



**Country: Sri Lanka  
Project Document**

<b>Project Title</b>	Local Governance Project (LoGoPro)							
<b>UNDAF Outcome(s):</b>	<i>Governance mechanisms and practices enable the realisation of the principles of the MD and promote and protect human rights of all persons</i>							
<b>Expected CP Outcome(s):</b>	Improved performance of regional and local level structures in delivering services in a transparent and accountable manner.							
<b>Expected Output(s):</b> <i>(Numbering as per CPAP)</i>	11. Improved capacity of devolved authorities and decentralized government administration to deliver public goods and services. 12. [a] Improved capacity of CSOs/CBOs to act as accountable and transparent alternative service providers complementing government functions 12 [b]. Improved capacity of CSOs/CBOs to represent public needs and monitor service delivery.							
<b>Implementing Partners:</b>	Ministry of Public Administration & Home Affairs Ministry of Local Governance & Provincial Councils							
<b>Responsible Parties:</b>	Eastern Provincial Council, Information Communication Technology Agency of Sri Lanka (ICTA), UNDP & Civil Society Organizations (CSOs)/Community Based Organizations (CBOs)							
Programme Period: 2008-2012 Key Result Area (Strategic Plan): Democratic Governance Atlas Award ID/Project ID: <table border="1"> <thead> <tr> <th>Award #</th> <th>Project/s #</th> </tr> </thead> <tbody> <tr> <td>00056746</td> <td>00069632</td> </tr> <tr> <td>00050761</td> <td>00069634, 00069649, 00069650 &amp; 00062839 (PID phase)</td> </tr> </tbody> </table> Start date: 1 April 2009 End Date: 31 December 2012  LPAC Meeting Date: 27 February 2009 Management Arrangements: National Implementation Modality (NIM)	Award #	Project/s #	00056746	00069632	00050761	00069634, 00069649, 00069650 & 00062839 (PID phase)	Total resources required \$ 5,885,000  Total allocated resources: \$ 1,630,000 • Regular - Main \$ 1,430,000 • Other: ○ UNDP DGTTF \$ 200,000 ○ Donor _____ ○ Donor _____ ○ Government _____  Unfunded budget: \$ 4,255,000 (To be mobilised)	
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00056746	00069632							
00050761	00069634, 00069649, 00069650 & 00062839 (PID phase)							
Agreed by Ministry of Public Administration & Home Affairs	Title & Signature	Date						
Agreed by Ministry of Local Government & Provincial Councils	Title & Signature	Date						
Agreed by UNDP	Title & Signature	Date						

## **Project Document**

# **Local Governance Project**

## **(LOGOPRO)**

### **Brief Description**

Following the completion of the Initiation Phase, which ran from September 2008 to February 2009 [with an extension granted by the Department of External Resources that concluded 30<sup>th</sup> June 2009], the Local Governance umbrella project was finalised with the expressed aim of enhancing local service delivery for the attainment of the MDGs and to strengthen local democratic dialogue and support processes that enable citizens to hold their local government institutions accountable. The project includes interventions that target the devolved, deconcentrated and community structures at the local level. Building on earlier post-tsunami projects, and taking into account the government's priorities the project's focus is in the Eastern, Southern and Uva Provinces.

7 Pillars of activities are envisaged, which will be implemented by two Implementing Partners with the support of identified Responsible Parties. Therefore to facilitate project management, separate work-plans will be developed for each Implementing Partner and overseen jointly by one Project Board to ensure coordination and to promote synergies.

The total budget for the project is \$5,885,000 out of which the Country Office, in line with CPAP commitments, has allocated \$1,430,000 TRAC resources and the UNDP Democratic Governance Thematic Trust Fund (DGTTF) has committed US\$200,000. Efforts will be undertaken to mobilize the unfunded portion of the budget amounting to \$4,255,000 both through in country and global level avenues. Care has been taken to allocate the currently available resources against key priorities to ensure the attainment of prioritized results in the absence of an influx of

**ACRONYMS**

ACLG	Assistant Commissioner for Local Government
AGSL	ART GOLD Sri Lanka
AWP	Annual Work Plan
CADREP	Capacity Development for Recovery Program
CBO	Community Based Organisation
CDR	Combined Delivery Report
CLG	Commissioner for Local Government
CSO	Civil Society Organisation
DAD	Development Assistance Database
DSS	Divisional Secretariats
ERD	External Resources Department
FACE	Fund Authorization and Certificate of Expenditure
GA	Government Agent
GN	Grama Niladari
HACT	Harmonized Approach to Cash Transfers

**LoGoPro**

LOGOPRO	Local Governance Project
MDG	Millennium Development Goals
MLG&PC	Ministry of Local Government and Provincial Councils
MPA&HA	Ministry of Public Administration and Home Affairs
NCED	National Council for Economic Development
NGO	Non Governmental Organisation
NPD	Department of National Planning
PSTI	Public Service Training Institute
RADA	Reconstruction and Development Authority
RMG	Results Management Guide
RRF	Results and Resources Framework
SLIDA	Sri Lanka Institute of Development Administration
SLILG	Sri Lanka Institute of Local Governance
TAFFREN	Task Force for Rebuilding the Nation
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
VTA	Vocational Training Authority

## Introduction

The United Nations Development Assistance Framework (UNDAF) approved in 2007, identified four key priority areas, aligned with the priorities of the Government's national development strategy as set out in the Mahinda Chintana: Vision for a New Sri Lanka – the 10 Year Horizon Development Framework 2006-2016. These objectives are:

- (a) Equitable and sustainable pro-poor growth,
- (b) Democratic governance and the promotion/protection of human rights,
- (c) Sustainable peace and reconciliation, and
- (d) Women's empowerment.

UNDP's new Country Programme (2008-2012) will support the Government's development agenda and objectives captured within the framework of the UNDAF and in line with the priorities of the Government's national development strategy as well as UNDP practice areas. It will focus on cooperation in three mutually reinforcing themes with poverty alleviation, promotion of human rights and good governance, and sustainable peace as self-standing, and gender as a cross-cutting issue. Strengthening civil society for greater participation and transparency will be promoted throughout the three focus areas whenever possible.

The Country Programme Action Plan (CPAP) proposes that, within UNDP's support for promotion of human rights and good governance, one area of intervention will aim at improving the performance of local structures<sup>1</sup> to deliver services. As outlined with the CPAP, the programme will focus on developing the capacity of devolved authorities and deconcentrated Government administrations to deliver public goods and services<sup>2</sup>, including needs based planning and support to the establishment of a framework to coordinate the implementation of local development plans. Under this Intended Activity, UNDP will also support the development of CSOs and CBOs capacities to represent public needs and monitor service delivery. It is proposed that activities will include capacity development interventions, support for sustainable financing solutions, and the development of mechanisms for people's participation in planning and monitoring processes.

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<sup>1</sup> The local structures referred to in this proposal includes the provincial council structures, District structures, divisional structures, divisional structures, local authorities and other village structures related to service delivery to the people.

<sup>2</sup> This paper will refer to three forms of decentralization - deconcentration, devolution and delegation - each have different characteristics:

- *Deconcentration* (sometimes also termed Decentralisation) means a transfer of responsibilities, powers and resources from the central government (ministries and agencies) to field offices at the local and regional level, thereby becoming closer to the citizens while remaining a part of the central government system. The staff are fully accountable to the centre, and the district/divisional administrations typically have no or very limited discretion on how the services are provided and there are no independent local revenue sources.
- *Devolution* implies a transfer of authority over financial and administrative matters to statutory provincial and local government bodies.
- *Delegation* referring to arrangements where central authorities lend authority to lower levels of government, or even to semiautonomous organizations, with the understanding that the authority can be withdrawn (local level can decide, but decisions can be overturned centrally).

In the context of Sri Lanka, *Local Authorities* refers to the lowest tier of devolved local government (Pradeshiya Sabhas, Urban Councils and Municipal Councils) and *Provincial Councils* to the second and highest tier of devolved local government. District Secretaries / *Government Agents* and Divisional Secretariats is used to refer to the deconcentrated line of local governments.

## **LoGoPro**

To keep in accordance with the proposed CPAP and the UNDAF framework UNDP Sri Lanka has formulated a new local governance capacity development project – Local Governance Project (LoGoPro).

The project was formulated following a series of wide consultations at both the national and local level. The document includes an overview of UNDP Sri Lanka's experience in this field, a review of the current situation of local governance and the strategy for future UNDP support to local governance in Sri Lanka.

### **1. Support for Local Governance by UNDP**

UNDP is a longstanding partner of the government in the field of local governance. After the tsunami in particular, UNDP supported extensive interventions in the tsunami affected districts through its *Capacity Development for Recovery Project* (CADREP) and Sustaining Tsunami Recovery by Organizations Networking at the Grass-roots level through Promoting Local Accountability and Capacity Enhancement (STRONG PLACES) project. Both projects operated from 2005 to 2008.

The objective of the CADREP was to enhance the capacity of provincial, district and local authorities and improve the overall governance of the recovery process. CADREP played a significant role in developing the capacities of the GAs by hiring technical staff, providing equipment, training and setting up systems for recovery and development. It also was instrumental in brokering a relationship between the central entities to assist in better resource control by the District Secretaries / GAs. The emphasis of the strategy was placed on the provision of much needed hardware/equipment and human resources to support the GA offices, and consequent system development and promotion of best practices for planning in a recovery situation.

STRONG PLACES meanwhile targeted small pockets of development at the grassroots level, with the aim of having a bottom-up impact on recovery. The immediate objective was to empower CSOs to move from an at best ad hoc sub-contractual relationship with development partners to a genuine partnership. However, in the long run it also envisaged transforming the attitudes of CSOs, so that they serve the best interest of the communities on whose behalf they exist. By investing in grassroots capacities, the project aimed to enable affected communities to address both their immediate and longer-term recovery needs and social/economic vulnerabilities, thus building community resilience that would safeguard them against future disasters.

The two initiatives and the lessons learned have informed and been integrated into the design of LoGoPro. One example concerns the significant hardware that was provided to the District and Divisional Secretariats under CADREP. While there this was essential equipment, a key lesson was that for institutions previously not used to handling such volumes of IT related work, the level of support for training of staff and introduction of new work processes was higher than initially expected, and it was only after the provision of such that the project could report the efficient and effective use of the equipment. Moving forward therefore, LoGoPro will place a greater emphasis on the development of systems and procedures that support existing infrastructure, and especially assist information management and IT equipment to be integrated into the planning processes of the government offices. Similarly, under the STRONG PLACES project an encouraging finding was that there was a general sense of willingness

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demonstrated by the GAs/DSs/ and Rural Development Officers to cooperate with the district based civil society. The project also learnt that rather than just sensitizing communities about their rights with regard to service delivery and encouraging them to claim them, which could lead to potential confrontations and defensive or hostile interactions between the community and the service provider, it is instead important to build a sense of joint ownership and commitment from the beginning, so that such exchanges are constructive.

Partners of CADREP and STRONG PLACES included: Ministry of Public Administration and Home Affairs; Centre for Non-Governmental Sector, Ministry of Nation Building, RADA (Rehabilitation and Development Agency); Ministry of Provincial Councils and Local Government, District secretary's / Government Agents, Sri Lanka Institute of Development Administration (SLIDA), Vocation Training Authority (VTA), Public Sector Training Institutes (PSTI), Sri Lanka Institute of Local Governance (SLILG), Provincial Councils and local government. In addition there were other private sector partnership with Transparency International (TI), NGOs, CSOs and CBOs.

Starting in 2007, the *ART GOLD (AGSL) programme has been implemented in Sri Lanka*. AGSL assists the Southern Provincial Council to play the overall coordinating function in developing decentralized partnerships for development with other key actors such as local elected authorities, civil society and the private sector as well as global partnerships with counterparts in Europe and south-south countries. AGSL finances "concrete strategic and quick impact interventions" through its operational funds in the areas of i) Governance, ii) Local Economic Development, iii) Environmental Protection and Territorial Planning, iv) Local Health and Welfare systems, and v) Education and Training systems. AGSL also aims to work towards the "localization of MDGs", through selection of several (locally available) MDG indicators, incorporating them into the project's local planning process and advocating for the wider use of MDG indicators as the basis for local development planning. In 2009 the AGSL programme is expanding into the Uva Province. In many areas of work, there is great potential for synergies to be created by LoGoPro working closely with AGSL – especially for example on planning and monitoring for the localisation of the MDGs. These are reflected in the RRF.

The Governance Cluster also initiated in 2008 a project with the Ministry of Child Development and Women's Empowerment to promote enhanced women's political participation. The project has adopted a multi-pronged approach with support in three main areas: training of potential local leaders, awareness raising on issues related to women's role in politics and a participatory research exercise yielding recommendations for innovative interventions to increase Women's Political Empowerment. The project is planned to end in June 2009, by which time the Ministry will have held a series of national consultations to review the recommendations and identify the priorities to be taken forward.

Through the Urban Good Governance project, in conjunction with UNHABITAT, UNDP is also supporting two Good Governance Units, one in the Ministry of Urban governance and Sacred Area Development and one in the Ministry of Local Government and Provincial Councils. The Units are piloting good governance practices in areas such as participatory planning and monitoring, with 6 local authorities. It is intended that the results of the pilots, will allow the Units to advise on the development of a national policy for the full institutionalisation identified best practices.

## **LoGoPro**

In addition there are a number of other projects and programmes which directly or indirectly support or engage the local governance structure in Sri Lanka, and are hosted by the various units in UNDP, including:

- **MDG Country Support Programme:** aims to advance the MDG agenda in the country by working closely with the Ministry of Planning and Finance, particularly with the National Council for Economic Development (NCED), the Department for National Planning (DNP) and the Department for Census and Statistics (DCS), and through providing support in the areas of institutional and capacity development for the localization of the MDGs, MDGs advocacy, and MDG based planning, budgeting and monitoring.

Moving forward, once the current MDG programme completes in June 2009, the country office has taken the decision to integrate the work specifically focusing on localisation of the MDGs under the umbrella Local Governance Project. Under the current project, building on the results of a capacity assessment that took place in the Uva Province in 2008, training curricula are being prepared to address the training needs identified. This material is expected to be ready by mid-2009 at which point LoGoPro will take it over and support its rolling out in the Uva Province. By including this work under the LoGoPro, UNDP will monitor its impact and use Uva as a pilot for methodologies that can be later rolled out, under the project, to other project focus areas.

- **Capacity Development for Decentralised Poverty Reduction in Uva Wellassa Dry Zone:** with focus on capacity building and learning this pilot initiative in Uva province promotes empowerment and strengthening of communities and community-based organisations; strengthened participation of elected representatives in planning, at the Provincial/Pradeshiya Sabha levels; strengthening participatory local planning at the Pradeshiya Sabha/Division level through a process of community consultations; strengthening capacity for implementation of local plans and management; and informing policy-making through development of the national framework for sustainable local development. The next phase starting in June 2009 is to focus on livelihood promotion while the mechanisms for participatory local planning at Pradeshiya Sabha level, in particular the Village Development Forums (VDFs) are expected to be further trialled and institutionalised under the LoGoPro.
- **Aid-coordination Project:** the project supports national and district level capacity to monitor aid and coordinate donor/NGO projects in support of local development objectives. The UNDP has supported two such systems so far. One is with the External Resources Department of Sri Lanka (ERD) and the other was with the former TAFREN the body that coordinated the tsunami recovery in Sri Lanka and the system was called as DAD (Development Assistance Data base). The DAD system now sits with the Department of National Planning (NPD)
- **Disaster Risk Management Programme:** implements a number of projects at the national, provincial, district, divisional and community “*Grama Niladhari*” (GN) levels. The programme content includes educating vulnerable populations on disaster risks (droughts, floods, sea waves, landslides, cyclones etc); building capacity at national and district levels for early warning dissemination,



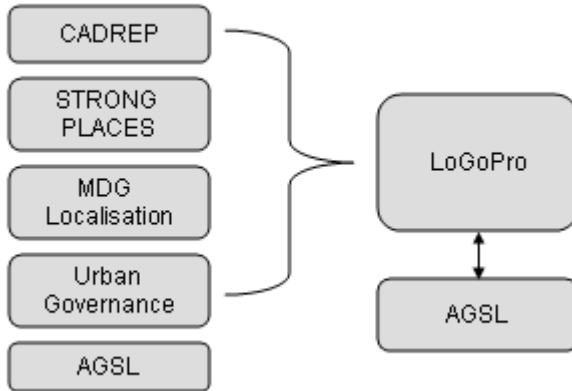
development of hazard maps, disaster management plans and vulnerability profiles; networking at different levels and engaging stakeholders to mainstream disaster risk reduction in national development and community and school based programmes with links to local authorities. Disaster Risk Mitigation Activities such as improved drainage management, land use planning to reduce landslides, flood damages etc, disaster resistant building designs and a number of subjects uses local authorities as the primary point of engagement. The DRM programme is increasingly working with national and district level planners to produce maps and socio economic databases and government social protection and insurance schemes against natural disasters. These tools could be enhanced and used in improving revenue collection and land use planning at the local authority level.

