United Nations Development Programme

United Nations Development Programme
Country: Sri Lanka
Project Document

Project Title: Strategic Positioning of the Department of Project Management and Monitoring (DPPM)

UNDAF Outcome: Strengthened provision of, access to and demand for equitable and quality social services delivery and enhanced capacity of national institutions for evidence-based policy development.

Expected CP Outcome: same as UNDAF Outcome.

Expected Output: National partners strengthened for evidence based policy, institutional and systems development in the areas of governance, empowerment, social inclusion, social integration, and project management and monitoring.

Implementing Partner: Department of Project Management and Monitoring

Responsible Parties: UNDP

Brief Description

DPMM is the Government entity mandated with facilitating more effective inter-agency coordination, monitoring and evaluation of all development programmes to ensure the achievement of results. The project is an extension of the support provided by UNDP to the DPMM during the previous programme cycle. The objective of the project is to support the strategic positioning of DPMM by strengthening the engagement of stakeholders, institutionalizing procedures and strengthening the incentive and accountability mechanisms for greater adoption of good practices. This will help in advocating for the utilization of the Integrated National Development Information System (INDIS), which is a database providing information on financial & physical progress and results of development projects and programmes, and ensuring its wide use in Government. This will enable DPMM to discharge its oversight function in monitoring and evaluation of public sector projects more effectively.

Programme Period:	2013 – 2017		2013 AWP budget:	USD 67,000
Key Result Area (Strategic Plan): Democratic Governance; Poverty Reduction & Achievement of MDGs			Total resources required:	USD 225,000
			Total allocated resources:	USD 225,000
Atlas Award ID:	00075059		• Regular:	USD 225,000
Atlas Project ID:	00087164		• Other:	
			○ Donor	_____
Start date:	15 July 2013		○ Donor	_____
End Date	15 July 2015		○ Donor	_____
			○ Government	_____
PAC Meeting Date	8 July 2013			
			Unfunded budget:	
Management Arrangements	NIM		In-kind Contributions	

Agreed by Department of Project Management and Monitoring:

Agreed by UNDP: *[signature]* 17/07/13   *[signature]* 15/07/2013

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United Nations Development Programme

I. SITUATION ANALYSIS

In recognition of the importance of project management and monitoring, the Government of Sri Lanka has established the Department of Project Management and Monitoring (DPMM) in the Ministry of Finance and Planning to facilitate more effective inter-agency coordination, monitoring and evaluation of all development programmes. The Department's Mission is to direct and guide all line Ministries and agencies at national and sub-national level to implement development projects and programmes in an effective and results oriented manner to achieve the national development goals set out in the *Mahinda Chintana – Vision for the Future*. Recently, the Department's mandate was extended to include the monitoring of budget proposals and special development programmes of the government (Dayata kirula, emergency programmes etc.) in addition to its main task of monitoring and supporting the effective implementation of foreign and domestically funded projects.

The review of the current portfolio revealed that there are 244 foreign funded projects and 1,019 domestic funded projects executed by Line Ministries. Of these many projects suffered some level of implementation delays, overlap in scope and need of better integration across borders. This information reveals the need for more robust monitoring and evaluation arrangements to ensure the achievement of development outcomes and establish an early warning system in support of daily project management.

The Department maintains an Integrated National Development Information System (INDIS), a database developed with the support of UNDP, which provides information on financial and physical progress and results of development projects and programmes and helps progress monitoring. In addition, an Evaluation Information System (EIS) is also maintained to store and retrieve evaluation findings and lessons. The system also includes a platform to integrate Managing for Development Results (MfDR) or Results Based Management (RBM), based on key performance indicators for individual ministries. Accordingly, results frameworks are formulated and placed in the system, which also has a provision to monitor aid effectiveness parameters. This well designed comprehensive information management system has not been fully utilized by other stakeholders due to various reasons. Initially, the system was developed to cater to the monitoring and evaluation requirements of the DPMM and hence it does not fulfil the requirements of all other stakeholders such as Project Management Units, Donors and Line Ministries. As a result, interest and coordination could not be obtained as expected. To ensure the full utilization of the system, it is important to train and update all users on the functioning and advantages of the system.

The experience gained on project management and monitoring reveals Line Ministries and project implementing agencies need to address challenges and manage risks to implement projects and programmes efficiently and effectively. With accelerated development efforts, there is a large number of projects /programmes currently being implemented and the number is continuously increasing. Therefore, it is a challenge to monitor and evaluate all these projects/ programmes with the existing capacity of the DPMM. Some of the identified challenges faced by DPMM are: high staff turnover in Ministries and Departments (including the DPMM), limited take-up / use of the system by the line ministries, low quality of the data collected, limited use of data for decision making and limited follow up on linking budgetary allocations to ministerial performances based on key performance indicators (KPIs). One of the main concerns is whether there would be continued funding for maintaining the information management system and conducting the training for the ministry officials on the use of the system.

