>- Sharing meeting with NILG</p>	3	<p>7 July 2024</p> <p>8 July 2024</p> <p>10 July 2024</p> <p>11 July 2024</p>	-PowerPoint presentation, Open discussion	LGD personnel, relevant NILG official, HLP consortium members and consultant	Consultation
4	<p>Report submission: -Feedback Adjustment from the meeting with NILG</p> <p>-Submit an initial draft report to R2G project with a Justifications for changes or inclusions in the budget form.</p> <p>-After getting feedback from R2G a final report submission to R 2 G project with a recommendation for revision of budget Form.</p>	3	<p>12 July 2024</p> <p>14 July 2024</p> <p>17 July 2024</p>	Sharing the reports and summary notes from different events/meetings	Consultant	Final report produced
	Total	11				

This is a tentative program outline. It may be adjusted based on the actual field visit, the NILG meeting date, and other contextual factors.

Annex 10 : Consultative workshop report (in details)

**Consultative workshop to review the budget form to ensure child nutrition in the Union Parishad budget and practical benefits of digital budget App.**



Rapporteur:

**Nurul Islam**

Assistant Director, NILG, Dhaka.



National Institute of Local Government (NILG)  
29, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207.

[www.nilg.gov.bd](http://www.nilg.gov.bd)

### **1. Introduction:**

Union Parishad Parishad is the lowest administrative unit of rural areas in Bangladesh. Union Parishads were created under the Gram Chowkidari Act 1870. Under this Act, a union is formed with several villages for the purpose of introducing guard patrol system in each village. Detailed guidelines for the Formion of Unions are recorded in Chapters II and III of the Bengal Chowkidari Manual. The development of this process led to the creation of the concept of a local government unit. In the initial stage its role was limited to security activities, but later it became the basis of the primary unit of local government.

### **2. Objective of the Workshop:**

One of the objectives of the workshop is to inform about the Right2Grow program and to keep a separate budget allocation for child nutrition and WASH and to consult with stakeholders on Union Parishad budget applications.

### **3. Workshop venue and time:**

The workshop was held on September 18, 2024 throughout the day. The workshop was organized at the Third Floor Seminar Room of the National Institute of Local Government (Workshop Schedule Annex-6).

### **4. Workshop participants:**

Workshops are held with participants from different levels. The participants included faculty members and staff of NILG, Development organizations, representatives and experienced persons in the field- UP Chairmen and Administrative officer (List Annex-7).

### **5. Workshop management:**

Mr. Manoj Kumar Roy (Additional Secretary), Director General, National Institute of Local Government (NILG) was present as the Chief Guest. Session conducted by Mr. Md. Shafiqul Islam (Joint Secretary), Director (Administration & Coordination), NILG, Mr. AFM Amir Uddin, Consultant of Right2Grow Program and Mr. Saiful Islam, Tuhin, IT Consultant of HLP Foundation presented keynotes in this workshop. The keynote was discussed by Mr. Mohammad Zahid Akhtar, Joint Director (Training Outreach), NILG; MM



**Mr. Nurul Islam, Assistant Director, NILG acted as a rapporteur.**

Imrul Kayes, Joint Director (Administration & Coordination), NILG and Ms. Kamrun Nahar, Deputy Director, (Training Operations), NILG.

Mr. Md. Shafiqul Islam (Joint Secretary), Director (Administration & Coordination), NILG and Mr. A. Jehad Sarkar, Assistant Director, NILG served as workshop director and coordinator respectively. Mr. Nurul Islam, Assistant Director, NILG acted as rapporteur. The workshop was divided into three parts, the first part was the opening session, the second part was the working session and the third part was the closing session and lunch.

## **6. Inaugural session:**

### **6.1 : Self-Introduction:**

Participants in the workshop introduced themselves from their respective positions. Identification includes name, title, workplace and affiliation with NILG.