- **Environment Programme:** Implements a small grant scheme that promotes best management practices on waste management, benefit sharing of natural resources and environmental education. The climate change related work will further engage local authorities in accessing carbon related finances and improved energy and service delivery.
- **Transition Recovery Programme:** is a large multilaterally funded programme with seven offices in the eight conflict affected districts of the North and East provinces. Through its network of offices, the programme supports a variety of recovery projects at the district (GAs) and community levels, ranging from micro finance and support to the agricultural and fisheries sectors, to strengthening of capacities of local partner organizations, to housing reconstruction and rural infrastructure development with the participation of local communities. While in the past the Transition Programme worked mainly with the deconcentrated arm, not least due to the fact that there were no elected representatives in the conflict-afflicted provinces, since the elections the programme is increasingly coordinating its work with the Provincial Council in the East.
- **Mine Action Programme** implemented in Jaffna, Vavuniya, and Trincomalee which are three of eight Transition Programme operating districts, focuses on enhancing the capacity of the Government at both national and sub-national levels to implement a priority based mine clearance programme meeting international standards.

As noted by the 2008-2012 Country Programme Document, the UNDP programme “has in the past been rather diffused covering a host of issues across the development spectrum.” A similar trend is reflected in projects that support local governance in Sri Lanka. This problem is reinforced by the complex and often confusing local governance structure in place that involves a multiplicity of service providers and overlapping responsibilities in Sri Lanka.

LoGoPro has been designed as an overarching project that maps out the current state of local governance in Sri Lanka and seeks to address the priority needs in an holistic way, taking into account the existing UNDP and other partner interventions. Importantly, the project aims to serve as an umbrella – bringing together many of the former or existing projects that touch, either directly or indirectly, on local governance, and supplementing them with complimentary interventions so as to ensure coherence in the UNDP approach and synergies, both at the thematic and geographic level.

**Illustrative Diagram of how LoGoPro consolidates several strategies and approaches of earlier UNDP Projects**



**3. Situational Analysis**

The section will first review the devolved arm of government, with special attention to the recent developments in the Eastern Province before also providing an overview of the deconcentrated arm. In both, the analysis examines the nature of planning, coordinating, financing and monitoring of service delivery with an emphasis on capacity needs and the nature of participation and communication during the process.

The 2008 elections to Provincial Councils and Local Authorities – the Pradesya Sabas, Urban Councils and Municipal Councils in the Eastern province – represent a landmark for peace-building and development in Sri Lanka. In the Eastern Province, the three categories of elected bodies at the local level have been re-established after 14 years of violent conflict and the parliamentary body for the province – the Provincial Council - is in place for the first time since 1988 creation and dissolution two years later. In this province and the rest of the country, the elections represent a clear commitment to local democracy and the management of local affairs as envisaged with the 13<sup>th</sup> Amendment to the Constitution. Notably, it represents the outcome of the a series of all-party negotiations agreeing on the democratic governance institutions to support peace-building and development. The (re-)election of the provincial council represents an agreed strategy for these bodies to function as one of the key governance institutions.

The consensus to strengthen governance through a sub-national administration and provincial/local elected councils, in which the parties have gained representation through elections, constitutes a major opportunity to enhance social cohesion and improve the delivery of basic services. There is an urgent need to ensure the core functioning of these newly reinstated local pillars of democracy in the East. Support is needed for them to function effectively to find a peaceful solution to local development challenges while representing, and being accountable to, women and men from diverse ethnic

backgrounds. In turn, this implies reducing the opportunities for political office to be used to promote narrow individual and group interest further contributing to tensions. As such, whereas the local governance agenda in Sri Lanka has in the past to a large extent focused quite narrowly on the appropriate level of devolution to the LAs vis-à-vis deconcentration of local service delivery through the GA system, the recent steps taken to implement the 13<sup>th</sup> Amendment as a means to building peace have allowed a greater emphasis to be placed on supporting devolution to the devolved arm.

### The Eastern Province

Following the Government gaining control of the Eastern Province in 2007, and the development of a sub-national governance system with elected representatives and institutions, the situation now calls for these bodies to exercise the type of integrative, strategic and operational-administrative leadership needed in order for these sub-national units of governance to play a positive role in social cohesion and development. This would entail the development of a more collaborative form of governance where state and non-state actors jointly engage in management and development activities with less adversarial state-civil society relations and sub-national governments leading the delivery of development services, as mandated by the constitution, engaging closely community groups and civil society organisations.

The fundamental challenge is to develop trust in the sub-national democratic institutions. This trust will be a result of democratic processes and accountability to women and men from various ethnic and social backgrounds as well as actual delivery of both development and improved administrative services which will demonstrate a clear peace dividend to the people of the Eastern Provincial. Hence, in addition to good governance processes, there is a need to increase the capacity of the local governments in delivering and thus being meaningful for the lives of people in the province. If the newly elected institutions are to play a positive role in peace-building they need to have clear and meaningful roles in accordance with the constitution and the finances needed to play this role.

While a large proportion of the newly **elected** members of the local government bodies in the East are young, and often working in government for the first time, this project rests on the strong conviction that sub-national governments in Sri Lanka, including in the Eastern Province, have significant administrative and organisational capacity. The highest priority to make sub-national democracy work, is basic training for the elected officials so that they are aware of their roles and responsibilities to their constituents, and given the basic skills needed to start delivering effectively. Further capacity to manage service delivery and broader areas of development will, to a large extent, develop as a function of the strategic, integrative and operational capacity of the political bodies and the processes through which the governments are making themselves accountable to the people.

As such, contrary to what is sometimes argued, lack of 'capacity' is not a barrier to ensuring that the newly elected governments are able to play a positive role in development and strengthening of social cohesion. Management of sub-national affairs is supported by the local/provincial administrations with the assistance of the Commissioner of Local Government (CLG)/ Assistant Commissioner of Local Government (ACLG) offices and in close partnership with the GA system. Each Pradeshiya Sabha has an administration with a staffing of typically 30-50 officers; in

## **LoGoPro**

addition, the CLG/ACLG offices - established with the sole purpose of supporting the elected governments - have a staffing of approximately 60-100 and 100-140 at district and provincial level, respectively. Moreover, though hampered in playing their assigned role, the administrations have been in place during the conflict and maintain a high degree of institutional capacity. At present, this large and in many ways well-functioning management structure is currently performing only in service delivery terms at a level corresponding to what a number of LDCs in the Asia region deliver by the local governments at the lowest tier with a staffing of 1-5 professionals. Hence, the fundamental assumption of this project is that local governments in Sri Lanka have a major untapped potential to deliver for the MDGs and promote sustainable peace. This capacity can still be developed further but it will happen primarily as a function of, and in tandem with, hands-on experience and stronger accountability to those served.

In more detail, the following provides a brief summary of the situation and challenges of sub-national governance in the Eastern Province in particular.

### ***The Sub-National Governance System in Sri Lanka***

The Thirteenth Amendment to the Constitution of 1987, stipulates a dichotomous service delivery system in Sri Lanka whereby the responsibility of service delivery is shared between (1) line ministries and agencies of the central government, through their deconcentrated local administration at the district (District Secretariats) and local governments at the divisional level (Divisional Secretary Divisions), and (2) the devolved government structure, comprising elected local governments at the provincial and local level: the Provincial Councils (PCs), the Municipal and Urban Councils (MC/UC) and the Pradeshiya Sabhas<sup>3</sup> at the local level. Furthermore, the Ninth Schedule to the thirteenth Amendment to the Constitution identifies the division of subjects and functions of central and provincial governments through three scheduled lists: those of the central government (*reserved list*), those of the provincial government (*devolved list*) and powers *concurrent* among National and provincial governments (*concurrent list*).

### ***The Devolved Structure***

The responsibility for delivering services within the devolved government structure is with the Provincial Councils, created by the 1987 13<sup>th</sup> Constitutional Amendment and the local authorities, namely the Municipal Council, the Urban Council and the Pradeshiya Sabhas. The devolved powers and functions are defined under List 1 (*devolved*) of the Ninth Schedule some of which however, as defined in the *concurrent* List III, may be shared with the Central Government.

Ministry of Local Government and Provincial Council is responsible for the policy changes, creation of new laws and also reforms of the Provincial Councils and the Local Government in Sri Lanka. At the moment the Ministry is also involved in Local government electoral reforms and the rolling out of a citizens' charter for the Local Authorities.

### ***Mandate of the Provincial Councils***

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<sup>3</sup> The current organizational structure in local governance consists of three legal instruments: the Municipal Council Ordinance, the Urban Council Ordinance and the Pradeshiya Sabhas Act (1987)

## **LoGoPro**

Provincial Councils have more power and resources for development activities than local authorities. Besides attending directly to service provision, Provincial Councils play a supervisory and coordinating role over the local authorities through their offices of the Commissioner and the Assistant Commissioner of Local Government (one per each district). The effort is held up by regular monthly visits of Investigative Officers of CLGs office to Pradeshya Sabhas. While the visited offices of CLGs and ACLGs office in the Southern Province exhibited a high level of coordination and commitment to supporting the Pradeshya Sabhas and their urban counterparts, compared to most other countries in Asia, these offices are very heavily staffed (see above) and to a large extent under-utilized given the modest actual role assigned to the elected local governments.

There is also a reporting line – albeit not a very strong one – between the DSDs and the PCs. The DSD acts as the ground office for the Devolved and the Deconcentrated arms of government and, as such, has staff which report to the Provincial Council. For example, the Education Extension Officer reports to the Provincial Education Ministry.

Resources allocated to the Provincial Councils by the Ministry of Finance (Budget Office), under the advice of the Finance Commission, have suffered a 60 to 70% cut in the past budget year (2007). On the other hand, the primacy of the DSDs has recently been underscored by the Government's identification of 119 priority DSDs where development efforts will be concentrated. These trends might be read as a clear indication of the role in service delivery assigned to the GAs vis-à-vis sub-national devolved governments.

It should be noted that the creation of the Provincial Councils via the 13th Amendment was at the time seen as a way to address the ongoing conflict in the North and East. As it became apparent that this was not going to be the case, successive governments have shown little interest in strengthening the provincial councils to function as they have been mandated. The recent series of all-party negotiations and subsequent elections have reconfirmed the commitment to this tier of Government in Sri Lanka.

### ***Mandate of Pradeshya Sabhas***

Under the 13th constitutional amendment it was expected that mandated activities (see box 1 below) would be legally transferred to the Pradeshya Sabhas. However, this has not taken place and despite their constitutional mandate Pradeshiya Sabhas play a very limited role in service delivery. Although the administrative territory of a Pradeshiya Sabha generally coincides with that of the correspondent DSD, the DSD are vested with the responsibility for the delivery of most services and the Pradeshiya Sabhas play only a minor role in the areas of environmental management, primary health, primary education and others.

In addition to the service delivery functions, the sub-national government – in particular the Provincial Councils – have major responsibilities to ensure growth and equity in development mandated by the constitution.

### **Table 1 - Major Development Responsibilities of PS, UC and MC**

The Constitution of Sri Lanka envisages the Pradeshiya Sabhas and Urban/Municipal Councils to deliver for the MDGs in the following areas:
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- Pre-Schools
- Health clinics
- Drinking water schemes (including wells in rural areas)
- Playgrounds
- Public parks
- Public markets and other local public economic infrastructure
- Libraries
- Slaughter houses
- Roads (class D and E)
- Drainage systems
- Vocational training centres
- Crematoriums/Cemeteries
- Bus stands
- Community buildings/conference halls
- Lavatories/Public Toilets
- Street lights
- Ayurvedic medical dispensary
- Welfare activities
- Solid waste management

*(Source: Act No 15, 1987: Pradesya saba Act)*

In the meantime some of the development functions – including management of utilities based on cost-recovery (e.g. electricity and water) - have been handed over to government owned boards, corporations or statutory authorities, making the local authorities dependant on those institutions to serve their electorates. Services such as water, electricity and support to industrial development are principally delivered through national Boards, viz. the National Water Supply and Drainage Board (NWSDB), the Ceylon Electricity Board (CEB), Lanka Electric Co (LECO), the Industrial Development Board (IDB), respectively. Responsibilities for urban/rural planning (city development and town planning) have recently been assigned to the Urban Development Authority (UDA) and are no longer functions of the LA. Other boards are: the Sri Lanka Export Development Board, the Tea Board, the Common Amenities Board etc. Telecommunication services are provided by Telecom, a 51 % state owned company, managed by a private company.

Despite the fact that 9<sup>th</sup> Schedule constitutionally stipulates the shared responsibilities and functions in the list of concurrent subjects, in reality, it is the deconcentrated local administration that plays a much stronger role in service delivery vis-à-vis the devolved governments. As a result of the overlapping arrangements at play between the deconcentrated and the devolved local government units, the overall system is characterized by multiplicity in the delivery channels and agencies, which leads to inefficiency and a diffusion of responsibility on part of the service providers.

### ***Fiscal Capacity of Local Authorities***

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The rather minor role of the local authorities and in particular the Pradeshya Sabhas in service delivery is a consequence of the policies and institutional frameworks for resource allocations in the larger local governance system of Sri Lanka. Pradeshiya Sabhas largely depend on resource allocation (up to 90%) from the central government (through the Provincial Councils). While local authorities have some capacity to raise revenues at the local level through licensing charges, fees and other local revenue sources, these are mostly expended on meeting administrative costs or transferred back to the center. The limited scope of revenue generating investments combined with the modest central government transfers leave the Pradeshya Sabhas under-financed and with limited fiscal capacities to adequately deliver services and to respond to the needs of the people. Interestingly, there is limited use of public-private partnerships among the Pradeshiya Sabhas, or of private sector interests investing in Pradeshiya Sabah projects.

In order to improve the current set up, there is a need for a revised framework for intergovernmental fiscal relations. In line with current government policy, the revenue base of local authorities would need to be strengthened. There is at present very limited local dialogue on taxation and the utilization of funds, and there is often a lack of transparency in the collection of taxes and other revenues. Increased revenue collection, citizen participation in decision-making and transparency in expenditure are vital for the development of the local authority system.

In addition, an improved fiscal transfer system is needed to support local governance. In Sri Lanka – like in most countries – local revenue sources cannot feasibly be assigned to reflect the expenditure responsibilities of the local governments, and a continued reliance on a policy of ‘financial self-sustainability’ will lead to both vertical imbalance (a fiscal gap between expenditure assignments and resources) and horizontal imbalance (inequity in terms of available resources and fiscal capacity in the poorest areas). While the current vertical programmes allow the local governments to deliver on some of their mandated duties, actual decision-making is taking place outside the local governments and it thus fails fundamentally in ensuring citizen accountability of the elected representatives particularly needed in areas such as the Eastern Province.