II. STRATEGY

The main objective of the project is to assist the DPMM to position itself strategically, to assume its role and quickly grow and evolve into a centre of excellence in coordination, monitoring, evaluation and troubleshooting.

To achieve this objective, the challenges outlined above will need to be addressed. In order to institutionalize effective and robust monitoring and evaluation arrangements, it is important to strengthen the engagement of stakeholders, to institutionalize procedures, and to strengthen incentive and accountability mechanisms. In addition, the current INDIS and EIS will require further strengthening along with technical support to develop a rapid assessment method to help the process of informed decision making. For the DPMM to move from the current monitoring mode towards project management mode whereby tracking progress, diagnosing problems and troubleshooting are more vital, there is a need for a wider buy-in into the Department's mandate by all stakeholders and by decision makers at the highest level. This will result in a stronger commitment by the Government to invest in project management and monitoring and greater allocation from the national budget which will allow the Department to upgrade its technical capacity and human resources to enable it to carry out its mission and support the effective management and implementation of projects.

Based on the lessons learned and to address the challenge of interest and coordination by concerned ministries and departments, it is proposed to establish a Steering Committee, whose membership comes from the Senior Management of Line Ministries and development partners/donors. The Steering Committee could define and communicate a common vision of performance management and monitoring for development results in Sri Lanka; ensure that there are strong horizontal (across ministries) and vertical (national /sub-national) linkages; and results frameworks and information systems are integrated well with existing ministry platforms and donor systems (e.g. Word Bank) and meet the needs of the various stakeholders.

Further, it is also important to advocate the excellent features of INDIS to policy- and decision-makers to encourage them to access the system and use the information. In parallel, it is also important to provide training to the Line Ministries and Project Officers to update the database. Because of the difficulty and the high cost of trying to modify and amend the INDIS system and to link it with the systems of the other departments of the Ministry of Finance and Planning, the Line Ministries and Projects, it is important to advocate for project data entry into the web based INDIS system, which will make all project information available in one platform. Already to some extent, data is being populated at the project level, which should be expanded to cover all development projects. The project will also advocate for the inclusion of the findings of joint evaluations, lessons learned and follow up recommendations in the EIS to ensure the use of evaluation findings in developing new projects.

UNDP made an investment in the INDIS system, by modifying the existing system and integrating other systems that were operating in the DPMM, and the system was managed and operated by both internal as well as outside experts hired by UNDP. At the stage of advocating and mainstreaming the system, the UNDP project has come to an end. The operational expertise has not been totally internalised, since the cadre not filled. As such, the core part of the institutionalization process has not been adequately attended to. Therefore, it is important and relevant to manage the institutionalization process with UNDP's interventions, through support for system administration, while the cadre position is filled, for long term sustenance of the system.

The project will support the following interventions to enhance the strategic positioning of DPMM:

Establishment of a Steering Committee (SC): Chaired by the Secretary to the Treasury, Ministry of Finance and Planning, the membership of the SC is proposed to come from the Senior Management of Line Ministries and development partners/donors. The SC will be called upon to define and communicate a common strategic vision of MfDR and performance management in Sri Lanka; ensure that there are strong

horizontal (across ministries) and vertical (national /sub-national) linkages; and all results frameworks of Ministries and Projects are streamlined and transferred to one common platform to meet the needs of development partners, DPMM and various other stakeholders. The Steering Committee could task Technical level Working Groups to identify policy areas on which DPMM can focus within its mandate to support the performance of projects and programmes.

Institutionalization of a RBM/MfDR system in Government: One of the activities towards the institutionalization of RBM/MfDR is to Strengthen the Project Management and Monitoring Capacity. This Project will support DPMM, other relevant Departments of the Ministry of Finance and Planning and Line ministries with improved systems and practices on Project Management and Monitoring. In this regard, the project will provide necessary inputs and facilitation to develop formats, skills, knowledge, exposure and other capabilities to achieve its objectives more effectively and efficiently.

A second activity to institutionalize RBM/MfDR is to enhance Performance Monitoring System and Strengthened Evaluation System. This will be achieved by making the INDIS system more operational by linking the Key Performance Indicators (KPIs) of line ministries to the sectors towards which they are contributing. This will help to evaluate the performance of Ministries as well as to link to the budgetary process. The KPIs, in turn, should be linked to project outputs/outcomes. This will allow for monitoring of the results at all levels. Sectoral indicators, which are already available, when linked to ministries' KPIs, will allow for results monitoring at a higher level. With regards to evaluation, the information collected and analyzed through the current evaluation system will need to be widely disseminated to project planners, managers, policy makers and development communities so that the lessons learned from past experiences will inform future development planning and implementation.

A third activity is to prepare/update manuals and training modules and to conduct Training of Trainers (ToT) in undertaking evaluations.

