

Programme Board Meeting

Governance for Local Economic Development

Date : 13th March 2014
Venue : Minister's Meeting Room, Ministry of Public Administration & Home Affairs
Time : 2.00pm- 3.40 pm

Co-Chairs

Mr. Jinasiri Dadallage, Director General (DG) of Sri Lanka Institute of Development Administration (SLIDA)

Ms. Lovita Ramguttee, Deputy Country Director (DCD) of United Nations Development Programme (UNDP)

Participants:

Ministry of Local Government and Provincial Council

Mr. W. M. P. G. Wickramasinghe, Additional Secretary, Policy and Monitoring

Ministry of Public Administration and Home Affairs (MPA&HA)

Ms. W. M. D. Fernando, Additional Secretary, Home Affairs

Mr. P. S. Perera, Chief Accountant,

Mr. T. Liyanapathirana, Accountant, District Accounts

Mr. U. D. S. P. Perera, Advisor

Ministry of Finance and Planning

Ms. Anoja Munasinghe, Additional Director General, Department of Project Management and Monitoring

Mr. K. L. R. Senarathna, Development Officer, Department of Project Management and Monitoring

Royal Norwegian Embassy

Ms. Dagny Mjos, Counsellor

Ms. Vidya Perera, Senior Advisor

European Union

Ms. Sundari Jayasuriya, Programme Manager, EU

United Nations Development Programme

Mr. Rajendrakumar Ganesarajah, Assistant Country Director

Ms. Mariana Gonzalez, Programme Management Specialist

Mr. U. Mohamad Muzain, Project Manager GLED

Mr. Ashan Abeywardena, Programme Analyst

Mr. Ramaiah Dhanaraj, Governance Specialist

Ms. Thurangani Dahanayaka, Programme Associate

Mr. Buddhika Udayajith, Project Support Officer

Ms. Minoli Peiris, Project Assistant

Opening remarks

Mr. Jinasiri Dadallage (JD), Director General (DG) of SLIDA welcomed all attendees to the GLED Programme meeting. He especially thanked development partners from the Norwegian Embassy and European Union, UNDP representatives, the Additional Secretary from the Ministry of Local Government and Provincial Councils, the Additional Director General of DPMM and MPAHA staff present. The meeting was introduced as the second board meeting of the GLED programme, following the previous one held in September 2013.

Ms. Lovita Ramguttee (LR), Deputy Country Director (DCD) of UNDP welcomed and thanked all attendees. She informed that the aims of the meeting were to take stock of past progress and review plans for 2014 for Support to District Development Programme (SDDP), Northern Livelihood Development Project II (NLDP II) and GLED National Implementation Modality (NIM) project and approve annual work plans for these specific projects, except for SDDP, which will have a separate approval process.¹

LR stated that a potential allocation of Canadian Dollars 3 million from the Canadian Department of Foreign Affairs, Trade and Development (DFATD) is currently in the hard pipeline for the Agro-Economic Development Project (ADP). Additionally, preliminary discussions are being conducted for a new project, NLDP III, with the Royal Norwegian Embassy.

GLED Progress and Work plan Presentation- NIM

JD outlined the 4 output areas of the GLED programme. He emphasized that the aim of the NIM component is to enable a conducive environment for socio-economic development at the local level by empowering vulnerable communities together with an improvement in efficiency and effectiveness in delivery of social services. Thus, the NIM component led by MP&HA specifically focuses on governance issues, Community-based organization (CBO) interventions and policy improvements. He stressed that the outputs are addressed through highly collaborative efforts involving both the government mechanisms and communities. Experience gained from the previous project, LoGoPro, was incorporated into this project. It was mentioned that the project was initiated in September 2013 and will be conducted until December 2017 and the total requirement for the GLED NIM project is USD 2.6 million.

Next he presented the progress made in 2013 under the GLED NIM project and presented to the Board the Annual Work Plan for 2014.²

JD concluded that in terms of progress NIM has achieved 100% of the results and expenditure; and activities have been designed in order to be integrated and highly cost effective. He expected the same for 2014. The budget allocation is USD 400,000 for 2014. Furthermore, it was stated that project management functions had been shifted to SLIDA with the approval of the Secretary of the Ministry of Public Administration and Home Affairs. He further noted that SLIDA has facilities and capacity for conducting training, sourcing qualified resource persons, specialized equipment and residential capacity for implementation.