### ***Planning and Localization of the MDGs***

Also, the planning processes of the local governments are currently fragmented and despite the formal existence of a participatory process through the GN function, there is very limited involvement of citizens when preparing local plans and budgets. In particular, there is none or very limited knowledge of the MDG framework and MDG based planning. There is also a need for strengthening of their organisational structure, procedures and human resources development, better coordination between local and the provincial level. The current capacity development efforts are not strategically aimed at increasing the overall functional effectiveness of the local authorities - they are generic and limited to periodic trainings of individual local officers.

In the Uva Province, under the MDG localisation project initial steps have been taken to promote localised achievement of the MDGs through increased awareness and appropriate planning processes. As was noted in the previous section, the MDG project conducted a needs assessment of the planning process in two districts, and training modules are currently being developed to address the most pressing human resource

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capacity constraints. It is planned that this project will take over the roll out of the training modules, but it will also be important to subsequently support an MDG planning process so as to assess the usefulness of the trainings. If positively judged, then they will most likely also be suitable for other local government offices in other project focus areas.

### ***The Deconcentrated Structure (District Secretaries / Government Agents)***

Under the deconcentrated administrative structure, the Government Agents (GA) system – i.e. the District and Divisional Secretary Divisions (DSD) are the main vehicle for service delivery. The district secretariat is the chief administrative body of a district and serves as the central government's gate for coordinating its administrative functions at the district level. They also act as a focal point for the aggregation of district level development planning and budgeting. District secretariats are supervised by the Ministry of Public Administration and Home Affairs (MPA & HA).

Under the supervision of the district secretariats, the Divisional Secretary Divisions (DSDs) have planning, coordinative as well as implementation functions within their jurisdictions. The DSDs carry the overall responsibility for delivery of local services. Programmes and work/action plans are prepared at the central level, by line ministries of the central government, and implemented by the respective officers at the DSD level. Officers deployed to DSDs are hired by the line ministries to which they report back through the district secretariats.

#### **Information**

The following section focuses on the different dimensions of information management at the local level including the roll of the internet for information sharing, the management of data for planning and systems and processes in place for two-way communication and the promotion of accountability.

#### ***A) Government e-Services and rural Internet access***

Most ministries have trilingual web sites providing information and a government wide portal<sup>4</sup> has been developed with links to all divisional and district secretariat web sites. These provide some information but are also in some cases outdated. A Government Information Centre (GIC) has also been set up by the Information and Communication Technology Agency of Sri Lanka (ICTA) to respond to citizen's queries on issues such as how to obtain one's National Identity Card, registering vehicles, registering marriages and obtaining certificates through a hotline telephone service.<sup>5</sup> Most print and electronic media have web editions and web sites in vernacular languages.

Despite the many Colombo based web initiatives by Government and Media Internet access is still quite limited in rural provinces for both communities and provincial journalists. The lack of computing and internet facilities makes it difficult for journalists to

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<sup>4</sup> <http://www.gov.lk/index.asp?xl=3>  
[http://www.gidc.gov.lk/gidc\\_eng/?q=node/33](http://www.gidc.gov.lk/gidc_eng/?q=node/33)  
[http://www.gic.gov.lk/index\\_english.php](http://www.gic.gov.lk/index_english.php)

<sup>5</sup> The GIC is a collaborative initiative of the e-Sri Lanka Project, ICTA and the Presidential Secretariat.



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work. To enable provincial media reporters to coordinate with Colombo and send their stories better internet facilities are required.

Some facilities do however already exist in rural areas like the Information and Communication Technology Agency (ICTA) which, under its Nenasala (Village Knowledge Center) initiative, has established telecenters in more than 500 locations at village level across all provinces. Similarly, Vidatha Centers or Resource Centers are being established in each of the 323 Divisional Secretariats. Under the project of the Department of Agriculture, Cyber Extension Units are also planned to be in all 17 Agriculture Extension Offices.

If implemented strategically and at an appropriate community location such telecentre initiatives have the potential to facilitate information access, service delivery and community empowerment at the local level. Engaging community members from the outset will help a system to be designed that communities feel comfortable using to access essential information, file complaints and grievances. As these and similar kind of information-based initiatives in the rural areas are increasingly being tested in Sri Lanka they should be taken into account as potential accountability and voice mechanisms upon which the project can build.

### ***B) Integrated Information Initiative (III)***

As a way to enhance service delivery through information management in the district and divisional secretariats in Sri Lanka, under the Capacity Development for Recovery Programme (CADREP) of the Ministry of Public Administration and Home Affairs and UNDP, the Integrated Information Initiative (III) was initiated. With the ministry in the lead, a working group – consisting of stakeholders working on information management within the government - was constituted to study the existing institutional and technical gaps in coordinating information management initiatives.

The working group recommended strategies towards an integrated information management environment in the country. Three areas of interventions were identified by the group as necessary for moving forward:

1. Development of technical framework – (a). Policies/guidelines on standards and (b). architecture
2. Putting in place institutional arrangements - governance structure for the management and maintenance of the technical framework once it is operationalised; and
3. Setting up District and Divisional Informatics Centres – enhancing information management capacities at local level of administrative units and link up with the nation wide interoperability framework

An Integrated Information solution is expected to enhance information management capacities for all administrative units at local level, while also facilitating government organizations to share information amongst each other. While the initiative will contribute to better planning processes since information and data can more easily be obtained from various systems through one web enabled portal, it requires further testing to showcase how the III will contribute to enhanced accountability between government plans and citizens. There is therefore a need to pilot the initiative in several districts before rolling it out in other districts. With UNDP support under CADREP and the

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Initiation Phase of this project, this process started in 2008 with support for the collection of local level data and the development of institutional arrangements and the technical framework for District Informatics Centres (DICs). The next step is to convert the data to electronic format and establish fully functioning pilot DICs in the four selected pilot districts of Batticaloa, Galle, Matara and Hambantota. The government's vision is to one day have all the DICs networked to each other, or operating on a web based system that allows links to central government and down to the divisional secretariats. Given the current level of connectivity, especially at the divisional level it is envisaged that an interim workable solution will operate whereby data is converted to electronic format at the divisional level but passed to the DICs on diskette or by e-mail. Moving forward it will also be important to assess how the III could be linked the MDG monitoring initiatives of UNDP and the Government, and also to explore opportunities for the DICS to serve as information hubs, and centres for coordinated planning, for both arms of local government and potentially other stakeholders.

### ***C) Accountability mechanisms of Local Authorities and Government Agents***

Accountability mechanisms are essential to ensure that local governments are responsive and that the services they provide are meaningful to their constituents.

This requires a two-way communication system where the local governments ensure that people have access to information about their visions, plans and priorities through strategic communication and outreach efforts. Vice versa a system that ensures that people have a voice and that their feedback can be incorporated into policy processes is equally essential. Consultation mechanisms that solicit the interests and opinions of those affected is one way that this can happen and such is system is currently not adequately in place in Sri Lanka.

A Citizens' Charter has recently been developed by Ministry of Public Administration and Home Affairs. The aim is to improve public service by making the government administration more accountable and citizen friendly through for example, public grievance mechanisms. The citizens' charter is currently being adapted by each ministry/department to ensure adherence by using the existing internal mechanisms as well as through establishing a new standardised feedback and response system. However the Government needs external assistance for this to be fully implemented. A reform of such nature could not be achieved overnight. This has to be done in several stages targeting, the ministries, then the District Secretariats, Divisional secretariats and so on.

The new system intends to incorporate tools such as citizens'/client feedback forms, suggestion boxes, call services and client surveys. To manage feedback the ministry will develop a response system consisting of public counters to lodge complaints, training of public officers to handle complaints, equipping agencies with necessary communication facilities, feedback recording systems, as well as a system for evaluating and responding to complaints and managing consequent changes and improvements.<sup>6</sup>

The MLGPC is at the same time in the process of finalising a citizens charter for the devolved arm of government. The Ministry has circulated the concept in the form of a

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<sup>6</sup> For further details please see: Public Administration Circular No. 05/2008: Introduction to the Citizens' Charter.

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circular to the relevant local authorities, and the next step is to orient the staff on the content of the circular and what it means for their respective functions.

While the system will be a step forward towards improving the public service accountability it will not automatically ensure that citizens themselves are capable of using and taking advantage of such a system. Awareness among citizens about their rights to government services is still limited and under the current circumstances the functionality of the system is dependent on people visiting the Divisional Secretariats and Pradeshya Sabhas physically. People also need to know how to file a complaint within the citizen charter system.

There is therefore a need for local governments to strategically communicate (in conflict affected areas in particular) to diverse ethnic communities about their local plans as well as promoting the citizens' charter particularly in rural and isolated areas where people's access to information is limited. Moreover, at the community level there is a need to mobilize people through CBOs and other community based mechanisms to encourage them to express themselves through appropriate communication channels including government feedback mechanisms and public consultations to ensure their voices are heard by local service deliverers.

While community based organizations formed for example by youth, women or farmers, have proved themselves to play an important role in community service delivery and livelihood protection, they have not to date played a significant advocacy or monitoring role. At the local level, engagement by the public sector with civil society is not common and there are few incentives for local officials to initiate such partnerships. Indeed, much of the civil society public policy discourse is Colombo-centric and there is a need for platforms that bring forward the voices and perspectives of locally based organizations. The DACs established under the STRONG PLACES project and the Village Development Forums established in Uva both provide possible platforms that could serve as an entry point for this type of work.

It should also be noted that in terms of human development and equality between men and women, Sri Lanka is considered a model for South Asia. However, the level of equality in decision making is very poor with women making up only 6% of Parliamentarians, and even less at the Provincial and Local level. The Ministry of Child Development and Women's Empowerment and the Women's Parliamentary Caucus are the two principle bodies working to address this situation, and are supported by a specific UNDP Project on Women's Empowerment. However, since it has been shown globally that that participation of women in decision-making roles often leads to more equitable development outcomes – for example, working towards greater equality in incomes and legal or institutional reforms that offer greater protection for women in cases of domestic violence, women should be a key target group in any intervention aimed at promoting community engagement in planning and policy making processes. By working to empower women to advocate for their needs or to engage in local planning processes, it can at least be ensured that their needs are voiced irrespective of whether there is a women sitting in a local political position.

## **Summary of Challenges**

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Having reviewed the situation of local governance, the main points are summarized below. The ensuing project strategy has been framed, taking these findings as a starting point:

- A. It is ultimately important that the elected bodies be empowered in order to ensure that services are truly responsive to local needs and those charged with providing services are held accountable by their “clients”. At the same time however, the deconcentrated arm does and will continue to play a critical role in the delivery of services at the local level. While under devolution it is expected that the locally elected bodies may take on more responsibility for the services outlined in the devolved list, there is a significant role, especially with regard to regulatory services envisaged for the District and Divisional Secretariats. The attempts to strengthen local governance in Sri Lanka will therefore depend on the development of government policy and an implementation plan **supporting a dual policy of deconcentration and devolution**. Care must be taken to ensure that support to each is guided by the relevant mandates as per the Constitution, and in particular to ensure that support to the deconcentrated arm does not hinder or jeopardize the furthering of recent trends to empower the Devolved bodies, as per the 13<sup>th</sup> Amendment.
- B. Developing **trust** in the newly elected sub-national democratic institutions is perhaps the major challenge in the East. Critical to this is the need to give training and support to the newly elected officials so that they are able to lead in a strategic and conflict sensitive manner.
- C. A second element is the **provision of finances** that will allow these bodies to deliver the services mandated to them under the 13<sup>th</sup> Amendment.
- D. At all levels of local government, strengthening the **local planning and monitoring** will also go a long way to realizing peace dividends in the East, and attainment of the MDGs at the local level across Sri Lanka. There is an opportunity to enhance the **level of coordination** between the planning of the devolved and deconcentrated arms of government, to ensure plans are informed by up to date **local data** and are therefore strategic and well targeted and to increase the level of **citizen participation** at all points in the process, so that citizens are engaged as partners in the development process from start to finish.
- E. Responsive service delivery requires **accountability and two-way communication mechanisms** that are accessible and meaningful to all groups, especially in remote areas. Increased women in local decision making positions, both in locally elected bodies and in community advocacy groups would go a long way to increasing the likelihood of resources being directed towards services meeting the needs of both men and women.

## **4. Strategy**

### **4.1 Aim**

The overall aim of the project is to expand the capacities of provincial and local levels of governance for peace-building, strengthening social cohesion and managing the equitable delivery of public services.

### **4.2 Overall Strategy**

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The Local Governance Project (LoGoPro) will focus on developing democratic governance processes and enhancing service delivery capacity with a focus on:

- **The Devolved Structures:** i.e. Elected local government and Provincial Councils. Focus will be on developing inclusive local democratic processes and strengthening the role and functioning of the provincial and local councils in service delivery as an important element of peace-building and achievement of the MDGs. The lowest tier of local government (PS, UC and MC) has important constitutionally mandated responsibilities for basic service delivery which they are currently largely unable to meet, and the project aims to improve their capacity, especially at the leadership level (Chief Minister, Cabinet of Ministers, Mayors and Chairmen of Local Bodies), to discharge their responsibilities. As such, support for policy/legal reforms resulting from a broad-based national dialogue, capacity development to reform an expanded role and assistance for local democratic processes will be a core element of the project. As indicated above, the project will support both the LAs (i.e. PS, UC and MC) and PCs while the nature of support to the two tiers will be qualitatively different.

This component of the project will be targeted, at least initially, towards the Eastern Province. Since the elected bodies have recently been re-established after fourteen years, the needs here are judged as being greater and more urgent than in other parts of the country. The Northern Province is of course an exception, and in section five it is explained that should the need arise, the Project Board will consider if and how the interventions of the project should be extended to cover that area.

- **The Deconcentrated Structures:** i.e. District and Division Secretariats. Although there is a need to strengthen the devolved arm so that it is in a position to take on its constitutionally mandated role, the GA system nevertheless currently represents the main vehicle for delivery of development services (planning, oversight of implementation and monitoring) and administrative services (including e.g. certificates, licence etc.),. Therefore, at least in the short to medium term, so as to ensure attainment of the MDGs at the local level it is important to maintain a focus on the capacity of the District and Division Secretariat to carry out their functions. This is all the more important since the District and Divisional Secretariats perform an underpinning support function for service delivery through both the devolved and the deconcentrated system. The project will therefore provide targeted and strategic assistance complementing the strong government capacity and processes already in place, with an emphasis on bolstering the degree of accountability and transparency in the provision of services.
- **The Community:** In line with the overall UN and UNDP strategy, in addition to developing the capacity for government delivery of services (i.e. capacity of the 'supply side'), there is a need to develop the mechanisms which would allow citizens to effectively hold their elected local governments and service providers accountable, and to develop the capacity of CBOs and other actors to utilize these. This would include mechanisms for participation, for example supporting CBOs to advocate for their communities' needs, as well as safeguards to ensure accountability and transparency in both the GA and local government systems. These mechanisms will be supported as part of the core support to government institutions as well as promoted through non-governmental actors.

### **4.3 Deliverables and Results**

Reflecting the above, the project will support interventions under 7 Pillars which contribute to the following CPAP outputs:

- 11. Improved capacity of devolved authorities and decentralized government administration to deliver public goods and services.
- 12a. Improved capacity of CSOs/CBOs to act as accountable and transparent alternative service providers complementing government functions
- 12b. Improved capacity of CSOs/CBOs to represent public needs and monitor service delivery.