Adoption of INDIS by line ministries and projects: The project will support DPMM in advocating, through the Steering Committee, for the adoption of the INDIS system. Given the difficulty in trying to harmonize the different project information management system maintained by the Project Directors, the project will advocate for project data entry into INDIS, which will make all project information available in one platform. In this regard, buy-in by the leadership of line ministries and government departments and training of human resources in the use of INDIS will ensure wider usage of INDIS system as a platform in the public sector management. Once INDIS's value added is realized by line ministries and its usage is streamlined, its maintenance will become a shared responsibility among its users.

Strengthening accountability mechanisms: This will encourage the use and adoption of RMB/MfDR in Government. One activity is for the Steering Committee to strongly advocate for linking the annual budget allocations to the ministries' KPIs as entered and monitored in the INDIS.

III. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework:

UNDAF/CPD outcome #2: Strengthened provision of, access to and demand for equitable and quality social services delivery and enhanced capacity of national institutions for evidence-based policy development.

Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and targets: Number of districts that have functional monitoring mechanisms, addressing demands for quality services and promoting dialogue between service providers and community members. **Baseline:** 6 districts. **Target:** 25 districts and all 310 Divisions.

Applicable Key Result Area (from 2008-11 Strategic Plan): Democratic Governance; Poverty Reduction and Achievement of MDGs

Partnership Strategy

Project title and ID (ATLAS Award ID: 00075059): Strategic Positioning of the Department of Project Management and Monitoring (DPPM)

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
Output 1 Steering Committee (SC) established and functional. Baseline: 1. No SC in place 2. No common strategic vision of MfDR and performance Management. Indicators: 1. *Issuance of a Ministerial/departmental decree establishing the SC* 2. Frequency of meetings of the SC (SC meets twice annually)	Targets (year 1): 2013 SC in place chaired by the Secretary/Finance and Planning or representaive ensures links between all parties to meet MfDR and Performance targets - Level of progress made towards defining a common strategic vision of MfDR and performance management in Sri Lanka. Targets (year 2): 2014 - A common strategic vision of MfDR and performance management is defined by the SC and practiced in Sri Lanka.	**1 Activity Result.** Steering Committee (SC) established (ST representative, DG/DPMM, CD/UNDP and any other officials identified by DG/DPMM) - Action 1. Convene the first meeting of the Steering committee - Action 2. SC meets twice yearly to advocate the use of a common strategic vision for project management and monitoring and to monitor progress	*DPMM/Ministry Of Finance & Planning*	*US$ 5,000*
Output 2 RBM/MfDR system in government institutionalized.	Targets (year 1) 2013 - 50% of entities monitored by DPMM use common date	**1. Activity Result:** Skills, knowledge, exposure, preparation of formats and other capabilities built to enhance M&E capacity. ■ Action 1. Awareness workshop	*DPMM* *Development Ministries*	

Activity Result / Actions	Baseline / Indicators / Targets	Budget
(orientation) to all line Ministries/Departments, development partners on existing system capabilities and requirements. ▪ Action 2. Hire national consultant/resource person to prepare/update Formats for Results frame works, score cards and for common data entry and prepare/update guidelines. ▪ Action 3. Under the guidance of the Consultant/resource person, DPMM officers conduct training to impart knowledge and skills to counterparts in other line Ministries/Departments/ projects.	Baseline: Limited use of existing systems for results monitoring and development of new project proposals. formats for data entering -20% % of line Ministries use scorecards for performance monitoring of KPI's and sectoral indicators. -20% Government ministries have RBM/MfDR institutionalized Targets (year 2): 2014 - 56 Evaluation findings and lessons learned placed in EIS and entities use the information in EIS	10,000
2 Activity Result: Performance Monitoring enhanced and evaluation system used in preparation of new project proposals. Action ▪ Action 1.Hire consultant to update KPI's and sectoral indicators and link the two ▪ Acton 2. Activate use of score cards to evaluate performance through monitoring of KPI's and sectoral indicators. ▪ Action 3. DPMM continue to synthesise project evaluations to populate the EIS. ▪ Action 4. DPMM ensures new projects and Programmes, have factored in lessons learned from earlier projects. Organise exposure visit to DPMM officers, as required.	- 80% Projects monitored by DPMM use common data formats for data entering - All line Ministries use scorecards for performance monitoring of KPI's and sectoral indicators - All Ministries established Results Frameworks and regular data entering into the common systems through trained staff takes place. 1. 25% of entities (Ministries- MfDR, Ministries- Local Funded Projects and PMUs of Foreign Funded Projects) using common data formats for data entering. 2. Usage of Score cards for performance monitoring of KPI's and sectoral indicators not in place. 3. 46 Evaluation findings and lessons learned placed in EIS and entities use the information in EIS 4. 8 Ministries established Results Frameworks. 4.1 No Regular data entering into the common systems through trained staff not taking place.	15,000 15,000
3. Activity Result: SC ensures coordination among different stakeholders. ▪ Action 1. Advocate for the use of a single platform (INDIS) among all stakeholders through circular instructions/ trainings.	Indicators: 1. % of entities (Ministries- MfDR, Ministries- Local Funded Projects and PMUs of Foreign Funded Projects) using common data formats for data entering. 2. Level of usage of Score cards for performance monitoring of KPI's and sectoral indicators. 3. Number of evaluation findings and lessons learned placed in EIS and entities use the information in EIS 4. Number of Ministries with established Results Frameworks. 4.1 Regularity of data entering into the common systems through trained staff	8,000 10,000

not taking place.