### **6.2 : welcome speech:**

Mr. Md. Shafiqul Islam, President of HLP Foundation gave a welcome speech at the workshop. He greeted and thanked everyone present. He said that children should be supported to grow up. Local government institutions must work to ensure child nutrition. He mentioned that Right2Grow is working in 40 Union Parishads where elected representatives like Chairman, Members, Administrative Officer, Accounts Assistant-cum-Computer Operator, and Village Police are all assisting. He mentioned that one of the objectives of this initiative is to support the government so that



**Mr. Md. Shafiqul Islam, President of HLP Foundation gave a welcome speech**

transparency and accountability are reflected in the Union Parishad budget. This budget is published in the form of books as well as on the Union Parishad notice board, bill board and even on the website. Mr. Islam said they have developed a dynamic app for Union Parishad budget preparation which is being piloted in 40 Union Parishads for the last 3 years. If NILG uses this app as an Apex training institution or piloting it in any other Union Parishad, its strengths and weaknesses (if any) will come out. The government is monitoring expenditure through iBAS ++ across the country. Monitoring will be easier if the budget system is linked with iBAS++. With the help of Water Aid Bangladesh, there was a program called LG Help Line in NILG where various issues of local government especially Union Parishad could be known by calling. Its relaunch will

further enhance the relationship between local government institutions and the people. He appealed to all to provide thoughtful feedback on the papers presented.

## 7. Working session:

### 7.1 : A brief introduction to the Right2Grow program



Mr. Iqbal Azad, Team Lead, Right to Grow Program Consortium Bangladesh gave a brief introduction about the Right2Grow Program. He said Right2Grow is working with the motto that every child can grow up with full potential.

**Mr. Iqbal Azad, Team Lead, Right to Grow Program Consortium Bangladesh gave a brief introduction about the Right2Grow Program.**

### 7.2 Presenting the Key article:

Mr. AFM Amir Uddin, Consultant of Right2Grow Program and Mr. Saiful Islam Tuhin, IT Consultant of HLP Foundation presented keynotes in the workshop. Mr. Amir started his presentation by greeting everyone. At the beginning of the presentation, he informed that the theoretical part of the article will be presented by him and Mr. Saiful will present the technical part. Mr. Amir stated that, in accordance with the Local Government (Union Parishad) Act of 2009, the Union Parishad is responsible for preparing the budget annually. According to Union Parishad (Formulation and Approval of Budget and Other Matters Related Thereto) Rules, 2016 under Budget Form “Kha” it is evident that different UPs are using different headings instead of specific the allocations under major headings of budget form “Kha”. As a result, there is little chance of developing it later by analyzing the budget. Formulating the incremental budget for the next year's budget by following at the previous year's budget. Without mentioning how much allocation is there in the budget against the well-planned projects, the public is not aware that this allocation will be used for which project, i.e. there is Lack of transparency. He pointed out that the legal basis of Union Parishad is:

- Local Government (Union Parishad) Act 2009.
- Union Parishad (Formulation and Approval of Budget and Other Matters Related Thereto) Rules, 2016.
- Union Parishad (Development Plan Formulation, Control, and Implementation) Rules, amended 2016.
- Union Parishad Model Tax Schedule 2013.
- Union Parishad (property management of Parishad, preservation and transfer) rule 2012.
- Union Parishad (Accounts and audit) rule 2012.
- Union Parishad (Agreement) rule 2012.
- UP Development Fund Utilization Guidelines 2021.

However, the Union Parishad (Formulation and Approval of Budget and Other Matters Related Thereto) Rules, 2016 and the Union Parishad (Formulation, Control and Implementation of Development Plans) Rules 2013, amended 2016 are the most important among the above-mentioned legal regulations. He said, there is no income source listed in the revenue income section. This section may be empty due to varying geographical circumstances, which has led to confusion among the UP Administrative Officers. As a



**Mr. A.F.M Amir Uddin, Consultant of Right2Grow Program presented keynote Paper**

result of which many sources of 18 types of income are not included and many UPs are deprived of that income as per Model Tax Schedule, 2013 alone. According to him, it is not clear whether allowances of UP chairman and members, as well as salaries of UP administrative officers (government portion), should be classified under development income or revenue income, as these amounts are paid directly by the government. Many people are also not clear whether Immovable Property Transfer Tax (1%) should be classified under development income or revenue income.