¹ Please refer Annex 1: 'GLED Programme Summary for 2014' for information of the projects, areas of focus budgets and donors.

² Please refer Annex 2: GLED NIM project progress presentation for year 2013 and 2014 Annual Work Plan.

Questions and clarifications:

Ms. Anoja Munasinghe, Additional Director General (ADG) of the DPMM questioned whether a cash flow plan and procurement plan has been prepared for 2014, to which JD replied that there is a cash flow plan which is sent to the Treasury Office. However, there's no procurement plan for the project as it mostly concentrates on capacity development.

Ms. Dagny Mjos, Counsellor of the Norwegian Embassy, raised a question regarding the guidelines for any procurement to which JD answered that this particular project follows Ministry guidelines where UNDP funds are given to the Treasury and are released based on the approval of work plans on a quarterly basis. The MP&HA should follow Treasury guidelines for any procurement under the Ministry. LR added that Government procedure only applies to the UNDP TRAC funded GLED NIM project. She added that any procurement related to SDDP and NLDPII are based on UNDP guidelines and regulations. She further added that UNDP performs a micro assessment to assess the level of risks with all its Implementing Partners (IPs) and that the MP&HA was evaluated on the areas of HR, Finance and Procurement and was determined as low risk.

The NIM annual work plan was approved with no outstanding issues.

GLED Progress and Work plan Presentation- DIM

Mr. Mohamad Muzain (MM) began by thanking all present at the meeting and those who have helped the programme in the past year. He then explained that the focus areas of the DIM component are the same as the NIM component. He further elaborated that the DIM component consists of 2 ongoing projects: SDDP (EU funded) and NLDPII (Norway funded); and one project in the pipeline: Agro-economic Development Programme (ADP) (Canadian Department of Foreign Affairs, Trade and Development [DFATD]- funded) which is expected to be finalized and approved during the year. He clarified that SDDP and NLDPII involve activities pertaining to governance and LED whereas ADP focuses solely on LED.

SDDP

MM outlined the aim of the SDDP project as *'facilitating the transition from post-conflict relief to reconstruction and long-term development by supporting local economic development and strengthening of local governance'*. The project duration is 5 years from July 2012- June 2017. The funding provided by the EU for the project is Euro 15,180,000. The project is implemented by UNDP in consultation with the government and other partners.

He explained that the project covered the Districts of Mannar, Ampara, Vavuniya and Batticaloa and additionally cross-border Divisions in Puttalam, Anuradhapura and Monaragala were selected by the Ministry of Economic Development in collaboration with the EU, based on defined vulnerability criteria. He further noted that currently there are requests to accommodate more Divisions in these Districts. The project is based on a multi-agency development framework which involves other UN agencies working in partnership.

He went on to explain progress of the project according to specific results and the Annual Work Plan for 2014.³

MM presented the financial progress made up to December 2013. He informed the Board that UNDP reports to the donor on an annual basis and that 2013 saw an expenditure of US \$ 380,000 (including

³ Please refer Annex 3: SDDP progress presentation for 2013 and Annual Work Plan 2014.

commitments) under SDDP. He also explained that 2014 expenditure is estimated at US \$ 5,078,555.56 with an allocation of USD 2,132,428.89 for the period of January-June 2014 and USD 2,946,126.67 for the period of July-December 2014.

He further highlighted that there have been several issues faced by UNDP in implementing the project, the major one being the temporary suspension of the project since November 2013, which is expected to be lifted after discussions with the Ministry of Economic Development (MED).

NLDP II

MM outlined that NLDPII encompasses a budget of US \$ 1,035,364 and covers the three Northern Districts of Jaffna, Killinochchi and Mullaitivu. The project is funded by the Royal Norwegian Embassy and runs from August 2013 to August 2014.

He then provided an update on the project progress for 2013 and presented Annual Work Plan for 2014.⁴

It was explained that at the end of 2013 the Combined Delivery Report recorded project expenditure at USD \$ 192,122.05 and the 2014 budget is USD 843,243. MM informed the Board that the work plan has been approved by the Royal Norwegian Embassy and shared it with the Board.

MM also stated that a concept paper for NLDP III is currently being formulated and consequent work plans will be approved directly with the donor. NLDP III will have the same objective as NLDP II, building also on already ongoing interventions.