Output / Baseline / Indicators	Targets	Activity Result	Responsible	Budget
Output 3 INDIS adopted by line ministries and projects **Baseline:** only 70% of projects (Foreign Funded) enter data on situ but *information is incomplete in some cases* **Indicators:** - % of projects entering data on situ on the same platform - Frequency of DPMM verifications of the data entry accuracy entries.	Targets (year 1) 2013 - Data entry into one platform will eliminate duplication of data entry to different systems and information available to all users of INDIS for public sector management. -70 % of projects (Foreign funded) enter complete information in INDIS - DPMM conducts verification twice a year Targets (year 2)2014 -90% of foreign funded projects and 50% of the <u>large scale</u> projects enter data in INDIS - DPMM conducts verification four times a year	**1 Activity Result: Project data entry into** INDIS will make all project information available on one platform. ■ Action 1. Obtain feedback from stakeholders to meet their requirements and do the modifications to the system, through hiring a system developer. ■ Action 2. Leadership of line ministries and government departments adopt INDIS through decisions of the steering committee ■ Action3. Human resources trained in the use of INDIS by DPMM staff, using formats developed.	*DPMM* *UNDP*	*110,000* *15,000*
Output 4 Accountability mechanisms strengthened. **Baseline:** Government circular setting out requirement to link performance (KPI's) of Ministries in budgetary allocations for the ensuing year is not enforced strictly Indicators: Level of enforcement of the government circular setting out requirement to link performance	Targets (year 1):2014. The adoption of RBM/MfDR in Government for public sector management and accountability is indicated by statements made during budgetary process with reference to achievement of KPI's -Linking the annual budget allocations to the ministries' KPIs as entered and monitored in the INDIS.	**1 Activity Result: With performance** monitoring linked to budgetary allocations, all authorities will be incentivised to practice RBM. ■ KPI's/Sectoral indicators updates as required. Hire consultant ■ Action 1. Scored cards in operation and monitored by DPMM ■ Action 2. Budget department evaluate performance via score cards for budgetary allocations.	*DPMM* *UNDP* *Budget Dept.*	*7,500*

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(KPI's) of Ministries in budgetary allocations for the ensuing year	- -			
Output 5	Targets (year 1): System Management continued with hired Systems Analyst	1 **Activity Result:** With full-time system analyst/administer in place, the sustainability of INDIS is ensured	*DPMM* *UNDP*	
Project management and Administration.	- -	▪ Action 1. Continue hiring of System Analyst/Administrator for a further one year		*19,500*
Baseline: INDIS and EIS in operation and managed by a hired systems analyst/administrator (SA).	Targets (year 2): Cadre position filled, and system fully managed by DPMM	▪ Action 2. Fill the position of the Systems analyst/Administrator and provide training.		
Project management does not have a system to ensure institutionalization of RBM	- -	2 As per SC decisions, empower DPMM staff to monitor projects and ministries, with reference to data entry and achievement of KPI's		
Indicators: Cadre position to the systems analyst/administrator post filled, and fully managed by the DPMM		▪ As per SC directive. DPMM staff visit at least once a year, ministries and projects for monitoring purposes.		*10,000*
Based on decisions made at the SC, DPMM staff makes periodic visits to Ministries to monitor performances as indicated by KPI's and to Projects to Monitor data enter to INDIS in situ.				

Year: 2013

EXPECTED OUTPUTS And baseline, indicators including annual targets	PLANNED ACTIVITIES List activity results and associated actions	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
Output 1: Steering Committee (SC) established and functional. *Baseline:* *1. no SC in place* *2. No common strategic vision of MfDR and performance Management.* *Indicators: issuance of a Ministerial decree establishing the SC* Frequency of meetings of the SC *Target (year 2013):* *1. SC in place chaired by the Secretary/Ministry of Finance and Planning or his representative.* *2. SC meets twice annually* *3. Level of Progress made towards defining a common strategic vision for MfDR and performance management.*	**1. Activity Result:** Steering Committee (SC) established (ST representative, DG/DPMM, CD/UNDP and any other officials identified by DG/DPMM) - Action 1. Convene the first meeting of the Steering committee - Action 2. SC meets twice yearly to advocate the use of a common strategic vision for project management and monitoring and to monitor progress			X		DPMM, UNDP	No funding required		
				X	X				
Output 2: RBM/MfDR system in government institutionalized.	*1. Activity Result: knowledge and skills developed towards M&E capacity.*			X		DPMM	UNDP		
Baseline: Limited use of exisiting systems for results monitoring	- Action 1. Conduct orientation and awareness raising workshops to all Ministries/ Departments, development			x		DPMM/UNDP	UNDP		8,000