Mr. Amir said that one of the key discussions is about, Budget Form “Kha” of Budget Rules 2016. Under Development Account Expenditure in Part-II of this form, 14 sectors are included. However, although sports and culture, education, health are different sectors, all the above sectors are under socio-economic infrastructure in sub-rule 7(6)-3 of the Union Parishad (Formulation, Control and Implementation of Development Plan) Rules, 2013 Amended 2016. This evidently creates a form of duality and serves as a barrier to prepare accurate budgeting. He mentioned that the budget should be prepared considering contemporary issues. He mentioned that the budget should be prepared considering the current affairs. For example, issues of current

importance are climate change, nutrition, thalassemia, gender equality, mutual learning program, human resource development, SDGs, etc. Union Parishad can solve many of these important problems through public awareness at low cost. It may also be noted here that under development expenditure, category 7 (services) sector has been included. However, there is no mention of what should be included under this service. Moreover, the sectors which are included in the rules, need to follow a rule based on priority. For example, miscellaneous sectors are shown in order number 6, which is logically given last. Therefore, a detailed guideline to budget formulation is necessary.

But hopefully, some UPs are all-enthusiastic and have included some additional sectors in the budget, which are not in the form. For example, human resource and natural resource development, law and order and village courts, information technology, etc. There are mixed opinions among many regarding the 10th sector under development expenditure. For example, the social safety net sub-sector under the poverty reduction sector. These programs are implemented as cash or kind by various ministries through Union Parishad. For example, VGF, VGD, etc. Many Union Parishads' include these in their budgets and some do not. It is necessary to give a clear direction from the government. The most important point is that the Union Parishad budget is not consolidated at the national level. As a result, the activities of the largest number of local government institutions are not reflected at the national level. The activities of iBAS++ are extended to upazilas only. It can be thought about whether such activities can be started up to the Union Parishad.

BMET app is being used in 40 Unions of Southern regions in last 3 financial years. Although the initiative to digitize the UP budget has not been taken in the past, the HLP Foundation has prepared the BMET app as a partner of CEGAA, a South African NGO in the Righ2Grow program. In this app, the budget form can be filled by simply entering the data under the specific sector. Anyone can view it from anywhere. From the local people to Union Parishad leaders, local administration including officials and employees, all those who have received permission including ministries at the national level can observe and monitor the budget activities of the respective Union Parishad individually or collectively. The local, upazila, district, and national level will be compared comparative budget position through various types of tables, pie charts, etc. by using budget data. Through this app it will be easy to evaluate the activities of each Union Parishad. This app can be used from any time of the year. Then Mr. Saiful Islam Tuhin demonstrated the BMET app live. He also prepared the budget in an imaginary Union Parishad.

Some recommendations are made by the presenters of the main article to simplify the budget formulation of the Union Parishad. Namely:

- The budget form needs to be updated in the context of current realities, modern Bangladesh and climate change aspects;

- In Budget Form Kha, the receiving column under revenue income, should mention the likely specific source of income.
- Allowances of UP chairman and members and salaries, allowances, bonuses of staffs to be covered under revenue income or development income should be specified.
- The Budget Rules for 2016 should eliminate any duplication of categories in the development expenditure section. Budget Rules, 2016 and Union Parishad (Formulation, Control and Implementation of Development Plans) Rules, 2013 (Amended 2016) need to be harmonized.
- It has to be specified whether the fund from Immovable Property Transfer Tax (1%) will go either under revenue income or development income.
- The budget form should mention as many sectors as possible. Union Parishads will allocate the budget to those who need it. And those that are unnecessary, they can be left data blank or empty. However, the budget must be allocated to essential sectors. For example, salaries, health and nutrition, etc.
- Digital budgeting system should be introduced in order to facilitate transparency, accountability, and smooth delivery of public services.
- The Budget Monitoring Expenditure Tracking (BMET) app developed by HLP Foundation, one of the partners of the Right2Grow program, can be implemented in all Union Parishads and Municipalities with further experimentation by the Government.
- NILG can include BMET app in its training program.
- NILG and HLP Foundation can jointly conduct practical research on BMET app at field level.