#### **Devolved Structures:** Local democratic governance and peace dividend

Pillar 1 - Policy development and Public consultation by Devolved Structures (CPAP Output 11)

Pillar 2 - Participatory planning and Local Development Fund (CPAP Output 11)

#### **Deconcentrated Structures:** Strategic functional and responsive delivery of services

Pillar 3 – Roll- out of citizens charter (CPAP Output 11)

Pillar 4 - Development of systems and automated processes for expedited service delivery at District and Divisional Secretariats (CPAP Output 11)

#### **Deconcentrated and Devolved Structures:** Coordinated participatory and transparent approach for sustainable development planning at local level

Pillar 5 – Coordinated MDG localised plans and monitoring mechanisms (CPAP Output 11)

Pillar 6 - District Information Centres (CPAP Output 11)

#### **Community Focus: Accountability of service delivery to communities**

Pillar 7 - Community engagement in development process and accountability of local service providers (CPAP Output 12)

The First Pillar centres on the development of sub-national democratic governance through elected local governments aimed at the executive, the councils and broader democratic governance processes, respectively. The Second Pillar aims at establishing more collaborative forms of local service delivery helping build trust in government at the lowest tier and demonstrating a clear peace dividend to the people of the Province. It will develop mechanisms promoting strong collaboration between the Pradeshiya Sabhas

and civil society/community groups representing women and men from various ethnic and social origins. As part of this, the project aims to increase the financial capacity of the local elected governments at village level (Pradeshiya Sabhas) in the Eastern Province. Pillar Three constitutes highly strategic support interventions for processes led by the District Secretariat / GA system which underpin the entire system of local governance through the deconcentrated and devolved arms. Pillar Four supports the system development for a more transparent regulatory service delivery of the District as well as the Divisional systems. Pillar Five would be focussing more on development of MDG based sustainable development plans in a coordinated manner among the elected authorities, the Divisional Secretariats and the Communities. Pillar Six would provide support to the piloting of the DICs (established under the government's III Initiative) with an emphasis on how they can not only support local level planning but also contribute to better accountability. The piloting would be carefully monitored, and once a satisfactory model was agreed the project would support its institutionalisation, and subject to resource availability partial support for roll-out. Pillar Seven would provide support to the communities develop their capacity, to network and play an advocacy role.

### Summary of Pillars and Associated Partners

Pillars	Implementing Partner	Responsible Party (ies)
1 and 2	MLG&PC	Eastern Provincial Council
3,4, and 6	MPA&HA	ICTA (activity 6) and others to be identified
5	MPA&HA	MLG&PC
7	MPA&HA	CSOs/CBOs and MLG&PC

#### 4.3.1 The Deliverables

The following sections will outline each of the Seven Pillars and deliverables in turn.

#### **Pillar 1: Policy development and Public consultation by Devolved Structures**

Within this Pillar, the project will provide direct support to the Provincial executive to analyse policy options and formulate strategies addressing development and social cohesion. As such, it will help develop the institutions and institutional framework comprising of the Chief Minister and four additional Ministers in the provincial Cabinet, the Secretariat to Chief Minister, provincial advisors and advisory units/functions, and policy advisory committees that have or will be established (including e.g. the peace committee and development committee<sup>7</sup>).

Mirroring the provincial level support, the project will at the lowest tier assist the Mayors, Urban Council and Pradeshiya Sabha Chairs in moving beyond day-to-day management tasks and develop – through consultative processes - strategies and practices guiding executive decisions. Special attention will be provided to ensuring that trainings benefit the few elected women leaders while also ensuring participation of leaders from different backgrounds,

<sup>7</sup> Note that these committees established with advisory functions vis-à-vis the Chief Minister/Cabinet are different from the provincial councils committees to be established as required with the Provincial Councils Act.

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At both provincial and local level, this will include areas assigned to the councils which continue to have a major impact on social cohesion, such as the identification of development priorities for the region and the assurance of transparent investment decisions. It should be emphasized that the project will support a dialogue on objectives and the overall framework guiding management practices within the executive whereas addressing past grievances are considered part of transitional justice processes and outside the scope of the project.

A core area of project support will include the development of mechanisms for public consultation, including direct support for facilitation of dialogue and engagement of groups representing those whose voice are rarely heard in policy processes. To ensure an inclusive dialogue towards building of public trust and accountability, the project will provide capacity support at the level of government communication, civil society groups and the local media. Local and community-based media is a crucial mechanism for ensuring the voice of civil society, that issues of common interest are debated, and for people to have access to information about issues affecting them and at this point in time Sri Lankan local media is used in a very rudimentary fashion.

Key Activity Results under Pillar 1 include:

- 1.1 Needs and strategic planning functions of elected officials in Eastern Province identified and prioritised
- 1.2 Elected Officials and other Eastern Provincial officers more knowledgeable about leadership and good governance standards and how to apply them.
- 1.3 Provincial Council in East regularly holds public forums
- 1.4 Eastern Provincial Council has communication strategy in place
- 1.5 Elected officials in East share knowledge with other provincial leaders and leaders in Asia Region (south-south)

Indicative Activities are outlined in the RRF.

### **Pillar 2: Participatory planning and Local Development Fund**

Under this pillar support will be provided for the development of mechanisms and policies which will enable the local authorities to play their constitutionally mandated service delivery role. Enabling them to increasingly deliver basic development services through participatory processes, will contribute to increase the trust in the elected government institutions closest to people and demonstrate a clear peace dividend.

The Pradeshiya Sabhas in the Eastern Province will be given access to funding which will allow them hands-on responsibilities to plan, approve and implement small-scale development projects within sectoral areas devolved to these bodies as per the 13th Amendment. The extent of the support will depend on the funding made available, and initially a small number (minimum of 6) will be selected as pilots with the intention that initial positive results would catalyse additional financial contributions to the project.



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The modality for a Local Development Fund, would draw on the comparative experiences of UNDP in management of such arrangements (in Asia this includes e.g. Bangladesh, Bhutan, Cambodia, Lao PDR Mongolia, Nepal and Timor Leste)<sup>8</sup>. The support will have three dimensions – financing, capacity development focusing on the systems for participation and accountability, and support for development of the national policy framework – outlined in summary below.

### *Financing*

The objective is to provide each targeted PS with an indicative planning figure for development funding based on an agreed allocation formula reflecting population, poverty and possibly other aspects. A typical PS could for example eventually, through a fully fledged local development fund, have available LKR 3-6 million (approximately USD 30-60,000) which – together with the currently modest own revenues (typically LKR 5 million or less) - can be allocated for small-scale development projects related to the service delivery functions of the PS. For the piloting phase, it is envisaged to allocate grants of between \$5,000 and \$10,000 while the mechanisms are tried and tested.

The final decision on allocation will be made by the elected PS Councils ensuring downward accountability for allocation/priorities and utilisation of funds as well as upwards accountability to the Ministry of PC&LA (province/national) for compliance with national rules and regulation. The finance department of the PS will manage the funds, and the elected members will be responsible for monitoring their use. Under the community pillar of activities, support will be provided to community groups and women's organisations willing to become partners in the local authorities planning process. The Village Development Forums piloted in Uva during 2008 which brought together CBOs, PSs and other stakeholders, provide a possible model whereby the parties come together for joint needs assessments, planning and also to develop partnerships for service delivery.

Minimum conditions for funding will be established as safe guards ensuring compliance with key elements of national/provincial laws and regulations – in particular related to participation and accountability. After the first tranche, subsequent release of funds will only occur if an assessment confirms satisfactory compliance with agreed upon terms and conditions. Conditions will include for example, council approval, public access to information on planning decisions, expenditure records and audits, participation in planning committees and monitoring committees, and appropriate action on audit findings. Assessments will be conducted by teams comprising of the Ministry of PC&LA, the association of PS, and PS representatives<sup>9</sup>

### *Capacity Development*

The indicative planning figure will be announced to the PSs in order to allow them to finalise plans through a participatory process within the framework of the integrated planning for the GA and LA systems. Implementation, including processes for design/costing, financial management, monitoring and audits, will take place according to the law, regulations and procedures for LAs. Where needed, the project will help further operationalise these.

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<sup>8</sup> In the LDCs, the Local Development Programmes are implemented by UNCDF – a fund within the UNDP umbrella specialising in local development and local government financing (see [http://www.uncdf.org/english/local\\_development/index.php](http://www.uncdf.org/english/local_development/index.php)).

<sup>9</sup> Following procedures applied in e.g. Nepal, Bangladesh, Philippines, Uganda, Tanzania and Kenya (see [Conceptual Basis for Performance-Based Grant Systems and Select International Experiences](#), UNDP 2005).

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In tandem with the increased resources for small-scale service delivery, UNDP capacity development support will be provided. This will include capacity assessments and support for capacity development processes in the following areas:

- build basic capacities for monitoring of councils
- support for developing planning functions focusing in the role of the elected councils
- development of PS consultative processes and transparency
- support to raise revenues locally and manage revenues
- advocate to central government the development of appropriate fiscal transfer mechanism

Local capacity development interventions and support for participatory planning will be informed by the lessons and best practices captured from the piloting of mechanisms such as the Village Development Forums in Uva during 2008 and 2009. During the actual planning process, support will also be provided to ensure strategies are aligned with peacebuilding and MDG localisation objectives.

### *Development of National/Provincial Systems and Procedures*

As part of this process and informed by lessons learned on local government service delivery, UNDP would also support the development of key provincial laws governing local governments (PS, UC and MC) such as financing, participatory planning, systems for improving accountability as well as sectoral areas of LG management of local services (e.g. waste and pre-schools). The aim of this area of support would also be to contribute to the development of a national system for financing local governments in Sri Lanka and harmonization and national ownership of aid in line with the Paris Principles.

Key Activity Results under Pillar 2 include:

- 2.1 A system for providing performance based grants to Pradesha Sabhas In place in Eastern Province (2 from each district)
- 2.2. Local Development Fund in place in the Eastern Province
- 2.3 Pradesha Sabha in Eastern Province practice participatory planning processes
- 2.4 Provincial/national laws related to fiscal revenue and planning autonomy are revised
- 2.5 Local service providers exercise increased revenue raising capabilities

The project will carefully monitor and share the results of the projects supported through the local development fund with the intention of catalysing additional support to expand the fund's reach.

Indicative Activities are outlined in the RRF.

While under pillars 1 and 2 the initial focus of the project will be to provide essential training for the elected leaders, and basic capacity support to delivery quick impact projects, the Project Board will consider whether at times in the future there is a need and an entry point for work to support effective parliamentary processes in Provincial Councils and Pradeshiya Sabha/Urban/Municipal Councils. The type of activities that would be supported in this field would include assistance to the recently elected provincial council by increasing its capability to exercise its basic legislative, oversight and representational functions as laid out in the Provincial Council Act. As such, the programme would aim to re-establish the provincial level parliamentary system reflecting the consensus in the all-party dialogue that a strong provincial government with an elected council should be a core element of the future democratic institutions in Sri Lanka. At the local level, the programme would in turn assist the Pradeshiya Sabha, Municipal and Urban Council in establishing their processes for oversight and representation. The focus would be on the effectiveness of the councils and the development of the institutional processes for people to hold their provincial council to account.

### **Pillar 3: Roll-out of Citizens Charter**

The project will assist the Ministry of Public Administration and Home Affairs in its obligation to implement the Citizens' Charter. Support will be provided to ensure that the citizens' charter helps to improve the government administration, making it more accountable and citizen. The new system for implementation which has been developed by Government intends to incorporate tools such as citizens'/client feedback forms, suggestion boxes, news monitoring, call services and client surveys. This Key Activity will include activities to assist MoPAHA implementing the citizens' charter and ensure that the provincial and local bodies are aware of the charter as well as the different steps required for implementing it. Local government offices will be assisted to raise awareness of the charter locally among the public.

Mechanisms for making public grievance complaints (including an online mechanism and other tools that have proved effective in other countries) will be supported and tested through the project.

Key Activity Results under Pillar 3 include:

- 3.1 Citizens charter made available in all three languages and displayed at service outlets in Eastern and Southern Province
- 3.2 Public servants in Eastern and Southern Province are more knowledgeable about the citizen's charter and their responsibilities to the public.
- 3.3 Mechanism for client feed back at Service Delivery Outlets in place
- 3.4 Work manuals aligned with the citizen's charter in place for all Public service positions

Indicative Activities are outlined in the Results RRF.

**Pillar 4 – Development of systems and automated processes for expedited service delivery at District and Divisional Secretariats**

The Project will assist the Ministry of Public Administration and Home Affairs to effectively deliver its regulatory functions at the District and the Divisional level, in line with the commitments made in the citizen’s charter. This will be done through streamlining of services and introducing efficient, effective and transparent systems, the design of which will be informed through thorough consultations. For example, when obtaining a birth certificate the papers are transferred in hard copy from hospital to the divisional secretariat, to the district and back to the division – one such intervention could be to support the scanning of such documents and the electronic transfer, thus both saving time and transport costs for the family, while also reducing opportunities for corruption. The project will also provide support to the implementation of ‘one day services’ to the public. For example, along the lines of the systems currently employed in the Galle District Secretariat. Normally it can take one to three months to obtain a key piece of basic documentation such as an ID card, birth, marriage or death certificates, passport or driving license, however in Galle the personal records are stored and transferred electronically which allows for a one day service. It should be noted that systems development requiring the provision of additional hardware would be solely dependent on the mobilisation of resources.

LoGoPro will also assess the current need for a citizen help desk at each of these service delivery centres<sup>10</sup>, such as District Secretariats and Divisional Secretariats, and will support the implementation of recommendations that flow from the assessment. Capacity development of the District and divisional staff on new systems would also be an integral part of this out put.

Key Activity Results under Pillar 4 include:

- 4.1 A system development study / work flow improvement study completed on service delivery at District and Divisional level
- 4.2 automated service tracking system and streamlined business processes piloted in selected districts
- 4.3 Automated service tracking system and streamlined business processes adopted by districts in South and East
- 4.4 A citizen Interface to automated district service delivery system in place in districts in South and East

Indicative Activities are outlined in the RRF.

**Pillar 5 – Coordinated MDG localised plans and monitoring mechanisms**

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<sup>10</sup> Note: The need for this service was identified under the CADREP project, however the model piloted proved not to be a sustainable and effective solution. This project will therefore first validate if the need is still there and if required, search again for a workable mechanism.

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There are multiple local government actors engaged with planning and through this pillar of activities, support will be provided for a more coordinated approach.

This would be achieved through working together with the Ministry of Finance and Planning, Ministry of Public Administration and Home Affairs and the Ministry of Local Government and Provincial councils at the national level on agreeing on a common planning approach and format to be followed at the Local level. Initial discussions to this regard have already take place through the MDG programme of UNDP. Awareness raising and capacity development for MDG localisation planning and monitoring processes would be a key component of this activity, provided to the District, Divisional and local authority staff. The capacity needs have already been identified for the deconcentrated structures through an intensive and consultative capacity needs assessment conducted under the UNDP MDG Programme and training modules are being developed for initial roll out in the Uva Province. The specific areas which the training programmes will address core include human resources management, coordination for service delivery, monitoring and evaluation of projects, people based accountability system, and leadership. A similar capacity assessment looking at the organizational and delivery capabilities of the devolved institutions to support the attainment of the MDGs at the local level will be initiated during 2009. The initial focus will be the Provincial Council and 4 selected PSs in Uva. A similar capacity assessment looking at the organizational and delivery capabilities of the devolved institutions to support the attainment of the MDGs at the local level will be initiated during 2009. The initial focus will be the Provincial Council and 4 selected PSs in Uva.

Once the identified capacity needs have been strengthened, the project will work with all stakeholders to facilitate a coordinated planning process, targeting MDG achievement at the local level. While the exercise will build on the foundations already laid through the MDG localisation project, it will also draw lessons from the GTZ sponsored coordinated planning exercise taking place in Kinniya, Trincomalee.

Extra efforts will be made to ensure strong participation of women leaders in the local planning exercises.

Key Activity Results under Pillar 5 include:

- 5.1 National committee for MDG based planning and policy guidelines established, and provides regular policy guidance
- 5.2 Capacity assessment completed for devolved structures in Uva
- 5.3 Provincial Council staff in Uva Province are more knowledgeable about their roles and responsibilities as service providers to the local community
- 5.4 Pilot coordinated MDG planning exercise fed into local budget processes in Uva Province
- 5.5 Human resource development tools and methodology for coordinated MDG planning introduced in target areas

Indicative Activities are outlined in the RRF.