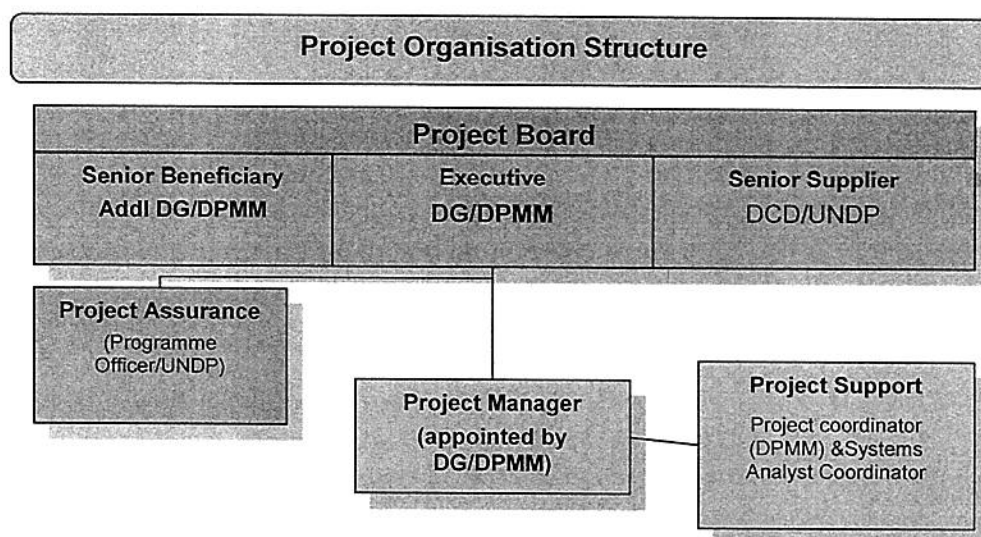|		X	DPMM	UNDP	
and development of new project proposals. **Indicators:** 1. 25% of entities (Ministries- MfDR, Ministries- Local Funded Projects and PMUs of Foreign Funded Projects) using common data formats for data entering. 2. Usage of Score cards for performance monitoring of KPI's and sectoral indicators not in place. 3. 46 Evaluation findings and lessons learned placed in EIS and entities use the information in EIS 4. E08 Ministries established Results Frameworks. 4.1 Regular data entering into the common systems through trained staff not taking place. . **Targets:** - 50% of projects monitored by DPMM use common date formats for data entering -20% % of Ministries use scorecards for performance monitoring of KPI's and sectoral indicators. -20% Government ministries have RBM/MfDR institutionalized	partners on existing system capabilities and requirements. - Action 2. Hire national consultant to prepare/update formats for Results frame works, score cards and for common data entry and prepare/update guidelines. - Action 3. Under the guidance of the Consultant, DPMM officers conduct training to line ministries, departments and projects. **2. Activity Result: Performance Monitoring enhanced and evaluation system used in preparation of new project proposals.** Action 1. Hire consultant to update KPI's and sectoral indicators and link the two together. Acton 2. Activate use of scorecards to evaluate performance through monitoring of KPI's and sectoral indicators. Action 3. Continue to synthesise project evaluations to populate the EIS. Action 4. Ensure new projects and programmes, have factored in lessons learned from earlier projects. Action 5. Organise exposure visit to DPMM officers, as required.	X			6,000 6,000 2,000

Output / Baseline / Indicators / Targets	Activity / Action			Responsible	Budget
Output 3: INDIS adopted by line ministries and projects	*Activity Result 1. Availability and easy accessibility of all project data in the INDIS system*			DPMM/UNDP	30,000
Baseline:					
1. Data entry into INDIS at present only 70% of projects (Foreign Funded) but information *is incomplete in some cases*	- Action 1. Obtain feedback from stockholders to meet their requirements and do the modifications to the system, through hiring system developer.	X		DPMM	
	- Action 2. Leadership of all entities adopt INDIS through decisions of SC.	X	X	DPMM	
2. Limited verification by DPMM of data entry in INDIS.	Action. 3. Train human resources in the use of INDIS using formats developed. (*Will start in 2014 after system modification is done*)			UNDP	
Indicators:					
1. 70 % of projects (Foreign funded) enter complete information in INDIS				UNDP	
2. Frequency of DPMM's verifications of the data entry accuracy once a year.				DPMM	
Targets:					
-70 % of projects (Foreign funded) enter complete information in INDIS - DPMM conducts verification twice a year			X	DPMM	
Output 5. Project management and Administration	Activity Result: With full time system analyst/administer in place, the sustainability of INDIS is enhanced.				10,000
Baseline:	- Action 1. Continue hiring of System Analyst/Administrator for a further one year				
1. INDIS and EIS in operation and managed by a hired systems	Action 2.. Fill the position of the Systems				5,000