(Key article PPT annex 8)

### 7.3 Discussion on the key article



**Ms. Kamrun Nahar, Deputy Director of the Institute discussed on the key paper**

After presenting the main paper, the Director (Administration and Coordination) thanked the paper presenters. Then he invited Ms. Kamrun Nahar, Deputy Director of the Institute for discussion on the main article. She opened the discussion by thanking and appreciating the keynote presenter for his excellent presentation. She said there is no need to show the salaries and allowances of the officers and employees separately. Duplication of income and expenditure should be avoided as much as possible. She recommended inclusion of all income sectors in

the model budget Form as per the model tax schedule.

At the end of Ms. Nahar's speech, Director General NILG thanked her for holding the discussion within the allotted time. He then invited Mr. MM Imrul Kayes, Joint Director (Administration and Coordination), for a discussion.

Mr. MM Imrul Kayes started his speech by thanking the keynote presenter for preparing and presenting a rich seminar paper. He said he had the opportunity to work with the Ashrayan project while working in the Prime Minister's Office. He studied the problems of common people very closely there. According to him, people have nutritional problems and preparing budget through digital app will increase transparency and accountability. As a result, balanced budgeting will be possible and people will be freed from the curse of malnutrition. Finally, he concluded his talk by welcoming the initiative of organizing such a workshop and inviting them to take advantage of this app.

After the speech of the Joint Director (Administration and Coordination) the Director NILG thanked him for completing the discussion within the stipulated time. Then he invited the Joint Director (Training and Counseling) Mr. Mohammad Zahid Akhtar for a discussion.

Mr. Mohammad Zahid Akhtar started his discussion by thanking the keynote presenter. He said in his talk "Children are the future of a nation. If they suffer from malnutrition, the entire nation will pay the price. So utmost care should be taken in the selection of beneficiaries. On the other hand, care must be taken in preparing the budget to ensure equitable distribution and proper utilization of resources. One must focus on how much work can be done in a short time using the current technology so that work can be done as per the objective while keeping the quality of work intact. After the speech of the Joint Director (Training and Counseling) the Director NILG thanked him for the detailed discussion within the allotted time.

#### **7.4 Open discussion:**

After the discussion on the main article, the organizer of the workshop and Director (Administration and Coordination) of NILG Mr. Md. Shafiqul Islam (Joint Secretary) expressed his opinion on the discussions of the discussants. Then he expressed his opinion about the presented article. He thanked the main article presenter for presenting the table beautifully. He thanked Right2Grow and HLP Foundation for choosing NILG to host the workshop. The floor was then thrown open for open discussion.

Mr. Babul Sheikh, Program Manager, ACF said that Part 2 of Budget Form "Kha" has Health in Development Account Expenditure. When Union Parishad formulate budget, they mostly choose water supply and construction of latrines. As there is no public health specialist in the Union Parishad, the health sector is limited to water supply and construction of latrines. Identifying nutrition as a separate service will have a huge impact on child development. He called for public health not to be confined to water supply and latrines but to consider issues such as nutrition.

Mr. Siddhartha Shankar Banerjee, Administrative Officer, Sachidaha Union Parishad, Terokhada, Khulna said that we have allocated nutrition sector in our budget. Disability allowance is paid regularly. But I don't know if research is done on why disability occurs. If research is done on this issue, steps can be taken to eliminate the disability. Mr. Toufiqul Islam, Manager, Save the Children Right2Grow, said that the proposed recommendation needs to be refined linguistically. The issue of health and nutrition needs to be clarified. Mr. Md. Sarwar, Administrative Officer, Sharikkhali Union Parishad, Taltali, Barguna said that 20 basins have been provided from the Union Parishad's revenue budget in the last financial year. But the Union Parishad's revenue is low. He emphasized on increasing the revenue of the Union Parishad.