## **Pillar 6 – District Information Centres**

The aim of the integrated Information Initiative (III) is to provide access to information for a wide range of stakeholders from local government, donors and civil society to assist with planning and policy making for service delivery and development programs. It is envisaged that the system will also be made use of for accountability and transparency mechanisms, however the exact methodology for this is yet to be tested. The project will pilot the III in four pilot districts (Galle, Matara, Hambantota and Batticaloa). Each pilot will be closely monitored and necessary adaptations made before a model is institutionalised and a plan for roll-out developed. Institutional arrangements will also be promoted that allow for the DICs to become hubs at the local level, providing information and planning resources to both the deconcentrated and the devolved arms of government, and therefore also contributing to enhanced coordination and communication between the two.

With a view to promoting transparent budgeting and planning, the program will also explore possible linkages between the DICs and existing and/or upcoming community information centres such as the Nenasala (Village Knowledge Center) initiative of ICTA which has established telecenters in more than 500 locations at village level and the Vidatha Centers or Resource Centers which are being established in each of the 323 Divisional Secretariats. Finally, the program will actively explore linkages with the MDG planning and monitoring project and the Department of Census and Statistics (DCS).

Key Activity Results under Pillar 6 include:

- 6.1 National committee for Integrating information initiatives better able to draft policy guidelines and take policy decisions.
- 6.2 National action plan for the roll out of district information centres in place
- 6.3 MDG based district, division, village resource profiles prepared
- 6.4 District Information Centres in place and linked to Service Tracking systems

Indicative Activities are outlined in the RRF.

## **Pillar 7 – Community engagement in development process and accountability of local service providers**

This Pillar is concerned with strengthening communities to hold their local service delivery agents accountable. The approach builds in particular on the principles and modalities established in the former STRONG PLACES project.

Activities under this Intended Activity will be based on the principles and modalities developed and tested under the STRONG PLACES programme. The overall goal of this

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component is to foster community empowerment and the development of community level mechanisms for holding local government offices and alternative service providers accountable. The entry point for this work will be to first engage, through the District Advisory Committees<sup>11</sup> (DACs) with active CBOs through support for income generating projects. As part of these projects, LoGoPro will at the same time ensure that an environment is provided for the CBO members to study the principles of good governance, and see how to adopt them in their operations. Once an understanding is built on the merits of stakeholder engagement, the project will work with CBOs that are interested in practicing the same principles but upwards – i.e. by forming community advocacy and monitoring bodies, to engage in a constructive way with government at the local level to ensure local voices are heard.

Experience has shown that a two-stage process such as this is required. Mobilisation of community groups for upwards monitoring for example is more likely to succeed if first a relationship of trust is developed between the CBOs and the project. The principles of good governance and the benefits they bring at the level of government are also more likely to be appreciated and understood if first the community has realised the benefits on a small scale, through implementing them themselves in their own CBOs.

Given the low proportion of women elected leaders at the local level, the voice of women in local level planning in particular needs support to be heard. The project will therefore ensure activities reach out to organisations representing women's needs, and organisations led by women.

Gradually the project will also look to bring representatives from elected local bodies into the DACs with a view to providing opportunities for the CBOs to establish partnerships with the local authorities, and also as a mechanism for building trust locally between civil society and the elected members. It is important within the framework of devolution, that the locally elected councils are also given the opportunity to oversee local level development projects and provide their recommendations and support. The DAC, through its role in identifying local needs and therefore areas to support, also provides another forum for enhancing coordination in the planning processes of the deconcentrated and devolved arms of local government.

Key Activity Results under Pillar 7 include:

- 7.1 Mapping and needs assessment completed of CBOs in selected districts.
- 7.2 CBOs more knowledgeable about basic project management and good governance practices and how to apply them
- 7.3 CBOs receive small grants for sustainable development activities in partnership with the District Advisory Committees (DAC).

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<sup>11</sup> DACs were established under STRONG PLACES, and they operate at the District level chaired by the GA. They bring together government officers, UNDP and civil society organisations to select CBOs for support based on strategic priorities of the district, to provide technical assistance to CBOs and to monitor their progress. By bringing together a number of partners, this mechanism also promotes sustainability by networking the CBOs with other local development stakeholders.

7.4 CBOs in Eastern and Southern Province establish networks to foster sustainability and knowledge sharing

7.5 CBOs are better able to advocate on behalf of their communities and monitor the quality of local service providers

Indicative Activities are outlined in the RRF.

## **5 Geographic Strategy**

The geographical focus of the project is outlined in the table below. This focus is based on the assumption that only UNDP Core funds are available and no additional cost-sharing is secured. Should additional funds be available, then a possible expansion would be considered, in line with government priorities,

Pillar	Pillars	Province	District
Devolved Structures  Local democratic governance and peace dividend	Pillar 1  Policy development and Public consultation by Devolved Structures	East	Trincomalee Batticaloa Ampara
	Pillar 2  Participatory planning and Local Development Fund	East	Trincomalee Batticaloa Ampara
Deconcentrated Structures  Strategic functional, responsive delivery of services	Pillar 3  Roll-out Citizens Charter	East	Trincomalee Batticaloa Ampara
		South	Galle Matara Hambantota
		Uva	Badulla Monaragalle
	Pillar 4  Expedited service delivery through system development and automated systems at District and Divisional Secretariats	East	Trincomalee Batticaloa Ampara
		South	Galle Matara Hambantota
		Uva	Badulla Monaragalle



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Deconcentrated and Devolved  Coordinated participative transparent approach for sustainable development planning at local level	Pillar 5  MDG localised plans and monitoring mechanisms	Uva on a pilot basis, with further roll out in Southern and Eastern Provinces	Badulla Monaragalle
	Pillar 6  District Informatic Centres	East  South	Batticaloa  Galle Matara Hambantota
Community Focus	Pillar 7  Community engagement in development process and accountability of local service providers	East  South  Uva	Trincomalee Batticaloa Amparai  Galle Matara Hambantota  Badulla Monaragala

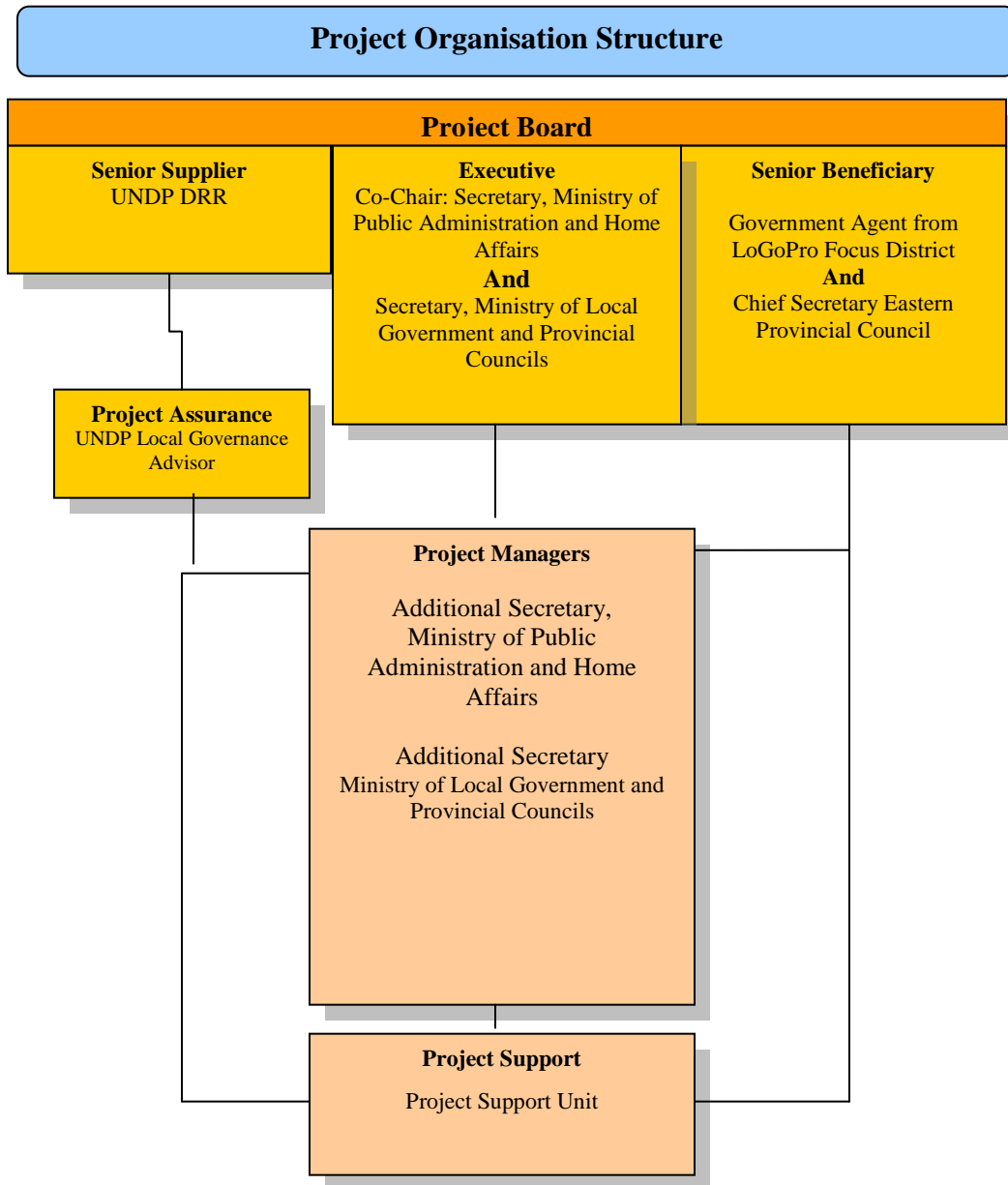
Please note that in the Southern and Eastern Provinces extra attention will be given to ensure the needs of the non-tsunami affected divisions are addressed. This is so as to work towards a more balanced development in the tsunami districts, which following the tsunami saw a great increase in attention given to the coastal areas.

The project will also maintain a degree of flexibility so as to be able to consider responses to changing situations on the ground, for example in the North. Should additional resources be mobilised, or cost-savings be made, the Project Board would may also be in a position to consider targeting additional geographical areas.

## 6. Management Arrangement

The project will be implemented through National Implementation Modality [NIM]

To ensure coherence and to promote synergies between the different components of the Umbrella LoGoPro Project, there will be one Project Board. To facilitate decision making and information sharing, both Implementing Partners will be represented at the level of Executive and Senior Beneficiary.



The **Project Board [PB]** will have overall responsibility for project implementation, oversight & quality assurance. The PB will provide policy guidance and monitor the performance of the project, review progress on a periodic basis, approve progress reports and end of project reports as well as manage risks and issues. It will approve the appointment and responsibilities of the Project Managers [PM] and will define the latter's responsibilities. It will provide consensus based management decisions, when

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guidance is required by the PM. In addition, it will ensure that required resources are committed and arbitrate any conflicts within the project as well as negotiate solutions to any problems between the project and external bodies. The Project Board will review and make recommendations for UNDP/Implementing Partner approval as well as authorize any major deviations in project work plans. It will also be responsible for assessing and deciding on substantive project changes through revisions. The PB will meet bi-annually and if and when need arises to review progress and discuss issues. The proceedings of all Project Board meetings will be recorded. The extent to which the Local Governance Advisor will be delegated quality assurance responsibilities will be determined during the first Project Board meeting and will be indicated in writing. Project reviews will take place on an annual basis (or as otherwise deemed necessary by the Project Board).

The Project Board contains three roles each responsible for specific functions.

- The Executive role, representing the project ownership to chair the group. The Executive will have ultimate responsibility for the project, supported by the Beneficiary and Supplier. As part of the responsibilities of the Project Board, the Executive will ensure that the project is focused, throughout the project cycle, on achieving outputs that will contribute to higher level outcomes. Additional responsibilities include monitoring and controlling the progress of the project at a strategic level [i.e. contribution to national priorities], ensuring that risks are being tracked and mitigated as effectively as possible and organizing, chairing and ensuring that the Project Board meet in a timely manner, as stipulated in the project document. The Secretary, Ministry of Public Administration and the Secretary, Ministry Local Government & Provincial Councils will serve as Executive on a co-chairing basis.

Under LoGoPro, separate Annual Work Plans (AWPs) will be prepared by each Implementing Partner. The Executive for each Implementing Partner (i.e. Secretary, Ministry of Public Administration and Secretary, Ministry Local Government & Provincial Councils) will be responsible for approving and signing the AWP at the beginning of each year in addition to approving and signing the Combined Delivery Report (CDR) at the end of the year. The Executive for each Implementing Partner will be responsible for delegating authority in writing to a responsible officer within their respective ministries for signature of the Funding Authorisation and Certification of Expenditures (FACE) form as well as any other project related documentation.

- The Senior Beneficiary role is to ensure the realization of project benefits from the perspective of project beneficiaries. As part of the responsibilities for the Project Board, the Senior Beneficiary will be responsible for ensuring that specification of the Beneficiary's needs are accurate, complete and unambiguous, implementation of activities at all stages is monitored to ensure

that they will meet the beneficiary's needs and are progressing towards identified targets, impact of potential changes is evaluated from the beneficiary point of view, risks to the beneficiaries are frequently monitored, providing the opinion of beneficiaries of implementation of any proposed changes, and helping to resolve priority conflicts. This role will be represented by the rotating chair Executive. Other beneficiaries will also be invited to participate in the Board meetings, including the key responsible parties and at least two representatives from civil society organisations active in the South, East or Estate sector.

- The Senior Supplier represents the interests of those designing and developing the project deliverables and providing project resources. The primary function of the Senior Supplier will be to provide guidance regarding the technical feasibility of the project. The Senior Supplier will have authority to commit or acquire supplier resources as required. As part of the responsibilities of the Project Board, Senior Supplier will advise on the selection of the strategy, design and methods to carry out project activities. Quality assurance and oversight roles include ensuring that standards defined for the project are met and used to good effect, monitoring potential changes and their impact on the quality of deliverables and monitoring any risks in project implementation. Within the context of the Project Board, the Senior Supplier will also be responsible for ensuring that progress towards outputs remains consistent, contributing the supplier's perspective & opinions on implementing any proposed changes and arbitrating on and ensuring resolution of input/resource related priorities or conflicts. This role will be represented by the UNDP Deputy Resident Representative (Programme). Donors will also be invited to participate in Board meetings.

Decisions in the Project Board will be made on a consensus basis, and in the case where consensus cannot be reached, final decision shall rest with the UNDP Resident Representative in consultation with both Implementing Partners.

The designated Implementing Partner may agree with other entities to undertake specific tasks outlined in the annual work plan as **Responsible Parties**. The Project Board or Local Project Appraisal Committee will meet and endorse arrangements for engagement with the Responsible Party. Upon approval by the Project Board, the entity will be included and reflected as the Responsible Party in the Annual Work Plan. A Memorandum of Understanding would be developed and signed between the relevant Implementing Partner and the Responsible Party detailing roles, responsibilities and accountabilities of the Responsible Party and the Implementing Partner.

As delegated by the Project Board, **the designated UNDP Programme Officer in this case the Advisor, Local Governance and Administrative Reforms supported by the UNDP Programme Associate** will serve as **Project Assurance**. In undertaking this

role he / she will take action to address as well as alert the Project Board of issues with regard to project quality assurance such as alignment with the overall Country Programme, availability of funds, observation of UNDP rules and regulations and adherence to Project Board decisions. He / She will assist the Project Board by performing some oversight activities, such as periodic monitoring visits and “spot checks,” ensuring that revisions are managed in line with the required procedures, RMG monitoring and reporting requirements and standards are maintained, Project Key Activity Results & activities, including description and quality criteria, risks and issues are properly recorded and are regularly updated in Atlas. He / She will also assist the Project Board in ensuring that the project follows the approved plans, meets planned targets as well as project Quarterly Progress Reports are prepared and submitted on time, and according to standards. During project closure, the UNDP Programme Associate will work to ensure that the project is operationally closed in Atlas, financial transactions are in Atlas based on final accounting of expenditures and project accounts are closed and status set in Atlas accordingly.