analyst/administrator (SA). 2. DPMM does not have a system to ensure institutionalization of RBM **Indicators:** 1. Change of the systems analyst/administrator position from a temporary to a permanent position. 2. Frequency of visits by DPMM staff to Ministries to monitor performances as indicated by KPI's and to projects to monitor data enter to INDIS in situ. **Targets:** 1. Cadre position to the systems analyst/administrator post filled, and fully managed by the DPMM 2. Based on decisions made at the SC, DPMM staff makes periodic visits to Ministries to monitor performances as indicated by KPI's and to Projects to Monitor data enter to INDIS in situ.	analyst/Administrator and provide training. -Action 3. As per SC decision, DPMM staff monitor projects and ministries, with focus on data entry and achievement of KPI's -Action 4. As per SC directive, DPMM staff visit at least once a year, ministries and projects for monitoring purposes.
TOTAL	67,000

V. II. Management Arrangements

As a two year additional assistance to the Department of Project Management and Monitoring (formally Department of Foreign Aid and Budget Monitoring), the management arrangement used in the earlier phase (2009 to 2012) of the project, the National Implementation Modality (NIM), will be maintained.

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│                   Project Organisation Structure                   │
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│                          Project Board                             │
├──────────────────────┬──────────────────┬────────────────────────┤
│  Senior Beneficiary   │    Executive     │     Senior Supplier     │
│   Addl DG/DPMM        │    DG/DPMM       │       DCD/UNDP          │
└──────────────────────┴──────────────────┴────────────────────────┘

┌──────────────────────┐
│  Project Assurance    │
│    (Programme         │
│   Officer/UNDP)       │                         ┌────────────────────┐
└──────────────────────┘                         │  Project Support   │
                    ┌──────────────────┐          │ Project coordinator│
                    │  Project Manager │          │ (DPMM) &Systems    │
                    │  (appointed by   │          │ Analyst Coordinator│
                    │    DG/DPMM)      │          └────────────────────┘
                    └──────────────────┘
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A Project Board (PB) will be constituted by the Director General, Department of Project Management and Monitoring (DG/DPMM) for purposes of reviewing and guiding the implementation of project activities. The PB will have an 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 report as well as manage risks and issues. It will approve the appointment and responsibilities of the Project Manager (PM) and will define the latter's responsibilities. It will provide consensus based management decisions, when 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 PB 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. It will set the tolerance level for the National Project Manager in terms of allowed deviations from the agreed budget. The PB will meet twice annually or more frequently if deemed necessary. The proceedings of all Project Board meetings will be recorded. The extent to which the UNDP Programme Officer will be delegated quality assurance responsibilities will be determined during the first Project Board meeting and will be indicated in writing.

The Project Board will include representation from DPMM, Department of External Resources, Department of National Planning, UNDP and other partners as deemed relevant by the DG/DPMM.

The Project will function under the ambit of the DG/DPMM who will be designated as the Senior Executive and will have ultimate responsibility for the project, supported by the Senior Beneficiary and Senior Supplier. As part of the responsibilities of the PB, 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 Senior Executive will be responsible for signing the Annual Work Plan (AWP) for the following year, as approved by the PB, on behalf of the Implementing Partner as well as approving and signing the Combined Delivery Report (CDR) at the end of the year. The Senior Executive will be responsible for delegating authority to a Responsible Officer within the Ministry for signature of the Funding Authorization and Certificate of Expenditures (FACE) form as well as any other project related documentation.

The UNDP Deputy Country Director will represent 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 PB, the 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 and opinions on implementing any proposed changes and arbitrating on and ensuring resolution of input/resource related priorities or conflicts.

The Additional DG/DPMM will serve as the Senior Beneficiary with the primary function of ensuring the realization of project results 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 on the implementation of any proposed changes, and helping to resolve priority conflicts.

The Project will be housed in the Department of Project Monitoring and Management.

The DG/DPMM will appoint a National Project Manager (NPM) from within the staff of the Department of PMM to be responsible for overseeing the day-to-day implementation of the project activities and the supervision of contracted project staff including technical assistance. The NPM is responsible for project implementation, financial management, administration, monitoring and reporting. This includes providing direction and guidance to the project team and liaising with the PB and UNDP Programme Officer to monitor the direction and integrity of the project. The NPM should act as secretariat of the PB with the responsibility to call meetings, distribute information and follow up on their recommendations. The NPM will be responsible for managing the realization of project outputs through activities as specified in a jointly (UNDP-DPMM) agreed annual workplan and within specified constraints of time and cost. This includes: planning activities, preparing annual workplans & 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

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Expenditures); managing, monitoring and updating the project risks as initially identified and submitting new risks to the PB for consideration and decision on possible actions; managing issues and requests for change by maintaining an Issues Log; preparing the Project Quarterly Progress, Annual and Final Reports and submitting reports to the PB and UNDP Programme Officer and managing and facilitating transfer of project deliverables, documents, files, equipment and materials to national beneficiaries at project closure.