Mr. Md. Ibrahim Sikder Panu, Chairman, Karaibaria Union Parishad, Taltali Barguna said that they have been working with Right2Grow since 2023 on child nutrition. Working in a hostile environment to raise public awareness about nutrition. Before Jago Nari and Right2Grow came along, they too were not so aware of child nutrition. But due to the limited income of Union Parishad they cannot take proper action.

Mr. Md. Omar Farooq Parvez, Assistant Director, NILG said that there should be an allocation for nutrition in the budget of the Union Parishad . Nutrition is everyone's right regardless of rich or poor. Mr. Sajal Koreishi, Max Foundation mentioned that uniform budget form of Union Parishad is absolutely necessary. Mr. Md. Nazim Uddin, Documentation Officer, NILG said NILG has an excellent study on budgeting. Earlier there was a problem with LGSP intervention. They show 1% (1% of immovable property transfer tax) in the development budget which should actually be



**Participants of the workshop**

shown in the revenue budget. Similarly, there is dissymmetry in salary and allowances. On the other hand, there is a contrast between budget rules and development planning rules. The revenue form is blank but the potential revenue options should be given as much as possible while doing the software. Income from birth and death registration should be shown as revenue income. TR, Kabikha, Kabita must be displayed in Budget.

Mr. Mohammad Abdul Jalil Mallik, Publication Officer, NILG said that the income of all Union Parishads in Bangladesh is not the same. Therefore, the income sector cannot be specified. He also said that the Union Parishad budget is a surplus budget and Form "Ga" should be filled first. Mr. Md. Abu Ekhtiar Hashemi, Assistant Librarian, NILG thanked for the excellent presentation

and said if there is no income then how will it be spent? He emphasized on increasing revenue. He wants to know whether the development cooperatives present at the workshop have taken any research or steps to increase the income of the Union Parishad. He also said that the tax rules of 1960 are still in force in the Union Parishad. On the other hand, the model Tax Schedule, 2013 requires clarification of many income categories. Sheikh Helal Uddin, Chairman, Atlia Union Parishad, Dumuria, Khulna emphasized on taking advice of ward meeting in budget formulation. He recommended creating a separate sector in the budget for nutrition.

### **8. Closing Session:**

The closing session was attended by Mr. Manoj Kumar Roy, Director General of NILG and Engineer Imam Mahmood Riad, Chairperson, Country Steering Committee, Right2Grow Program and Country Director, Expansion and Innovation, Max Foundation, Bangladesh was present as the President. Director General NILG mentioned that earlier workshop would be better for NILG. He applauded Right2Grow and HLP Foundation for taking this initiative. He advised the representative Union Parishad to consider the budget and take



**Mr. Manoj Kumar Roy, Director General of NILG  
Chief Guest of the workshop giving his speech.**

their views into consideration. He also said that all the chairmen and UP Administrative officers of the 40 unions in the project area need to take more time and take their opinions in a workshop and representatives from our NILG will participate there. A proposal with recommendations from the workshop may be forwarded to the Ministry and NILG will continue to cooperate in this regard.

In the speech of the President, Mr. Imam Mahmud Riyad said that since independence there have been various changes in the local government system but there has been no modernization. There



**Engineer Imam Mahmood Riad, Chairperson, Country Steering Committee, Right2Grow Program and Country Director, Expansion and Innovation, Max Foundation, Bangladesh giving his closing speech.**

are hundreds of sectors of services provided by Union Parishad. They have to be coordinated. The budget of local government institutions is non-inclusive. Many issues such as: nutrition, climate change, environment, waste management, etc. have to be included here. Need based and learning sharing HLP should be revived. He expressed the hope of making world-class apps for the budget preparation of the Union Parishad and announced the end of the workshop by thanking and thanking everyone.

Signature and seal of the Consultant:

**A F M Amir Uddin**  
Local Governance Consultant