The **Project Managers (PM)**, as appointed by the Implementing Partners, will have the authority to run the project on a day-to-day basis on behalf of and within the constraints outlined by the Project Board. The Project Managers are responsible for project implementation, financial management, administration, monitoring and reporting. This includes providing direction and guidance to the project support team and Responsible Party (ies) and liaising with the Project Board & UNDP Advisor Local Governance and Administrative Reforms to monitor the direction and integrity of the project. Under the guidance of the Executives of the Project Board, the PMs shall ensure efficient coordination efforts between the project, UNDP, Relevant partners. The project managers should act as secretariat of the Project Board with the responsibility to call meetings, distribute information and follow up on their recommendations. The PMs will be responsible for managing the delivery of project activities as specified in a jointly agreed annual work plan and within specified constraints of time and cost. This includes: planning activities, preparing annual work plans and monitoring progress against quality criteria; monitoring events and updating the Monitoring & Communication Plan; liaising with any suppliers to mobilize goods and services to initiative activities; monitoring financial resources & accounting to ensure accuracy & reliability of financial reports; managing requests for the provision of financial resources using advance of funds, direct payments, or reimbursement using the FACE (Fund Authorization and Certificate of Expenditures); managing, monitoring and updating the project risks as initially identified and submitting new risks to the Project Board for consideration and decision on possible actions; managing issues & requests for change by maintaining an Issues Log; preparing the Project Quarterly Progress, Annual and Final Reports and submitting reports to the Project Board and UNDP Advisor Local Governance and Administrative Reforms and managing and facilitating transfer of project deliverables, documents, files, equipment and materials to national beneficiaries at project closure.

## **7. Financial Arrangement**

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The total budget for the project is \$5,885,000 out of which the Country Office, in line with CPAP commitments, has allocated \$1,430,000 TRAC resources and the UNDP Democratic Governance Thematic Trust Fund (DGTTF) has committed US\$200,000. The current funding gap against total resources required thus stands \$4,255,000 Efforts will be undertaken to mobilize additional resources to support the activities currently 'unfunded' in the results framework.

Under the Harmonized Approach to Cash Transfer system (HACT) to be introduced by the UN EXCOM Agencies (UNDP, UNICEF, WFP and UNFPA) as part of the UN reform commitment to reduce transaction costs on implementing partners, four modalities of payments are foreseen for nationally implemented projects.

They include:

1. Prior to the start of activities against agreed work plan cash transferred (direct cash transfer) to the Treasury, Ministry of Finance and Planning, for forwarding to the Implementing Partner;
2. Reimbursements after completion of eligible activities by the Implementing Partner;
3. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; and
4. Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners.

In order to receive the funds advanced by UNDP, Implementing Partner(s) (IP) must either:

- a. Open a bank account, under the name of the project, to be used only for receiving UNDP advances and to make payments of the project; or
- b. **In agreement with UNDP** identify an existing bank account under the IP's name, that would be used solely for the purposes of receiving UNDP advances to the project and making payments with these advances. Under no circumstances will the Direct Cash Transfer Modality be used to advance funds to any individual inside or any entity or individual outside of the Implementing Partner or to any account other than the identified official project bank account.

As per requirements under the Harmonized Approach to Cash Transfer (HACT) system, direct payments will be the preferred modality applied to the project until completion of a satisfactory assessment of the financial management systems and internal control frameworks of the project Implementing Partner(s).

However other modalities will also be considered on the request of the Implementing Partner.

It will be the responsibility of the PMs to liaise with the UNDP Programme Associate to prepare a consolidated financial report, in the required format, and provide it to UNDP at regular and necessary intervals.

Under the project's national implementation arrangement (NIM) Government guidelines for competitive procurement of goods and services (advertising, tender bidding, evaluation, and approval) in line with international standards will apply for all project-related activities.

Upon specific request of the implementing partner UNDP can in line with UNDP procurement policy provide procurement and recruitment services to the implementing partner including:

- a). Identification and recruitment of project and programme personnel
- b). Identification and facilitation of training activities
- c). Procurement of goods and services

As per the letter of agreement between the Government of Sri Lanka and UNDP for the provision of support services signed on 5th July 2002, UNDP shall recover the cost of providing the support services outlined above. The rate of the cost recovery is up to 3% on the value of the amount of the contracts of the services to be procured or obtained through UNDP (Please refer to attached letter).

It will be the responsibility of the beneficiary line ministry or government institution to ensure the settlement of all duties/taxes/levies/VAT on imported goods and services at the point of clearing from Sri Lanka Customs as well as all VAT and other statutory levies applicable and payable on local procurement of goods and services. The UNDP bears no responsibility whatsoever in the settlement of Government of Sri Lanka duties/taxes/levies/VAT on all imported and local procurement of goods and services.

The Implementing Partner will be audited periodically as per the annual audit plan prepared by the government coordinating authority in consultation with the UNDP Sri Lanka. **The relevant Ministries** will be responsible for ensuring that all audit requirements are met.

## **8. Monitoring and Evaluation**

The project will be monitored against the annual work plan M & E Framework, which builds on the CPAP M & E Framework. Progress against each of the indicators will be reviewed at least annually, and the tracking table updated accordingly.

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(The M & E table with the Risks and assumptions is attached at the end of the document)

### Within the annual cycle

- A **quality assessment** shall record progress towards the completion of key results, based on quality criteria and methods captured in the Project M & E Framework.
- An **Issue Log** shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a **risk log** shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- A project **Lesson-learned log** shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A **Monitoring Schedule Plan** shall be activated in Atlas and updated to track key management actions/events
- Field visits will take place as required but at minimum, once a year.



## **9. Legal Context**

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document".

**Annex I Risks Log**

#	Description	Type	Impact & Probability (1-6, 1 Low, 6 High)	Countermeasures / Management Response	Owner
1	<i>Environment on the ground is not conducive to field activities</i>	<i>Environmental Political Strategic</i>	<i>Project operations would be compromised, staff would be at risk, partners would be at risk P =3 I = 4</i>	<i>The project board would need to decide on whether to withdraw project staff from the concerned areas and what kind of options are available for partners (e.g. relocation to Colombo etc).In order to do so the project Board should decide on a strategy to deal with this risk in Q1 of the project. The national project coordinator should support the project board in designing this strategy</i>	<i>PM and Project Assurance</i>
2	<i>Additional Resources are not secured</i>	<i>Strategic, Financial</i>	<i>Project could still support meaningful interventions, as indicated in RRF with UNDP core funds P = 4 I = 3</i>	<i>The Project Manager should review the RRF regularly with the Board to confirm that core resources are attached to the priority activities</i>	<i>PM and Project Assurance</i>
3	<i>Change in national priorities (with for example staff changes in key counterpart Ministries)</i>	<i>Strategic</i>	<i>Project Board would review strategy and new recommendations  P=3, I=2</i>	<i>New staff to be given full project orientation and Project Board to meet regularly</i>	<i>Project Assurance</i>
4	<i>Agreement by govt. and Finance Commission not secured for performance based small grant system</i>	<i>Strategic, Political</i>	<i>Support for other financial mobilization options would be considered, for example local tax law policy P=3, I=4</i>	<i>Technical expertise to be sought from uncdf for best practice examples</i>	<i>Project Manager and Project Assurance</i>

**Annex II Issues Log**

#	Description	Type	Impact & Probability	Countermeasures / Management Response	Owner
1	<i>Due to changing situation in the Northern Province, Government requests LoGoPro to provide services in the North</i>	<i>Strategic</i>	<i>Following needs assessment, Project Budget and Strategy would need to be revised in consultation with Project Board P =3 I = 3</i>	<i>The project board would need to assess priority local governance needs in the North, and review project budget to make necessary adaptations to project strategy</i>	<i>Project Board</i>
2	<i>Implementing Partner micro assessment does not clear the institution for cash transfers</i>	<i>Operational</i>	<i>Financial transactions are on a direct payment and reimbursable basis P=3 I=2</i>	<i>UNDP country will ensure that necessary systems are in place in the country office to handle high volume of financial transactions.  If necessary project funds could consider supporting additional finance/admin assistant in the country office.</i>	<i>Project Assurance</i>

**Annex III - Results and Resources Framework**

<b>Intended Outcome as stated in the Country Programme:</b> <i>Improved performance of regional and local level structures in delivering services in a transparent and accountable manner.</i>											
<b>Outcome indicators/ Baseline &amp; Targets:</b> Public satisfaction with delivery of local and decentralised GoSL functions; % Annual revenue generated by local service providers; Reforms of provincial/national laws related to fiscal revenue and planning autonomy; % women in decision making positions within local devolved and deconcentrated structures in Uva and Eastern Province; Frequency of publicity campaigns (in local languages) explaining the procedures and the criteria for administrative decisions or processes (granting permits, licences, bank loans, building plots, assessing taxes; % of Districts where “Citizen’s Charters” is published to establish the obligations of service providers and the rights of users; Frequency with which service delivery surveys are conducted among department clients to ascertain levels of satisfaction in South and East											
<b>Applicable Strategic Plan Key Results Area:</b> Strengthening responsive governing institutions											
<b>Partnership Strategy:</b> Ministry of Public Administration and Home Affairs; Ministry of Local Government and Provincial Councils; Eastern Provincial Council; Civil Societies in the Districts of Ampara, Batticaloa, Galle, Hambantota, Matara & Trincomalee; District Secretariats of Badulla and Monaragala											
<b>Project title and ID (ATLAS Award ID):</b> Award ID: 00056746: Project ID: 00069632 – Devolved LOGOPRO; Award ID: 00050761 : Project IDs: 00069634 – Decentralized – Local Governance; 00069649 – SCOPE; 00069650 – Decentralized - PMU											
CPAP Outputs	Pillars	KEY ACTIVITY RESULTS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	Total Budget	Resources available (Core + DGTTF)	Resources to be Mobilised	Work schedule			
								2009	2010	2011	2012
<b>OUTPUT 11: Improved capacity of devolved authorities and decentralized government administration to deliver</b>	<b>Pillar 1</b> Policy development and Public consultation by Devolved Structures	1.1 Needs and strategic planning functions of elected officials in Eastern Province identified and prioritised	1.1.1 Conduct capacity assessment to identify training needs of elected officials	M/LG&PC, EPC and UNDP	5,000	5,000	--				
			1.1.2 Conduct assessment of strategic planning and policy making capabilities of the Provincial Council	M/LG&PC, EPC and UNDP	5,000	5,000	--				

**public goods and services.**

	1.1.3 Develop and make publicly available a capacity building plan for the Eastern Provincial Council	M/LG&PC, EPC and UNDP	2,000	2,000				
1.2 Elected Officials and other Eastern Provincial officers more knowledgeable about leadership and good governance standards and how to apply them.	1.2.1 Identify and Develop training programmes in line with capacity development plan in place	M/LG&PC, EPC and UNDP	78,000	30,000	48,000			
	1.2.2 Provide support to establish Capacity Development facility for rolling out of the programmes	M/LG&PC, EPC and UNDP	83,000	23,000	60,000			
	1.2.3 Provide support for short term secondment of technical experts to Provincial Council	M/LG&PC, EPC and UNDP	90,000	60,000	30,000			
	1.2.4 Initiate Partnership with local university for research support completed	M/LG&PC, EPC and UNDP	20,000	20,000	--			
1.3 Provincial Council in East regularly holds public forums	1.3.1 Review models of public policy forums from other countries and advise on model and processes	M/LG&PC, EPC and UNDP	25,000	25,000	--			
	1.3.2 Identify themes for public debate and support preparatory activities to conduct the discussion	M/LG&PC, EPC and UNDP	10,000	10,000	--			
	1.3.3 Provide logistical support for organising forums and follow up reporting	M/LG&PC, EPC and UNDP	30,000	30,000	--			

	1.4 Eastern Provincial Council has communication strategy in place	1.4.1 Conduct assessment for proposing a communication strategy	M/LG&PC, EPC and UNDP	5,000	5,000	--				
		1.4.2 Develop public information policy, communication strategy and implementation plan for the Eastern Province Council	M/LG&PC, EPC and UNDP	5,000	5,000	--				
		1.4.3 Develop and deliver communication realated training	M/LG&PC, EPC and UNDP	24,000	14,000	10,000				
		1.4.4 Provide support for regular publication of Eastern Provincial Council newsletter/ briefing material	M/LG&PC, EPC and UNDP	10,000	10,000					
	1.5 Elected officials in East share knowledge with other provincial leaders and leaders in Asia Region (south-south)	1.5.1 Support to establish a forum for exchange of knowledge between councils in Sri Lanka	M/LG&PC, EPC and UNDP	25,000	10,000	15,000				
		1.5.2 Support to gain and share knowledge with counterparts in the Region for knowledge sharing and confidence building	M/LG&PC, EPC and UNDP	60,000	0	60,000				
	<b>Total Pillar 1</b>				<b>477,000</b>	<b>254,000</b>	<b>223,000</b>			
<b>Pillar 2</b> Participatory planning and Local	2.1 A system for providing performance based grants to Pradesha Sabhas In place in Eastern Province (2 from each	2.1.1 Conduct a capacity assessment, with Finance Commission, on Pradesha Sabhas	M/LG&PC, EPC and UNDP	7,500	7,500	--				

Development Fund	district)	needs for effective planning and small grant management								
		2.1.2 Facilitate the Government and Provincial Council acceptance of small grant mechanism	M/LG&PC, EPC and UNDP	500	500	--				
		2.1.3 Facilitate to develop and implement systems, procedures and safeguards for PS financing	M/LG&PC, EPC and UNDP	10,000	10,000	--				
		2.1.4 Create guide lines for grant management by PS in conjunction with Finance Commission	M/LG&PC, EPC and UNDP	5,000	5,000	--				
		2.1.5 Implement Pilot performance based grant funding mechanism	M/LG&PC, EPC and UNDP	180,000	60,000	120,000				
		2.1.6 Evaluation completed with findings and recommendations disseminated to draw lessons learned from pilots	M/LG&PC, EPC and UNDP	22,500	2,500	20,000				
		2.2. Local Development Fund in place in the Eastern Province	2.2.1. With technical support from UNCDF, establish fully-fledged Local Development fund mechanism in the East	M/LG&PC, EPC and UNDP	20,000	--	20,000			