As delegated by the Project Board, **the designated UNDP Programme Officer, supported by the UNDP Programme Associate** will assist the Project Board in its role of **Project Assurance**. In undertaking this role, the UNDP Programme Officer 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. The UNDP Programme Officer will assist the Project Board by performing 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 output(s) and activities, including description and quality criteria, risks and issues are properly recorded and are regularly updated in Atlas. The UNDP Programme Officer 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 Officer 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.

III. Financial Procedures

The project is be funded through UNDP core resources.

Under the Harmonized Cash Transfer system (HACT) 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; 4) Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners.

It will be the responsibility of the National Project Manager to liaise with the UNDP Programme Associate to prepare a consolidated Financial Authorisation and Certification of Expenditure form 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 23 May 2013, UNDP shall recover the cost of providing the support services outlined above. The manner and method of cost-recovery by the UNDP Country Office in providing the support services shall be specified in the annex to the project document. (See Annex II)

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

VI.   IV. MONITORING FRAMEWORK AND EVALUATION

The project will be monitored against the attached workplan and quality criteria tables which build on the CPAP M&E Framework. Progress against each of the indicators will be reviewed at least annually, and the tracking table updated accordingly.

<u>Within the annual cycle</u>

- ➤ On a quarterly basis, 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.

- ➤ Based on the above information recorded in Atlas, **Quarterly Progress Reports** (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard UNDP report format. The signed QPR for the previous quarter shall be submitted with the Quarterly Work Plan and FACE form by each NIM project to the concerned programme units for the release of quarter advance.

- ➤ 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

<u>Annually</u>

- ➤ Field visits will take place as required, but at minimum, annually.
- ➤ **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level. The M & E Framework and updated Tracking Tool will be annexed to the Annual Review Report.
- ➤ **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes. If necessary, following the Annual Project Review, the Annual Review Report should be revised and finalized.

Quality Management for Project Activity Results

OUTPUT 1: Steering Committee (SC) established and functional		
Activity Result 1 (Atlas Activity ID)	**Steering Committee (SC) established**	Start Date: End Date:
Purpose	*Provide strategic direction and ensure the strategic positioning of DPMM*	
Description	- Action 1. Convene the first meeting of the Steering Committee (SC) - Action 2. SC meets twice yearly to advocate the use of a common strategic vision for project management and monitoring and to monitor progress	
Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. what method will be used to determine if quality criteria has been met?*	**Date of Assessment** *When will the assessment of quality be performed?*
issuance of a Ministerial decree establishing the SC Frequency of meetings of the SC	SC Meeting minutes	Start Date: 15 Sept 2013 End Date: 30 June 2014

OUTPUT 2: RBM/MfDR system in government institutionalized		
Activity Result 1 (Atlas Activity ID)	*Knowledge and skills developed towards M&E capacity.*	Start Date: End Date:
Purpose	*Supports the institutionalization of RBM/MfDR in government*	
Description	- Action 1. Conduct orientation and awareness raising workshops to all Ministries/ Departments, development partners on existing system capabilities and requirements. - Action 2. Hire national consultant to prepare/update formats for Results frame works, score cards and for common data entry and prepare/update guidelines. - Action 3. Under the guidance of the Consultant, DPMM officers conduct training to line ministries, departments and projects.	
Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. what method will be used to determine if quality criteria has been met?*	**Date of Assessment** *When will the assessment of quality be performed?*
Updated formats, guidelines, .. etc.	Materials circulated among project directors	15th Dec 2013
Successful training to line Ministries	Material used for training and feedback reports	15th Dec 2013
Activity Result 2 (Atlas Activity ID)	*Performance monitoring enhanced and evaluation system used in preparation of new project proposals.*	Start Date: End Date:
Purpose	*Supports the institutionalization of RBM/MfDR in government*	

Description	Action 1. Hire consultant to update KPI's and sectoral indicators and link the two together.
	Acton 2. Activate use of scorecards to evaluate performance through monitoring of KPI's and sectoral indicators.
	Action 3. Continue to synthesise project evaluations to populate the EIS.
	Action 4. Ensure new projects and programmes, have factored in lessons learned from earlier projects.
	Action 5. Organise exposure visit to DPMM officers, as required.