ADP

This was introduced as a project currently in the pipeline. The objective of the project is 'to improve livelihood opportunities for target communities, with a focus on ensuring greater role and engagement of women as beneficiaries, suppliers, members within producer groups and decision-makers in the districts of Jaffna, Killinochchi, Mullaitivu, Mannar and Vavuniya'

MM stated that the finalization of the grant agreement is underway with DFATD for Canadian \$ 3 million over a period of 3 years. The project will be implemented in Jaffna, Vavuniya, Mannar, Killinochchi and Mullaitivu Districts. He presented the proposed multi-year work plan for ADP.⁵

Questions and Clarifications:

Jayawariya Program Manager
 Ms. Sundari Jayasundara, Project Manager from EU raised a question about aggregating GLED as a programme framework, given that it involves two modalities and three separate projects, with separate outcomes and indicators. LR explained that there is one monitoring and evaluation framework that encompasses the whole GLED programme. She stated that though there are three projects, they all have results under three broad, common outcomes and thus works towards the same goal. The difference between the projects is mainly the different geographical focus areas. She pointed out that due to limited fund allocations and the broad geographical focus of GLED NIM project, a softer approach entailing capacity building and improving and introducing governance-related systems is what is planned. JD added that all projects work collaboratively despite the different geographical targets. He explained that some areas need more physical development whilst others require more managerial and strategic interventions. However, they are all being approached in a collaborative manner. Mr. Rajendrakumar Ganesarajah (RG), Assistant Country Director (ACD) UNDP, also explained that this is a 'no-harm' project which will not create conflict between regions. It is a programme that is applicable 'do no harm'

⁴ Please refer Annex 4: 'NLDP II progress presentation for year 2013 and Annual Work Plan 2014.

⁵ Please refer to Annex 5: 'ADP Multi-Year Work Plans'

Governance for Local Economic Development throughout Sri Lanka where via different donors, different geographical needs can be addressed. LR mentioned that the Programme Board meets twice annually to approve GLED NIM work plans, but separately regular progress meetings are held with the Royal Norwegian Embassy on NLDP II.

LR further added that the programme is running in a cost effective manner; explaining that even in terms of HR, certain cross border and overlapping Districts have the same team. She stated that the GLED programme has a Project Implementation Unit (PIU) to support all projects within GLED, and additionally in some Districts there is an overlap of field staff. Currently the SDDP project bears the bulk of the costs, however she stated that these costs need to be shared between the donors and informal discussions have been had with the respective donors and will be taken forward in the future.

Ms. Anoja Munasinghe questioned whether Key Performance Indicators (KPIs) have been formulated for the programme. MM explained that there are results based indicators included in the work plans for each project. He emphasized that there are baselines and targets accompanying these indicators. He added that currently baselines are being formulated for the SDDP project in order to measure project achievements.

Ms. Munasinghe inquired why the 2013 GLED NIM budget was not recorded in the INDIS system owned by the DPMM. **JD** explained that the budget of US \$ 126,000 was approved for GLED NIM in September and the MPAHA only received the funding afterwards. Therefore it was not included in the 2013 Ministry budget as this was submitted earlier. Therefore all project activity expenses incurred by the MPAHA were submitted to UNDP who made payments to the vendors/stakeholders directly. He stated that the system functioned smoothly and as LKR 25 million was approved by the Treasury for 2014, any expenditure that cannot be covered by this allocation can be paid through direct payment.

Ms. Dagny Mjos from the Royal Norwegian Embassy inquired about the progress in identifying projects under outcome 4 of NLDPII. MM replied that a gap analysis was done through LoGoPro in consultation with the respective Government Agents which the District Review Board has approved, and these interventions are currently being implemented.

Conclusion

RG requested that the AWP's be approved by the Board. As there were no issues or comments raised, the 2014 AWP's have been approved for GLED NIM, NLDPII and SDDP projects. The individual AWP's for NLDPIII, ADP and SDDP will be agreed and approved separately by donors. The Programme Board agreed to a 20% tolerance level in budget lines under the activity level, subject to donor specific requirements.

JD and LR declared that the Programme Board Meeting concluded and thanked all participants for their participation and cooperation.

Approved:

Jinasiri Dadallage
Project Manager –GLED NIM
SLIDA
Ministry of Public Administration
& Home Affairs

Lovita Ramguttee
Deputy Country Director
UNDP