	2.2.2	Support the operation and management of fund mechanism during initial phase	M/LG&PC, EPC and UNDP	200,000	--	200,000						
	2.2.3	Support transition mechanism for fund to become sustainable and nationally owned	M/LG&PC, EPC and UNDP	50,000	--	50,000						
2.3 Pradesha Sabha in Eastern Province practice participatory planning processes	2.3.2	Conduct review of planning process of PS and recommendations for enhancing participation and MDG focus (to be conducted in conjunction with activity 2.1.1)	M/LG&PC, EPC and UNDP	17,500	2,500	15,000						
	2.3.3	Capacity development for pilot beneficiaries of small grants on the accountability and limitations	M/LG&PC, EPC and UNDP	40,000	10,000	30,000						
	2.3.4	Roll out of training to all PSs	M/LG&PC, EPC and UNDP	70,000	--	70,000						
	2.3.5	Support for national institutionalisation of participatory planning process at PS level	M/LG&PC, EPC and UNDP	15,000		15,000						
	2.4	Provincial/national laws related to fiscal revenue and planning autonomy are revised	2.4.1	conduct stocktaking of existing laws and provide recommendations for increasing fiscal	M/LG&PC, EPC and UNDP	20,000	--	20,000				



		revenue and planning capabilities of elected bodies								
		2.4.2 Create and facilitate forums for national Consultations on recommendations	M/LG&PC, EPC and UNDP	20,000	--	20,000				
		2.4.2 Support for law amendments – drafting, advocacy and lobbying	M/LG&PC, EPC and UNDP	20,000	--	20,000				
	2.5 Local service providers exercise increased revenue raising capabilities	2.5.1 Review fiscal revenue opportunities locally	M/LG&PC, EPC and UNDP	20,000	--	20,000				
		2.5.2 Provide support for more efficient collection of revenue (training, system improvement, tax collection monitoring systems)	M/LG&PC, EPC and UNDP	100,000	--	100,000				
<b>Pillar 2</b>				<b>818,000</b>	<b>98,000</b>	<b>720,000</b>				
<b>Total Pillars 1 and 2</b>				<b>1,295,000</b>	<b>352,000</b>	<b>943,000</b>				
Project Coordinator				52,800	24,000	28,800				
Project Assistant				26,400	12,000	14,400				
Logistics and Office costs				25,800	12,000	13,800				
<b>Total Operations Costs</b>				<b>105,000</b>	<b>48,000</b>	<b>57,000</b>				
<b>Operations Costs/ Total</b>				<b>7.5%</b>	<b>12.0%</b>	<b>5.7%</b>				
<b>Total Costs LoGoPro Devolve</b>				<b>1,400,000</b>	<b>400,000</b>	<b>1,000,000</b>				

<b>Pillar 3</b> Roll out of Citizen's Charter	3.1 Citizens charter made available in all three languages and displayed at service outlets in Eastern and Southern Province	3.1.1 Support translation and printing of citizen charter	M/PA&HA/ UNDP	70,000	20,000	50,000				
		3.1.2 Distribution of charter to all local governance bodies in project focus geographical areas	M/PA&HA/ UNDP	20,000	20,000	--				
	3.2 Public servants in Eastern and Southern Province are more knowledgeable about the citizen's charter and their responsibilities to the public.	3.2.1 Develop a programme for awareness raising, consultation and training in partnership with the Ministry PA&HA	M/PA&HA/ UNDP	10,000	10,000	--				
		3.2.2 Awareness raising, consultation and training programme rolling out contract awarded to suitable agency	M/PA&HA/ UNDP	0	--	--				
		3.2.3 Awareness raising, consultation and training programme rolled out in project focus areas	M/PA&HA/ UNDP	130,000	30,000	100,000				
	3.3 Mechanism for client feed back at Service Delivery Outlets in place	3.3.1 Review of best practice feedback mechanisms from other countries of the region	M/PA&HA/ UNDP	15,000	15,000	--				
		3.3.2 System developed for piloting in selected local government offices	M/PA&HA/ UNDP	25,000	25,000	--				

		3.3.3 Pilot reviewed, with focus on how government uses feedback information, and recommendations provided for model to be institutionalised and rolled-out	M/PA&HA/ UNDP	20,000	20,000	--				
	3.4 work manuals aligned with the citizen's charter in place for all Public service positions	3.4.1 Identification of functions required for the preparation of a work manual	M/PA&HA/ UNDP	20,000	20,000	--				
		3.4.2 Drafting of a work procedure manual	M/PA&HA/ UNDP	75,000	75,000	--				
		3.4.3 Translation and printing of finalised manual in two languages	M/PA&HA/ UNDP	100,000	30,000	70000				
		3.4.4 Orientation training for local government offices on use of the manual	M/PA&HA/ UNDP	265,000	35,000	230,000				
	<b>Pillar 3</b>			<b>750,000</b>	<b>300,000</b>	<b>450,000</b>				
	<b>Pillar 4</b> Development of systems and automated processes for expedited service delivery at District and Divisional Secretariats	4.1 A system development study / work flow improvement study completed on service delivery at District and Divisional level	4.1.1 System development / work Flow Study conducted	M/PA&HA/ UNDP	15,000	15,000	--			
			4.1.2 Consultation on recommendations from study, including mechanism for automated service tracking completed	M/PA&HA/ UNDP	15,000	15,000	--			
			4.1.3 Improvements to system identified and action plan	M/PA&HA/ UNDP	5,000	5,000	--			

		developed for upgrading							
4.2 automated service tracking system and streamlined business processes piloted in selected districts	4.2.1	Support business process improvements in selected pilot districts	M/PA&HA/UNDP	10,000	10,000	--			
	4.2.2	Pilot automated service tracking system	M/PA&HA/UNDP	250,000	-	250,000			
	4.2.3	Awareness raising with general public on new system and its use	M/PA&HA/UNDP	107,000	7,000	100,000			
	4.2.4	Development of manuals for system use and translation and printing	M/PA&HA/UNDP	63,000	13,000	50,000			
	4.2.5	Provision of technical training for staff	M/PA&HA/UNDP	130,000	10,000	120,000			
4.3 Automated service tracking system and streamlined business processes adopted by districts in South and East	4.3.1	conduct evaluation on district pilots	M/PA&HA/UNDP	20,000	5,000	15,000			
	4.3.2	Institutionalisation of streamlined business processes and model automated system for district service delivery	M/PA&HA/UNDP	305,000	5,000	300,000			
4.4 A citizen Interface to automated district service delivery system in place in districts in South and East	4.4.1	Explore opportunity for interface with data stored at DICs (repeated in 6.4)	M/PA&HA/UNDP/ICTA	(funds under activity 6.4)	--	--			
	4.4.2	Pilot interface and showcase data analysis benefits	M/PA&HA/UNDP/ICTA	5,000	5,000	--			

Pillar 4				925,000	90,000	835,000				
<b>Pillar 5</b> MDG localised plans and monitoring mechanisms	5.1 National committee for MDG based planning and policy guidelines established, and provides regular policy guidance	5.1.1 Support to establish and continued services of National committee	M/F&P, MPAHA, UNDP	20,000	20,000	--				
	5.2 Capacity assessment completed for devolved structures in Uva	5.2.1 Conduct participatory capacity assessment of organisational and service delivery capacities of Uva Provincial Council and 4 selected PSs	M/F&P, MPAHA, UNDP	10,000	10,000					
	5.3 Provincial Council staff in Uva Province are more knowledgeable about their roles and responsibilities as service providers to the local community	5.3.1 Rolling out of training programmes (note these are being developed during Q1/2 2009 for the deconcentrated structures under ongoing MDG project)	M/F&P, MPAHA, UNDP	30,000	30,000	--				
	5.4 Pilot coordinated MDG planning exercise fed into local budget processes in Uva Province	5.4.1 MDG Planning exercise supported in UVA, with deconcentrated and devolved arms of government in line with normal government planning cycles	M/F&P, MPAHA, MLGPC, UNDP	50,000	50,000	--				
		5.4.2 Linkages built with AGSL project for support to MDG related needs	UNDP	-	-	-				
	5.5 Human resource development tools and methodology for coordinated MDG planning introduced in	5.5.1 Lessons learned assessment of training effectiveness and coordinated MDG	M/F&P, MPAHA, UNDP	10,000	10,000	--				

	target areas	planning							
		5.5.2 Roll out of training modules to other geographical areas	M/F&P, MPAHA, MLGPC, UNDP	50,000	50,000				
		5.5.3 Roll out of coordinated MDG planning to other geographical areas	M/F&P, MPAHA, UNDP	125,000	125,000				
	<b>Pillar 5 Total</b>			<b>295,000</b>	<b>295,000</b>	<b>0</b>			
	<b>Pillar 6 District Information Centres</b>	6.1 National committee for Integrating information initiatives better able to draft policy guidelines and take policy decisions.	6.1.1 Support functioning of National Committee on Information Initiatives	M/PA&HA, ICTA, UNDP	10,000	10,000	--		
			6.1.2 Provide technical support for drafting of policy guidelines	M/PA&HA, ICTA, UNDP	35,000	35,000	---		
		6.2 National action plan for the roll out of district information centres in place	6.2.1 Complete survey in the pilot districts of Galle, Matara, Hambantota and Batticaloa.	M/PA&HA, ICTA, UNDP	5,000	5,000	--		
			6.2.2 Develop national action plan including resource mobilisation strategy for national roll-out of DICs.	M/PA&HA, ICTA, UNDP	15,000	15,000	---		
		6.3 MDG based district, division, village resource profiles prepared	6.3.1 Establish GIS system based planning in the districts of Galle, Matara and Hambantota with the support of the AGSL programme. (Piloted in 4 districts)	M/PA&HA, ICTA, UNDP	20,000	20,000	--		

			6.3.2 Technical support to Districts to interpret GIS data and identify MDG related needs and Create a pipe line of development projects	M/PA&HA, ICTA, UNDP	215,000	95,000	120,000 (additional 180,000 to activity as parallel funding from AGSL)				
		6.4 District Information Centres in place and linked to Service Tracking systems	6.4.1 Need for service tracking system analysed 6.4.2 System piloted 6.4.3 Awareness for public on the new system conducted 6.4.4 Service bearers informed of their responsibilities.	M/PA&HA, ICTA, UNDP	300,000	--	300,000				
		<b>Pillar 6 Total</b>			<b>600,000</b>	<b>180,000</b>	<b>420,000</b>				
Output: 12. Improved capacity of CSOs/CBOs to act as: a) accountable and transparent service providers complementing government functions; b) to represent public needs	<b>Pillar 7:</b> Community engagement in development process and accountability of local service providers	7.1 Mapping and needs assessment completed of CBOs in selected districts.	7.1.1 CBO mapping and needs assessment conducted in selected districts	M/PA&HA, UNDP	90,000	10,000	80,000				
		7.2 CBOs more knowledgeable about basic project management and good governance practices and how to apply them	7.2.1 Training for CBOs from the selected CBO's conducted 7.2.2 Community Empowerment Assessment conducted with support of CBOS	M/PA&HA, UNDP	220,000	20,000	200,000				
		7.3 CBOs receive small grants for sustainable development activities	7.3.1 DAC selects and monitors CBOs for project support	M/PA&HA, UNDP	30,000	10,000	20,000				

and monitor service delivery.	in partnership with the District Advisory Committees (DAC).	7.3.2 Small Grants provided through contracts with the DAC	M/PA&HA, UNDP	450,000	65,000	385,000				
	7.4 CBOs in Eastern and Southern Province establish networks to foster sustainability and knowledge sharing	7.4.1 Linkages with local government offices established for long term development partnerships	M/PA&HA, UNDP	5,000	5,000	--				
	7.5 CBOs are better able to advocate on behalf of their communities and monitor the quality of local service providers	7.5.1 Project Staff and DAC members trained on best practices from region in engaging CBOs in community advocacy	M/PA&HA, UNDP	10,000	10,000	-				
		7.5.2 Through networking and awareness training create the consciences for the community monitoring and advocacy role of the CBO's	M/PA&HA, UNDP	50,000	10,000	40,000				
		7.5.3 Small Grants for advocacy and monitoring activities (in coordination with 7.3 and under DAC guidance), and with special focus on CBOs led by women or focusing on women's needs	M/PA&HA, UNDP	300,000	50,000	250,000				
		7.5.4 Evaluation of CBO engagement in community advocacy work, and lessons learned	M/PA&HA, UNDP	5,000	5,000	--				
	<b>Pillar 7 Total</b>				<b>1,160,000</b>	<b>185,000</b>	<b>975,000</b>			



**LoGoPro**

	<b>PMU Pillars 3-7</b>									
	Admin Arrangements				360,000	85,000	275,000			
	M&E				270,000	75,000	195,000			
	Contingencies				125,000	20,000	105,000			
	Total PMU				<b>755,000</b>	<b>180,000</b>	<b>575,000</b>			
	Programme Sub total (Activities only)				<b>5,025,000</b>	<b>1,402,000</b>	<b>3,623,000</b>			
	Total PMU Costs 1-7				<b>860,000</b>	<b>228,000</b>	<b>632,000</b>			
	<b>GRAND TOTAL LoGoPro</b>				<b>5,885,000</b>	<b>1,630,000</b>	<b>4,255,000</b>			

**Annex IV. Monitoring & Evaluation Framework 2009 – 2012**

*- Draft to be finalised in consultation with Project Stakeholders -*

Outcome, Output & Key Activity Results	Indicator	Baseline	Target[s]	Means/ Source of Verification	Timing	Risks & Assumptions (R/A)
<p>CPAP Outcome 4) Improved performance of regional and local level structures in delivering services in a transparent and accountable manner.</p>	<p>Public satisfaction with delivery of local and decentralised GoSL functions</p>	<p>Services delivered are not planned in a participatory manner and are not monitored by the beneficiaries</p>	<p><i>Increased public satisfaction with public services delivered at the local level</i></p>	<p>Discussions at public forums</p>	<p>2010, 2011, 2012</p>	<p>A-decentralized structures and infrastructure necessary for delivery is already in place                      A-Surveys covering all groups are conducted at regular intervals to assess public satisfaction                      R-Political instability and security considerations hinder functioning of the delivery system                      R-Distorted feedback from surveys due to publics lack of awareness about rights, entitlements with regards to local governments</p>

	% Annual revenue generated by local service providers	Local service providers raise less than 30% of the revenue needed by them through taxes	Local service providers exercise increased revenue raising capabilities	Revenue records	Annually	A-revenue collection guidelines, human resources and infrastructure already in place R-revenue not fully reported due to evasion and leakages
	Reforms of provincial/national laws related to fiscal revenue and planning autonomy	There are currently no laws facilitating the increase in revenue raising by local government	Local service providers increased revenue raising capabilities supported by law (2010)	Revenue records	Annually	A-reform process already on the way with central government endorsement R-political and procedural issues cause delays
	% women in decision making positions within local devolved and deconcentrated structures in Uva and Eastern Province	10% women are in decision making positions within devolved and deconcentrated structures in Uva and Eastern Province	At minimum, 50% of decision making positions within devolved and deconcentrated structures in Uva and Eastern Province are occupied by women.	Attendance and direct observation	Annually	A-sufficient number of women had been trained and empowered to enter and/or reach key positions in arena

	Frequency of publicity campaigns (in local languages) explaining the procedures and the criteria for administrative decisions or processes (granting permits, licences, bank loans, building plots, assessing taxes	Publicity campaigns take place infrequently and materials are not available in all local languages	Publicity campaigns take place annually and all materials are prepared in all official languages	administrative records	Annually	
	% of Districts where "Citizen's Charters" is published to establish the obligations of service providers and the rights of users	No comprehensive implementation of the citizen's charter in any of the districts	20% increase in geographical coverage annually	administrative records	Annually	
	Frequency with which service delivery surveys are conducted among department clients to ascertain levels of satisfaction in South and East	Service delivery surveys are not conducted	One per year/ per department	administrative records	Annually	
CPAP Output 11. Improved capacity of devolved authorities and decentralized government administration to deliver public goods and services.	# of public hearings held by elected bodies at devolved level	EPC does not conduct public hearings	At least one forum held in 2009 continued by 2 forums per year	Number of public forums conducted	Annually	A-elected bodies are recognized by the majority of the public A-political and security situation is conducive to hold an inclusive dialog R-Inability to hold forum due to venue and/or key individuals not available

	Availability of data collected and managed at the local level	There is no one source of authorized local level data	4 District Informatic Centres piloted at local level for information collection, management and dissemination of data (Batti, Hambantota, Galle and Matara)	Joint site visits/ site visit reports	Annually starting from 2010	A-availability of functioning computerised systems A-availability of adequate facilities and man power to operate A-findings from pilots are incorporated into system rollout R-Inappropriate design due to lack of consultation with all stakeholders R-front line staff receive inadequate training R-distorted expectations due to poor awareness
	Average processing time (in days) for requested documents in Eastern and Southern Districts	Current time for Passports/ID cards and Birth/Death certificates in Eastern and Southern Districts	Target (reduction in # of days for passport, ID cards and birth/death certificate processing	Processing time logged by local service provider	Annually	A-functioning systems are already in place in the targeted provinces A-all of the public have

		to be established				easy access to places of applications submission and documents collection R-staff and public are not fully aware about process causing delays R-staff do not supply accurate performance information for assessment
	# of Districts in Southern and Eastern Province with Citizen's Charter in place	Circular issued to all Provincial Councils in February 2008. mandating the development of Citizen's charters at local government levels	All Districts citizen's charter in place by 2012	administrative records		A-trilingual versions of the charter is distributed A-public servants are made aware of the implications of the charter by way of training R-charter is not finalized for distribution R-poor participation of officials in awareness programmes