Quality Criteria	Quality Method	Date of Assessment
how/with what indicators the quality of the activity result will be measured?	*Means of verification. what method will be used to determine if quality criteria has been met?*	*When will the assessment of quality be performed?*
KPI's and Sectoral Indicators linked	KPI's and Sectoral indicators are monitored through INDIS	30th Sept 2014
New Evaluations added to EIS	Number of Evaluations in the EIS has increased.	15th June 2014
Lessons learned from past evaluations factored in new proposals	Check new proposals for inclusion of past lessons and ways to mitigate challenges faced before.	15th Sept 2014

OUTPUT 3: INDIS adopted by line ministries and projects

Activity Result 1 (Atlas Activity ID)	*Availability and easy accessibility of all project data in the INDIS system*	Start Date: End Date:
Purpose	*Encourage the adoption of INDIS by line ministries and projects*	
Description	- Action 1. Obtain feedback from stockholders to meet their requirements and do the modifications to the system, through hiring system developer.	
	- Action 2. Leadership of all entities adopt INDIS through decisions of SC.	
	- Action. 3. Train human resources in the use of INDIS using formats developed. *(Will start in 2014 after system modification is done)*	

Quality Criteria	Quality Method	Date of Assessment
how/with what indicators the quality of the activity result will be measured?	*Means of verification. what method will be used to determine if quality criteria has been met?*	*When will the assessment of quality be performed?*
INDIS used by projects in situ	Increased use of INDIS to enter data in situ, and reduced data entry at DPMM.	15th June 2014

OUTPUT 4: Accountability mechanisms strengthened.

Activity Result 1 (Atlas Activity ID)	With performance monitoring linked to budgetary allocations, all authorities will be incentivised to practice RBM.	Start Date: End Date:
Purpose	*Enhancing development effectiveness*	
Description	- Action 1. KPI's/Sectoral indicators updates as required. Hire consultant	

	- Action 2. Scored cards in operation and monitored by DPMM - Action 3. Budget department evaluate performance via score cards for budgetary allocations.		
Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. what method will be used to determine if quality criteria has been met?*	**Date of Assessment** *When will the assessment of quality be performed?*	
Budgetary allocations based on performance	Study changes in budgetary allocation based on monitoring of performance of Ministries via scorecards	15th Dec 2014	

OUTPUT 5: Project management and Administration

Activity Result 1 **(Atlas Activity ID)**	With full time system **analyst/administer in place, the sustainability of INDIS is enhanced.**	Start Date: End Date:
Purpose	*Supporting the sustainability of INDIS system.*	
Description	- Action 1. Continue hiring of System Analyst/Administrator for a further one year - Action 2. Fill the position of the Systems analyst/Administrator and provide training. -Action 3. As per SC decision, DPMM staff monitor projects and ministries, with focus on data entry and achievement of KPI's -Action 4. As per SC directive, DPMM staff visit at least once a year, ministries and projects for monitoring purposes.	

Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. what method will be used to determine if quality criteria has been met?*	**Date of Assessment** *When will the assessment of quality be performed?*
Position of full time system administrator filled,	Internally assigned officer(s) trained and appointed as System Administrator	15th Dec 2014

VII.   LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated herein by reference, constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA); as such all provisions of the CPAP apply to this document. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner", as such term is defined and used in the CPAP and this document.

Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), 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. To this end, 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 the Implementing Partner's obligations under this Project Document [and the Project Cooperation Agreement between UNDP and the Implementing Partner][1].

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/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document".

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[1]

VIII. ANNEXES

Annex 1: Risk Log

#	Description	Date Identified	Type	Impact & Probability scale from 1 (low) to 5 (high)	Countermeasures / Mngt response	Owner	Submitted, by
1.	The success and sustainability of the project depends on the commitments by line ministries and projects to use results frameworks and data entry formats for monitoring and evaluation of results.	30th May 20131st November 2008	Organizational	Probability: 2 Impact: 2	The project will establish a Steering Committee Chaired by ST or his representative for directives and advocacy.	Secretary to Treasury, DG/ DPMM	UNDP Programme Officer
2.	The data entry to INDIS and Accuracy depends on the commitment by Project Directors	30th May 2013.	Organizational	Probability 2. Impact 2	Based on SC decisions, DPMM officers will train the Project Staff on Data entry formats etc, and will visit project sites to ensure data entry.	SC and DG/PMM	UNDP Programme Officer.
3.	Linking KPI to Budgetary Allocations	30th May 2013		impact 2.	UNDP will advocate at SC and Project annual meetings the importance of this for accountability.	SC, DGD/PMM, UNDP	UNDP Programme Officer
4.	High staff turnover within	30th may 2013		Impact 2	Advocacy to keep trained staff at least for 5 years in the Dept. a	SC, DG/DPMM	UNDP Programme Officer.

Attachment

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1.   Reference is made to consultations between [*insert name of Designated institution*], the institution designated by the Government of [*name of programme country*] and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed programme or project [*insert programme or project number and title*], "the Programme" [*or "the Project"*].

2.   In accordance with the provisions of the letter of agreement signed on [*insert date of agreement*] and the programme support document [*or project document*], the UNDP country office shall provide support services for the Programme [*or Project*] as described below.

3.   Support services to be provided:

Support services (insert description)	Schedule for the provision of the support services	Cost to UNDP of providing such support services (where appropriate)	Amount and method of reimbursement of UNDP (where appropriate)
1.			
2.			
3.			

4.   Description of functions and responsibilities of the parties involved:

Terms of Reference: TOR for key project personnel should be developed and attached

Capacity Assessment: Results of capacity assessments of Implementing Partner (including HACT Micro Assessment):