	% of corrective actions taken to address complaints by clients on quality of services received	There is no institutionalised, systematic mechanism in place for feedback on local service delivery -	Mechanism developed for client feedback in line with implementation of Citizen Charter (2009) 40% in 2010 and 60% in 2011 80% (2012).	Review of survey reports	2010 and 2012	A-disaggregated records of complaints and corrective actions are recorded A-feedback mechanisms are in place for the public to submit their views R-lack of facilities to maintain and analyse data R-public do not participate in scheme due to lack of faith
Key Activity 1 Provincial Chief Minister/Cabinet, Mayors and Pradeshiya Sabha Chairs are better able to develop policies and undertake public consultation in key areas of peace-building and development	% activities outlined in capacity development strategy for Elected Officials fully Implemented	No capacity development strategy currently in place	Strategy formulated in 2009 and 95% implemented by 2011	Strategy paper, Implemented training programmes.	Q4/2010	A-capacity needs and strategy has been put together in a participatory process  R-conflicts in priorities due to political interests delaying implementation

	% of Elected Officials in Eastern Province trained in leadership and governance	Currently only orientation training activities are undertaken with elected officials in the East	30 % in 2009 60 % 2010 and 100% in 2011	Progress Reports, end-training reports	2010, 2011, 2012	A-local officials are enthusiastic and sufficient resources/facilities re available R-a sufficient critical mass of officials do not participate in the programme
	% of Elected Officials who indicate an increase in knowledge of their roles and responsibilities to their constituents post training	Baseline to be established through a pre course evaluation	90% of all Elected Officials who participate in training express an increased understanding of their roles and responsibilities to constituents at end of training programme	Pre/post training testing	Annually	A-officials have political and administrative freedom to put their learning's to practice R-independence and prudence of officials affected inspite of professional training provided
	# of public policy dialogues held by sectoral experts	0 in 2009	One dialogue per sector	administrative records and minutes from meetings	Annually	A-Political/security atmosphere is conducive for dialogs R-dialogs are not representative of the public and open inspite of frequency



	Number of policies debated and changed or newly introduced	0 in 2009	Minimum of 1 new policy introduced after debate per sector and 2 reintroduced after a review	records from public forums	Annually	A- Political atmosphere peaceful for such dialogues. B- to identify knowledgeable individuals for a think tank
	% of local government policies and plans shared with the public	None at present	100% by 2012	Policies discussed in Public forums	Annually	A-sufficient channels of communication are available for sharing trilingual policy/plan versions with the public R-awareness of plans/policy is poor due to weak communication penetration
	# of new policy documents and programmes with a specific focus on peace building and development introduced by Elected Officials in Eastern Province	Though initiatives are seen, no major project or programme has had a special focus on peace building so far	2 peace building projects per year introduced	administrative records	Annually	A-capacity is available among officials for developing the specific peace building-development documents R-key peace building elements are left out due to political

						sensitivity
	# of public consultations held by Elected Officials in Eastern Province with a particular focus on peace building and development	No such consultations have taken place so far	4 Public forums will be held by the elected members in the east focussing on peace building annually	Public forums	Annually	A-elected officials are committed to peace building and the atmosphere conducive for meaningful consultation R-public hesitant in meaningfully participating due to fear of reprisal
	% women's participation in public consultations held by Elected Officials in Eastern Province	currently (2008) women's participation is less than 10%	40% (minimum) on average	Attendance records	Annually	A-notices on the consultations had been widely shared with the general public well in advance encouraging the participation of women R-participation of women weak among some communities due to culture and religion
Key Activity Result 2: Village level management and financial service delivery processes	# of districts with system for disbursing performance based grants in place	Currently no performance based grant system in place in the Eastern	Performance based grants available in 06 pilot Pradesha Sabhas (2 from Each district of the eastern Province)	Records of grant allocation	Annually	A-local officials are supportive and capacity is available towards

are inclusive and participatory		province	by 2010			management of the fund R- A few pilots unable to complete scheme on time effecting evaluation
	Availability of a Local Development Fund in Eastern Province	Currently no LDF in place in Eastern Province	Local Development Fund in place in the Eastern Province by 2009.	Records of grants allocation	Annually	A-Central government is supportive of setting up the independent local fund A-sufficient monitoring mechanisms are in place to ensure full transparency and accountability R-high level deliberations delaying the LDF
	Average % of action plan activities executed by target PS in Eastern Province	PS executes about 30% of planned activities	All Pilot PS execute on average 80% of planned activities annually	Budget expenditure statement	Annually	A-plans are ready with adequate resources A-thresholds for defining completion are agreed at the incept

						R-execution of some plans affected due to security incidents
	% of total average development budget delivered by target PS in Eastern Province	30% of the average budget delivered by PS	100% of the budget delivered annually	Budget expenditure statement	Annually	A-financial records are provided on time by the targeted PS's A- other data such as modes and medians are also made available with the average R-PS's do not provide data requested on time
	Average participation (average number of participants per session) in public planning consultations and evaluations of performance at PS level in the South and East	Participatory planning sessions does not take place.	At minimum, 10 citizens [4 women] participate in public planning consultations and evaluations of performance at PS level in the South and East	Site visits/site visit reports & administrative reports	Annually	A-disaggregated data records are maintained on participation R-data kept is not uniform across PS's
	% women's participation in public planning consultations and evaluations of performance at PS level	There is currently limited women's participation in public planning consultations and evaluations of performance at	40% of women take part in all public planning consultations and evaluations of performance at PS level	Attendance of the planning sessions	Annually	A-the public had been informed in advance and sufficiently about the events R-women's

		PS level				contribution to planning is low in spite of their presence at the sessions
	% of all small scale development projects initiated by PS which are completed on time	5 % of small scale development projects completed on time (2008)	90% of the small scale projects funded under the Grants fund completed by 2010	Annual report of the PS	Annually	A-uniform records are maintained on all projects value, completion dates, and intended targets by all PS's
Key Activity 3: National frame work for citizens charter in place in 10 pilot districts (CPAP Output 11)	% of Public Servants in South and East that indicate increased knowledge of roles and responsibilities as service providers under the citizen's charter to local community following training	20% of the public officers are aware and are knowledgeable on the charter	90% of all Public servants participate in awareness and training programmes on the citizen's charter	Pre/post testing	Annually	A-adequate participation is there for trilingual training programmes in both the South and the East R-low turnout of participants for the training
	# of public service positions that have work manuals aligned with the citizen's charter	No work manual available for positions	Every public service position has a work manual that is aligned with the Citizen's charter	Number of manuals created	Annually	A-mapping is conducted on public service positions in the target areas R-officials have the manual but find it inconsistent with the charter
	# of districts in Southern and Eastern province with Citizen's charter available in all three	Citizen's charter currently not in place nor is it	Citizen's charter displayed in all official languages in all	Field visits and spot inspection.	annually	A-trilingual versions of the charter had been

	languages and publicised and displayed in service outlets.	available in all official languages in the South and East	districts in the South and East by 2009			produced R-not all language versions are available
	# of awareness sessions on the citizen's charter held for the local population in Southern and Eastern Province	Baseline to be established	Target to be established	Number of workshops / training programmes, Attendance	Annually	A-there is enthusiasm to participate in the programme due to awareness raising R-low turn out due to non awareness
	# of districts in the South and East with a service delivery feedback mechanism in place (citizens'/client feedback forms, suggestion boxes, news monitoring, call services and client surveys)	Feed back mechanism does not exist (2008)	At minimum, two systems piloted in 2 districts in Southern and Eastern Province by 2010	Public opinion	Annually	A-all districts have identical delivery feedback mechanisms accessible by the public R-insufficient responses by the public due to mediocre acceptance of mechanism
Key Activity 4: District and DS Divisonal Secretariats are better able to meet their Citizen Charter commitments	% of system development/workflow improvement study recommendations, fully implemented	No system development/workflow improvement study completed in South and East to date (2008)	A system development study / work flow improvement study completed on service delivery at District and Divisional level in the South and East (2009) 50% recommendations fully implemented	Progress report of the project	annually	A-workflow is compatible with existing structures and knowledge levels and had been consulted with front line staff

			(2010), 90% (2011)			R-inappropriate needs had been identified at design stage
	% of District and DSD Secretariats using automated service tracking system in Southern and Eastern Provinces	No automated tracking system available	2 Districts in the South and East have a fully established automated service tracking system with citizen interface (2010) All districts in the South and East (2011)	Public forums	annually	A-staff had been sufficiently trained to use the system effectively  R-breakdown of hardware and software crashes
	% of Districts and DSD Secretariats that have adopted streamlined business processes	0 in 2008	Streamlined business processes in place in pilot 06 districts (2010) All districts in South and East by (2011)	Public complaints	Annually	A-Staff had been sufficiently trained to use system A-staff are motivated due to understanding merits of the new process R-Poor understanding leading to delays

	% of districts and DSD Secretariats in the South and East offering one day services' to the public	Two districts in South and none of the districts in East currently offer one day services to public (2008)	All three districts in South and in East offers one day services by 2010.	Annual performance reports of the District secretariats	Annually	A-secretariats in the north and east have uniform facilities and staff to provide the service A-public in both the north and east can access the services easily R-security incidents cause delays in services
Key Activity Result 5: MDG localised plans and monitoring mechanisms in place in all Southern and Eastern province Districts and DS Divisions	% of local budget planning processes that are informed by the MDG planning exercise in Uva, province.	0 in 2008	budget planning processes of Monaragola districts in Uva informed by MDG planning exercise (2009)	Review annual budget of District and DSDs in Southern and Eastern Provinces	annually	A-MDG planning exercises are taking place at equal levels in all 3 provinces R-Procedural issues causing delays
	% women's participation in local planning workshops	Less than 10% of women, on average, participate in local planning workshops	At least 40% of participants in local planning workshops are women.	Attendance of the workshops	Annually	A-General public notices had been issued well in advance encouraging women to participate R-women do not meaningfully contribute inspite of their



						presence in planning workshops
	# of districts with a development plan in place that was formulated in a participatory manner	No development plans were formulated through a participatory manner (2008)	Two districts of Uva will have a participatory district development plan in place (2009) All districts in Uva, Southern and Eastern Province have participatory district development plans in place (2011)	Year end performance reports	Annually	A-atmosphere in all districts is conducive for conducting participatory planning R-political and security issues hinder full participation
	% of Training modules to address human capacity needs identified in Uva assessment rolled out	No training to this regard has taken place	All programmes identified in the needs assessment rolled out by 2010?	Training reports	annually	A-training modules are developed on time and distributed R-modules face
	# of human resource development tools and methodology for coordinated MDG planning rolled out in project focus areas	Tools and methodology not in place for MDG planning in Southern and Eastern Provinces	HRD for coordinated MDG planning in place and used in South and East local planning processes	Provincial performance reports	annually	A-lessons learned and best practices are exchanged for refining tools R-parameters for measuring success of the tools are not well defined
	# of local women's groups participating in MDG planning process in Uva, Southern and Eastern Province	Does not take place	30% of CBOs that participate in MDG planning processes	Attendance reports	Annually	A-local groups had been informed well in advance in all of

			are women's groups			the provinces R-poor turnout
Key Activity Result 6: District Information Centres provide information and planning resources to both the deconcentrated and the devolved arms of government,	Availability of a national action plan for the roll out of district information centres	Not in place (2008)	national action plan for the roll out of district information centres prepared	National committee reports	Annually	A-national action plan had been drawn up after consultations and consensus building R-lack of technical expertise to draw up plan on time
	# of MDG based resource profiles prepared	Annually updated resource profiles are not available	MDG based district, division, village resource profiles prepared annually.	District planning reports	annually	A-staff have skills and necessary training at all of the locations R-lack of data delay compilation and profiling
	# of Districts with information centres in place and linked to Service Tracking systems	None at the moment (2008)	District Information Centres in place and linked to Service Tracking systems in 03 districts by 2010	District secretariats reports	annually	A-systems are compatible with staff trained R-hardware and software crashes occurring
OUTPUT 12. [a] Improved capacity of CSOs/CBOs to act as accountable	# of local development strategies factoring in Civil Society Partner's contributions	CSOs contribute to local development strategies through	Monthly planning meetings take place in 4 Districts bringing together local CSOs,	Meeting minutes	annually	A-venues and resources are available for CSO to meet

and transparent alternative service providers complementing government functions		project's DAC meetings, but these are not as yet institutionalised - but are project driven	CBOs and government officers			and conduct planning R-Political and security issues cause delays in meetings
OUTPUT 12.[b] Improved capacity of CSOs/CBOs to represent public needs and monitor service delivery.	# of CSO/CBO reports prepared on local level service delivery	Targeted CSO and CBOs do not report on local service delivery. Project Support has focused to date on their role as ASPs	Target to be set	Training reports	annually	A-training and reporting templates are provided to CSO/CBO at incept R-not all CSO/CBO reports at same frequency
	# of CSOs/CBOs that publish audited financial and activity reports	Less than 10% of the CBO's do so	65% of the 240 CBOs trained (in 2009) 20 per division, 3 divisions in each of the 4 target districts) are able to show and maintain accounts	Field visits and direct observation	Annually	A-formats had been provided for reporting publications R-lack of resources for printing
Key Activity Result 7: Communities in the Southern and Eastern province are better able to hold local service providers accountable	% of recommendations from the mapping and needs assessments of CBOs in selected districts fully implemented	At present about 30% of recommendations were fully implemented (2008)	75% of the recommendations met by 2010.	Project progress report	Annually	A-all target districts mapped comprehensively representing CBO coverage R-some recommendations not incorporated due to conflicts of interest

	% of Civil Society participants who indicate increased knowledge of project management and good governance principles following training	About 80% from the CBO's have limited knowledge of project management and good governance principles	85% of CBO's indicate increased knowledge of project management and good governance principles following training	pre/post testing	Annually	A-pre and post knowledge testing is conducted R-modules not in correspondence with local knowledge levels
	# of CBOs receiving small grants for sustainable development activities	20% of the 240 trained CBO's receive small grants	Reduction in the dependency of grant receiving CSOs on the small grants facility by 20% (2009 & 2010)	District reports of DSO's	Annually	A-recipient selection is inclusive and transparent R-CBO's unable to utilize grants on time
	# of CBOs that participate in local networks and communities of practice.	Currently there are no local networks for CBOs 2008	90% of CBOs in each Divisional secretariat in the South and East participate in local networks by 2010.	District reports of DSO's	Annually	A-CBOs are enthusiastic about networking R-factional issues are prevalent among clusters of CBO
	% of CSOs maintaining proper records 6 months after training	# of CSOs trained on record keeping	90% of CBO's will show improvement in record keeping	Spot visits	frequent	A-CBO has infrastructure to maintain records R-records are lost
	# of Advocacy and monitoring initiatives launched by	None at the moment	90% CBO's who receive small grants	CBO annual	Annually	A-All CBOs will remain and

	CBOs receiving small grants		launch advocacy and monitoring initiatives within one year of having received support	reports		practice the knowledge that was gained through training R-The continuity of the trained individuals in CBO's
	# of small grant partnerships entered into between community groups/ women's organisations and local authorities	None at the moment (2008)	05 new partnerships developed between community groups and local authorities in 2009 with a 20% increase in each subsequent year of project operation	CBO annual reports	Annually	A-all trained CBOs would be able to write up their own project proposals and gain partnerships. R- The continuity of the trained individuals in CBO's

***LoGoPro***